

March 12, 2008

Patrick Duxbury
Environmental Assessment Officer
Mackenzie Valley environmental
Impact Review Board
PO BOX 938, 5102-50th Avenue
Yellowknife, NT X1A 2N7

Dear Mr. Duxbury:

DEZE ENERGY CORPORATION, EA0708-007
Taltson Hydro Electric Expansion Project
Comments on Draft Terms of Reference (ToR) and Work Plan

The Government of Northwest Territories (GNWT) has reviewed the above draft Terms of Reference and Work Plan and would like to put forward the following considerations.

Terms of Reference

Section 2.2.1 MVRMA scoping requirements

- Based on section 115 of the MVRMA, the overarching direction for the guiding principals is that the process established by Part 5 shall be carried out in a timely and expeditious manner. Therefore, we recommend that the following statement be included as a concluding statement to section 2.2.1: "The process established by the MVRMA for environmental assessment shall be carried out in a timely and expeditious manner."

Section 3.1.3 Developer

- We request the Proponent also provide "A description of the environmental benefits of the proposed expansion project." And " A description of the economic benefits to the people of the Northwest Territories including Aboriginal groups."

Section 3.1.4 Development description

- For the first bullet "*Economic and employment information*", we recommend that ranges of costs and revenues be requested as opposed to requesting what appears to be specific proprietary information.

Section 3.2.7 Monitoring programs

- In the first paragraph it reads, "the developer must provide a description of any commitments, plans and strategies that are proposed to monitor possible impacts." "Strategies" are not normally implemented for monitoring possible impacts. Strategies would be better replaced by "programs". This would be consistent with the use of the word "programs" used throughout this section.
- Bullet #3 follow-up should include effects monitoring and the determination of residual impacts (including unexpected or unpredicted impacts). Although this is implicit in testing for the accuracy of impact predictions and determining the effectiveness of mitigation, it is important that it be stated.

Section 4.1.2 Water fluctuations in the Taltson River watershed

- In the first paragraph areas of concern should include *aquatic ecosystem effects* beyond fish and wildlife effects.
- Bullet #3 should read "A detailed assessment of impacts on aquatic life that considers timing and levels of increased flows and changes to water quality relative to sensitive life stages of fish and other aquatic life."

Section 4.1.3 Ecological changes in Trudel Creek

- This section should also include a bullet requiring an assessment of the effects to aquatic ecosystems and aquatic life beyond fish (e.g. benthos).

Section 4.1.4 Transmission line routing and alternatives

- The GNWT recommends that this section be removed since this section appears to duplicate the requested information contained in section 3.2.6 as well as other information requested in Section 5. It is the position of the GNWT that including transmission options as a Key Line of Inquiry, requiring the "most rigorous analysis and detail" may be somewhat misleading. It is possible for summary information to concisely demonstrate that alternatives such as those referenced in the draft Terms of Reference are clearly uneconomic if only due to distance or the current state of technology. Section 3 is the appropriate section to discuss work undertaken in the evaluation of alternative routing.

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Section 5.2.7 Waste management

- The Waste Management Plan should also include any waste minimization initiatives and or commitments such as company green procurement policies and recycling.

Section 5.3.2 Regional economic development

- It is recommend that ranges of costs and revenues be requested as opposed to requesting what appears to be specific proprietary information.

Section 5.3.4 Legacy issues

- It is recommended that the second bullet in the section be removed or replaced with the following text, “ Efforts made by the developer to explain the benefits in upgrading the facilities to the current design.” This allows for a natural transition from the previous bullet.

If the second bullet in this section is not removed and replaced with the first recommendation, we recommend that the term "mitigation proposals" should at least be removed as it could be interpreted as inferring some responsibility for Deze to settle claims regarding legacy issues that may more appropriately reside with the federal government.

If the bullet is not replaced with the above text we recommend the following alternate option to consider, “Efforts made by the developer to respond to legacy concerns in the current design planning for the Expansion Project.”

Work Plan

5 Schedule

- It is recommended that the following statement be included: “The process established by the MVRMA for environmental assessment shall be carried out in a timely and expeditious manner.”

Thank you for the opportunity to provide comments on the draft Terms of Reference, should you have any questions regarding the above, please contact me at 920-6593 or by e-mail at joel_holder@gov.nt.ca.

Sincerely



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Environment and Natural Resources