

**PARTICIPANT FUNDING PROGRAM—REGULAR FUNDING ENVELOPE
FUNDING REVIEW COMMITTEE’S REPORT**

**ALLOCATION OF FUNDS FOR THE LABRADOR-ISLAND TRANSMISSION LINK
PROJECT**

The Participant Funding Program (PFP) is established pursuant to subsection 58(1.1) of the *Canadian Environmental Assessment Act* (the Act), which states: *For the purposes of this Act, the Minister shall establish a participant funding program to facilitate the participation of the public in comprehensive studies, mediations and assessments by review panels.*

A Funding Review Committee (FRC) was established independent of the environmental assessment (EA) of the Labrador-Island Transmission Link project (the Project), which is being conducted by means of a comprehensive study (CS). Its purpose was to assess applications received under the PFP – Regular Funding Envelope (RFE) for the Project, and to provide recommendations to the President of the Canadian Environmental Assessment Agency (the Agency) on whether funding should be provided and, if so, in what amount.

On February 7, 2011, a total of \$200,000 was made available under the RFE for the EA process of the Project to support participation in community-specific meetings and public comment activities (e.g. open houses) as well as for review and input on the:

- suite of Component Studies (various technical studies by Nalcor Energy [the proponent]);
- Environmental Impact Statement (EIS); and
- Comprehensive Study Report (CSR).

On April 4, 2011, the FRC met to review four applications received under the PFP – RFE, requesting a total of \$416,326.90 to participate in the EA process. The FRC members were Mr. Bruce Young, retired Director of Panel Management with the Agency, acting as Committee Chairperson; Mr. Raymond Hawco, Public Policy Consultant; and Mr. Lawrence Coady, Environmental Consultant.

BACKGROUND

The proponent is proposing a 1,100-kilometre (km) transmission line from Gull Island in central Labrador to Soldiers Pond on the Island of Newfoundland’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 Holyrood Thermal Generating Station with “clean, renewable energy.” Key components include:

- a converter station at Gull Island or Muskrat Falls (Generation Project area) to convert alternating current to direct current;
- a 450-kilovolt transmission line from the Generation Project area to the Strait of Belle Isle (407 km);
- a cable crossing under the Strait of Belle Isle (27 to 36 km in length depending on specific landing site alternatives);
- a transmission line from the Strait of Belle Isle to Soldiers Pond (approximately 760 km in length depending on corridor options);
- a converter station at Soldiers Pond to convert direct current to alternating current; and
- the likely installation of shore electrodes (with associated transmission lines) at the Strait of Belle Isle and Conception Bay South.

The proposed transmission line will transmit 800 megawatts of power from the Lower Churchill Hydroelectric Generation project to the Island of Newfoundland.

Project planning and design are currently at a stage of having identified a two km wide corridor for most of the on-land portions of the proposed transmission line and a 500-metre wide corridor for the proposed Strait of Belle Isle cable crossings, as well as various alternative corridor segments in particular areas.

The Agency, pursuant to the *Federal Coordination Regulations*, distributed the Project Description to federal authorities to determine federal interest in the Project. This EA was started as a screening on November 24, 2009. On April 14, 2010, as a result of the January 21, 2010 Supreme Court of Canada ruling in *MiningWatch Canada v. Canada* (Minister of Fisheries and Oceans et al.), it was determined that the EA in relation to this project will be continued as a CS.

As per the *Cabinet Directive on Improving the Performance of the Regulatory System for Major Resource Projects*, this EA has been identified as a major natural resource project.

On March 23, 2009, the proponent was advised by the Newfoundland and Labrador Minister of Environment and Conservation that an EIS is required under the *Newfoundland and Labrador Environmental Protection Act*. The Project is also subject to the Major Resource Projects Initiative. A cooperative assessment of this project with the provincial EA process has been planned.

ELIGIBILITY

Under the PFP – RFE, funding may be provided to applicants to support their input to an EA with the federal government. These activities must be linked to the EA of a proposed project through a CS, mediation or review panel.

To be eligible for funding, applicants must demonstrate that they meet one of the following eligibility criteria:

- have a direct, local interest in the Project, such as a residence in the area or historical or cultural ties to the area likely to be affected by the Project;
- have community knowledge or Aboriginal traditional knowledge relevant to the EA; or
- have expert information relevant to the anticipated environmental effects of the Project.

Three out of the four applications received were deemed to have met at least one of these criteria; therefore three of the applicants were found to be eligible for funding.

Under the PFP – RFE, applicants can request funding for expenditures related to:

- professional fees;
- staff salaries and benefits (for Participation Coordinator);
- travel expenses;
- honoraria for Elders and Chiefs to attend meetings and functions;
- ceremonial offerings related to receiving traditional knowledge in relation to the EA;
- administration and reporting;
- expenses related to local collection and distribution of information;
- office supplies and telephone charges;
- rental of office space and meeting rooms;
- other staff salaries and benefits;
- legal fees;
- general media, advertising and promotion;
- purchase of information material; and
- other detailed expenses, with supporting information.

RATIONALE FOR ALLOCATION

In reviewing the four applications and in reaching its conclusions and recommendations, the FRC took into consideration a number of factors including the following:

- Applicants who could demonstrate that they had met at least one of the following criteria were eligible for participant funding under the PFP:

- have a direct, local interest in the proposed Project, such as living or owning property in the project area;
- community knowledge or Aboriginal traditional knowledge relevant to the EA;
- expert information relevant to the anticipated environmental effects of the Project;
- The quality, clarity and content of the applications, particularly with respect to the alignment of each applicant's work plan and proposed activities:
- The eligible activities of the PFP – RFE for the Project, which include participation in community-specific meetings and public comment activities (e.g. open houses), and review of, and comment on, the suite of Component Studies, the EIS and the CSR.

Overall, the FRC was pleased with the quality of the applications, although certain clarifications and additional information were requested from one of the applicants. Nevertheless, given the considerations indicated above, the FRC recommends reductions to the funding requested by the applicants, to reflect both the eligibility of the proposed activities for funding and the amount of time considered reasonable by the FRC to undertake the proposed activities.

RECOMMENDATION

The FRC recommends awarding a total of \$138,417 to three applicants as follows:

- \$63,317 to the Newfoundland and Labrador Outfitters Association;
- \$47,300 to the Grand Riverkeeper Labrador Inc.; and
- \$27,800 to the Labrador Straits Development Corporation to participate in the EA process of the Project.

**THE PARTICIPANT FUNDING REVIEW COMMITTEE
LABRADOR-ISLAND TRANSMISSION LINK PROJECT**

REGULAR FUNDING ENVELOPE

Bruce Young, Committee Chairperson, retired Director of Panel Management with the Agency

Raymond Hawco, Public Policy Consultant

Lawrence Coady, Environmental Consultant

**RECOMMENDED PARTICIPANT FUNDING ALLOCATIONS
LABRADOR-ISLAND TRANSMISSION LINK PROJECT**

REGULAR FUNDING ENVELOPE

Applicant	Total allocation amount recommended
Newfoundland and Labrador Outfitters Association	\$63,317
Grand Riverkeeper Labrador Inc.	\$47,300
Labrador Straits Development Corporation	\$27,800
Southeastern Aurora Development Corporation	\$0
Total	\$138,417

