

Crown Consultation

Churchill River Diversion Project Final Licence

CONSULTATION BACKGROUNDER

Crown Consultation

The Government of Manitoba has a responsibility to consult in a meaningful way with First Nations, Métis communities and other aboriginal communities about government decisions that might affect the exercise of Treaty or aboriginal rights.

In May 2009, Manitoba Hydro requested its Final Licence for the Churchill River Diversion (CRD) Project from the Government of Manitoba. Before the Government of Manitoba makes a decision about a final licence, the Manitoba Crown is undertaking consultation with First Nations, Métis communities and other aboriginal communities whose exercise of Treaty or aboriginal rights might be affected by this licensing decision.

The objective of the consultation is to hear and understand any concerns First Nations and aboriginal communities may have about how the Government of Manitoba's decision to issue a final licence to Manitoba Hydro for the CRD Project might affect the exercise of Treaty or aboriginal rights of the community or its members. The Government of Manitoba will attempt in good faith to substantially address the concerns of First Nations and aboriginal communities about the potential adverse effects of this licensing decision on the exercise of Treaty or aboriginal rights.

This consultation will not affect any agreements with communities and it will not affect any compensation with communities pursuant to these agreements. The consultation being conducted by Manitoba Water Stewardship is separate from any communications being undertaken by Manitoba Hydro.

The Churchill River Diversion Project Licensing Process

The Churchill River Diversion Project began operation in 1977 under an Interim Licence under *The Water Power Act* dated May 11, 1973. The Interim Licence authorized Manitoba Hydro to divert waters of the Churchill River into the Burntwood/Nelson Rivers system and to impound waters on Southern Indian Lake and the Rat River for the development of water power generating stations on the Burntwood and Nelson Rivers systems. Under the authority of the Interim Licence, Manitoba Hydro has constructed and operates a number of facilities that regulate water levels and flows on the Churchill, Rat and Burntwood River systems, including the Missi Falls Control Structure, the South Bay Channel and the Notigi Control Structure. As a result of the operation of the CRD project, the flows and water levels on those systems have been affected.

In 1986, Manitoba Hydro began operating the CRD Augmented Flow Program to optimize CRD operation. The Augmented Flow Program involves a change to the range of water levels on Southern Indian Lake and range of flows on the Burntwood River from the Notigi Control



Water Stewardship

Churchill River Diversion Hydro Project Backgrounder on the Final Licensing Process

The Churchill River Diversion Project (CRD) began operation in 1977 under an interim water power licence dated May 11, 1973. The Interim Licence allowed Manitoba Hydro to divert waters of the Churchill River into the Burntwood/Nelson Rivers system and allowed for impoundment of waters on Southern Indian Lake and the Rat River. CRD has changed the flow and water level regimes of the affected areas and lakes. CRD is used for the generating stations on the Nelson River, which account for about 75% of power generation in Manitoba.

In 1986, Manitoba Hydro began operating the CRD Augmented Flow Program to optimize CRD operation. The Augmented Flow Program involves deviating from the range of water levels and flows stipulated in the Interim Licence. This deviation has affected the range of lake levels on Southern Indian Lake and the releases from the Notigi Control Structure on the Burntwood River. Hydro has requested and received annual approvals for the Augmented Flow Program from the Minister of Water Stewardship. Once approved, the Augmented Flow Program forms part of the operating regime set out under the Interim Licence.

The Interim Licence granted to Manitoba Hydro the right to use provincial resources for the purposes of generating electricity. Under provincial regulations, Manitoba Hydro must fulfill the terms and conditions of the Interim Licence before it can be granted a final licence. Manitoba Hydro has completed its obligations to finalize the CRD licence (completed surveys, physical works and other mitigatory works) and entered into agreements with affected communities.

In May 2009, Manitoba Hydro requested its Final Licence from the Government of Manitoba. The request includes maximum and minimum levels and flows comprising the Augmented Flow Program that has been approved annually since 1986. The request for final licence envisions the project be operated in the same manner as it has historically been operated. The Final Licence is to contain those terms and conditions described in the Interim Licence and any other terms and conditions imposed by the Minister of Water Stewardship.

Before the Government of Manitoba makes a decision about a final licence, the Manitoba Crown is undertaking consultation with First Nations and Northern Affairs aboriginal communities whose exercise of Treaty or aboriginal rights might be affected by this licensing decision. This consultation would not affect any ongoing negotiations or completed agreements with communities and it does not affect any compensation with communities pursuant to these agreements. The consultation process does not deal with Lake Winnipeg Regulation or specific hydro-electric facilities as these are authorized under separate licences. The CRD Project as currently operated does not require an Environment Act licence, as the CRD Project, including the Augmented Flow Program, is an existing project that predates the Manitoba Environment Act.