

BACKGROUND INFORMATION

Comprehensive Study pursuant to the
Canadian Environmental Assessment Act
of the

Labrador-Island Transmission Link

Proposed by:

Nalcor Energy

Prepared by:

Canadian Environmental Assessment Agency

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1.0 INTRODUCTION AND PURPOSE

The purpose of this document is to inform initial Aboriginal and public input into the comprehensive study environmental assessment process under the *Canadian Environmental Assessment Act* (the Act) for the proposed Labrador-Island Transmission Link (the Project).

The primary objective of federal environmental assessment is to make certain that a project is considered in a careful and precautionary manner in order to ensure that it is not likely to result in significant adverse environmental effects. The federal environmental assessment process aims to promote sustainable development and thereby achieve or maintain a healthy environment and economy, promote communication and cooperation among federal and provincial agencies, as well as with Aboriginal peoples, and provide opportunities for timely and meaningful public participation.

Based on a review of the project description for the Labrador-Island Transmission Link, the Canadian Environmental Assessment Agency has determined that the Project as described by the proponent is described in the *Comprehensive Study List Regulations* and that an environmental assessment of the Project is required.

At this early stage in the comprehensive study process, the Act requires that the Agency provide the public with an opportunity to comment on the Project and the conduct of the comprehensive study. A notice of this Aboriginal and public comment opportunity has been posted the Agency's website and comments will be received until August 20, 2010. Additional detail on the current comment period is included in Section 7.1 Current Aboriginal and Public Consultation Opportunity.

2.0 PROJECT SUMMARY

Nalcor Energy is proposing a 1,100 km Transmission Link from Gull Island in Central Labrador to Soldiers Pond on the Island's Avalon Peninsula. The transmission line will interconnect the Island portion of the province with the North American electricity system and displace existing generation from the inefficient and aging Holyrood Thermal Generating Station. Key components include:

- Converter station at Gull Island to convert alternating current to direct current.
- 450 kilovolt (KV) transmission line from Gull Lake to the Strait of Belle Isle (407 km).
- Cable crossing under the Strait of Belle Isle (27 to 36 km long depending on specific landing site alternatives).
- Transmission line from Strait of Belle Isle to Soldiers Pond (approximately 688 km depending on corridor options).
- Converter station at Soldiers Pond to convert alternating current to direct current.
- sea electrodes (with associated transmission lines) at Lake Melville (other site options have been identified and are being evaluated) and Conception Bay. The steel lattice transmission towers will be approximately 43m in height and carry three wires (two conductors and a ground).

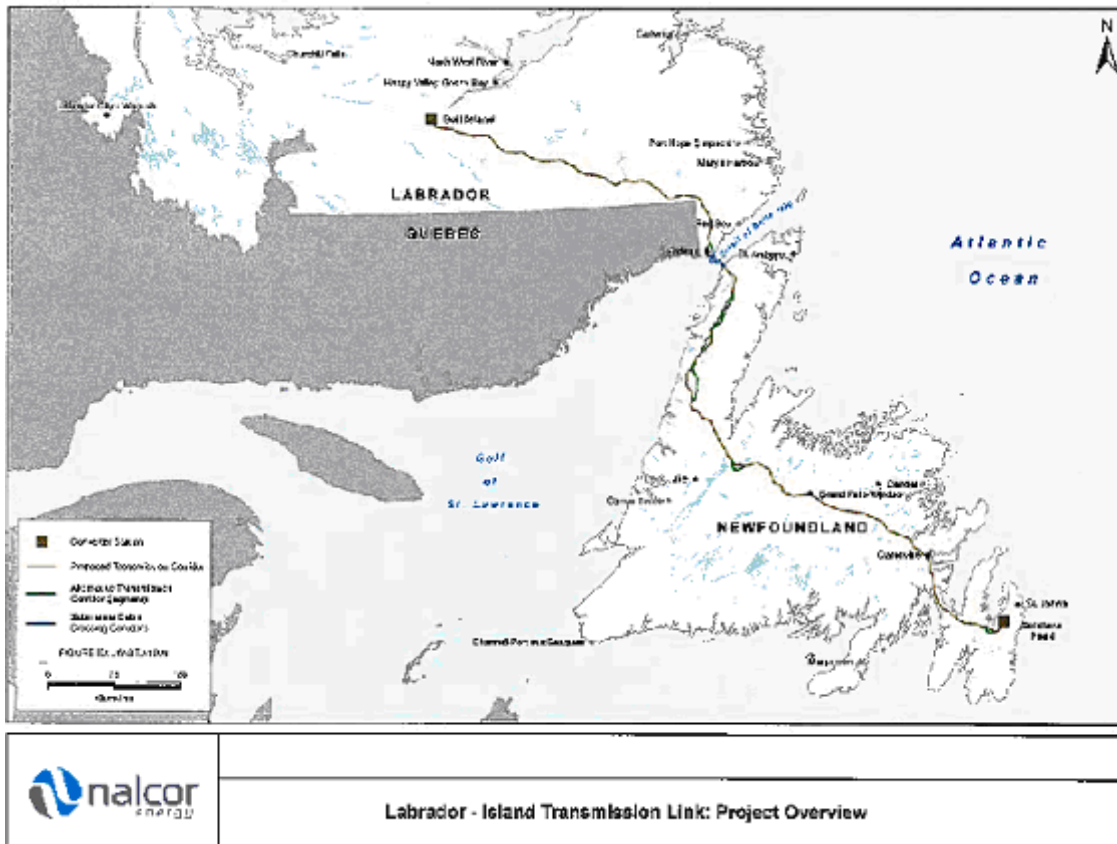


Figure 1: Proposed location of the Labrador-Island Transmission Link
 [Taken with permission from *Labrador-Island Transmission Link – Project Description*, revised September 15, 2009 (Nalcor Energy)].

Further details on the proposed Project are available from the Newfoundland and Labrador Department of Environment and Conservation (http://www.env.gov.nl.ca/env/env_assessment/projects/Y2010/1407/index.html), from the Major Projects Management Office (MPMO) (www.mpmo.gc.ca) and from Nalcor at <http://www.nalcorenergy.com/>.

Details of the Project can also be obtained from the Canadian Environmental Assessment Agency; contact information is contained in section 7.1 of this document.

3.0 REQUIREMENT FOR A FEDERAL ENVIRONMENTAL ASSESSMENT

Under section 5 of the Act, a federal environmental assessment may be required when, in respect of a project, a federal authority:

- is the proponent,
- makes or authorizes payment or any other form of financial assistance to a proponent,
- sells, leases or otherwise disposes of land, or

- issues a permit, licence or other form of approval pursuant to a statutory or regulatory provision identified in the *Law List Regulations* of the Act.

Based on a review of the project description and discussion with federal authorities, an environmental assessment under the Act is required on the basis of the following likely federal decisions (triggers):

- Fisheries and Oceans Canada Authorization under subsection 35(2) of the *Fisheries Act*,
- Transport Canada Approval under Part 1, Section 5 of the *Navigable Waters Protection Act*, and
- Environment Canada Permit under Section 127(1) of the *Canadian Environmental Protection Act*.

Industry Canada has indicated that additional information regarding the installation of telecommunication towers adjacent the Strait of Belle Isle is required before it can determine if it requires an environmental assessment of the Project.

The Parks Canada Agency, Department of National Defence, Natural Resources Canada and Health Canada have indicated that they possess specialist or expert information on specific aspects of the potential environmental effects of the Project.

A comprehensive study type of environmental assessment is required under the Canadian Environmental Assessment Act because the proposed Project is described in the *Comprehensive Study List Regulations* pursuant to Part II, paragraph 7, which states:

The proposed construction of an electrical transmission link with a voltage of 345 KV or more that is 75 km or more in length on a new right of way.

In accordance with the Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects, the proposed Project has also been identified as a “*major resource project*”. Additional information on the MPMO initiative is available at www.mpmo-bggp.gc.ca.

The Agency will perform the duties and functions of the responsible authority for the environmental assessment of the Labrador-Island Transmission Link. It will also act as the Crown Consultation Coordinator for the federal government.

4.0 JOINT CANADA-NEWFOUNDLAND AND LABRADOR ENVIRONMENTAL ASSESSMENT PROCESS

This Project is also being assessed by the Government of Newfoundland and Labrador under the *Environmental Protection Act*, pursuant to Section 34(1)(a) and 34(1)(d) of the *Environmental Assessment Regulations*. Canada and Newfoundland and Labrador intend to

harmonize the environmental assessment processes of the two jurisdictions to the extent possible to ensure that the requirements of the *Environmental Protection Act* and the federal *Act* that apply to the Project are met in an effective and timely manner. As a first step toward that objective, the two governments have agreed that a single Environmental Impact Statement Guidelines/Scoping Document is the most efficient and effective way to guide the Proponent in preparing an environmental assessment that will provide the type and quality of information and conclusions on environmental effects required to satisfy their respective legislative requirements.

5.0 OVERVIEW OF THE COMPREHENSIVE STUDY ENVIRONMENTAL ASSESSMENT PROCESS

The Agency and Newfoundland and Labrador have prepared draft Guidelines to guide the preparation of an Environmental Impact Statement. These Environmental Impact Statement Guidelines will be provided to Aboriginal groups and the public for review prior to finalization. Nalcor Energy will be responsible for preparing various Component Studies and an Environmental Impact Statement that assesses the environmental effects of the proposed Project. Upon completion, these document will be made available to the federal and provincial governments, Aboriginal groups and the public for review and comment. Finally, a Comprehensive Study Report detailing the Agency's conclusions on the environmental effects of the Project will be prepared. This report will be submitted to the Minister of the Environment and will also be made available for Aboriginal and public review and comment.

The Minister of the Environment will make a decision on the significance of environmental effects of the proposed Project based on the Comprehensive Study Report and any comments submitted on that report. The Minister may request additional information or require that Aboriginal and public concerns be further addressed before issuing an environmental assessment decision statement.

The environmental assessment decision statement sets out the Minister's opinion as to whether, taking into account the implementation of any mitigation measures and follow-up program that the Minister considers appropriate, the Project is or is not likely to cause significant adverse environmental effects. Once the Minister has issued the environmental assessment decision statement, the Project will be referred back to the responsible authorities for their respective decisions under s. 37 of the Act, followed by appropriate regulatory actions which may include issuing permits, licences or approvals, depending on the outcome of the environmental assessment.

6.0 SCOPE OF THE FEDERAL ENVIRONMENTAL ASSESSMENT

6.1 Scope of the Project to be Assessed

The scope of the Project for the purpose of environmental assessment pursuant to the *Act* includes all aspects of the proposal as described in Nalcor Energy's revised (September 15, 2009) Environmental Assessment Registration/Project Description document (available from the Newfoundland and Labrador Department of Environment and Conservation at http://www.env.gov.nl.ca/env/env_assessment/projects/Y2010/1407/index.html and from MPMO at www.mpmo.gc.ca).

6.2 Proposed Factors to be Considered in the Environmental Assessment

The scope of assessment defines the factors proposed to be considered in the environmental assessment and the proposed scope of those factors. The responsible authorities are required to consider the factors specified in section 16 of CEAA, taking into consideration the definitions of "environment", "environmental effect" and "project".

As defined under the Act, "environment" means the components of the Earth, and includes:

- a) land, water and air including all layers of the atmosphere,
- b) all organic and inorganic matter and living organisms, and
- c) the interacting natural systems that include components referred to in a) and b) above

As defined under the Act, "environmental effect" means, with respect to a project:

- a) any change that the project may cause in the environment, including any change it may cause to a listed wildlife species, its critical habitat or the residences of individuals of that species, as those terms are defined in subsection 2(1) of the *Species at Risk Act*
- b) any effect of any change referred to in paragraph (a) on
 - i) health and socio-economic conditions
 - ii) physical and cultural heritage
 - iii) the current use of lands and resources for traditional purposes by aboriginal persons, or
 - iv) any structure, site or thing that is of historical, archaeological, paleontological or architectural significance, or
- c) any change to the project that may be caused by the environment whether any such change or effect occurs within or outside Canada.

As defined under the Act, "project" means:

- a) in relation to a physical work, any proposed construction, operation, modification, decommissioning, abandonment or other undertaking in relation to that physical work, or
- b) any proposed physical activity not relating to a physical work that is prescribed or is within a class of physical activities that is prescribed pursuant to regulations made

under 59(b) [of CEAA]

Pursuant to section 16 of the Act, the environmental assessment will consider the following factors:

- environmental effects of the Project (including cumulative environmental effects and environmental effects of malfunctions or accidents that may occur in connection with the Project);
- significance of any such environmental effects;
- comments received from the public in accordance with the Act;
- technically and economically feasible measures and that would mitigate any significant adverse environmental effects of the Project;
- purpose of the Project;
- alternative means of carrying out the Project that are technically and economically feasible and the environmental effects of any such alternative means;
- need for, and the requirements of, any follow-up program in respect of the Project;
- capacity of renewable resources that are likely to be significantly affected by the Project to meet the needs of the present and those of the future;
- consideration of the need for the Project and alternatives to the Project.

Under section 79 of the *Species at Risk Act*, the responsible authorities must identify adverse effects of the Project on listed species and their critical habitat or residences. The responsible authorities must also ensure that measures are taken to avoid or lessen adverse effects and that effects are monitored. Mitigation measures must be consistent with recovery strategies and action plans for the species.

6.3 Proposed Scope of the Factors to be Considered

The Agency and Newfoundland and Labrador are preparing Guidelines to direct the proponent's preparation of an Environmental Impact Statement. The purpose of this document is to identify for the Proponent, Nalcor Energy, and interested parties, the nature, scope and extent of the information and analysis required in the preparation of the Environmental Impact Statement. Prior to finalization, these guidelines will be available for Aboriginal and public comment. Notices of the comment period and the guidelines will be posted on the Agency's internet registry site and the Newfoundland and Labrador Department of Environment and Conservation website.

7.0 PUBLIC PARTICIPATION AND ABORIGINAL CONSULTATION

Aboriginal and public participation is a component of the Comprehensive Study Review process. In addition to this opportunity to provide comment, Aboriginal groups and the public will also be invited to comment on:

- the draft guidelines for the Environmental Impact Statement;
- the Environmental Impact Statement; and
- the Comprehensive Study Report.

Participant funding will be made available through the Participant Funding Program, which is described below in Section 7.2.

7.1 Current Aboriginal and Public Consultation Opportunity

At this time, Aboriginal groups and the public, based on the information provided in this document as well as the Registration/Project Description for the Project, are invited to comment on the Project and the conduct of the comprehensive study.

Persons wishing to submit comments may do so in writing to the Canadian Environmental Assessment Agency. Comments must be received by close of business day August 20, 2010. Comments should be sent to:

Bill Coulter
Project Manager
Canadian Environmental Assessment Agency
1801 Hollis Street, Suite 200
Halifax NS B3J 3N4
Telephone: 902-426-0564
Fax: 902-426-6550
Email: Labrador-Island.TransmissionLink@ceaa-acee.gc.ca

Please be as detailed as possible and clearly reference the Labrador-Island Transmission Link and the Canadian Environmental Assessment Registry file number 10-03-51746 on your submission. Please note that all comments received are considered public and will become part of the public registry.

7.2 Participant Funding

The Government of Canada, through the Canadian Environmental Assessment Agency, will provide funding to assist Aboriginal groups and other groups and individuals to take part in the comprehensive study of the Labrador-Island Transmission Link Project. Information on the Participant Funding Program, including the Participant Funding Program Guide and the application form are available at: www.ceaa-acee.gc.ca.

To receive funding, successful applicants must participate in the environmental assessment by reviewing and commenting on documents, preparing technical analyses, attending meetings or contributing by other means.

Notices regarding the availability of participant funding will be posted on the Canadian Environmental Assessment Registry internet site prior to the draft guidelines for the Environmental Impact Statement being released for Aboriginal and public review and comment. (www.ceaa.gc.ca, CEAR reference number 10-03-51746).

7.3 Canadian Environmental Assessment Registry

Pursuant to section 55 of the Act, the Canadian Environmental Assessment Registry (CEAR) has been established to provide notice of the environmental assessment and to facilitate access to records related to the environmental assessment. The CEAR consists of a project file and an internet site. The internet component of the CEAR can be accessed at www.ceaa-acee.gc.ca under reference number 10-03-51746.

7.4 Aboriginal Consultation

The federal Crown's duty to consult and, where appropriate, accommodate Aboriginal groups arises when it contemplates conduct that might adversely impact potential or established Aboriginal or treaty rights.

Consultations that occur through the environmental assessment process will be used by the federal Crown to assist it in understanding Aboriginal groups' concerns and, as appropriate, in addressing those concerns.

The Agency is the federal Crown consultation coordinator for this environmental assessment, and as such, will work closely with federal authorities, the Province of Newfoundland and Labrador, the proponent and potentially affected Aboriginal groups, to coordinate consultation activities as much as possible. The Aboriginal groups and communities to be contacted, in Newfoundland and Labrador, are the Innu Nation, the NunatuKavut and the Nunatsiavut Government and, in Quebec, the Innu communities of Uashat Mak Mani-Utenam, Ekuanitshit, Nutaskuan, Unamen Shipu, Pakuashipi, Matimekush-Lac John, and the Naskapi Nation of Kawawachikamach.

8.0 FURTHER INFORMATION

The project description as proposed by the proponent is available at www.mpmo.gc.ca and at http://www.env.gov.nl.ca/env/env_assessment/projects/Y2010/1407/index.html. Additional information on the federal environmental assessment process is available at: www.ceaa.gc.ca.