

July 28, 2016

Canadian Environmental Assessment Agency
Project Manager, Prairie and Northern Region
Tawanis Testart
Suite 1145, 9700 Jasper Avenue
Edmonton AB T5J 4C3

Re: AHP Development Corporation — Amisk Hydroelectric Project

Good day,

We are writing to provide an update regarding AHP Development Corporation's (AHP) proposed Amisk Hydroelectric Project (the Project) – a 370 MW run-of-river hydroelectric project that would be located on the Peace River approximately 28 km southwest of the town of Fairview and 15 km upstream of the Dunvegan Bridge on Highway 2.

We have enclosed an updated Project brochure to assist you in understanding the Project, the Project location, and application process. Also enclosed is a pamphlet providing information on public involvement in a proposed utility development by the Alberta Utilities Commission.

Please review the enclosed information. Additional information can be found on the Project website www.amiskhydro.com. If you would like to meet with us to discuss the project further, contact us at 1-844-287-1529 or info@amiskhydro.com.

This notice is provided in the interest of continuing open and honest communication between AHP and stakeholders.

Sincerely,
<Original signed by>

David Berrade, M. Dev.
Stakeholder Engagement Lead
AHP Development Corporation
Email: info@amiskhydro.com

Canadian Environmental
Assessment Agency
Edmonton
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d'évaluation environnementale
Edmonton

Step 6: The public hearing process*

The public hearing process provides an opportunity for those who have been unable to resolve their concerns with the applicant and have made a filing, to express their views directly to a panel of Commission members. The panel reviews the initial filings and grants what is referred to as standing to those who may be directly and adversely affected by the proposed project. Standing is necessary to continue involvement as an intervener in the proceeding which may include the filing of evidence and participation in an oral or written hearing.

The AUC will issue a notice of hearing setting out the hearing date, location and additional process steps and deadlines. An AUC public hearing operates similarly to a court proceeding and is a quasi-judicial process. The general public is welcome to attend as an observer and the hearings are often broadcast online so that those interested can listen-in.

Participants in a hearing can either represent themselves or be represented by legal counsel. In addition, participants may hire experts to assist in preparing and presenting evidence to support their position.

Persons who hire legal counsel or technical experts must be aware that while reimbursement for the costs of legal and technical assistance may be available under Rule 009, recovery of costs is subject to the Commission assessing the value of the contribution provided by counsel and technical experts. People with similar interests and positions are expected to work together to ensure that any expenditures for legal or technical assistance are minimized and costs are not duplicated.

Step 7: The decision

For electric transmission facilities, the need for transmission development filed by the Alberta Electric System Operator to the AUC must be considered to be correct unless someone satisfies the Commission that the needs application is technically deficient, or that to approve it would be contrary to the public

interest. For electric needs applications, the Commission can either approve, deny, or send the application back with suggestions for change.

Commission decisions made about applications filed for a specific utility development, including electric transmission lines, gas utility pipelines and power plants, may be approved, approved with conditions or denied. Decisions are typically released within 90 days from the close of the record as a written report. The decision, available on the AUC website, will summarize the Commission's findings and state its reasons for the decision with any conditions or approval time limits if applicable.

Sometimes needs and facility applications are considered together in a single proceeding.

Step 8: Right to appeal

A participant in a hearing who is dissatisfied with the decision of the Commission may request that the Commission review and vary its decision. Such a request must follow the procedure set out in Rule 016: *Review of Commission Decisions*.

A dissatisfied participant may also file a leave to appeal motion in the Court of Appeal of Alberta within 30 days from the date the decision is issued.

Step 9: Construction and operation

Any applicant that receives a permit to construct and licence to operate a facility from the Commission must adhere to any conditions that were set out in the decision. If you notice something during the construction or operational phases of a project that concerns you, bring this to the applicant's attention. If you are not satisfied with the response you receive, please bring your concerns to the attention of the AUC.

***Denotes opportunity for public involvement**

The Alberta Utilities Commission is committed to ensuring that Albertans whose rights may be directly and adversely affected by utility development in Alberta have the opportunity to have their concerns heard, understood and considered. If you believe you may be directly and adversely affected, you can become involved in the AUC application and review process.

Contact information

Phone: 780-427-4903
Email: consumer-relations@auc.ab.ca

Dial 310-0000 prior to the 10-digit number and then press 1 for toll-free access anywhere in Alberta.

Information session

It is our goal to ensure that you understand the process, and your opportunities for involvement in proceedings to consider utility development applications. For those interested in having an AUC staff member further explain the application and review process or answer questions you may have about your involvement in utility development proceedings, please contact us as we may schedule a formal information session for you. The virtual information session on our website, found under Involving Albertans, will also provide you with further details which could assist you in understanding the process and having your say in a utility development proceeding.

This brochure provides general information only. Specific participation opportunities may differ depending on the type of application.



Public involvement in a proposed utility development

Understanding your rights and options for participating in a proceeding to consider applications for a proposed project in your area

Application process

Step 1*
Public consultation by the applicant.

Step 2
Application filed with the AUC.

Step 3
The AUC issues a notice of application or notice of hearing.

Step 4*
Interested parties submit filings to the AUC with any outstanding issues or objections.

If the AUC does not receive any submissions, the application will be reviewed and a decision may be made without a hearing.

Step 5*
The AUC issues a notice of hearing, if it was not already issued in Step 3.

- Continued opportunity for consultation and negotiation with the applicant.

Step 6*
Public hearing.

Step 7
The AUC issues its decision. Below are the options the AUC may consider for:

Needs applications from the Alberta Electric System Operator:

- Approval of application.
- Return to the Alberta Electric System Operator with suggestions.
- Denial of application.

Facilities applications:

- Approval of application.
- Approval of application with conditions.
- Denial of application.

Step 8
Option to appeal decision or ask the AUC to review its decision.

Step 9
Approvals, construction and operation of facility, if approved.

Having your say

Early discussions with the applicant about proposed utility developments will often result in greater influence on what is filed in the application for approval. Utility developments include natural gas pipelines, electric transmission lines and substations (including Alberta Electric System Operator needs identification documents), and power plants. Should you have concerns related to a proposed utility development, it is best to have early and ongoing discussions with the applicant.

If your objections cannot be resolved, or you have outstanding concerns upon the filing of an application with the AUC, you have an opportunity to submit an initial filing with your objections in writing to the AUC containing the following information:

- How you may be affected by the proposed project and the location of your land or residence in relation to it or any alternative proposed in the application.
- The potential effect the proposed project may have on your property or interest in the property.
- A description of the extent to which you may be affected, and how you may be affected in a different way or to a greater degree than other members of the general public.

Following this initial filing, you may be able to fully participate in the proceeding. This could include having legal representation and participation in a public hearing. It is important to note that any applied for routes and segments (preferred and alternate) could be chosen as the approved route in the AUC decision.

Step 1: Public consultation prior to application*

Prior to filing an application with the AUC for the approval of a proposed utility development, the applicant is required to conduct public consultation in the area of the proposed project, so that concerns may be raised, addressed and if possible, resolved.

The requirements for consultation and notification, namely the participant involvement requirements, are set out in Rule 007 for electric facilities and Rule 020 for gas utility pipelines.

Potentially affected parties are strongly encouraged to participate in the initial public consultation, as early involvement in discussions with an applicant may lead to greater influence on project planning and what is submitted to the AUC for approval.

Step 2: Application to the AUC

When the participant involvement requirements have been completed, the proponent of the utility development files an application with the AUC. The application must indicate the issues which came up during the public consultation and any amendments considered or made to the project. Any unresolved objections or concerns which arose from the public consultation must be identified in the application.

*Denotes opportunity for public involvement

Step 3: Public notification

The Commission will issue a notice when it receives an application that, in the Commission's opinion, may directly and adversely affect the rights of one or more people. The notice is typically sent by mail to residents in the project area and may also be published in local newspapers. The notice will provide key dates, contacts and participation information for those interested in becoming involved in the application process.

Step 4: Public filings to the AUC*

If you have unresolved objections or concerns about the proposed project filed with the AUC for approval and wish to participate in an AUC proceeding, you must make an initial written filing. Your filing must include your contact information, concern or interest in the application, an explanation of your position and what you feel the AUC should decide. Please be aware that any information or materials filed with the AUC, except information granted confidentiality, is available to the public.

Filing your concerns

The eFiling System is a web-based tool created to manage applications and filings made to the AUC through a proceeding-based review. This system gives access to all public documents associated with applications filed with the AUC and is the most efficient way to provide your input to the AUC and monitor the related proceeding filings.

Those who do not have access to the Internet can send filings, evidence and other material by mail or fax and the AUC will upload the submission on your behalf.

Participant cost reimbursement

A person determined by the Commission to be a local intervener can apply for reimbursement of reasonable costs incurred while participating in an AUC proceeding. Details regarding recovery of participants' costs are described in Rule 009: *Rules on Local Intervener Costs*.

Step 5: Consultation and negotiation*

The Commission supports ongoing efforts to reach a positive outcome for the applicant and all affected parties. The Commission encourages the applicant and those who have made filings to continue to attempt to resolve any outstanding issues. If all concerns can be satisfactorily resolved this may eliminate the need for a formal hearing. However, if there continues to be unresolved issues, typically those matters will be addressed at an AUC public hearing.

Glossary

Baseline Studies – Studies done at a preliminary stage to gather current conditions prior to further examination.

Boat Transfer Facility - The system to facilitate moving boats around the headworks by a land portage vehicle. The final design is still being determined.

Dewatering – A term used in the Navigation Protection Act to describe drying up a navigable water.

Fish Passage - Made up of fishways, fish-friendly turbines, and/or fish ramps that will facilitate fish passage. The final design is still being determined.

Full Supply Level - This is the maximum normal operating level of the surface water in the head pond. The Full Supply Level in turn affects the overall area of the head pond.

Gated Spillway - Will control the headpond levels and the passage of river flows through the Project.

Headpond - A slower and deeper section of water situated upstream, and created by the presence, of the hydroelectric facility.

Headworks - The physical structures of the Project in the river including the dam structure, powerhouse, and spillways.

Hydroelectric Power - Electricity produced from the energy found in falling or fast-flowing water.

Hydrology - The study of the occurrence, distribution, movement, and properties of water on and below the Earth's surface and in the atmosphere.

Hydrogeology – The study of subsurface water including the geology of water-bearing rocks, the chemistry, physics, and movement of groundwater, and the principles governing groundwater movement.

Overflow Spillway - An outlet for overflow of the headpond during flood or loss-of-power scenarios.

Powerhouse - The structures, machinery, and associated equipment needed for generating electric energy within a hydroelectric dam.

Review Panel - A panel created by the Minister of the Environment (Minister) to review the EIA if the Minister is of the opinion that a project is in the public interest.

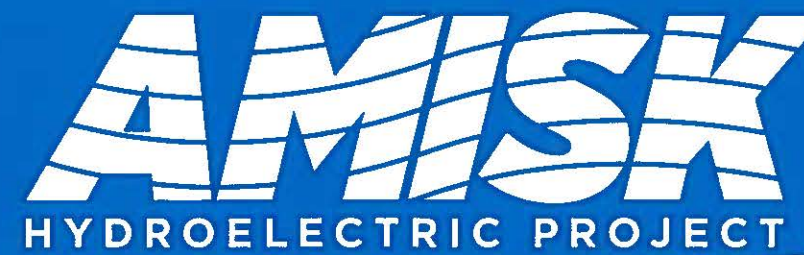
Run-of-River - A term used to describe hydroelectric facilities that do not have significant long-term storage (i.e. less than 48 hour retention time).

Sedimentation - Occurs when particles in water settle and come to rest against a barrier.

Switchyard - Also called switching station; is a substation without transformers, operating only at a single voltage level and located just before the transmission line.

Contact Us

If you have questions or would like to learn more about the Project, AHP encourages you to contact us at 1-844-287-1529 or at info@amiskhydro.com. Additionally, you can visit the Project website at www.amiskhydro.com.



Amisk Hydroelectric Project Update

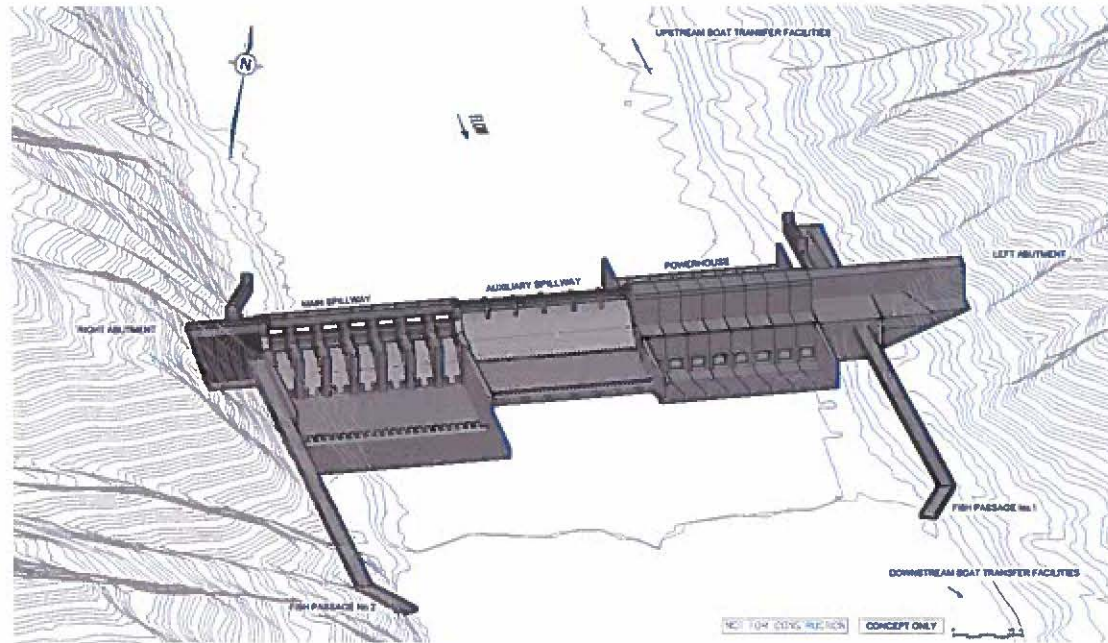
AHP Development Corporation (AHP) is providing an update on the Amisk Hydroelectric Project ("Amisk"/the "Project"). Amisk is a proposed run-of-river hydroelectric project, with an estimated maximum generating capacity of 370 MW on the Peace River in northwestern Alberta, 15 km upstream of the Dunvegan Bridge. The Project would generate approximately 2,588 GWh per year of renewable electricity, which is enough power supply for roughly 359,000 homes while producing minimal greenhouse gas emissions, in comparison to fossil fuels. The Project will result in significant revenue and jobs for the region and the province, while the resulting headpond will allow for an expansion in the type and quality of the recreational opportunities in the area.

The Need for Clean Energy

The Alberta government has announced that under their Climate Leadership Plan, emissions from all coal-fired generation in the province will be eliminated by 2030. The government also announced that two-thirds of the existing 6,300 MW of coal-fired generation will be replaced with renewable generation. Most renewable generation options, such as wind and solar, are intermittent sources of electricity that are not reliable at all times of day. Amisk is the only large-scale hydroelectric project currently planned for Alberta. Given the flow regime of the Peace River, the Project will generate a dependable volume of electricity for the province.

Project Updates

Updated Diagram of the Headworks



(Refer to Glossary for definitions/functions)

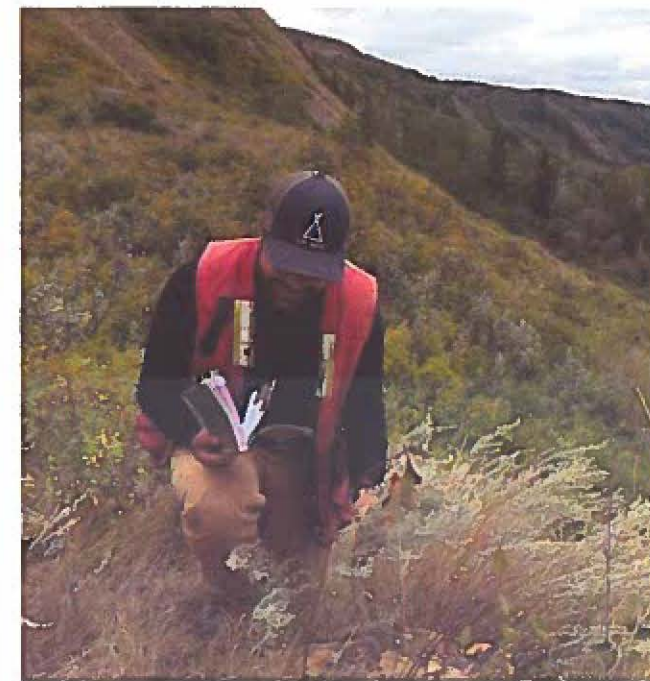
Based on study results, Project team evaluations and input from stakeholders, some key Project information that was released in 2015 has been updated. Updates relate largely to a potential increase of the full supply level by up to 7 metres above what was originally presented. This potential increase is being evaluated to maximize the use of the available hydrological resources without significantly changing the design of the dam structures. These updates are as follows:

Update	2016 Information	2015 Information
Increase in Water Level at the Headworks	Currently estimated to be a maximum of 24 m.	Originally estimated to be 17 m.
Extent of Headpond	Approximately 77 km upstream and will inundate 1,625 ha of Peace River valley banks.	Approximately 50 km upstream and will inundate 800 ha of Peace River valley banks.
Dunvegan West Wildland Provincial Park	Headworks and resulting headpond will directly impact approximately 485 ha of the Park.	Headworks and resulting headpond will directly impact approximately 295 ha of the Park
Proposed Headworks Location	14-25-80-6W6 (NE bank) and extends into 16-26-80-6W6 (SW bank). (200 metres downstream of originally proposed location due to more favourable engineering conditions)	4-36-80-6W6 (NE bank) and 1-35-84-6W6 (SW bank).
Anticipated Submission of EIA	2019	2016

Regulatory Process

One EIA report will be submitted to both federal and provincial regulatory authorities that will examine the environmental, social and economic impacts of the Project, describe their significance, identify any residual impacts, and provide management plans to mitigate these impacts.

A Joint Review Panel will be appointed by both the federal and provincial governments. This review process will include hearings to allow public participation. Should the Project be approved, additional regulatory applications will be made to various municipal, provincial, and federal agencies prior to commencement of construction.



Field Studies

AHP has performed partial baseline studies for the following aspects to be incorporated into the environmental impact assessment: air quality and noise, hydrogeology, hydrology, surface water quality, ice regime, river morphology and sediment transport, fish and fish habitat, geotechnical, terrain and soil, vegetation, wetlands, wildlife, biodiversity, transportation, historical resources, socio-economic, land use, human health, public safety, and traditional land use. Field studies are not planned for 2016, but are anticipated to continue in 2017.

Schedule/Timelines

AHP is continuing baseline and preliminary engineering studies to form the basis for an EIA that meets Alberta Environment and Parks (AEP) and Canadian Environmental Assessment Agency (CEAA) requirements. Both the Provincial Terms of Reference and the Federal Environmental Impact Statement Guidelines are available on the Project website (www.amiskhydro.com). AHP expects to submit its EIA regulatory application in 2019. Following the completion of the regulatory approval process and final design, construction could commence in 2021 with a construction time frame of approximately 5 years.

Consultation in relation to the EIA will continue through its development, submission, and review stages. Communication will be ongoing for the remainder of the Project's life-cycle.

AHP also anticipates the following projected impacts to parks and campgrounds:

Campgrounds

AHP anticipates that the existing recreation areas at Many Islands and at the Carter's Camp campground will be inundated but could be moved to a nearby location higher up the bank close to the new river's edge. Pratt's Landing will be inundated and will not have an option to be moved due to the steep terrain. AHP is currently evaluating options for new recreation areas on both sides of the river, both upstream and downstream of the headworks. AHP has committed to putting in place equal or improved campground opportunities before the Project becomes operational.



Dunvegan West Wildland Park

The Dunvegan West Wildland Provincial Park (the "Park") area impacted by the Project may need to be re-designated for other land use purposes through an Order-in-Council. AHP intends to compensate for any lands withdrawn from the 21,000 ha Park. It is estimated that approximately 485 ha of the Park will be directly impacted from the Project's headpond, headworks and access roads. AHP continues to work with the Government of Alberta to achieve a win-win scenario for both the Project and for the Wildland Park conservation.

Mitigation

To reduce the severity, of potential impacts, mitigation measures will be proposed by AHP as part of the Environmental Impact Assessment Report (EIA). The following mitigation measures are being considered: changes to Project design and construction practices, establishing spatial and temporal buffers, implementing construction and operational management plans, specialized training of workers, implementing compensation and offset plans, comprehensive environmental monitoring, and/or specific reclamation activities. AHP will continue to evaluate mitigation measures as part of the EIA.

Potential Impacts

The Project location was selected, in part, due to the existing topography which limits environmental and social impacts. The high, steep banks of the Peace River make the Project layout more efficient and help contain the extent of flooding. As with any project of this magnitude, there are both positive and negative potential impacts that will coincide with the construction and operation phases of the hydroelectric dam and its related infrastructure. To date, portions of field programs have been performed in order to gather baseline data with additional information scheduled to be gathered in 2017 to complete the study. The current understanding of areas of potential impacts are outlined below.

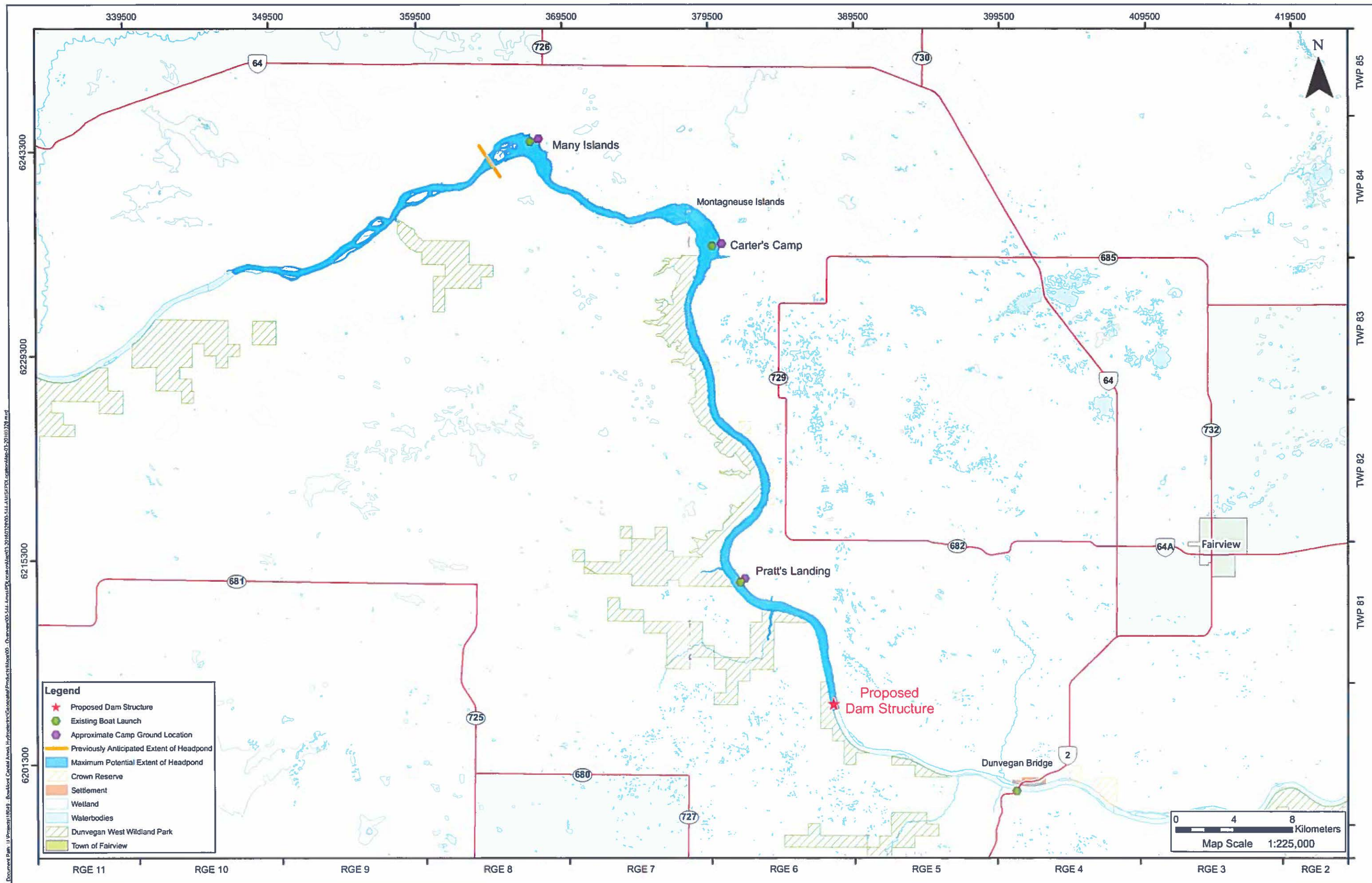
Potential Impacts	Construction	Operation
Soil erosion, soil quality and quantity	◆	◆
Forestry land capability from Project inundation and infrastructure and agricultural land capability from Project infrastructure (i.e., access roads, electrical transmission lines, etc.)	◆	◆
Wildlife, wildlife habitat, changes to wildlife movement patterns, and to local biodiversity	◆	◆
Fish, fish habitat and fish movement	◆	◆
Old growth forest, rare plants and rare ecological communities, plants used for traditional use, wetlands, productive forest resources, and riparian communities	◆	◆
Traffic, noise, dust and exhaust emissions	◆	
Boat passage at headworks location during construction period due to safety concerns (5 years)	◆	
Groundwater (aggregate pit opening)	◆	
Methylmercury levels	◆	◆
Visual Aesthetics	◆	◆
Land use activities (hunting, trapping, camping, boat launches, ATVing)	◆	
Sediment and nutrient concentrations in headpond	◆	◆
Formation of the ice downstream		◆

Legend:

'Construction' includes construction of headworks, access roads, construction camp, electrical transmission line and switchyard, and/or aggregate pits, and inundation of the headpond

'Operations' includes power generation, access road use, transmission line operation

Amisk Location Map



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