



Report on Community and Technical Scoping Sessions

for the

Taltson Hydroelectric Expansion Project – EA0708-007 Dezé Energy Corporation Ltd.

November – December, 2007

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Introduction

On October 12, 2007, the Mackenzie Valley Environmental Impact Review Board (Review Board or MVEIRB) received notification that the Taltson hydroelectric expansion project (the “Expansion Project”) proposed by Dezé Energy Corporation Ltd., had been referred to environmental assessment (EA) by the Mackenzie Valley Land and Water Board.

‘Issues scoping’ is an important step that the Review Board takes early in the EA process to identify the ecological, social, economic and cultural issues that it should consider when conducting the EA. These are the issues that will be considered for inclusion in the EA Terms of Reference. A key way for the Review Board to determine issues of importance is through the conduct of community and technical scoping sessions, where local residents and technical specialists can share their knowledge and perspectives regarding what issues should be considered.

Between November 28, 2007 and December 7, 2007, Review Board staff conducted community scoping sessions in the communities of Fort Smith, Fort Resolution and Yellowknife. A technical scoping session was also held in Yellowknife. This report contains narrative summaries from each of those sessions. Also presented in this report are mind maps, which were created based on issues raised by participants. Copies of the presentations given by parties and the developer at scoping sessions are available on the MVEIRB website (www.mveirb.nt.ca), located in the online public registry.

Note: A scoping session was intended to be held in Lutselk’e, but MVEIRB was unable to come to an agreement with the community on a meeting date. Once a community scoping session has been held in Lutselk’e, a narrative summary and mind map will be added to this report as an addendum.

Summary of Fort Smith Community Scoping Session Wednesday, November 28th, 2007

A community scoping session for the proposed Expansion Project was held in Fort Smith at the Roaring Rapids Hall on November 28th, 2007. Environmental Assessment Officer Tawanis Testart led an information session concerning the Environmental Impact Assessment (EIA) process in the Mackenzie Valley from 10:00 – 12:00 am; a community scoping session followed from 1:30 – 5:30 pm. The following are summaries of the concerns expressed in the information and community scoping sessions.

Information Session on Environmental Impact Assessment

There have been few issues scoping sessions or hearings previously conducted by Review Board in the Fort Smith region. The stated purpose of the information session was to describe the Review Board's role and to answer general questions about the EIA process in order to help facilitate the full participation of residents in current and upcoming EAs. The EIA information session was attended by 10 participants, including representatives from the Northwest Territory Métis Nation, Smith Landing First Nation environment department, Salt River First Nations Development Corporation, GNWT Environment and Natural Resources South Slave Region, INAC, and local Métis trappers. A few students from the Aurora College Natural Resources Technology program were also present.

Questions and concerns discussed during the information session included:

- Jurisdiction of the Mackenzie Valley Resource Management Act (MVRMA), given that the Akaitcho and Dehcho regions do not have settled land claim agreements
- Does the Review Board have any decision-making authority over activities in the Athabasca Oil Sands? What is the process for consulting people down-stream of oil sands developments regarding effects of these developments?
- How much influence do community members have in the process of EIA?
- How will the Northern Regulatory Improvement Initiative affect current legislation and the current regulatory system?
- What types of enforcement strategies are in place if a development receives a permit and is authorized to proceed?
- Need for participant funding to enable meaningful participation by Aboriginal groups and allow such groups to hire technical experts and retain staff that can be dedicated to EIA work

Fort Smith Community Scoping Session

Thirty-two participants signed in to the Fort Smith community scoping session. The scoping session began with a presentation by representatives of Dezé Energy Corporation who described the proposed Expansion Project. This was followed by a presentation by Ronnie and William Schaeffer, who are two local land users who own trap-line #811 near Fort Smith. The main issues and questions raised and discussed at the community scoping session are outlined below.

Wildlife, Land and Water

- How will noise during the construction and operation of the Expansion Project impact the abundance and movement of wildlife, particularly moose and caribou?
- How will changes in water flow affect water levels and aquatic wildlife such as beavers, muskrat and waterfowl?

Access Road

- Will the roads be open to recreational land users?
- How will potential increased access and noise disturb wildlife, such as caribou, moose and birds?
- How will access and traffic be controlled on the roads?
- When the road is being constructed, how will damage to animal residences, such as beaver dams, be mitigated?
- There is a camp near the access road that people currently use to bring students for cultural activities. How will this camp be impacted?

Traditional Harvesting and Livelihoods

- Participants identified concerns that this project, and potential induced development, could reduce trapping success
- If trapping success declines, or if access to traplines is disturbed due to the Expansion Project, what compensation will be available for trappers?

Impacts on Spiritual and Cultural Areas

- Concerns were expressed regarding the routing of the transmission line across the Lockhart River (Desnedhe Che) due to the presence of a sacred place at Parry Falls called 'The Lady of the Falls' (Ts'ankui Theda), east of Fort Reliance.
- It was noted that it is very importance that the transmission line not disturb this spiritual place where people come to pay their respects and make offerings

Contamination and Reclamation

- What plans are in place to reclaim the staging areas used for construction of the proposed Expansion Project?

Greenhouse Gas (GHG) Emissions

- How has Dezé Energy calculated the amount of GHGs that this proposed project will save?

Cumulative Effects

- Potential for increased access to cheaper electricity that could induce further industrial development, with associated impacts on communities and ecosystems
- Concerns expressed that winter roads and project infrastructure could increase access and cause adverse impacts on hunting, trapping and traditional activities

Economic Feasibility and Details

- Concerns expressed that without a signed agreement with the diamond mines, there is too much economic uncertainty to proceed with the project
- Would Dezé consider selling power to the oilsands projects in Fort McMurray as an alternative power market?
- Will power rates in the South Slave region change due to the Expansion Project?

Employment and Economic Benefits for the South Slave Region

- What benefits will the Expansion Project bring to local businesses and communities?
- How many long-term jobs will this project create for people in the South Slave region?
- Could Dezé move its headquarters from Yellowknife to Fort Smith to boost long-term employment in Fort Smith?

Legacy Issues

A number of issues related to the construction of the original Taltson dam were raised by scoping session participants:

- Residents displaced from Rocher River around the time of the Taltson dam construction have never been compensated. How does Dezé plan to handle this issue?
- During the construction of the Taltson dam, some traplines and dog trails were destroyed, but land users who were impacted by this have not been compensated yet. How will these people be compensated?
- Does Dezé Energy plan to clean up debris that has been left behind from the construction of the original Taltson dam?

Community Leadership Concerns

- Some scoping session participants expressed concerns that leaders from some Aboriginal organizations had not attended the scoping session, and therefore the needs and concerns of all groups had not been fully represented.

Summary of Fort Resolution Community Scoping Session

Thursday, November 29th, 2007

A scoping session for the proposed Expansion Project was held in Ft Resolution at the Ft. Resolution Community Hall on November 29, 2007 from 1 pm- 7:30 pm. The scoping session was attended by about 30 people, largely community members.

The scoping session began with a presentation of the proposed Taltson project by Dezé Energy and a question/answer session. Following this, there was a presentation from Tom Unka and Rosey Bjornson of the Deninu Kue First Nation (DKFN). Most of the session took the form of a general discussion, with questions being directed to both the developer and to the Review Board staff. The following items are summaries of the concerns and questions expressed during session.

Contamination and Construction

- What chemicals are being used during blasting?
- What are the potential impacts of acid rock drainage and radiation contamination arising from the blasting and storage of waste rock?
- Will mercury leach into water bodies as a result of the development?
- How will air quality be affected by construction?
- Concerns expressed that clearing staging areas, barge landings and access roads may impact the land
- How will wastes, hazardous materials and fuels be handled?

Northern Employment and Training

- How many jobs will this project create and does Dezé have a northern hire policy?
- Concerns were noted about a potential lack of participation arising from the creation of only skilled positions that exceed local capacities.
- Would there be training provided to encourage local employment?.
- Will the company use local people for their baseline data studies?

Land Withdrawal

- How will the Expansion Project affect or be affected by the recent land withdrawals in the Akaitcho territory?

Economic Feasibility

- Has Dezé secured an agreement with the diamond mines for the purchase of hydro power produced at Taltson?
- When the mines have closed and there is no longer a northern demand for the power, will Dezé sell power to the south?
- Will the development of the Expansion Project affect local power rates?
- Will a reduction in energy costs caused by an increase in energy availability induce future development?
- What is the capacity of the energy production at the Taltson site?

Consultation and Land Use Planning

- Have Traditional Knowledge studies and cultural resource surveys been conducted?
- Will project activities impact local traditional activities such as, trapping, hunting, cabins use, etc?

Transmission Line

- Community members requested specific information about radiation from transmission lines and its associated impact on animal and human health
- What is the impact of creating a long visual disturbance, including large towers, to the behaviour and migration patterns of animals?
- Concerns were expressed concerning electromagnetic radiation impacts, projected bird collision and electrocution rates, and creation of nesting habitat for ravens and raptors

Aquatic and Fish Issues

- Changes to local hydrology may impact fish habitat was noted as a concern
- Fish health and movement, and how this may be impacted by construction activities and modifications to existing infrastructure was cited
- Impacts that may arise from blasting, contamination by blasting chemicals, vibration from explosions
- Changes to local hydrology that may result in altered ice formation, causing problems to traditional land users as they navigate on the land
- Need for a communications plan to inform local communities of flooding, changes to water levels, ice formations
- Need for aquatic effects monitoring program that includes local monitors and a community capacity building component
- Concern were expressed that Dezé needs to gather more baseline data on local hydrology and fish populations and habitat, especially at Trudel Creek

Wildlife

- Impacts to birds in the area, with a focus on migratory species and raptors
- Impacts to threatened species, particularly those animals used in traditional harvests
- Concerns expressed about potential impacts to fur-bearers
- Impacts of development activities to harvestable animals, especially during construction and due to helicopter-based activities

Caribou

- Concerns were expressed about the potential impacts to caribou from to radiation, electromagnetic discharge and visual disturbance.
- Recent declines in caribou populations and how this project may contribute to a continuing decline was mentioned
- It was stated that the necessary caribou baseline data studies should be conducted before this project is approved and that the results of these studies be properly communicated to aboriginal communities

Cumulative Effects

- Will this project induce other industrial development, and as a result, increase environmental impacts?
- Will there be increased access to hunting grounds because of road construction and clearing?
- It was noted that the Expansion Project may reduce the emissions currently produced by other industries and that this may be a positive cumulative impact

Legacy Issues

Rocher River

- Members of the Rocher River community in Fort Resolution expressed their dissatisfaction regarding the fate of their community when the original Taltson dam was constructed in the 1960s
- It was stated that the former residents feel that they have been inadequately compensated for damages suffered during the construction of the original Taltson dam
- Participants stated that past injustices be addressed before expansion of Taltson dam infrastructure occurs

Trappers, Hunters and Harvestable Resources

- Impacts to the land from the original Taltson project, which affected trap lines and harvesters were discussed
- It was noted that two members of community of Lutselk'e died in an accident related to changes in ice formation which occurred as a result of the dam's construction; communities were not properly notified of the changes to ice formation
- Trappers spoke of losing access to trap lines due to changing ice and watercourses, as well as the loss of fur-bearing animals due to the construction activities
- It was mentioned that there have been previous efforts by various agencies to compensate trappers who were impacted by the dam construction

Alternatives

- Participants at the meeting suggested that alternative routings and use of existing infrastructure should be more carefully examined

Other Issues

- It was suggested that a review of impacts from the James Bay hydroelectric projects be undertaken to identify any similarities between it and the Expansion Project that could be considered in project planning

Summary of Yellowknife Technical and Community Scoping Sessions

Friday December 7, 2007

A technical scoping session for the proposed Expansion Project was held in Yellowknife at the Tree of Peace Friendship Centre on December 7, 2007 from 9:00 am to 4:30 pm. A community scoping session followed on the same day from 7:00 – 9:00 pm. The technical session was attended by 28 people. Representatives from various government agencies, the Yellowknife Dene First Nation and the North Slave Métis Alliance were in attendance. The evening community scoping session was attended by eight people; several identifying themselves as former residents of Rocher River.

Both the technical and community scoping sessions began with a presentation of the proposed Expansion Project by Dezé Energy, followed by a question/answer session. At the technical session participants separated into two break-out groups that focused either on biophysical issues or socio-economic issues. At the community scoping session participants asked questions and expressed concerns as a single group.

At the Yellowknife Technical session, several parties in attendance, as well as the proponent, discussed forming a Working Group that would independently meet outside the formal Environmental Assessment process to discuss cumulative effects issues associated with the Expansion Project. It was suggested that some of the key issues this Working Group would like to address are ecological indicators for monitoring, and incorporation of traditional knowledge. It was noted that the Review Board would support such an effort, but would not take part in it.

The following items are summaries of the concerns and questions expressed in both the technical and community scoping sessions.

Technical Scoping Session

Northern Employment and Training

- It was stated that employment for South Slave residents was a priority
- The need for local, northern-based training programs that could equip potential workers with the skills they would need to work for this project was expressed
- Youth were identified as a key target for training programs.
- Labour shortages, especially if other projects, such as the Pine Point Pilot Project, are in a construction phase at the same time as the Expansion Project were identified as a concern
- The possibility of reduced employment in Yellowknife due to reduced quantities of diesel being hauled on the ice road to the diamond mines was raised

Economic Feasibility and Details

- Is Dezé Energy Corporation assured that the diamond mines will purchase energy from it?

- What is the likelihood of finding other potential buyers for the hydro power once the diamond mines are closed?
- How long does the Expansion Project need to operate to become economically viable?
- Would Dezé consider selling power to the oilsands projects in Fort McMurray as an alternative market, or to any other southern market?

Consultation and Land Use Planning

- Have there been consultations with groups that live near the transmission line?
- Have Heritage Resource Assessments been carried out?
- Have there been any assessments of current recreational and day-to-day use in the area around the Taltson dam and proposed transmission line?

Traditional Harvesting and Livelihoods

- It was expressed that there is a lack of baseline data on trapping and other traditional uses of the land in the region around the proposed Expansion Project
- It was noted that there is minimal trap line registration information
- Concerns were expressed about the potential impact that the Expansion Project might have on traditional activities

Access Road

- Can the public be legally prevented from using the road?
- What will be the environmental impacts of the road?
- What is the likely potential impact of increased access on traditional harvesting activities due to the construction of the winter roads?
- Could the access road be extended further along, perhaps to Lutselk'e?

Energy Issues

- How much energy can the Twin Gorges generate?
- Could the transmission line be used to provide electricity for Lutsel K'e and East Arm National Park?

Transmission Line

- What is the impact of creating a major linear disturbance and its associated impacts on ecosystem functioning in a remote area?
- Concerns were cited about the potential for malfunctions, accidents and transmission line icing

Aquatic and Fish Issues

- The need for more baseline aquatic and fish data, particularly for Trudel Creek, was stated
- Loss of fish habitat with proposed hydrological changes identified
- Impacts of ice road and new infrastructure on fish health and movement
- Potential impacts of explosives on water quality
- Changes in ice regime with hydrological changes

- Need for comprehensive aquatic effects monitoring plan, operational water management plan, and erosion and sediment control plan

Wildlife

- Impacts of construction, helicopters and new infrastructure on wildlife
- Lack of information on migratory birds in the project area
- Impact of transmission lines on caribou and caribou migration
- Timing of project activities will determine wildlife impacts and suitable mitigation
- Need to include information on SARA-listed species and species of biological concern
- Will the Expansion Project potentially impact wildlife populations, particularly due to any electromagnetic radiation and possible bird collisions/electrocutions?
- What are the likely impacts associated with the creation of nesting habitat for ravens and raptors?

Contamination and Reclamation

- Need for clearing and reclamation plans for staging areas, barge landings and access roads
- Management of blast rock to control potential acid rock drainage contamination
- Requirements for waste management, hazardous materials and spill prevention / response plans

Cumulative Effects

- Induce development concerns cited
- Concern that winter roads and project infrastructure could increase access and cause adverse impacts on hunting, trapping and other traditional activities
- What time frame should be used to assess cumulative impacts for a hydro project that could be in operation for many decades?

Alternatives

- Routing of the transmission line along the highway west of Great Slave Lake should be considered

Community Capacity and Education

- Concerns were expressed about the capacity of community members, particularly in small communities, to understand all the details of the proposed Expansion Project, as well as their ability to understand what the long-term issues are
- It was noted that the ability of small communities to fully participate in the environmental assessment process is limited due to their knowledge-base
- A need for greater education in communities and the importance of clear, plain-language communication of project information was stressed

Yellowknife Community Scoping Session

The following is a summary of the main concerns and questions stated in the Yellowknife community scoping session:

Northern Employment and Benefits

- What commitments has Dezé Energy Corporation made to northern businesses?
- Will Lutselk'e be provided with hydroelectricity through this project?

Economic Issues

- Have the diamond mines committed to purchasing power from the Taltson facility?
- At what price will the electricity be sold at to the diamond mines?
- How will the existence of potential future mines affect the project?
- Is there a customer for the electricity once the diamond mines are closed?

Aquatic and fish issues

- Need for an operational water management plan
- Concerns about further flooding were expressed
- It was noted that flooding in the past killed beavers downstream
- How much will water levels rise downstream with changes to the dam?
- Need for information regarding the impact thresholds for fish affected by low water

Alternatives

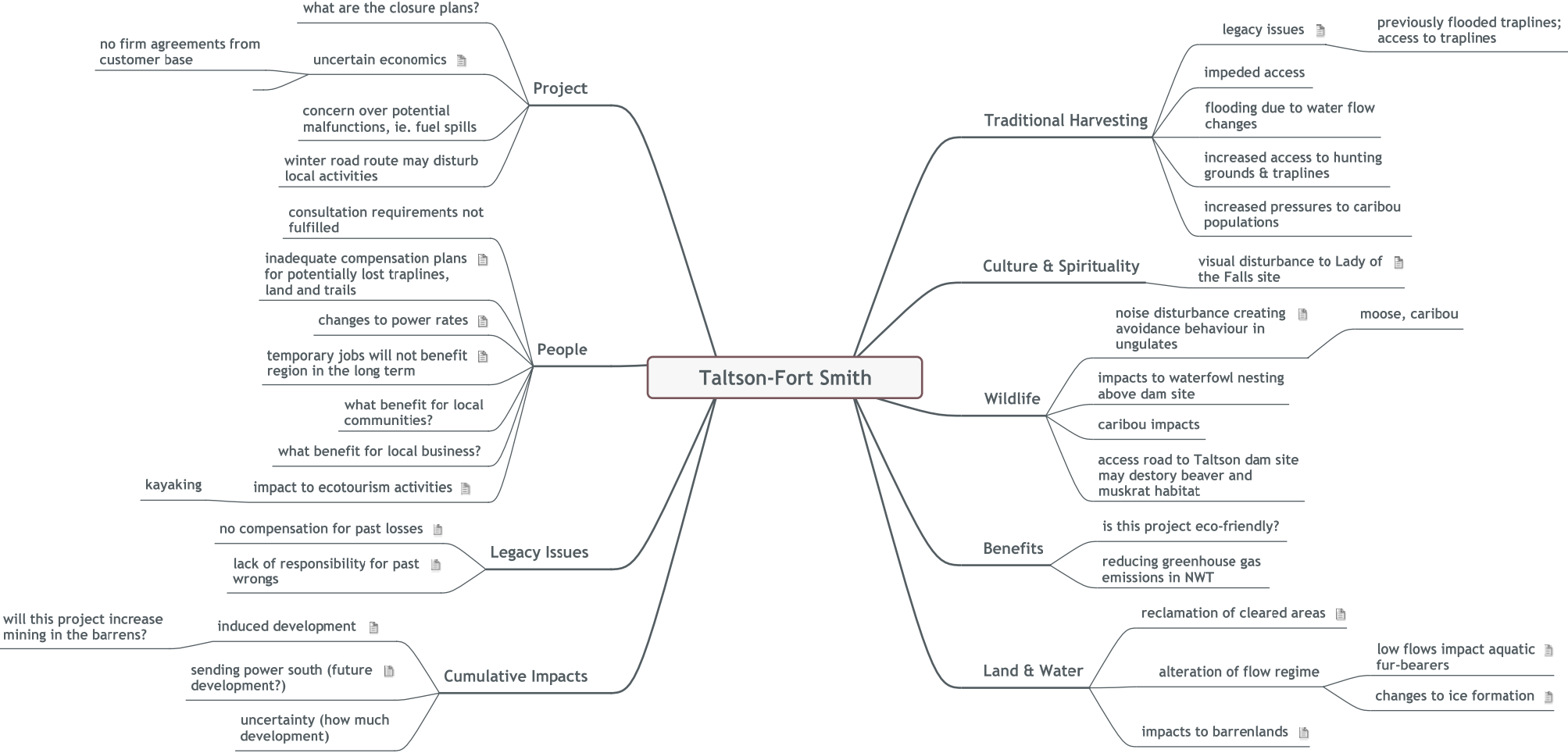
- Could current excess power at Taltson be exported to the diamond mines without the need for expanding generation capacity?

Legacy Issues

- It was noted that persons from Rocher River now reside in Fort Resolution, Fort Smith, Lutselk'e and Yellowknife and that former inhabitants of Rocher River should have a voice in the EA.

Appendix 1 – Mind Maps of Technical and Community Scoping Sessions

Figure 1 – Mind Map of Fort Smith Community Scoping Session



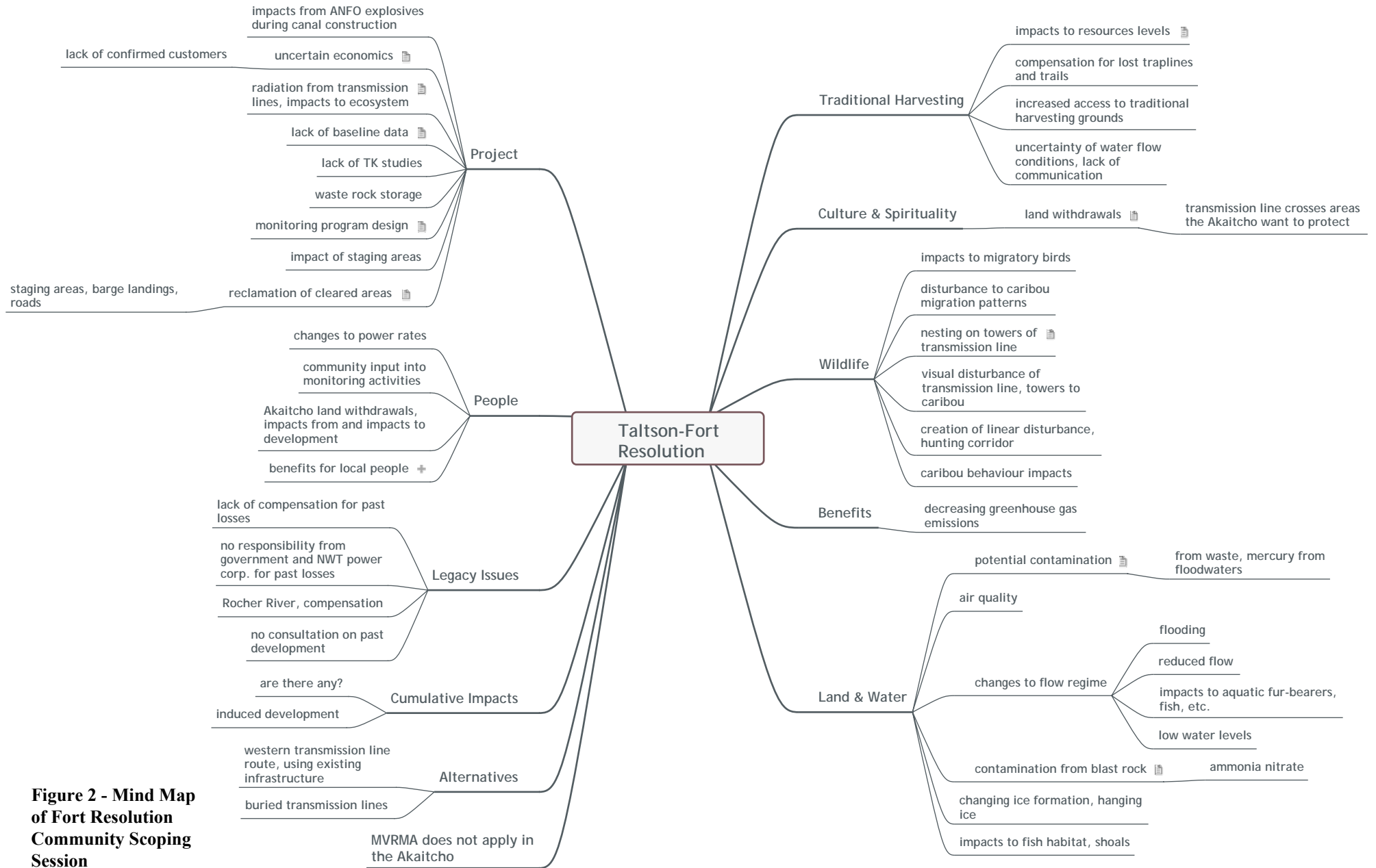


Figure 2 - Mind Map of Fort Resolution Community Scoping Session

Figure 3 - Mind Map of the Yellowknife Technical Scoping Session (Biophysical)

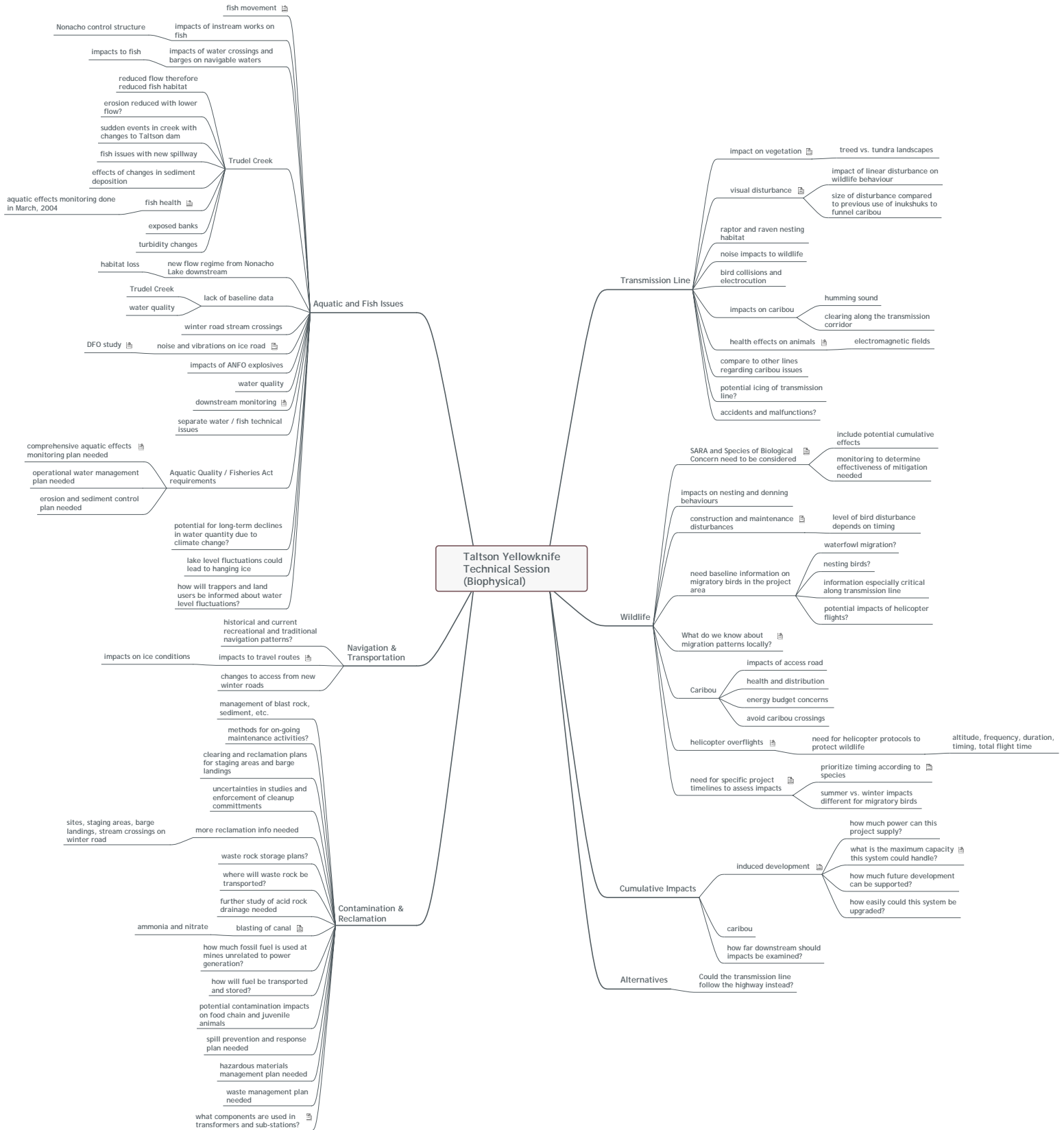


Figure 4 - Mind Map of the Yellowknife Technical Scoping Session (Socio-Economic)

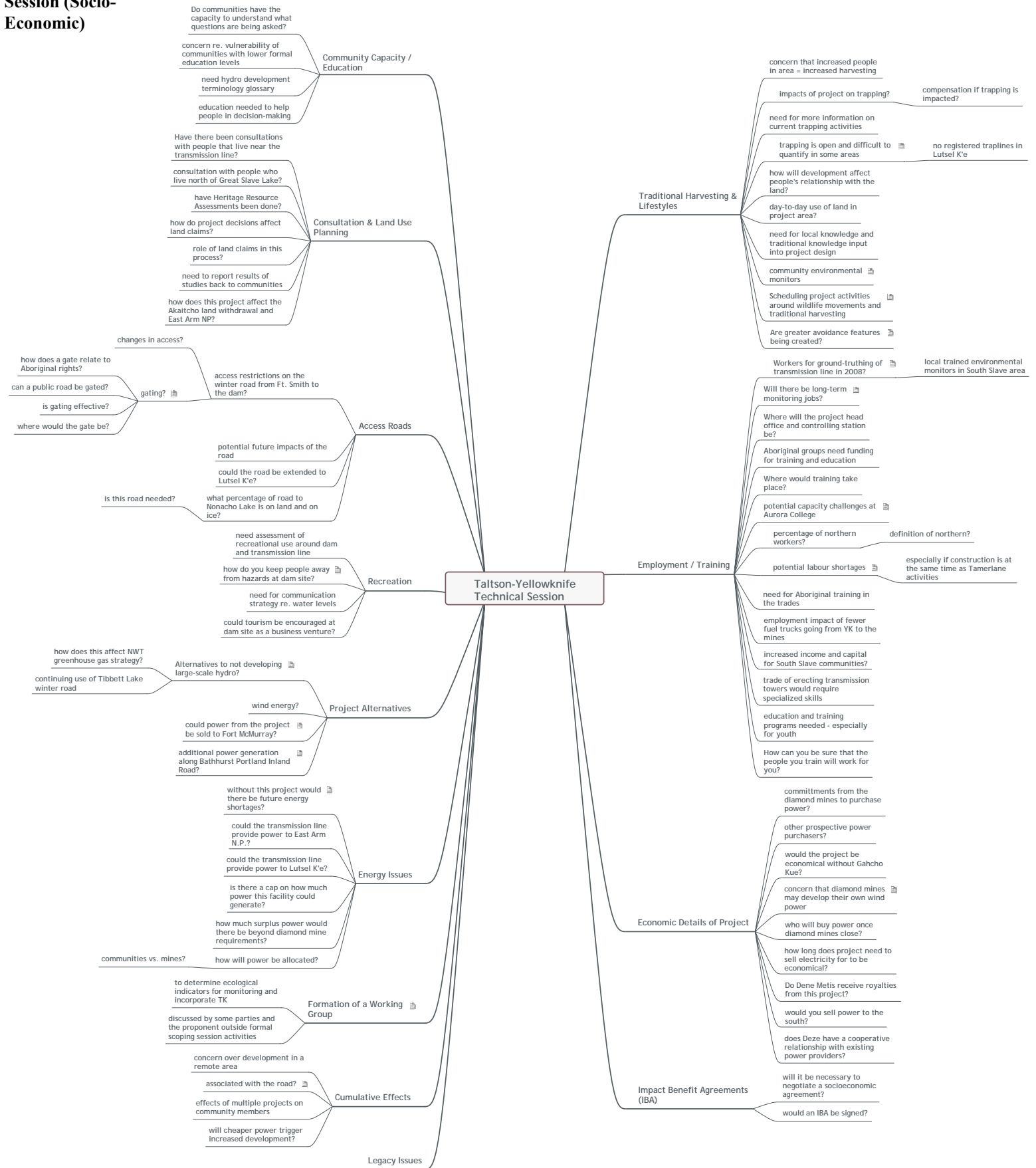
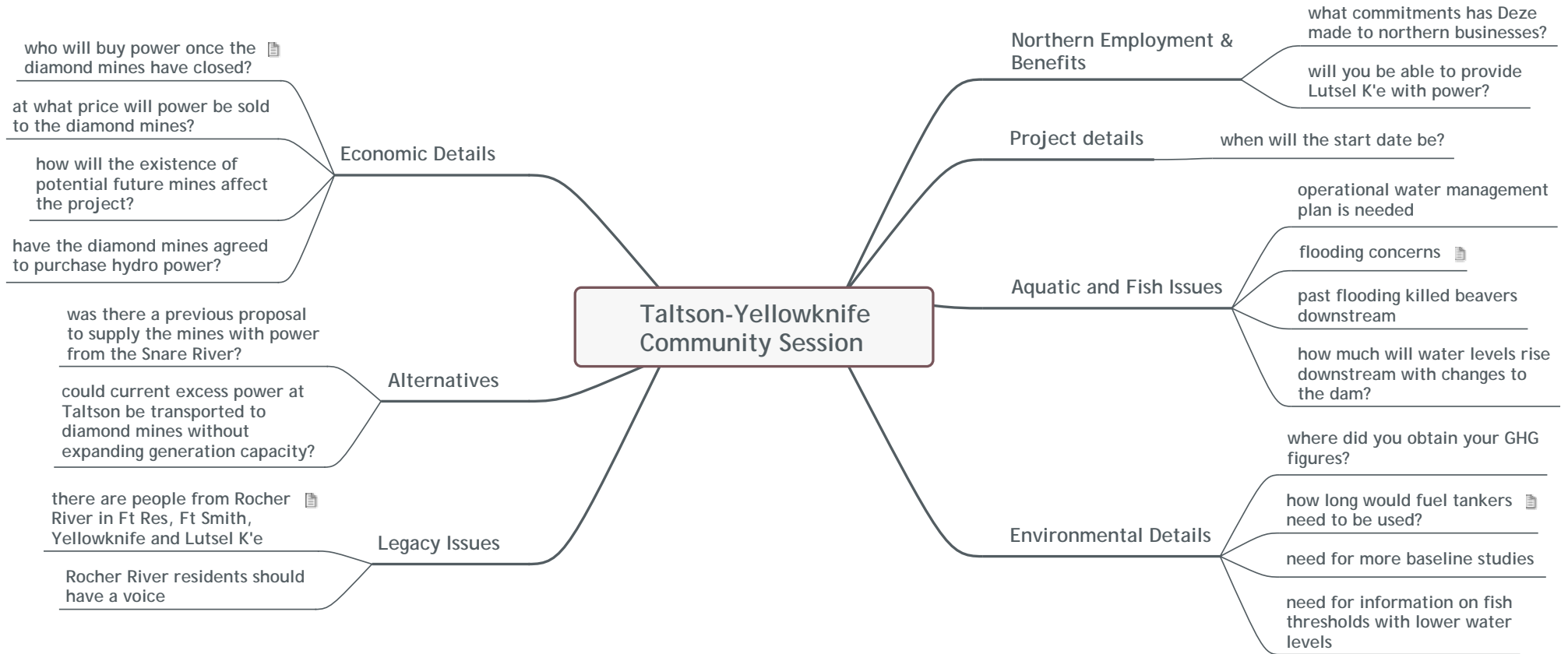


Figure 5 - Mind Map of the Yellowknife Community Scoping Session



Appendix 2 – Sign-in Sheets from Technical and Community Scoping Sessions

If your name is not already on here,
please sign in.

PLEASE SIGN IN

	Name	Organization/Community
1	Don Balsillie	Dezé Energy Corporation
2	WILLIAM SCHAEFER (JA)	TRAPPER ATA 802 SR FN
3	Ronnie Schaefer	trapline (802) Talson Basin
4	Deb Johnson	ENR - South Slave Region (GNWT)
5	Sarah True	ENR - South Slave Region
6	Candace Ross	Indian & Northern Affairs
7	Louaine Seale	INAC sealel@inac.gc.ca
8	CEC HERON	SMITH'S LANDING FIRST NATION
9	Sorry Cheezie	Smith Landing First Nation ✓
10	Louie Azzolini	Terra firma Consultants
11	DARREN HUCOWSK	NWT ENERGY CORP (US) LTD
12	Jim Heron	DEZE Energy Corp
13	Chris Heron	Northwest Territory Metis Nation
14	URSULA VOGT	Northwest Territory Metis Nation
15	Vita Hayles	Northwest Territory Metis Nation.
16	KEVIN ANTONIAK	AURORA COLLEGE
17	Chrise Paulite	NPTD 2nd year student
18	BEN AVERU	AURORA COLLEGE
19	Jayna Meredith	Aurora College 2nd student

20	Maurice Boucler	2nd year NRTP Student
21	Jeff Friesen	Salt River First Nation 195 herds Dept.
22	Kenn Schaefer	# 811
23	Mary Schaefer	# 811
24	Lee STORRY	Slate River Journal
25	Archie Smith	
26	Raymond Beaman	SALT RIVER FIRST NATION
27	Mike Pavlette	SRFN. Dev. Corp.
28	John Blyth	Community Member
29	HENRY BEAVER	TOLLAKE TRAPPER SRFN
30	JASON LEVINE	FT. SMITH.
31	Jalerie Rosen	Fort Smith
32	Erin Allen	Fort Smith
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PLEASE SIGN IN

	Name	Organization/Community
1	Fredaly King	FRMC
2	Violet Mandeville	Fort Resolution Metis Council
3	Robert Sayme	DKFN - AKaitcho
4	Henry Adams	DKFN
5	Mel Sayme	DKFN
6	Mary Pierrot	DKFN
7	Tom Uka	DKFN Enviro
8	Wendy Van	DKFN
9	Rosy Bjorkson	DKFN
10	Mary Tapsell	DIAND
11	Cardace Ross	DIAND
12	XXXXXXXXXX	DKFN
13	Gord Beaulieu	DKFN
14	George Lafferty	Hay River METIS Council
15	Paul Smith	FRMC
16	Cherie Lafferty	IMA
17	PHILIP BEAULIEU	DKFN Councilor
18	DAVE PIERROT	DKFN
19	Georgina Biscaye	Rocher River

20	Carol Collins	Dennig Community Council Public
21	Paul Biscane	Rocher River
22	Mae Sayrie.	Rocher River.
23	Mary Pierral	Fort Resolution
24	Tomlika	Fort Resolution, DKN
25	Wendy Han	
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27	Catherine Boucher	Rocher River.
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PLEASE SIGN IN

	Name	Organization/Community
1	JOEL HOLMER	GNWT-ENR
2	Patricia Hogg	GNWT - ENR
3	Doug Soloway	Transport Canada
4	JIM P. MORRIS	TRANSPORT CANADA
5	Sam Buchanan	Cambria Gordon Ltd.
6	JASON CÔTÉ	CAMBRIA GORDON LTD.
7	Damian Panayi	Golder Associates
8	Sarah Olivier	North Slave Métis Alliance
9	Murray Somers	DFO
10	Shawne Kokelj	INAC
11	Juan Kamarian	INAC
12	Walter Richer	INAC
13	Tricia Melander-Forde	INAC
14	CARLA CONKIN	INAC legal Counsel } Present for Developers' project only
15	Heather Frederick	INAC legal Counsel) " "
16	Jimmy Beaulieu	Y.K DFN
17	Jesse Jasper	Env. Canada
18	Mike Fournier	Env. Canada
19	Philip Liske	YK DFN

20	Louie Azzolini	Terra-Firma
21	DARREN HUCULAK	Deze ENERGY CORP.
22	Linda Zurkirchen	Cambria Gordon / Deze Energy Corp.
23	DAN GRASKE	DEZE
24	Ernie Leonic	Member at Large
25	Edwin Kolausok	ITF, GNWT
26	Tim Heron	Deze Energy Corp
27	Chris Heron	Northwest Territory Metis Nation
28	Steven Nitah	Nitah Associates - Deze
29	KARIN CLARK	GNWT - ENR WILDLIFE
30	STEVE MATTHEWS	GNWT - ENR - WILDLIFE
31	~~~~~	
32	Evening ↓	
33	Emelda King	Rockyview/Yellowknife NT
34	BOB GAABLE	Yellowknife
35	Elise Maltin	Yellowknife
36	Ann Penner	Fort Simpson
37	Heather Dolan	Yellowknife
38	DAVID KING	Yellowknife/Rocher River
39	Lynn Carter	Yellowknife
40	Robert Giroux	Rocher River/Yellowknife, NT.