

APPENDIX 2A

**Letter from Province of Manitoba to
Manitoba Hydro September 20, 2007**



MINISTER RESPONSIBLE
FOR MANITOBA HYDRO

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

SEP 20 2007

Mr. Vic Schroeder
Chairman
The Manitoba Hydro-Electric Board
820 Taylor Avenue
Winnipeg Manitoba R3C 2P4

Dear Mr. Schroeder:

Please accept the following as further clarification on the Government of Manitoba's view respecting Manitoba Hydro's plans to build a third Bipole transmission line, and the ongoing planning and other community development activities on the east side of Lake Winnipeg.

As you are aware, in August 2000, our government announced our intention to initiate Broad Area Planning on the east side of Lake Winnipeg. This followed shortly after our government's acceptance of the Consultation on Sustainable Development Implementation (COSDI) Report, which recommended, among other things, the creation of Broad Area Plans.

The east side of Lake Winnipeg was chosen for broad area planning for many reasons, including:

- the area is a unique and environmentally spectacular area, containing a vast expanse of undeveloped, contiguous, boreal forest (one of the largest in North America);
- the east side is home to a population that is 96% First Nation;
- the east side provides one of the largest habitats for the threatened woodland caribou and is home to the Bloodvein River (a Canadian Heritage River), as well as the Manigotagan River – both renowned for their marvelous natural and recreational significance;
- access to transportation networks and many economic opportunities are more limited than in other parts of the province; and
- the east side, like other remote areas, has already begun to feel the effects of climate change in reducing the viability of winter roads that bring in vital supplies, and applying pressure on the boreal forest.

More recently, the east side has been identified as a prime candidate for United Nations World Heritage Site designation, on the basis of both cultural and natural significance – one of only very few sites throughout the world to be nominated for both criteria.

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The objective of the original East Side Planning Initiative (ESPI), now known as Wabanong Nakaygum Okimawin (WNO), was to bring together local communities, First Nations, industry and environmental organizations to develop a vision for land and resource use in the area that respects both the value of the boreal forest and the needs of local communities.

As part of the planning initiative, Ministers and the Premier participated in community meetings throughout the region – in total, 80 separate east side community meetings were held. Through this process, we learned a great deal about the views of east side residents, their plans, their hopes, their concerns and their dreams about the future of their families, their communities, their traditional economies, their environment and their sacred and natural areas.

It was clear through this process that there was no consensus view on building a new HVDC Bipole transmission line through the east side. This lack of consensus was subsequently reflected in *"Promises to Keep...": Towards a Broad Area Plan for the East Side of Lake Winnipeg*, which was received on November 14, 2004, and represents a framework for a broad area plan. As a result, we have been working with Manitoba Hydro to find a routing option that respects First Nations planning.

As documented in the ESPI final report, the planning process found very strong support for traditional land use planning, for clear processes for First Nations involvement in decision-making, and for sustainable community and economic development initiatives.

Among other initiatives, our government has been active with the Government of Ontario and the four First Nations of Poplar River, Little Grand Rapids, Paunigassi and Pikangikum in pursuing UNESCO World Heritage designation for lands on the east side of Lake Winnipeg in Manitoba and Northwestern Ontario. The proposed World Heritage Site is 4.3 million hectares and encompasses the traditional territories of the four First Nation communities, Atikaki Provincial Wilderness Park in Manitoba and Woodland Provincial Park in Ontario.

Pimachiowan-Aki non-profit corporation has been established to lead next steps in the designation process. It is our strong hope that the east side will be appropriately recognized alongside other legendary UNESCO sites, such as Machu Picchu in Peru, the Great Barrier Reef in Australia, Acropolis in Greece, the Taj Mahal in India and the Grand Canyon in Arizona.

Through strong First Nation leadership, gaining international recognition for this globally significant area will raise awareness and interest in the east side well beyond our borders, creating opportunities for education about the region and its people, community capacity building, conservation activities, tourism, related training and marketing of local products and services.

The Government of Manitoba and WNO First Nations also recently signed (April 3, 2007) an historic agreement, the *WNO Accord*, confirming a government-to-government relationship between its parties. The WNO Accord reinforces the foundation for

comprehensive traditional land-use planning and confirms a commitment to develop a shared vision for the east side of Lake Winnipeg.

It is now the goal of the WNO to develop a broad area plan for the east side, with the next critical step being traditional land-use planning. To this end, the Province has committed \$2.5 million, which First Nations on the east side will use for traditional land-use planning. The WNO Accord outlines guidelines for working together and ensuring that First Nation governments are involved in decisions that will affect their communities and traditional territories.

Planning on the east side will be done in a manner consistent with the principles of the WNO Accord. We anticipate that it will take a number of years to complete planning activities contemplated in the Accord with First Nations on the east side in a spirit of mutual recognition, respect and reconciliation, as we have committed to do.

As announced during the recent provincial election, our government has also made a commitment to protect the east side by introducing new legislation, to be drafted in consultation with First Nations. The intent of the new legislation will be to enable First Nations to develop land use plans to guide development on the east side and to create new protected area designations, which will ensure the area is protected in a way that is consistent with the establishment of a UNESCO World Heritage Site.

We are also moving forward with our commitment to build the first leg of an all-weather road on the east side, which will serve a critical infrastructure need in the region, improving access to food and other needed supplies, and opening the way for other sustainable community economic development.

With respect to Bipole III, I understand that your Board directed the corporation to explore alternatives to the east side in 2004; and more recently, contracted with CMC Consultants Inc. (Mr. Dave Farlinger) to carryout an external review of routing options. The CMC Consultants Inc. study reaffirms that there are routing options other than the east side that can provide desired system reliability enhancements, and will also serve to accommodate future new generation. The study also highlights that an east side routing for Bipole III would be problematic in several respects, including:

- An east side route would dissect boreal forest that is significantly in-fact and of high ecological integrity;
- An east side route has strong potential to undermine First Nations-led efforts to achieve UNESCO World Heritage designation;
- An east side route would be a sub-optimal choice in terms of habitat for the threaten woodland caribou;
- There is already significant demonstrated opposition to an east side route, which has the potential to translate into a long and divisive licencing process, with unbudgeted costs and delays;
- An east side route would present significant threats to corporate image, including in export markets; and
- Pursuing an east side route for Bipole III would require that detailed routing work be carried out in advance or concurrently with First Nations land-use planning. This is clearly at odds with Manitoba's commitment to an approach of careful up-front planning first.

It is the policy of the Manitoba Government to make its government decisions about development on the east side in a manner consistent with the above-noted commitments and initiatives. The Manitoba Government does not regard an east side Bipole III as being consistent with these commitments and initiatives. We recognize the importance of the Bipole III initiative to improving system reliability and accommodating future northern generation. We would encourage the corporation to move ahead with required consultations and planning for an alternative Bipole III route.

Yours truly,



Greg Selinger
Minister