Legislative Assembly of Alberta

The 28th Legislature
First Session

Standing Committee
on
Resource Stewardship

Hydroelectric Energy Production
in Northern Alberta
Stakeholder Presentations

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Standing Committee on Resource Stewardship

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Standing Committee on Resource Stewardship

Participants

10:02 a.m. Monday, February 4, 2013

[Ms Kennedy-Glans in the chair]

The Chair: Good morning, everyone. I think we're ready to start here. Thanks to everyone for making the effort to come on a Monday morning. We'll think about that the next time we're planning.

Everybody knows myself and our deputy chair, Bruce Rowe. I would ask that we just go around the room and that everyone introduce themselves, and then we'll introduce the people on teleconference. If you are acting as a substitute for someone, would you make that point when you introduce yourself. I'll turn it over to our deputy chair.

Mr. Rowe: Bruce Rowe, Olds-Didsbury-Three Hills, deputy chair.

Mr. Xiao: David Xiao for Edmonton-McClung.

Ms Kubinec: Maureen Kubinec, Barrhead-Morinville-Westlock.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Stier: Pat Stier, Livingstone-Macleod.

Mr. Webber: Len Webber, Calgary-Foothills.

Ms L. Johnson: Linda Johnson, Calgary-Glenmore.

Mr. Anglin: Joe Anglin, Rimbey-Rocky Mountain House-Sundre.

Mr. Hale: Jason Hale, Strathmore-Brooks.

Mr. Kennedy: I'm Bill Kennedy, general counsel with the Natural Resources Conservation Board.

Mr. Larder: Doug Larder. I'm the general counsel with the Alberta Utilities Commission. I'm sitting in for Willie Grieve, our chairman, who couldn't make it this morning.

The Chair: Thank you.

Mr. Casey: Ron Casey, Banff-Cochrane.

Mr. Barnes: Drew Barnes, Cypress-Medicine Hat.

Mr. Saskiw: Shayne Saskiw, Lac La Biche-St. Paul-Two Hills, as a substitute for the MLA for Airdrie.

Mr. Cao: Wayne Cao, Calgary-Fort.

Ms Fenske: Jacquie Fenske, Fort Saskatchewan-Vegreville.

Mr. Sandhu: Good morning. Peter Sandhu, Edmonton-Manning.

Mrs. Leskiw: Genia Leskiw, Bonnyville-Cold Lake MLA.

Dr. Massolin: Good morning. Philip Massolin, manager of research services.

Mr. Bilous: Good morning. Deron Bilous, Edmonton-Beverly-Clareview.

Mr. Tyrell: I'm Chris Tyrell, the committee clerk.

The Chair: Thanks, everyone.

Are Rick Fraser and Kent Hehr on the phone?

Mr. Fraser: Yes, Rick is here.

The Chair: Okay. We have two other presenters this morning who are on video conference, Dr. James Feehan and Dr. Jean-Thomas Bernard. I think we'll proceed with just a little bit of introductory material, and then we will present them formally. We'll start the presentations with the economists.

For those of you who haven't been at this table before – and I think that would be primarily our guests – everything is recorded by *Hansard,* and any cellphones or BlackBerrys going off can interfere. You do not have to touch the microphones.

Hi, Kent. Welcome.

Mr. Hehr: Sorry for being a couple of minutes late. Continue on.

The Chair: No worries. Glad you're here.

Okay. We're going to start with the approval of the agenda. I think in front of you everyone will have today's agenda. There have been two changes to the agenda. One was already mentioned by our guest Mr. Larder; he's replacing someone else. Also, this afternoon the Mikisew Cree community was going to have a representative here, and at the last minute they weren't able to do that. Could I have somebody move that the amended agenda be approved? Mr. Sandhu. Thank you. All in favour? Any objections? Carried.

The next thing we need to approve is the minutes of the last meeting. I'm sure everybody has had a chance to look at those for the December 13 meeting. If I could have someone move that the minutes of the December 13, 2012, meeting of the Standing Committee on Resource Stewardship be adopted as circulated. Ms Kubinec. Thank you. All in favour? Any objections? Carried.

Okay. Before we get into the presentations this morning, I just want to go back to the beginning a little bit here and make sure that we define the scope and are clear about that. It seems like a long time ago now, but back in September Mr. Rowe moved – actually, I'll let you read into the record, Mr. Rowe, just what the scope of this review is. That will just reinforce it in our minds.

Mr. Rowe: We moved that

> in the interest of encouraging sustainable development and exploring methods to reduce Alberta's carbon footprint, the Standing Committee on Resource Stewardship undertake a study of the potential for expanded hydroelectric energy production in northern Alberta and that the scope of the review shall include the following:
>
> - potential for development;
> - trade-offs between run-of-river projects and storage dam projects;
> - potential for partnerships with [aboriginal peoples], provinces, and territories;
> - barriers to development;
> - environmental advantages and disadvantages;
> - economic, environmental, and social implications of development . . . and
> - the economics of investment in long-[term] payoff projects

> but shall [seek to avoid] those issues within the mandate of the Retail Market Review Committee, the Critical Transmission Review Committee, and the regulatory enhancement project to reduce duplication of effort.

The Chair: Thank you.

We're just trying to make sure that today we're really trying to focus on the economic implications of development and how that's woven into other environmental and social implications and the economics of investment in long-term projects of this nature.

I want to clarify that this is not a review of a specific project, and we have to keep that in mind all day. It's really a feasibility question. Hearing from stakeholders, including the ones here

today, will really help us with our final report, which we will be working on tomorrow and hope to table with the Legislature in advance of the budget being tabled. The end is in sight, at least as far as this report is concerned.

The other thing I wanted to talk about before we get into the presentations is that our committee clerk was contacted by representatives of B.C. Hydro last week. We had talked about having them here because they've been advancing site C in northern B.C., which indirectly affects some of the talks we're having. They just finished their stakeholder hearings, and they also just released last week an environmental impact assessment. The executive summary of that report is 87 pages – the full report is hundreds of pages – and has been filed by Dr. Massolin on our website. I encourage everyone to take a look at it. It will certainly be relevant to people who are presenting to us today, but we will not have time to hear from B.C. Hydro just given the time frame of our review.

10:10

With that, I'm going to turn it over to our presenters. We'll start off today with a videoconference with Dr. James Feehan. He's a professor of economics at Memorial University. Via telecomference we also have Dr. Jean-Thomas Bernard, professor of economics at the University of Ottawa, and, as already introduced, Mr. Doug Larder and Mr. Bill Kennedy. We will start with the videoconference with Dr. James Feehan, and I'm going to move out of the way so you can see him.

Economic Feasibility Panel

Dr. Feehan: Good morning. I hope everybody can hear me. Thank you for involving me in this process. I was quite flattered given that I'm pretty far away from it all. I'm quite impressed that the Alberta Legislature is using a standing committee approach to these important questions. It's not something that's done down here, but it's certainly very commendable and, I'm sure, will inform the policy debate in your Legislature.

I presume everybody can see my presentation. If there are any problems along the way, you can please stop me or let me know. I'll start with just some introductory remarks. I've only got about nine slides, so I really won't take a lot of your time. I think I was told that you only wanted something like 10, 15 minutes.

Just to start, in terms of my background I'm an economist working a great deal in public policy. At times I serve as a public policy adviser. As a result, to the extent that I do work outside my academic life, it's for public-sector institutions and agencies. I've done a number of resource-related policy investigations, from allocation of British Columbia salmon to health care costs as they're affected by cigarette smoking, looked at offshore oil and its impact, bulk water exports. So I cover a lot of public policy issues. My work focus, particularly in the academic area, is in public finance, including taxation, user fees, benefit taxes. I also do work in natural resources and just public policy generally.

Turning to hydro issues, my main focus has been something here in Newfoundland. I've been looking at the history of Churchill Falls and have published on that. More recently I've looked at Muskrat Falls, which is a very large hydro project that is about to take place in this province, and I've published a policy note on that through the C.D. Howe Institute. I've looked at other issues related to small hydro in the province. I'm broadly interested in hydro issues across the country, but at this point I've got to admit that I don't have specific and detailed knowledge of hydro development in Alberta.

What I'll do in this brief presentation is sort of focus mostly on some general principles. I'll identify some issues that come into play when we're talking about large hydro developments. I think that's really the focus of this committee. We're not talking microgeneration, or small projects; we're talking fairly substantial hydro projects. That was my frame of reference, anyway, when I put this presentation together.

I'll also make some observations specific to northern Alberta. I'm going out on a bit of a limb there because while I'm familiar with some of the issues in northern Alberta, I can't claim in any way to be an expert on it. I'm sure there are gaps in my knowledge, but I do have some information on it. I've read over some reports, so I think I can at least make some observations that might motivate some debate even if my observations may not be quite as precise as you might like.

What I plan to do, then, in terms of these remarks is look at the appeal of hydro developments generally, and then I'll look at some of the drawbacks associated with hydroelectric developments. There are some. Then I'll look at the broader question of the need for electricity, the demand side. Does any particular region need more electricity? How do we establish that? What I'll try to do there is look at the general reasons why there may be an increased need for electricity, and then I'll make some remarks, some observations about northern Alberta in particular.

Again, I'll do the same thing about development mechanisms. By development mechanisms I simply mean the institutional arrangements for developing a hydro project, whether it be private, public sector, some combination, and what approach might be taken. Again, I'll say something general and something about northern Alberta.

I'll also then turn to energy options and alternatives. Here I'll look at the various ones that are generally available and make some comments about their pluses and minuses, let's say. Again, then I'll try to say something about northern Alberta. I think there are some things we can perhaps rule out and some things that certainly need more exploration, more investigation.

That's what I'm going to talk about today.

Let me start off, then, with the appeal of hydro development projects, particularly large-scale ones, because, again, this is my frame of reference. I don't think we're really talking about very small-scale projects at this point.

Historically, then, if we look at Canada in particular, hydro was a very cheap source of electricity. Rivers were nearby population centres, or if there was an industry starting, often they would self-generate by damming a local river or putting a hydro turbine in and supplying local electricity. Of course, it was a cheap source for meeting the initial growing demand for electricity when electricity became widely used in homes.

I suppose a little bit later the hydro developments were seen more and more as instruments of province building, mechanisms to increase the standard of living by providing cheap electricity to people but also now as a means of encouraging industry, the idea being that major hydro developments would provide huge amounts of electricity and, as a result, industry would be attracted into the province. Of course, we had the development of provincial Crown corporations as part of that province-building approach.

If we look at more modern times, we see that as a result of that historical evolution, a lot of our electricity comes from hydro power although it varies a lot by province. It's almost all the power in Quebec and B.C., but in Alberta I think it's substantially less than 10 per cent now. In modern times, I guess, one of the appeals of hydro development is that it's in sync to a degree with sustainable development; it's a renewable resource. Closely asso-

ciated with that, it provides green energy in the sense that it doesn't create greenhouse gases and it doesn't provide or give off any significant air pollutants. There are other environmental impacts, but certainly when it comes to air quality and greenhouse gases, hydro is a winner.

Partly we see the construction work of large projects – they're megaprojects quite often, so they create a lot of work. That's part of the modern appeal, I suspect. In some provinces it's also seen as an export earner: develop the project for export purposes.

Another reason is not for export but to provide, again, electricity locally and to establish some degree of electricity price stability because the hydro projects are very long lived. Once built, their marginal costs, or their operating costs, are quite low, so they tend to be able to provide stable prices or support price stability.

Even more recently we've seen that hydro projects are quite often, certainly a number of them, being used to develop northern regions of the country. We've got a couple of projects in Manitoba. One is about to start, I believe, although it's under some review. That's the Keeyask project. There's another proposed project that's much larger, the Conawapa project. In Quebec, of course, there's the Romaine River; that's under construction now, four big plants. There's another project proposed further along from there on the north shore, and there are a few large projects yet to come in Quebec, part of the northern plan, or the north shore plan, to develop that region. Of course, in Newfoundland there's Muskrat Falls, which is just starting, and there's the proposed Gull Island project. In British Columbia we've got site C. I believe the EIS was just filed late last week. These are projects that are northern; they're big. You know, part of it is to satisfy the demands for electricity in the province, but quite often it's part of developing the north.

Now some drawbacks of hydroelectricity, just very quickly. We have geographic inflexibility. That basically means that since most of the best sites close to industry in our big urban centres have already been developed or are no longer available to be developed because of other uses, we've got to go to more remote sites, and by their nature they're more costly to develop on the average. It also means, if we're bringing it south, long-distance transmission, and that adds to the costs plus you lose electricity in the line losses on the way down, less so, obviously, if it's for local needs.

10:20

Hydro development also generally requires massive upfront costs, but once built, it's very long lasting, and of course the costs are irreversible. You've built it; it's going to be there for a long time. To the extent that they're built for export markets, they may not be as certain or lucrative as expected.

The environmental impacts other than the air and greenhouse gases can be significant. Plus, if it's complementary to other industries, that can cause problems with pollution from the complementary industries that may accompany new hydro developments. Run-of-river projects may have greater environmental appeal in that regard because you don't have the same degree of diversions or flooding.

Of course, there are always the social impacts for any large project, I suppose, on adjacent communities and traditional and recreational users, and there may be people with certain rights where you want to develop a project. In particular, I'm thinking of aboriginal communities who may have treaty land claim rights in the area. So there are all these impacts and legal issues that come into play.

This all adds up to making it costly. The projects that I just highlighted in the previous slide are all multibillion-dollar projects. Recent history seems to suggest that there's a significant risk of cost overrun, so not only are they multibillion dollars, but whatever you budget, it seems that they often end up costing more.

If we look at the need for electricity, then, since we're talking about multibillion-dollar investments, we want to make sure that these are needed. Why is there a need for more electricity? Well, partly it could be simply a decline in the use of other sources for heating. For example, some homes may shift to electric heat from wood or natural gas, and some industries may shift from natural gas to electricity as well. That's one possibility. Another is that you just have standard, normal growth in local demand as people have rising incomes, population increases, lifestyles adjust, and so forth. More substantially you may have substantial spikes in electricity demand because there's a new industry or a set of industries that are going to develop that are very energy intensive. There may also be a rapid increase in demand not because of any specific new industry, but there may just be strong economic growth. With that, people generally will have bigger houses and consume more of everything, including electricity.

Another reason for a greater need for electricity is simply the export possibility. It's not to meet anything local, but there may be money in exports. It may be a catalyst for economic development. Again, this goes back to the idea of province building years ago and now developing the north. The idea may go either way. You have economic development, and that requires electricity to satisfy growing demand, or you provide electricity in big projects in the expectation that the demand will follow; it will attract industry in.

Just to look at northern Alberta for a moment, it seems to me, again, not from having great, detailed knowledge of northern Alberta but from what I've read, that the need for more electricity seems apparent. It's a case of supply having to catch up with demand. Northern Alberta is growing rapidly, and of course you have oil sands and related developments. Very energy intensive. It seems that there is a need there. It's a need for use within the region. We're not talking about exporting it to other provinces or down south so much or even to other countries like the United States; it's a local need. With industrial demand growing plus the general economic growth, it seems that energy is certainly needed, and electricity is a big part of that.

Now, in terms of how to proceed, in general terms we can have a private-sector approach where, you know, the big industries can self-generate. That's one development option. Another option is simply that you have your traditional private-sector utility company that develops a hydro site and sells it into the grid or into the market or directly to industrial users.

You have the public-sector approach, which in Canada is the Crown corporation model, which still dominates in four provinces – Quebec, British Columbia, Newfoundland, and Manitoba – less so in the others, at least in terms of hydro. But it's certainly in New Brunswick, I guess, and Saskatchewan.

Of course, there are always public-private partnerships. Now, when we go to Alberta, it seems to me that your policy environment has been pretty much established for some years now to favour a private-sector approach to these developments, so I presume it would rule out the Crown corporation model. But the P3 would be open. I think that could be quite open to include communities, aboriginal groups, and so forth, users, industry as well as utility companies.

In terms of energy options in general terms there are the obvious ones. The first three that I'll mention here sort of go together: conservation, energy efficiency – that reduces on the demand side the need for electricity – and pricing. It could be seasonal or time of use in order to manage demand if there's a lot

of day-to-day or seasonal fluctuation. There can be indirect pricing to the extent that you price emissions from sources that generate a lot of pollution or environmental damage, so their prices now, or their costs, include the external damage they may be doing. These sorts of approaches affect the demand side and sort of assume that there's a given amount of supply.

Of course, we can always add to the supply, and one obvious source is natural gas, which is plentiful and quite cheap these days. Wind can be quite attractive, but it's best when it's integrated with something with a big reservoir like a dammed hydro site or natural gas, where their turbines can be ramped up and ramped down pretty quickly as the wind changes so they can support situations where the wind dies down. Solar is another possibility, but it seems to me that it's so costly that it can be ruled out for practical purposes for some time. There's nuclear energy, of course. There's hydro, in which case we could go small scale, large scale. We can go with reservoirs or without; in other words, run of river. Then we can get nonspecific, and we can simply have the users self-generate and let them choose what they want.

The final option, I would say, is imports. I didn't include coal here because the way that policies are these days, it seems that coal is not really an option that would be entertained to meet growing demand. Coal may be used at current levels or declining, but it seems to me that hardly any of the growth in supply will be matched by the use of coal.

In tentative terms let me turn to northern Alberta. One possibility is imports – actually, I got scooped on that because it was announced by the chair earlier about site C in British Columbia – certainly, imports from B.C. or other sources. That's a way of getting electricity if B.C. has a surplus. In the region: more reliance on natural gas. One could try nuclear in the region, but that's controversial, costly, and risky. New transmission from the south I understand has been talked about, and actually applications have been made in the past, but you still need a new supply. If the transmission is there, you still need a new source of electricity to go on those transmission lines.

One longer term thing to look at is whether there is scope for R and D to dramatically reduce industrial needs. In particular, I'm thinking oil sands. I know that there has been improved energy efficiency there for some time. Could it be that some dramatic advances could be made equivalent to fracking with natural gas?

Finally, a little more on northern Alberta, and I'll wrap up. I'm sorry; I've done my 15 minutes. I'm just about done. Turning specifically to northern Alberta, of course, we also have hydro in the region. I'm thinking that for the most part the possibilities are in Slave Lake. Run of river may fit the user profile in that area because, as I understand, industrial use tends to be quite steady. It's not like residential use, which fluctuates with awake times and dinnertimes and suppertimes and things like that. So it may fit the user profile more, to the extent that you don't have those big fluctuations in the demand. A large reservoir may give you greater generating capacity, but it could be more costly, and it creates possibly more of those negative socioeconomic and environmental impacts.

10:30

As a closing remark I'd suggest that if local sources are being used in the area, if there are transmission constraints, then pricing, again, may come back into play, and pricing may be used to reflect local scarcity. That can at least ration the resource for a while and create local incentives to develop. As well, green pricing could be used, and one could let utilities or private companies choose which option, knowing that if they use a greener option, there's an incentive in it. Equivalently, there could be higher taxes on the dirtier technologies. That may allow them to make their choices based upon those signals.

I think I'd better leave it at that. Thank you very much.

The Chair: Thank you, Dr. Feehan.

What we're going to do for the rest of the presenters – there are three more, and we're kind of in multimedia here today. Our second economist, Dr. Bernard, is on the teleconference, so we won't see his image, but we will know he's with us and has been listening. He's not going to make a presentation. He's going to make some comments, introduce his background so we know who we're talking to and what his background is. Then we will hear, likewise, an introduction from our colleagues with the Natural Resources Conservation Board and the Alberta Utilities Commission. So just a presentation, gentlemen, of a little bit of your background and the work.

I do also want to emphasize that we're really trying to drill down today on the economics of: how do you make these work? How do other provinces make this work? Everybody's different, but I think we can drill down deeper into, you know, the P3s and models that work and just the economics of these kinds of projects and how we go through the process to get there.

I will turn it over to Dr. Bernard right now, just to allow you to introduce yourself to our committee.

Dr. Bernard: Hi. My name is Jean-Thomas Bernard. I am an invited professor of economics here at the University of Ottawa. I spent most of my career at Université Laval, in Quebec City. Now, I have been looking at the electric power industry in Canada in the last 40 years, paying particular attention to the development that has been going on in my own province, Quebec, but also in the neighbouring area: Ontario, New England, New York, Newfoundland. I have also been involved in a study dealing with B.C. and Manitoba.

I have a few comments to make, you know, with respect to what is going on in Alberta. First, let me mention that the hydro power industry in Canada started as a private industry, and then we nationalized it here in Ontario in 1905, around the development of Niagara Falls. There was no, say, big trend. There was definitely a trend, but there was no momentum. Each province moved from private to public at their own pace, and we somehow came to a conclusion in the early '60s, when both B.C. and Quebec nationalized most of the industry. Since then we've had a bit of privatization, a flurry in Nova Scotia. Now even if we have a public utility, there is a fair amount of private development going on both in hydro and in wind power.

Now, we have here in Canada, you know, a tremendous hydro resource relative to what is going on elsewhere in the world. That's definitely the case. We produce about 60 per cent of all electricity from that source. This has made a huge impact on industrial development. We produce roughly 10 per cent of the aluminum world-wide. The only reason why we have these aluminum plants here is cheap power; otherwise, they would be elsewhere. Most of them are located in Quebec, and there is one also in B.C., at Kitimat.

Rates are low in the three most hydro provinces. Here I would like to make a difference between what we call the average cost and the marginal cost. The average cost represents the cost of what we have developed until now. Actually, here in Quebec the overall production cost is about 3 cents per kilowatt hour. That's really cheap, and most will be in the same range in Manitoba and in B.C.

Now, the new power sites are much more expensive. La Romaine project, which is under development, is 1,500 mega-

watts. When Hydro-Québec presented this project about three, four years ago, their cost estimate was about 9 cents. It has been lowered because, as you know, interest rates are low now, and this has had an impact, maybe half a cent. New hydro projects in Canada are particularly expensive relative to the alternative source now, which is natural gas.

Here in Ontario not so long ago they were discussing with Manitoba to develop the Conawapa project, and I think the estimate of the cost was something like 12 cents per kilowatt hour. Although, you know, the low rates in the hydro provinces are drawing a fair amount of attention, I think we have to be a bit more attentive and look at what is going on with respect to the new project.

Now, 9 cents at La Romaine is not considered to be a tremendously high cost, but right now we could develop a gas turbine at roughly 6 cents per kilowatt hour. The U.S. Energy Information Administration is forecasting that the price of gas will stay low. The low price of natural gas has a huge impact on the price of electricity in the U.S., particularly with respect to export from Canada to the U.S.

About three, four years ago Hydro-Québec, which is, you know, a huge participant in the northeast market, used to export at about 8 or 9 cents per kilowatt hour. Right now they have difficulty getting about 4 cents per kilowatt hour. How long will that stay? We don't know. But the forecast is for low natural gas prices for the next 10, 15 years. So it is not profitable to develop a power site in the 8-, 9-, 10-cent range with the intent to make these projects profitable by exporting to the U.S. market, not in the near future.

I wanted to stress this particular point. As you know, there is a fair amount of windmill development across Canada. Windmills are in the range of about 10 cents per kilowatt hour. At a particularly good site this may get down to 7, 8 cents. But, as you know, it is intermittent, so having hydro in combination with wind is usually a plus. That's why building a dam is usually a good thing in that respect. Obviously, dams have a larger environmental impact than run-of-river projects, but this is a plus.

Actually, here in the northeast Hydro-Québec is basically the only large utility that has access to a fairly large reservoir. That's very much a plus because it can take advantage of, you know, big power, particularly in the summertime, and obviously there's still water for the winter season. B.C. somehow plays that role, too, and that's quite unique. That's very valuable, and it will stay because the demand for electricity is fluctuating all the time, so we need a flexible mechanism, and hydro right now is the most flexible form of electricity. That basically is what I wanted to say about your range of inquiry. If you have further questions, please don't hesitate.

10:40

The Chair: Oh, we won't, Dr. Bernard. Thank you for that introduction.

I'm going to now invite Mr. Kennedy and Mr. Larder – they're not going to make a presentation to us. All four will be available to answer our questions as we move forward here this morning. Gentlemen, if you could give us a quick idea of how AUC and NRCB are involved with hydro development, just a quick snapshot, then I think our questions will be very incisive.

To the committee members: I'll just get you to start thinking about questions. We'll do it in the normal rotation, starting with the Wildrose caucus for five minutes, the PC caucus for five minutes, the Liberal caucus for five minutes, and the ND caucus for five minutes, then going back up to the Wildrose and PC. If you can think about the questions and – you'll have to be very specific because we're so multimedia this morning – about who you want to ask the question of.

With that reminder, I'll turn it over to Mr. Kennedy and Mr. Larder.

Mr. Larder: Yes. Thank you. The Alberta Utilities Commission, under the Hydro and Electric Energy Act, provincial legislation, approves power plants, all manner of power plants. Included in that are hydroelectric projects. I'll qualify that. We don't actually approve them until the Legislature passes a bill saying that we can approve them. What we do is we hold a public hearing into the application, and we prepare a report – it's essentially a recommendation – and that goes to the government. The government looks at that and prepares a bill which is put to the Legislature. It's either passed or it's not passed, and that bill directs us to actually approve, if that was the recommendation, the project. So that's, sort of, the short description.

Bill and I both participated in the last significant hydro project in Alberta, the Dunvegan project. I was an acting commission member; Bill was our counsel. It was a joint review. The federal government was represented by the Canadian Environmental Assessment Agency, which is an adviser to the federal Minister of the Environment. Vern Hartwell sat on the panel for the Natural Resources Conservation Board. George Kupfer was appointed by the feds. So we're all cross-appointed, and we conduct a joint review of the project, and we each report as our legislation dictates to our respective governments or departments.

I'll confirm that the commission approves all power plants, the construction and operation. We do not rate-regulate power plants. Those, of course, were deregulated back in the late '90s. The regulatory oversight that the commission has is with respect to the construction and operation. What we essentially look at – you've heard this many times, probably – are the economic, the social, and the environmental impacts of the project.

What we do not do for any power plant, including hydro, is determine whether that's an economical source of electricity. That's the proponent's concern, which is private industry. They're the ones that have to make a go of it. The need for the electricity is not something – and that's in the Electric Utilities Act – that we are obliged to look at. It's a business decision whether you want to build a power plant in Alberta, including a hydro plant.

The Chair: Thank you.

Mr. Kennedy: I'm Bill Kennedy, and I'm with the Natural Resources Conservation Board. We do not regulate utilities, so we don't regulate hydroelectric facilities.

What our board does and the reason why we were involved in the Glacier Dunvegan proceeding: our legislation prescribes that we will do a public interest review so that water management projects and hydro developments can meet the criteria that say that they are a water management project. They require an approval from the Natural Resources Conservation Board. Our mandate is not to regulate those facilities that we review, and if we approve them, we don't regulate them on an ongoing basis. We simply do a public interest review at the outset, look at the environmental, social, and economic effects. Based on that, if the project is in the public interest, the Natural Resources Conservation Board says: we're prepared to issue an approval. We then ask cabinet whether they will authorize the board to issue our approval, and if they say yes, then the approval is forthcoming.

Sometimes we see some overlap. Most of the water management projects our board has looked at have been agricultural or irrigation-related projects. It was a bit of a surprise, frankly, to us

that a run-of-river hydro project could in fact meet the threshold requirements to make it a water management project large enough to meet our thresholds. It's an impoundment measure. There are various triggers. You need a large water body. The Peace River, in this case, was large enough to trigger our mandate.

Doug phoned me on Friday and said: I'm coming, and would you join? I think I'm here largely because of my experience as counsel for the tribunal on the Glacier Dunvegan review. I also assisted with the inquiry that issued its report in 2011. That inquiry report deals with a review of hydroelectric projects in the province. It was an AUC inquiry. It looked at efficiency and effectiveness of the review process, so what the review process is, what approvals are required, what steps come into that process as it moves forward, and what approvals are necessary at the back end.

Thank you.

The Chair: You'll be happy to know that that document, the 2011 document, has been filed by Dr. Massolin with our research. It's scary to think about it, but we will all be reading it, so that's very, very helpful. It's a massive amount of work that went into that.

Mr. Kennedy: It was a large undertaking.

Mr. Larder: To that end, if you start around pages 60 or 65, it's a pretty good summary – we weren't allowed to make recommendations – of observations in terms of the regulatory process that proponents would have to go through.

The Chair: Thank you for that.

I'm just going to make a few comments before we start the questioning. We have about one hour, and I think that will be wonderful.

I'd also like to note that Steve Young has joined us, so welcome, Steve.

I'm going to turn it over to the Wildrose caucus. Isn't that a surprise? Would you like to start?

Mr. Anglin: Thank you very much. My questions are going to be directed at Mr. Larder. Given the fact that your legislative mandate right now is that when these projects are brought forward, it is the board's mandate to give consideration to whether or not this is in the public interest, having regard to the social and economic effects of the project. How do you make the distinction, then, if you don't evaluate the economic effects? Section 17 of the Alberta Utilities Commission Act says that you have to. How do you make this distinction when these projects are brought before the board and not consider the economics of the project? I need to figure out how your line of thinking goes here.

Mr. Larder: We do look at economic impacts; for example, how many man-years of construction, how much money going into the local economy. That kind of economic impact is relevant to the commission's consideration, but what isn't is the actual need for the electricity. That's a private-sector decision. I didn't intend to give the impression that we don't look at economic impacts. It's specific in the Electric Utilities Act. We're not allowed to look at whether the electricity itself is needed in Alberta. That's a private-sector decision.

10:50

Mr. Anglin: I understand about the electricity side. I'm talking about the economic impact. In other words, in this case we're talking about the potential for hydro. We're going to either dam a river or create a run-of-the-river project or one of those technologies. There are competing interests for the river, whether it's a rafting company, or it could impact communities that may have to be moved or businesses that may have to be moved. I'm just throwing out examples. My understanding is that that would be an economic impact that the board should consider. Is that your understanding of the legislation?

Mr. Larder: Yes. Those illustrations would definitely be economic impacts. Persons, agricultural operations getting flooded, or that kind of illustration would absolutely be an economic impact that the commission would take into account when it's balancing, you know, the benefits versus the impacts.

Mr. Anglin: Okay. And you would agree with me that that also includes the environmental impacts because that's actually part of that same section?

Mr. Larder: Yes.

Mr. Anglin: Okay. Now, you were employed by your predecessor, the EUB. You're now the AUC. As you are aware, there was this little issue of private investigators with the covert intelligence gathering. Then there was another issue.

The Chair: Excuse me. I think that is well outside the bounds of this review. If you want to have that conversation with this particular individual off the record later, you can have that private conversation. That is not part of this discussion, Mr. Anglin. I ask you to respect that.

Mr. Anglin: Madam Chair, with the greatest respect to you, if I could finish the question before you rule.

The Chair: No. I think I know where this question is going.

Mr. Anglin: Well, you don't because I haven't finished it.

The Chair: I have ruled. Maybe you could start another question, or I'll give the microphone to someone else.

Mr. Anglin: This is the preamble. I think I should be able to finish my question. Then I will suffer your judgment. If I could have that respect back.

The Chair: I think if you can talk to me, maybe write the question down, and then I'll decide, but where I saw this going was not a place I was comfortable with.

Mr. Anglin: But I'm not going where you think it's going. That's what I'm trying to get at. I would like to finish the question so I could ask the question.

The Chair: Write down the question, and ask a third question if you like.

Mr. Anglin: I don't think that's being imposed on any other member here. I know you're going to make a ruling, but I would ask permission to finish the question and then suffer your ruling.

The Chair: I would not like these kinds of questions to be on the record. I don't think it's appropriate. We have to be reasonable with our presenters. If you would write down the question and give it to me, I will then have that discussion with you as an aside. It's very easy to do. If you've got a third question or if somebody else from your caucus does, please proceed.

Mr. Anglin: I think the public confidence in the Alberta Utilities Commission is absolutely necessary when they make a decision

relative to the economics of what we are researching. I know you may not like the preamble, but the preamble does directly relate to the confidence that the public has. What I would like to know is what is going on with the Alberta Utilities Commission with the . . .

The Chair: Mr. Anglin, you are now going into the question. Please honour the request I've just made, okay?

Mr. Saskiw: Could we have a question about process?

The Chair: Certainly.

Mr. Saskiw: So we have to provide written questions before you rule on the questions? I think he has the opportunity to put forward his question. If you think it's out of order, say: "Look, it's out of order. The individual need not answer it." I don't think we should be having to hand written questions to the chair to ask them.

The Chair: I'll invite the LAO's opinion on that. Let's keep moving because we don't have a lot of time, and then if Ms Dean decides that it's appropriate for you to ask the question and for me then to say that it's not appropriate versus the way I have suggested, we will go on that basis.

Will you please ask your third question?

Mr. Anglin: Well, as a point of order, if a question is out of order, does it not get struck from the record so it's not in the record?

The Chair: Thus far everything we are saying is on the record.

Mr. Anglin: But if my question is struck as not being appropriate, it would be, then, not part of the record. Is that not true?

The Chair: We will ask the LAO to opine on that. In the meantime I think we should keep going.

Ask your third question if you wish, or I will turn it over to somebody else.

Mr. Anglin: Would you agree with me that it is essential that the public have confidence in the independence and objectivity of the Alberta Utilities Commission?

Mr. Larder: Yes.

Mr. Anglin: Okay. What measures has this commission taken to ensure that the public has confidence, and do you have performance measures? Given the issues that have taken place that I can't put on the record, what has happened since that time to restore public confidence, and where are we today?

Mr. Larder: Well, specifically with respect to hydro projects we've only had the one in the last four or five years, the Dunvegan.

Mr. Anglin: No. My specifics are to your regulatory authority in the context of section 17, which is the public interest.

Mr. Larder: This issue is very important in connection with the type of facility application we mostly consider: transmission lines, substations, that kind of electric facility. It's essential to have the public, especially the public that's going to be impacted by these industrial projects, have faith that the commission will be transparent in its consideration, will provide a full and ample opportunity for parties, whatever their point of view is, to participate in the proceeding, that the decision that it ultimately makes is based on the evidence that's provided on the record of the proceeding, and that there are comprehensive reasons which justify the conclusions that the commission members come to.

I can explain a bit more some of these big transmission proceedings that were held, how that plays out.

Mr. Anglin: We're dealing with hydro.

I'm more interested in the public interest relating to the economic effects. Now, going to the environmental effects, which are also a part of section 17, would you agree with me that the board should be objective and independent in its evaluation of the effects on the environment?

Mr. Larder: Yes.

Mr. Anglin: Is it appropriate for the board to seek outside reasons to deny Alberta Environment's input into a process?

Mr. Larder: I'm not sure what you mean by outside reasons.

Mr. Anglin: Okay. Well, I can't go into specifics, but I'm happy to.

The Chair: Mr. Anglin, I think we're at time for your caucus.

Mr. Anglin: I'll come back to it.

The Chair: We'll turn it over to the PC caucus, who would like to ask a question. Again, direct your question to one of the four guests here today. Can I have an offer from the PC caucus, please?

Mr. Casey: I maybe just have one, likely to Dr. Feehan, but I'd open it up to anyone. With the large capital outlay that's required for hydro projects – and we heard about the cost of production after the fact – is it reasonable to assume that without the public sector being involved in these projects, there is any chance of a reasonably sized project ever being developed? Is it going to require the public sector to be involved in this?

Dr. Feehan: Shall I address that?

The Chair: Yes, please.

Dr. Feehan: I think it's reasonable to expect that the private sector would be involved in big projects, even big hydro projects. I mean, we see around the world and we see elsewhere in Canada that the private sector is involved in huge projects in the oil sands, oil refineries, aluminum smelters. These are all large projects undertaken by the private sector.

It's in some sense tricky with hydro projects because, of course, all the investment is up front, so to speak, practically all of it, and it's a very long-lived project. But I think wherever the private sector will see reasonable prospects of profitability, the private money will come in. We have to remember – and Professor Bernard alluded to this – that the original and some of the biggest projects in Canada in the early 1900s were undertaken by the private sector. So while it has been the tradition for the public sector to dominate for most of the 20th century, there's no inherent reason why the private sector can't do these projects.

The Chair: Do any of the other speakers have a comment on that?

Mr. Casey: I guess just a question on the modelling, then. Without a guarantee of purchase, so volume and pricing, how would the private sector have the long-term guarantee they would need to invest? It's much different than oil. It's much different than aluminum because those markets, as we know, are there today. You can predict those numbers. But predicting something

that is a hundred years, literally, paying back without a guarantee of purchase, volume, and pricing: is that required to see these projects get under way?

Dr. Feehan: Again, I don't see that that's an inherent problem. It's certainly difficult when you are putting that much money up front, but again there are projects that are very long lived in the private sector. Not only are they costly to develop, you know – coal plants, big smelters – but they're also costly to operate over their lives. So I don't know that hydro is so different from any other very capital-intensive energy project. If you build a huge aluminum smelter, you don't know what aluminum prices will be 20, 30 years from now, and you don't know what new substitutes might be developed to substitute for aluminum. You take the risk.

11:00

I don't know that there's almost a definitional exclusion of the private sector here. It may be that the private sector can be more innovative and find ways to build these things in a less expensive way. Of course, even with large – for example, in my case I can look offshore. There are huge offshore oil fields, very expensive to develop, so of course there's partnering that may take place. You may share the risk in the private sector because three or four different companies, firms, may share in the cost, and that way they split the risk, so to speak.

Again, I don't think that there's an inherent problem with the private sector here. I mean, like any other project that's very capital intensive up front, there's that risk, but we see other projects being undertaken by the private sector that are, I think, comparably risky.

The Chair: Does any other guest have a comment?

Dr. Bernard: I agree with what has been said, but we must remember that the electricity market is still very much a regional market, if not a local market. For this other commodity, you know, there is the world market, and this is influenced by technology, pace of economic development, and so on. But for electricity there are a few instances in the U.S. – that's right – where people build the gas turbine and hope to make their money by selling on the open market while here in Canada there is almost none of that going on except maybe for Alberta.

If you have to develop a fairly large-size hydro project, like 300, 500, 800 megawatts, not only will you be impacted by technology and market, but you will also be impacted by your local regulator. You know, you cannot move away from that because you're caught there. So this has a degree of uncertainty, and I just don't know how we can get rid of it.

The Chair: All right. Thank you, gentlemen.

I think we'll move on to the Liberal caucus. Mr. Hehr, are you there?

Mr. Hehr: I am, and thank you for the time. I thank all the presenters who've come in this morning. I guess my question is for Dr. Feehan and Dr. Bernard. Given the history of electricity production throughout this country, the use of Crown corporations in the main in many of our provinces, have these provided both good service as well as good value for the taxpayer in these provinces where they've used Crown corporations? Can you give some indication as to whether you think in Alberta, even though we have a history of doing this on the private side, a Crown corporation is the model to go forward with on these projects?

Dr. Bernard: I may offer a quick answer to that. You know, the price of electricity in B.C., Manitoba, and Quebec is very low. I think in these provinces – I'm sure that that's the case in Quebec – there was no government transfer to the utility. This was developed by the Crown corporation, but there was no direct subsidy, so if they had a huge cost overrun, we'd end up paying this through the rates. Since we have a fairly low price – and that's the case also in the two other provinces – this means that this has been developed at a fairly low cost. They had a tremendous advantage, yet we had, as you know, cost overruns in other technology and also in some hydro projects. So on that basis it is very difficult to argue that this was not developed in an efficient way.

Now, whether this could be developed into a mixed model for Alberta, where you will have both public projects and private projects cohabiting in the open market, I think that's much more difficult to see. Although Quebec is open in terms of transacting with Ontario and New York and New England, there is no open market in Quebec. Everything is regulated, and all the private projects that are developed in Quebec, small hydro or wind power, are on a long-term fixed-price basis. There's an open call for proposals, but once they have made the selection, that's it.

Mr. Hehr: Dr. Feehan, do you have any comments on what model would be best for value to Alberta citizens over the long run of these projects?

Dr. Feehan: Well, it's a good question. I wouldn't rule out the Crown corporation model. We see across the country that Crown corporations, certainly in the hydro provinces of Quebec, Newfoundland, Manitoba, and B.C., are large corporations. They have developed very large sites. They have, I think, pretty well-earned reputations. Their reputations are variable across provinces, as you might expect, and variable across time. Over time some people in Quebec have called for privatization of Hydro-Québec. Other people see it as really a truly important instrument for economic development in the past and the future. At this point for Alberta I wouldn't say: rule out some sort of Crown corporation or a Crown corporation as a part participant, some sort of P3 approach. I think people should be open to that and judge these ideas on the merits. I wouldn't close the door on some sort of Crown corporation model.

Mr. Hehr: Okay. It's tough to get this exact, but have they in your view returned value? Have they been profitable? Have they served to both deliver reasonably priced electricity, and are they over the course of their time able to pay off for the taxpayer? I don't know whether I'm asking the question correctly, but that's sort of – are they profitable? Is it profitable for governments to be in this business, or are they better served in the private sector? You may not be able to answer that exactly.

Dr. Bernard: Well, I know pretty well the situation in Quebec. There Hydro-Québec pays hydro rental and a dividend, and there are a few specific taxes. I think the range of what is paid to the province on a yearly basis would be like $3 billion, $3.5 billion a year.

Mr. Hehr: Okay. Thank you. Those are all my questions.

The Chair: Thank you, Mr. Hehr.

We'll turn it over to the New Democratic caucus right now. Mr. Bilous.

Mr. Bilous: Thank you. I'd like to begin by asking the AUC a question, and I'm not sure if you're going to be able to answer this

or not. In the fall sitting we passed a bill, Bill 2, which introduces a new single regulator. I just would like to know from yourselves: does that change the regulatory process for approving hydro power projects, and does it change the role of the AUC in any way?

Mr. Larder: Although we do face in a facility application like a hydro project many of the same environmental issues that currently the ERCB or the new regulator would look at, we were not part of that single regulator bill. The single regulator and the consolidation of all the various approvals, especially on the environmental end, that an oil and gas project requires has not happened with the commission and the facilities that we oversee, the electric facilities. Now, they get, whatever, 35,000, 50,000 applications a year. We get 200, 250 electric applications a year. Most of them are on the small end. But the environmental issues, the water issues, the land issues can arise on a hydro application, on a transmission line application, and we deal with them in the course of our consideration of the application.

11:10

Mr. Bilous: Okay. Thank you.

My next question is for Dr. Feehan. We know that the hydro boom which is happening across Canada right now is in part a result of industry wanting to position its product as a potential solution to climate change but also looking to export some of its product to the United States. As an economist how do you determine the economic costs of the environmental impact that large hydroelectric developments have?

Dr. Feehan: Well, that's a complicated question because every hydro project is quite unique. Some have far more environmental costs than others. You also have to trade off against: what is it replacing? Is it replacing a coal plant, or is it just meeting new demand? What is the alternative? I think that in each case you really have to look at, you know, what the alternatives are, including demand management and conservation and energy efficiency on the demand side.

On the supply side you have to look at the costs. What worries me is that these newer projects tend to be so much more costly than they have been in the past. Professor Bernard made that point, that if you look at the average cost of what exists compared to the costs of new plants, they've become very expensive.

Again, Professor Bernard mentioned the differential in the price. Natural gas generated electricity may be 6 cents, let's say, very roughly, and new hydro might be 10 cents, so you really have to say: "Okay. Well, natural gas, if it's the alternative, it's going to create so many more tonnes of carbon emissions. It's going to put out so much more other pollutants into the air. We have to value that against the cleaner air effect of the hydro." There are different techniques used to value the air, but ultimately it's a decision by the regulator or the government to approve these things. I'm sorry; it's not a very precise answer because, again, it just depends so much on the alternatives and exactly how much damage the hydro may be doing.

Mr. Bilous: Right.

Dr. Feehan: But it's an inherent advantage with hydro over fossil fuel, that the air quality and greenhouse gas effects are going to be less. If a market develops more thoroughly for carbon emissions, then the market will tell us more precisely what it's worth.

Mr. Bilous: I guess it probably goes without saying that in your calculations you're also looking at the lifespan of the facility – right? – where, at least from previous presenters to this body, they average about a hundred years of hydroelectric production.

Dr. Feehan: Yes. That's right. You'd have to do some sort of comparable comparisons. That might be the life of, say, three gas turbines, where they would age and have to be replaced and so forth, so you'd have to make some sort of comparable adjustment for time as well.

Mr. Bilous: Just a last question while my time wraps up: to your knowledge, what steps has Newfoundland and Labrador taken to increase their energy efficiency and to reduce their demand for electricity?

Dr. Feehan: I would say not very much. I mean, there are some glossy campaigns, but in terms of incentives to, say, use heat pumps or time-of-day-use pricing for electricity, those things really haven't made it into the forefront at all. The focus here is really the traditional focus of building a big hydro station and then using the power locally and exporting. Other than for some token efforts I'd say that there's not an awful lot being done in terms of energy efficiency at the governmental level in terms of incentives. There are information programs, there are some subsidies for insulation for low-income people and some other things like that, but it's not what I would call an aggressive campaign at all.

Mr. Bilous: Okay. Thank you.

The Chair: All right. We'll turn it back to the Wildrose caucus. I understand you have a question, Mr. Barnes.

Mr. Barnes: Thank you very much. First of all, again my thanks to all four presenters. Great information. I appreciate your putting your time into this for us. I'd like some answers, especially to start with, from Dr. Feehan and Dr. Bernard as it centres around the loan guarantees that are always part and parcel with these big hydro projects. I understand that the Muskrat Falls one has considerable loan guarantees on behalf of the province and on behalf of the taxpayer. I'm wondering if it's necessary for a province to have to do that, I'm wondering what the reasons are for it to have developed this way, and I'm wondering what the hidden costs of some of these big loan guarantees might be to the taxpayer and to the province.

Dr. Bernard: Again, I'll speak about what has been going on in Quebec. You know, to my knowledge, all Canadian hydro utilities were provided with government guarantees with respect to their borrowing. Now, to my knowledge also, almost all of them now are charging for debt. In Quebec this would be, like, half of a per cent when you borrow. If you borrow at 6 per cent, the province will, say, charge you one-half per cent, so your real cost is 6.5 per cent. Actually, this is what is paid by Hydro-Québec every year out of this. I don't recall exactly how much it is, like, $400 million, $500 million, or $600 million a year out of that, but about 70 per cent of Quebec hydro is financed by debt.

Now, we quite often have debates about this. The argument is that given the low costs that Hydro-Québec has, do we need an additional guarantee by the province? Is there a real cost behind that? As has been said quite a few times today, the costs in this province are so low that they couldn't make money by exporting, you know, so do we really need this guarantee by the province? Now the province is getting some money out of it, and I'm sure that they will not back out of that.

Dr. Feehan: I'll join in on this point as well. Professor Bernard has made the point – and it's also my understanding – that it has been the tradition for provincial governments to provide loan guarantees to their Crown corporations, particularly hydros, and they do get paid. Hydro will pay the provincial government something, so many basis points or what have you, in return for the loan guarantee. The tricky thing is, of course, that to the extent that anyone guarantees anyone else's loans, it will show up to some degree in your credit rating, I suppose. If I guarantee my children's loans more and more and more, it's going to affect my credit rating. I think that it's the same for the provinces.

It's fairly uncommon for the federal government to engage in such loan guarantees. I think that with the Muskrat Falls project it's a loan guarantee, and there isn't a payment in return. So that's a fairly uncommon, maybe unique development.

Not speaking to Muskrat Falls but speaking generally, whether these Crown corporations or any hydro developer needs a loan guarantee is really open to question. If it's a good project, it may require a lot of investment, but there are lots of other big investment projects that require a lot of money, and we don't necessarily see governments providing loan guarantees in those cases. Now, as a matter of course it can happen sometimes because a strategic industry may be in financial difficulty and things like that, but it's not as a general rule. So whether Crown corporations ought to have loan guarantees is really a good policy question, and the answer, to me, is not obvious.

The other thing that we have to keep in mind, particularly if we're talking about a Crown corporation versus a private corporation: a Crown corporation pays no corporate income tax, so it already has that inherent advantage over a private-sector entity. If we go to Alberta and we think about developing out there, maybe a Crown corporation model should be considered. Maybe loan guarantees with the private sector rather than a Crown corporation may be something to think about.

Now, I think all these options have to be looked at, but I tend to be a little wary of loan guarantees. If it's a good project that can stand on its own, then you really have to ask: why does it need a loan guarantee?

Mr. Barnes: Okay. Thank you very much.

I'd just also like to hear from you two gentlemen, please, what your thoughts are. I believe you said that the marginal rate or part of the rate in the northeast United States was 4 cents. Do you think that will continue for a long time? Do you think it will ever be viable for Alberta to export to the western part of the United States at a rate where we could make some profit?

11:20

Dr. Bernard: Well, you know, New England and New York used to be considered a fairly high-priced region, and this was the case up to a couple of years ago. Hydro-Québec, because of their flexibility, are after, you know, the high-priced season, usually the summer. But over the last year or two we have not seen any peaking price like we used to not so long ago, 15, 20 cents per kilowatt hour. The price now is low most of the time, at about 4 cents.

As long as the price of gas stays where it is now, there's no reason to think that the price will move up again. I don't know the specifics. You know, California is known as a high-priced region, too, but now, with this cheap gas making its way all over the United States, I think that building a facility with the intent that it will become profitable out of the export market would be a rather dubious proposition at this stage.

Dr. Feehan: I would tend to agree with that. If you look at the western United States, there's lots of hydro power in, I believe, Washington state, in that area, areas south of British Columbia. At times the spot prices there over the past couple of years for electricity have gone way down, were surprisingly low, sometimes as low as $20 a megawatt hour, or 2 cents.

I think Professor Bernard is quite correct. As long as this shale gas revolution stays in place, unless something changes it dramatically with environmental laws, something to ban it, the revolution in natural gas production and output in the United States is going to keep prices quite low. In the longer term they may be able to liquefy their natural gas and export it to the rest of the world, and that will give some upward pressure, but right now it's surprising how low natural gas prices are. I suspect that unless something dramatic happens, those natural gas prices will stay quite low, and that will drive the price of electricity to fairly low or certainly constant levels. It's very hard to compete if you've got a northern hydro project with a lot of transmission costs to get into a market where there are already low prices. I suspect your advantage of hydro in Alberta would be to meet the local needs in the north. I'd be very surprised if developing it for export would pay off.

The Chair: Okay. We'll turn it over to the PC caucus. Ms Kubinec, you have a question?

Ms Kubinec: Yes. Thank you very much for joining us. I really appreciate all of the information we're receiving.

My question has to do with looking at the long term. If I understand correctly, what has been approved thus far are all, basically, fairly small projects as far as their generation. Is that the best use looking in the long term? By putting these projects on a river, are we then tying the hands of larger projects into the future? Does the AUC currently address this issue during the regulatory process for hydro development?

Mr. Larder: I'm not a river hydrologist, but I think it depends on the characteristics of the river you're talking about. Bill may have something to add there. He works with hydrologists, I think. It's my impression from the evidence at the hearing that it actually depends on the river and its characteristics – how fast it flows, how frequently it flows, the ups and downs – whether you can build one or many projects.

Mr. Kennedy: I don't know whether this is helpful or not, but the limited information that I have really arises out of the Dunvegan review and largely in context of site C of the B.C. Hydro project and in relation to other options that, as I recall, Glacier Power looked at upstream and downstream of the site they ultimately chose for the Dunvegan project.

Clearly, if you build a project, it will have an effect both upstream and downstream, even a run-of-river project, in terms of further development. The panel heard evidence at the Glacier Power hearing that the site C project by B.C. Hydro, if it were constructed and put into operation, would have a significant effect on the economics of the Dunvegan project. Similarly, the options to build further hydroelectric projects downstream of Dunvegan would be affected if the Dunvegan project were constructed, so some of those options would change. What I can't tell you and I can't recall is whether the opportunity might be enhanced by the construction of one project downstream or upstream from that project. I certainly don't recall that evidence, but that could be the case.

Mr. Larder: I think you have a copy of the Hatch report, which was prepared a number of years ago but updated fairly recently. There are diagrams for each of the river basins that they talk about, and they have all kinds of points on the river basin which are potential sites. I'm just looking at one here. Well, I don't know what the basin is, but there are probably 10 or 15 different little triangles where they say: "Here's a site. Here's a site. That's a potential. Here's a site." That might provide some more context.

Ms Kubinec: Thank you.

I'm wondering if either of our guests online would have an opinion on that one.

Dr. Bernard: Well, I may say, you know, that at quite a few hydro projects we observe further development once the project has been, say, completed at the first stage. Many of them are modified to change the capacity to provide more peak power. Basically, they add further turbines, and this is quite regular. In a few instances after – I don't know – 40, 50 years, once the time comes up to, say, refurbish the place, sometimes they make fairly drastic changes in terms of expanding the reservoir capacity and things like this. Obviously, this is very site specific, and this has to be taken into consideration, that once you have developed in a certain way, you obviously are limiting the capacity of doing something else.

Ms Kubinec: Thank you.

The Chair: Okay. We have time for one quick question.

Ms Calahasen: Well, mine has a number of points to the question. However, I will say thank you for coming, for at least trying to answer our questions, and for participating in this hearing.

I'm going to focus on the commercial agreement between Newfoundland's Crown corporation utility and Emera, Nova Scotia's private utility, regarding the development of Muskrat Falls, touching on price and on the rights to sell electricity developed to Nova Scotia and to neighbouring markets. If I may, do you believe the development of Muskrat Falls would have been possible without the power purchase agreement that now exists?

Dr. Feehan: I think the people at Nalcor, the Newfoundland Crown corporation undertaking this project, would say yes to that question. They'd say that by developing it and selling it on the island, they would make enough to cover their costs. A lot of other people would be very skeptical about that, including me. Their idea here is that they have a power purchase agreement with Emera so that Emera would provide an actual transmission line to Nova Scotia, and that would allow Newfoundland to sell surplus power, at least into the spot markets or into Nova Scotia, and earn some extra money. I think that may be critical for this project. Nalcor, I believe, has argued that, no, they could have done it without that deal.

Ms Calahasen: After the development of that infrastructure under the current development, do you believe that that incremental second phase of the lower Churchill project, Gull Island, would be viable as a commercial project for selling electricity into the American spot market?

11:30

Dr. Feehan: That's a huge project. It's about 2,200 megawatts. It's a long way from the U.S. market, and as Dr. Bernard has pointed out, the prices in those markets because of shale gas have really softened, so it would be tough.

Also, I have to point out that the transmission capacity that will be built for Muskrat Falls will be enough to carry that power. You would have to build a whole new set of transmission for the additional power from Gull Island, or you would have to get a tariff through Quebec. The Quebec system would have to carry the power through Quebec and on to New England. Either way, that's a big additional cost. I like to say that electricity is very heavy in the sense that it requires a lot of transport costs. I think that if Gull Island goes ahead, it's because of major industrial development that might happen within the province, or prices would have to change.

Ms Calahasen: I'm just thinking about northern Alberta. If there's going to be a cost attached to transportation or even selling to the markets, then we'd have to look at that as well when we move forward. That is what I'm thinking in terms of northern Alberta or anywhere where we may have the potential for hydro.

Dr. Feehan: Yeah. The only thing I'd point out there is that, you know, if you do have a strong demand from the oil sands and other industrial development in northern Alberta, then your transmission costs and market access might be less than if you're trying to do it simply as an export project. If you've got demand nearby that's growing, that gives you an extra sense of security, I think.

Ms Calahasen: Okay. Thank you.

The Chair: All right.

Mr. Hehr, do you have any further questions?

Mr. Hehr: My question. I think that Dr. Bernard had some comments on cheap natural gas and the fact that Alberta has at least some natural gas. Has he formulated an opinion on whether we should be developing more natural gas sites instead of going down the hydroelectricity road given our situation here?

Dr. Bernard: Well, you know, you have natural gas, and your neighbour B.C. has natural gas, too, particularly in the northeast. I think that there will be natural gas there for a long while. Now, natural gas right now is a North American market. The price is low, and whether you produce a lot or not will not have such an impact on price. Given the current price, again, I think that we'll need a drastic change, you know, in terms of carbon pricing or some other consideration to bring natural gas electricity to the hydro level.

Mr. Hehr: Okay. Thank you. Just a follow-up question on some of the comments that were made previously. It's my understanding that if a hydroelectric plant would go up in the north, given our deregulated market they would have to sell their energy into the grid. Could we have an agreement where the power produced up in these dams goes directly to the oil sands, or would it have to be sold into the grid, as other projects are? I'm not sure. Maybe someone could help answer that question for me.

Dr. Bernard: My first reaction is that this will go to the grid, and it will be power to be purchased by anybody unless you may have a long-time agreement between a producer and a purchaser, you know, an oil sands company. Otherwise, this electricity goes to the grid, and that's where they will have to make their money.

Mr. Hehr: Okay. Wouldn't that make – that's back to the first thing you were talking about – the transmission costs of getting this to the grid more expensive than just, say, providing it to an oil sands purchaser? Right?

Dr. Bernard: I don't know the specifics of the Alberta market. In most places the transmission cost is over a fairly large area, so there is an average cost of transmission like here in Ontario. I think that in B.C. that's the case, too. You don't get much of a break because you are kind of closer to the production site. It would be a good thing to do, you know. If it costs less to provide power from that source relative to a natural gas plant that will be located further out, you should be able to have an agreement where you will have access to that cheaper source. Right now my feeling is that pretty much everywhere the transmission network is regulated on an average cost basis.

Mr. Hehr: Okay. Thank you very much. Those are all my questions.

The Chair: All right. Mr. Bilous is not here. They have an NDP caucus today, so he's in and out. Hopefully, everybody is comfortable that we'll give him the chance to ask his question when he returns.

Going back to the Wildrose caucus, Mr. Anglin, I've received your written question, and I still am decided to exercise the chair's prerogative, and to keep order in this committee, I won't accept your question. I'm sure you have other questions, though.

Mr. Anglin: I do.

The Chair: You have a lot of questions, and I appreciate them. Thank you.

Mr. Anglin: I will accept your rejection with just one comment. I think it is appropriate, when you ask a question, to reference a finding of fact or a court ruling, and I don't think that's out of order.

The Chair: Mr. Anglin, I am chair of this committee. I am comfortable with my decision. I'm sure you have other questions.

Mr. Anglin: Well, I want to make sure I'm comfortable with my position.

The Chair: I'm very clear on your position. Thank you.

Mr. Anglin: I think everyone is, but it won't stop me.

In the interest of the follow-up to my caucus member and committee member, dealing with this issue that we have heard, of needing some sort of government support or government backing for the investment opportunities, can either one of the professors make a comment relative to feed-in tariffs? Now, normally with hydro feed-in tariffs are not part of any formula, but is that something that would be a possibility rather than a governmental guarantee for the investment?

Dr. Bernard: I'll go quickly. My answer is yes. You know, once you have a feed-in tariff, then the private developer decides whether he can develop it at a lower cost, and there he makes his money. So we don't need any further protection by government. I think that's pretty clear.

Dr. Feehan: I would agree with that. I think that as technology changes and this becomes more feasible and as even small users can self-generate and you can arrange some sort of feed-in tariff arrangement, it certainly seems desirable. Sure. That's, again, not something to rule out by any means.

Mr. Anglin: Now, not to ask you to answer a political question, but can you give an example – that would be better – of a situation where a feed-in tariff was utilized in this type of marketplace, Alberta's marketplace?

Dr. Bernard: Well, you know, to my knowledge, we get pretty much that in Canada. Here in Ontario we had feed-in tariffs for wind power and solar power. That's the case, too, in Quebec for the wind power development. It's all private development but under feed-in tariffs. They get 10 cents a kilowatt hour, whatever the price is at the border, things like this. So we do have feed-in tariffs. We have this also in Quebec for small hydro power development, below 50 megawatts. This is open to private power development, and they sign long-term agreements with Hydro-Québec, which is the equivalent of feed-in tariffs.

11:40

Mr. Anglin: I'm done.

The Chair: Any other questions from the Wildrose caucus? You have a couple of minutes more here.

Mr. Rowe: I just have a very quick one. Thank you to all the presenters for being here this morning. It's been a very interesting morning, to say the least.

I just have a question for Dr. Feehan. In your presentation regarding the means of developing these isolated northern regions, you mentioned Manitoba, Quebec, Newfoundland, and British Columbia. Are any of those projects run-of-the-river projects, or are they all storage facilities?

Dr. Feehan: Of the Quebec ones – Professor Bernard can correct me – I believe La Romaine is all reservoir although a smaller reservoir than others. I think most of these if not all are reservoir projects. I stand to be corrected.

Mr. Rowe: All right. That was my question. Thank you.

The Chair: All right. If that's it for the questions from the Wildrose caucus, I'll turn it back to Mr. Bilous. We're going to squeeze you back in here, okay?

Mr. Bilous: Thank you very much. I just have a couple of questions for Dr. Bernard. This is something that was previously touched on. Looking at construction of dams across Canada, it's my understanding that the construction of new dams slowed in the '80s in most regions in Canada except that of Quebec, and Quebec now has somewhere around 570 dams and control structures on 74 different rivers. So Quebec has had a much different calculus for determining the costs of hydroelectricity. If you could just touch on a few points. What incentives have been offered by the Quebec government to encourage capital investment in such long-term projects, how has the province financed this investment, have they borrowed from capital markets, and how much debt is associated with the construction?

Dr. Bernard: Well, you know, if we set aside the small hydro projects, which I have mentioned, the ones below 50 megawatts, all the projects in Quebec have been developed by Hydro-Québec. Now, the way it goes, Hydro-Québec is owned by the government, so they put out a plan to develop, like with La Romaine, and then this goes through an evaluation exercise. Some modifications and things like this may be required. But once the project gets approved by the government, Hydro-Québec borrows money, up to about 70 to 75 per cent of the project. The rest is funded through their current income.

They borrow both here in Canada and the U.S. and a bit worldwide. That's where the government provides a guarantee on the

loan. It's true for all the borrowing that Hydro-Québec does. There is no direct money transfer from government to the utility. We may say that because some of the money has to be provided by the current income, about 25 per cent, if I recall properly, this means that, obviously, this money is not transferred to the government as dividends. It stays as part of the equity, so it's owned by the government, and later on dividends will be paid out of this.

Now, once a project is completed, either Hydro-Québec as a producer will come to an agreement with the distributor on the price for a long-term contract, or Hydro-Québec as a producer is free to dispose of it through export. They cannot obviously dispose of it to an industrial user. This has to go through Hydro-Québec as a distributor on the distribution side of it.

Once a project is approved, there is no specific contract already signed by a distributor to guarantee that this project will receive a specific price.

Mr. Bilous: Right. Thank you.

Dr. Bernard: Is that clear enough?

Mr. Bilous: Yes, that's perfect.

I believe that earlier you commented that the government of Quebec generates roughly $3.5 billion from hydroelectricity.

Dr. Bernard: From Hydro-Québec, yes. In the good days, two or three years ago, not the recent period, about a billion came out of exports. Now it's less because the price has dropped.

Mr. Bilous: The price has dropped. Okay.

I'm out of time for questions, but I would just like to make a final comment that it would seem to me that there are lots of reasons for a hydro project facility to be a Crown corporation or run by a Crown corp just because of the length of time it costs or takes to come online, the amount of capital that's needed up front. Again, no one can borrow money cheaper than the government can. Looking at it, a hundred years of return seems pretty good to me. That $3.5 billion a year, that's impressive.

Thank you very much.

The Chair: Okay. I will turn back to Ms Calahasen, who wanted to finish her questions, and then Mr. Xiao and then Ms Johnson. Is there anybody else from the PC caucus who has a question?

Ms Calahasen: My question actually has to do with the social impacts on adjacent communities. I know that Quebec has really worked with a lot of different situations in their developments. Could both professors make some comment in terms of what the social impacts are on the adjacent communities as well as traditional and recreational users and how you are able to come up with agreements with First Nations and aboriginal communities and other communities that were impacted downstream.

Dr. Bernard: I'll go first quickly because, you know, this is not my area of specialty. I know that in Quebec we had a quite a few large-scale agreements with some of the First Nation people. It is not always like this. There are some areas where it has not worked out. We remember the Great Whale project, about 20, 25 years ago. Hydro-Québec had already spent about half a billion dollars, and there hasn't been any development there. There was also some discussion going on with respect to the transmission line related to La Romaine project.

It is always an ongoing issue. Sometimes they have large-scale agreements. Basically, they pay money, so much per year and maybe part of the value of the output. I know some work programs are put out to make sure that First Nation people have the capacity to work at these projects. At La Romaine right now – I don't know – maybe 300, 400 people from the First Nation are working there. It's always a challenge. We don't have a clear sky, you know, all over the province. There are places where it works well; other places it does not work so well.

Dr. Feehan: I was going to join in there just to point out that it's similar in Newfoundland. Socioeconomic impact analysis has moved a long way from years ago. There was a time when the river was dammed and that was the end of it, and anyone nearby really didn't seem to matter too much. That's changed quite a bit. In Labrador, certainly, there's a benefits agreement with the Innu people. There are other aboriginal groups making claims as well, so it is a complex issue. But more and more these large hydro companies are more sensitive to these local needs, local impacts. Of course, legislation has moved very progressively in that regard as well. I think these projects can move ahead, but there has to be that sensitivity to those local impacts and to local rights.

The Chair: Thank you.

Mr. Xiao.

11:50

Mr. Xiao: Thank you, Madam Chair. I have two questions. Basically, they are all related. I think, you know, the panel has already made some comments on these questions. For one, I think you just mentioned, Dr. Bernard, that Hydro-Québec generated more than $3 billion. As we know, jurisdictions like B.C., Ontario, and Quebec have hydro, but they also have a huge electricity deficit. I want you to comment on this.

Another question is about the feasibility of a hydro project these days, knowing the natural gas cost and also that a lot of the new technology comes into play. For example, I know that Calgary just recently bought two big gas turbines, and those would generate maybe two-thirds of the total electricity that is consumed in the Calgary area. Do you think it is still feasible from a monetary point of view and also a financial point of view that a hydro project would still be the better choice?

Thank you.

Dr. Bernard: Okay. I am not clear about what you mean by electricity deficit in B.C. and in Quebec because right now at least in Quebec we are in a surplus position. Usually that's not such a good thing because then the government goes after large users like aluminum plants or terminals for computers.

My position, basically, is that if we look at costs, what we have today on the table, like La Romaine or the next projects that have been mentioned, we are talking of projects that are in the 9-cent range under good conditions, about 9 cents. Well, four or five years ago 9 cents was considered to be reasonable because we were looking also at wind power at 10 cents and natural gas. We have one natural gas plant in Quebec of 500 megawatts, and it looks good under these conditions. Now the price of gas has changed drastically, as has been mentioned. Four or five years ago there was a very little clue that the price would drop to that extent. If we look at this situation as it is today, developing hydro power at 9, 10 cents looks a dubious proposition at least for the next 10, 15 years.

But let me tell you that, you know, I've been following the electricity market for the last 40 years, and we had quite a few changes along the road. When I started to look at it, nuclear was the way to go. There are about 100 nuclear plants in the U.S. These were built in the late '60s, very early '70s, and the future was nuclear. Then we had Three Mile Island and Chernobyl.

We've had about 20, 25 years when that has been pretty much off the table.

In the last few years we have this new gas revolution. It's not such new technology – it was around for the last 15, 20 years – but to now have it that cheap is a big change. So what we'll have 15, 20 years down the road is very hard to forecast. When you build these huge hydro projects, if you get reasonable costs, if you are in a reasonable range, like 8, 9 cents, not cost overruns, like 12 cents, 15 cents, 17 cents, then there is a fairly good chance, you know, that over a fairly long time you will be competitive, but not in the near future. So there is no urgency now.

The Chair: I'm going to intervene, Dr. Bernard. Thank you. We're just really, really getting tight on time here. That was a very wonderful answer to a very big question.

We are now just before 12 o'clock, and we were going to try to conclude at 12. We have two options. There are three people with questions. Mr. Hale has a question, and there are three questions from the PC caucus. I don't think we're going to be able to get them all in and answered in the next five minutes, so what I would suggest instead is that if the four people with those questions would read the questions into the record, we will share the questions with all of the presenters. If there is a written response back, we will share that for the record. Obviously, we can go on and on here. Is everyone accepting of that approach? Okay. Great.

With that, I think I will say thank you to our presenters. It's very challenging to bring people in from across Canada, and I'm very grateful that we were able to do it in a cogent way. It made sense. It's cost effective. The carbon footprint is very small. I think we got a lot deeper on some questions. Thank you to all four of you for your presentations and your support of the work of this committee. If you have other suggestions or thoughts on your drive home today or later today or any time, please don't hesitate to send us an e-mail. Send it to Mr. Tyrell, and we will make sure that it's shared with the committee. From this committee our sincere thanks for your participation.

I would also just before lunch like to go through some other business. This is just sort of a catch-up moment for our committee. We will be starting at 12:30, so we don't have a lot of time for lunch. I wanted to let you know that we received a request from Capital Power Corp. late last week, and they wanted to make a presentation to the committee. As our deadline was fast approaching and we have to get started on the drafting, which we're going to start tomorrow, we've asked instead that the Capital Power Corp. make a written submission, if they would like to, no later than February 15. That will be shared with the committee if that is received.

I also want to thank those involved and those who participated in the tour of the two hydroelectric dam sites on Friday. It was quite amazing to look at 100-year-old facilities that were still very operational and functional. To those who put this together, including Mr. Tyrell, our gratitude. It was good.

I also want to report on a working group meeting that we had on January 21 with the ATCO Group. We learned a little bit more about their consultation process, and we also had a chance to look at some of their maps. Now, we have ruled out a site visit up to Fort Smith to meet with the Smith's Landing First Nation due to time constraints, but we're really delighted that they were able to come and join us today, this afternoon, with our other First Nations and Métis stakeholders.

Does anybody have any other business they'd like to raise before we break for lunch?

Okay. We need to get the questions on the record, so if people who had questions could just read them out, then that would be great. We'll start with you.

Ms L. Johnson: Thank you, Madam Chair. I was actually just drafting an e-mail. My two questions relate to the format of a Crown corporation. It's my understanding that Nova Scotia Power corporation was originally a Crown organization, and now it's owned by a publicly traded corporation. Can a background be provided as to what the history and the rationale was for the change in that business model?

Again relating to Crown corporation models, does any province reflect the actual cost of the Crown agency in the cost of electricity charged to the consumers? We've seen a variety of documents over the life of this committee. Some sits on the records on the balance sheet of the province, and some sits on the balance sheet of the Crown corporation. Could that be addressed, please?

Those are my two questions.

The Chair: Thank you.

Ms Fenske.

Ms Fenske: Thank you. I have two areas I'd like to go into. The first is on the feed-in tariffs. Would a feed-in tariff be compatible with a market like Alberta's, and who in the end pays the margin between the spot price and the tariff price?

My second is more with the AUC. With the new changes to the federal oversight, does the AUC see gaps in relation to reviewing hydroelectric projects that were filled by federal participation in the past, and if there are gaps, what process and expected timeline would address those gaps?

The Chair: Thank you.

Mr. Cao.

12:00

Mr. Cao: Well, thank you, Madam Chair. My question is really simple. I wish I had time for the two professors, but my question is regarding their understanding across Canada in terms of electricity. My question is just seeing if there is some view of how electricity can be transported across Canada and then the costs for the whole nation of Canada in terms of, I could say, a national energy strategy in electricity.

The Chair: It's a good thing we read that one into the record. That could take an hour to answer that question.

Mr. Hale, you had a question.

Mr. Hale: Yes. My question was for Dr. Feehan. He mentioned that 60 per cent of electricity in Canada is hydro, and then he stated the more recent ones, the four in the other provinces. I was wondering if he had an average age of these projects across Canada that provide the 60 per cent of the electricity.

The Chair: Thank you very much.

We're now adjourned for lunch. Everyone's back here at 12:30. Thank you.

[The committee adjourned from 12:01 p.m. to 12:34 p.m.]

The Chair: I think we will call the meeting to order, and I'm going to start by asking Mr. Tyrell to list for us all the First Nations groups that were invited and give us an update on who is able to join us this afternoon.

Mr. Tyrell: Okay. The idea was to get just kind of a good cross-section of First Nations and Métis groups, specifically those who

would most likely be affected by any kind of development along the three major watersheds in northern Alberta. We invited the Mikisew Cree First Nation, Smith's Landing First Nation, Paddle Prairie Métis settlement, Duncan's First Nation, Little Red River Cree First Nation, Dene Tha' First Nation, Athabasca Chip First Nation, Chipewyan Prairie First Nation, Fort McMurray First Nation, Fort McKay First Nation. We also invited the Métis Nation of Alberta, Métis Settlements General Council, and Treaty 8 First Nations of Alberta.

Out of those, invitations were accepted by the Métis Nation of Alberta, Little Red River Cree Nation, Mikisew Cree First Nation, Paddle Prairie Métis settlement, and Smith's Landing First Nation.

Unfortunately, this morning I got an e-mail from the representative from Mikisew Cree First Nation, who is now unavailable to attend today because of a travel arrangement error.

The Chair: All right. Thank you.

With us right now are Mr. Darrell Ghostkeeper and Mr. Aaron Barner. We are really grateful that you would spend time to come and present directly to our committee. We have lots and lots of questions, as you'll find out.

What we like to do is ask you to spend about 10 minutes presenting your key messages, and then we will have an opportunity for questions. We rotate our questions because there are four caucuses here. Each caucus gets five minutes, and we'll try to go through that twice. Then if there are still questions at the end and we run out of time, which sometimes happens, we will ask our committee members who have questions to read them into the record, and then we will see if you have time at some point in the near future to respond.

Just a reminder that everything is on the record here. It's a *Hansard* transcript, and you can access it within a couple of days of today.

Okay. Welcome. Thank you.

Mr. Barner: Good afternoon. Thank you, Madam Chair, and thank you, committee members, for the invitation to present.

The Chair: Actually, everybody wants to introduce themselves, and I think that's a good idea. Mr. Hale, why don't we start with you?

Mr. Hale: Sure. Jason Hale, MLA for Strathmore-Brooks.

Mr. Anglin: Joe Anglin, MLA, Rimbey-Rocky Mountain House-Sundre.

Ms L. Johnson: Linda Johnson, MLA, Calgary-Glenmore.

Mr. Webber: Len Webber, MLA, Calgary-Foothills.

Mr. Stier: Pat Stier, Livingstone-Macleod.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Ms Kubinec: Maureen Kubinec, Barrhead-Morinville-Westlock.

Mr. Xiao: David Xiao, Edmonton-McClung.

Mr. Rowe: Bruce Rowe, Olds-Didsbury-Three Hills.

The Chair: Donna Kennedy-Glans, Calgary-Varsity and chair.

I'd also like to mention Kent. Do you want to introduce yourself?

Mr. Hehr: Hi. Kent Hehr, MLA, Calgary-Buffalo.

Mr. Tyrell: Chris Tyrell, committee clerk.

Mr. Bilous: Good afternoon. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research services.

Mrs. Leskiw: Good afternoon. Genia Leskiw, Bonnyville-Cold Lake, the home of two Métis settlements and three First Nations. Welcome.

Mr. Sandhu: Good afternoon. Peter Sandhu, MLA, Edmonton-Manning.

Ms Fenske: Hello. Jacquie Fenske, Fort Saskatchewan-Vegreville.

Mr. Cao: Wayne Cao, Calgary-Fort. Welcome.

Mr. Barnes: Drew Barnes, Cypress-Medicine Hat.

Mr. Casey: Ron Casey, Banff-Cochrane.

The Chair: All right. I will also make one other comment, which I'd forgotten, to make it absolutely, expressly clear to you that this is not a consultation process. Okay? Thank you.

Over to you.

Métis Nation of Alberta

Mr. Barner: Thanks. As mentioned, my name is Aaron Barner, and I'm the senior executive officer of the Métis Nation of Alberta. With me is Darrell Ghostkeeper. He is the vice president of MNA region 5. We'd also like to bring regards to the committee from Bev New, president of MNA region 5, who the initial invitation was sent out to.

I'll begin my presentation with a quick overview of who Métis are and how we form our political structure. I'll then conclude by discussing the mandate of the Standing Committee on Resource Stewardship, of course, from a Métis perspective. The reason I usually start my presentations with an overview of who we are and how we govern ourselves is that I generally find there's a complete lack of knowledge of the Métis and what makes us distinct from other aboriginal groups and how we go about governing ourselves.

The MNA was established in 1928 and at that time was called the Métis Association of Alberta. However, Métis were present in the area now called Alberta since the late 18th century. In 1938 the Métis Association and the government of Alberta came together to establish a land base specifically for Métis. This strategy was undertaken at the time to alleviate Métis poverty.

Alberta is the only province in Canada where Métis have a land base recognized under provincial legislation. There are currently about 8,000 to 9,000 Métis settlement members divided fairly proportionately amongst the eight Métis settlements in the province. The Métis Settlements General Council oversees the governance of settlement initiatives. However, settlement members are also free to join the MNA.

12:40

According to Stats Canada the Métis population of Alberta doubled between 1996 and 2006. In 2006 there were 85,000 Métis in the province, and we believe there are probably over 100,000 today.

The MNA currently has a membership of around 45,000. By and large the vast majority of individuals in our registry database are over the age of 16, yet we know a large majority of the Métis

population in Alberta are under the age of 16. The point I'm trying to get at is that even though there is a difference in our registry and the self-identified numbers, by and large we are representative of the entire Métis population of the province.

The MNA political structure spans corner to corner in the province and is composed of six regions. These regions form constituency boundaries related to both our elections and the political representation of Métis within our governance framework. MNA politicians are elected through ballot box elections. This democratic process is used to elect the provincial council and vice-president as well as regional presidents and vice-presidents. Together these 14 individuals make up the MNA provincial council, that is responsible for MNA provincial and regional governance. Each year the MNA organizes an annual general assembly, where MNA members congregate to among other things undertake the legislative function of our nation required to approve any changes to our bylaws or any major policy enactments.

Nationally the MNA is a founding member of the Métis National Council. The MNC is the overarching arm of our governance structure, with its board of governors composed of Métis Nation provincial presidents from B.C. east to Ontario and our current national president, Clément Chartier. A key function of MNA governance is to respond to the collective and inherent right of Métis to self-government. It is the MNA's mission to pursue the advancement of the socioeconomic and cultural well-being of the Métis people of this province.

Who is Métis? The MNA defines Métis as a person who self-identifies as Métis, is distinct from other aboriginal peoples, is of historic Métis Nation ancestry, and is accepted by the Métis Nation. Similar to First Nations and Inuit, Métis are identified in section 35 of the Canadian Constitution. The MNA believes in the protection and affirmation of our rights as one of Canada's three distinct aboriginal peoples.

When I tell you who Métis are, it is also very important for me to tell you who Métis are not. Métis does not mean part native. It does not refer to someone who doesn't have enough Indian blood to be on the government of Canada Indian band registry. Broadly put, the MNA is not a place that part native people go to sign up for a card if they don't fit in somewhere else. Métis members are part of a historic nation whose aboriginal rights are equal to those of First Nation and Inuit ancestry in this country.

Now that you know who the Métis are and how we govern ourselves, I'll begin addressing the mandate of the committee. When we were invited to present to this committee, the first thing that we noticed was that Métis were not included in the committee's mandate for discussion and investigation into potential partnerships. Unfortunately, we see this too often. I don't want to say that I want to put the committee on notice, but I want to make people aware that we do want to be considered as partners. We want to be not only in this review process but in any actual hydroelectric development in the province. We want the opportunity to participate completely in any potential projects. We want to work with government and industry to build mutually beneficial relationships. We want to look at potential ownership and equity positions. We also want to make sure that there is employment for our people, contracts for our businesses, and contracts for our business entrepreneurs.

However, before any of this can happen, Métis need to be consulted with. This consultation must happen in good faith. The meeting here is just the beginning. Métis are not stakeholders as our invitation here would suggest. Métis are aboriginal rights holders as defined in section 35 of the Canadian Constitution. The Supreme Court's Powley decision in 2003 just recently reaffirmed this.

It is incumbent upon this committee for the scope of your review to include an accurate analysis of how the expansion of hydroelectricity will impact the aboriginal rights of Métis. I can tell you there will be an impact to our people's rights and way of life. However, I can't sit here and tell you to what exact extent this impact will be and how this impact can be mitigated, accommodated, or avoided. That is why the review this committee is undertaking must lay the foundation for a meaningful consultation with Métis to occur on any future development. The government of Alberta and industry must consult with the Métis in order for us to work together to address the effects that hydroelectric development or any other industrial development, for that matter, will have on us. The government has a duty to consult with the Métis.

Unfortunately, by and large the government of Alberta ignores its duty to consult with the Métis. This is evident in the fact that Alberta has a First Nations consultation policy but does not have a Métis consultation policy. My intent in saying this is not to make it a First Nation versus Métis issue or even to suggest that First Nations are satisfied with the province's First Nations consultation policy but to use it as a reference point. Aboriginal people would be the first to agree that there are legitimate differences between First Nations and Métis, but this does not change the fundamental fact that both are aboriginal people that have a prior claim to use of and benefit from the land.

The government of Alberta must in partnership with the MNA develop a comprehensive Métis consultation policy. Consultation with the Métis must occur on hydroelectric or any other types of development.

Finally, Métis must be considered as partners. The province must find value in partnering with Alberta's largest aboriginal group, the Métis Nation of Alberta.

Thank you.

The Chair: Thank you very much for that introduction. I and, I'm sure, every other member of this committee take your comments to heart. I just want to clarify one point. It's not about the consultation and the government of Alberta, but it's about this committee. We did indeed intend to include Métis communities in Alberta in this discussion. I'll just ask Dr. Massolin to clarify that. It's just not accurate, so I want to clarify that for you.

Dr. Massolin: Yes, Madam Chair. I can indicate to the committee and to everyone here that there were two groups that were listed on the original stakeholders list, the Métis Nation of Alberta and the Métis Settlements General Council, as stakeholders to be consulted in this review process. Also, I should note that the original motion was amended, I believe by Mr. Bilous, to include potential partnerships with aboriginal people, and aboriginal was used specifically to include Métis.

Thank you.

The Chair: Ms Calahasen, as Métis, also made that point, as my memory would attest.

I just want to reinforce that as far as this committee is concerned, you have always been welcome. This is not a consultation, but we were always thinking that you are an important part of this conversation.

Mr. Barner: Well, thank you for your clarification. It was just that the letter sent with the invitation quoted that the committee's mandate just specifically spoke to First Nations, municipalities, and another group I can't remember exactly.

The Chair: We apologize for any oversight or inconsistency.

Mrs. Leskiw: A few of us, when we first read that, came to your defence and said that when we're talking about aboriginal, we must include Métis.

Mr. Barner: Thank you.

The Chair: All right. Now we'll start with the questioning. We'll start again with the Wildrose caucus for five minutes; the PC caucus for five minutes; Kent Hehr, the Liberal caucus, for five minutes; and then Deron Bilous, the ND caucus, for five minutes. Then we'll start again. This is how we do it. When I start making this time signal, it means we're probably two or three minutes over our five minutes.

So from the Wildrose caucus Mr. Barnes.

Mr. Barnes: Okay. First of all, guys, thank you both for your time and for your interest in coming to help us out and to be involved with us in this. I appreciate it. Let's start with a big question in that way. What do you guys think the big concerns are for the Métis people and the environment and all things concerned if we were to look at a couple of hydroelectric projects or a project in the north? What do you think the opportunities are for all, and what do you think the partnership possibilities would be for all?

Mr. Barner: Well, when it comes to what the impacts are going to be or what we are concerned with, I think I have to go back to the need for government to clarify the process it's willing to undertake with Métis when it comes to consultation. Yes, I can guess and I can, you know, talk about the historical use of waterways that Métis have had and how we continue to use them today, but traditional land-use studies, traditional knowledge studies need to be undertaken for us to be able to identify those types of impacts. There will be impacts. The extent of those impacts I can't say. How those impacts can be mitigated, accommodated, or avoided I'm also not in a position to say.

When it comes to partnership, I think you have a unique opportunity when you deal with the Métis. Our people are very mobile. Our people are well engaged and well incorporated into Alberta's workforce. As we like to say at the MNA, long gone are the days when we don't have Métis people ready, willing, and able to take on any type of job or any type of business opportunity. However, I don't think we can sit here and say that we're willing to take that in acceptance of a proper consultation policy. As far as equity and stuff like that, we have the potential to look at some unique ways, you know, of raising capital, of participating in a similar manner that we have on the Northern Gateway pipeline, for example, on the equity position of aboriginal groups.

12:50

Mr. Barnes: Just a follow-up. The traditional impact assessments: any idea on how long that would take, how that would be funded, what it would cost? Any thoughts on that?

Mr. Barner: Generally those are brought forward once a project comes online, but in this case, when we're talking about three specific waterways, I think there would be a good case that could made for that study to be made prior to industry being ready to start on a project or being ready to run through the regulatory process. How long it's going to take, how much it's going to cost: I can't tell you that exactly. I'm not a biological scientist or whatever.

The Chair: Please proceed.

Mr. Anglin: I thought you forgot my name for a second and that I'd have to remind you. You will never forget my name.

Idle No More has raised a significant amount of awareness most recently, but we get to do one thing here at this committee. We get to make the recommendation to government. I'm not going to get in depth on the history of government relations with Métis or First Nations. What recommendations would you like to see us bring forward to government with regard to consultation? This is a significant issue, I know; I just heard you talk about it. How would you like to see government actually put this process in place so you feel that you're being consulted?

Mr. Barner: The first step is: let's get together, and let's work together on a mutually beneficial policy, and let's do it in good faith. Let's fund a one-window for government, for industry into the Métis Nation so that we can adequately respond to the needs of government, the needs of industry when it comes to that. The recommendation for a consultation policy can't wait any longer. I mean, in the absence of a consultation policy in 2010 the Métis Nation of Alberta developed its own consultation policy as a guideline for industry on how to work with us. One of the biggest problems with that is having the resources for us to uphold that policy in a way that is even across the board. We do have some excellent examples with some industry partners where we are getting consultation done, but it's not right across the board, and in fact some government departments will say: you do not need to consult with Métis. Some do anyway; some projects are federally regulated. It's just really confusing, and I think the case needs to be really made that there is a consultation policy for Métis. There has to be.

Mr. Anglin: I'm good.

The Chair: We'll move to the PC caucus. Ms Johnson, do you have a question?

Ms L. Johnson: Yes, I do. Thank you very much for coming. I was wondering: in reference to your consultation policy would you be comfortable sharing that with the committee so we'd have that as part of our reference documents?

Mr. Barner: For sure. It's on our website. Absolutely. I'll send it to your clerk.

Ms L. Johnson: Okay. So to Chris. Thank you.

You made reference to raising capital. Capital is a huge issue in all our discussions on hydroelectric development. You mentioned unique ways. Would you care to expand on that for the committee, please?

Mr. Barner: Some of the other Métis nations in Canada have had the opportunity to tap into some federal funding for major resources. The only issue is that you require a match from the province. There have been some discussions on the First Nations side of things where they're looking at interesting ways of getting into the capital markets. Right now there's the First Nations Fiscal and Statistical Management Act. It has to do with debenture financing, and the government of Canada backing I think right now is up to $10 million as kind of a security pot that will help them get a higher credit rating. Of course, they'll be borrowing much over that $10 million. But there has been no discussion, whether it be with Métis or First Nations, on any provincial side of any participation in that type of access to the capital markets.

Ms L. Johnson: Okay. Thank you.

Mr. Barner: If I could even expand on the Northern Gateway pipeline.

Ms L. Johnson: Sure. Let's do it.

Mr. Barner: Basically, there's 10 per cent ownership on that pipeline set aside for aboriginal people, whether it be Métis or First Nations. What they're by and large doing there is borrowing the money on your behalf, kind of charging you a bit of a premium, kind of charging you a bit of, you know, a service fee, and then giving you the money to participate in their project more or less, right? So if the First Nations or the Métis on that pipeline – and we think we have a case through that major resource, the fund I was saying – could go about accessing our own capital and not have to go through Northern Gateway, we could actually borrow cheaper and, therefore, have a higher return on our money when we don't have to pay the extra fees.

Ms L. Johnson: Okay. Thank you.

The Chair: All right. Mr. Casey, you had a question?

Mr. Casey: Yeah. I don't want this to sound negative by any means, but I'd just like to make sure that I understand, I guess. When we're talking about Métis settlements and the impacts in consultation that would evolve around hydro projects, is it really Métis settlements that we're talking about here? When we're talking about impacts from hydro projects, is that Métis settlements that we're talking about here?

Mr. Barner: Well, I think the Métis settlements would be in a different conversation. What we're talking about are the rights that Métis people have through section 35 of the Canadian Constitution to the use of and benefit from the land. In going about, you know, any development moving forward that has any negative impact on those traditional rights, do government and industry have a duty to accommodate, mitigate, and avoid those, if at all possible, on projects?

Mr. Casey: So we're talking about that any lands in Alberta would need to be consulted on?

Mr. Barner: Yes.

Mr. Casey: All right. That sort of negates my second question, then.

Maybe I'll ask a little bit of a different one. Can you through the Métis Alberta – sorry; I'm getting the name wrong here. [interjection] MNA. Thank you. That's an easier way to say it.

Do you have a mandate to speak for Métis overall in the province? In other words, the settlements have their own councils, their own governance models. Are you recognized by all those councils and all those communities as representing their interests, or who would you be consulting with?

Mr. Barner: Members of Métis settlements are free to be members of the MNA if they choose. In fact, there are people that are on our provincial council, that I explained the makeup of, that actually live on Métis settlements. When it comes to settlements, there is legislation in Alberta that directs, you know, the authorities of the general council and what they can deal with, and it's basically on-settlement affairs. When we're talking MNA, we are the representative government of the Métis people of Alberta and looking at corner to corner to corner in the province with the exception of the legislation that applies to the on-settlement activities.

Mr. Casey: Now, is that a provincially legislated authority?

Mr. Barner: Under the settlements it is. Yes.

Mr. Casey: Under the settlements. But for the MNA? The question really is: where does the authority come from for your group to represent?

Mr. Ghostkeeper: There are basically two separate governances there. One is MNA.

The Chair: If you'd use the microphone that's right in front of you, that would be really great.

Mr. Ghostkeeper: Sorry. I think I know what you're getting at there. We do not set governance over the Métis settlements. They're a separate governanceship. There are two separate bodies there. We do not represent the settlements themselves. Is that the question?

Mr. Casey: Yes. Really, it comes down to: who do you consult with? So as a government moving ahead with hydro projects, are we consulting with two levels of government? What I'm hearing is that there are two governance models running overlapped and parallel. Nevertheless, it's important for us to know who we're negotiating with.

1:00

Mr. Barner: Exactly. I mean, when you deal with Métis, it's never going to be clear cut, simple, and easy. That is speaking back to: what's the recommendation moving forward? That's why we need a consultation policy – right? – so that there's certainty around these issues, certainty around whom you talk to, who talks for whom. I don't want to be here trying to answer all these questions, but I think the message needs to be precisely: why do we need a Métis consultation policy? Industrial development is so important in this province. We want to be partners, but we also want to be consulted with.

Mr. Casey: Thank you.

The Chair: All right. Thank you.

I think we'll move to the Liberal caucus. Mr. Hehr.

Mr. Hehr: Thank you very much. This has been very informative for me, to learn more about the Métis here in Alberta and actually throughout Canada. I guess my question would centre around: has there been a process, from your perspective, that other governments have gone through that you viewed as being successful consultation? My second question would be: how has the Métis Nation been able to participate in other hydroelectric opportunities in other provinces, how have businesses participated, or how have some ownership possibilities come out for the Métis people? If you could address those, that would be great.

Mr. Barner: Consultation processes in other provinces: I think where we would like to get to is kind of where the Métis Nation of Ontario is. When I talked about the 2003 Powley decision, that was in Ontario. Their model there, without getting into too much detail, I think could be replicated. What you see – and I've seen this – is that there's a very strong relationship between the Métis Nation of Ontario and the provincial government.

I think, you know, it speaks to more than just having a policy. I think it also speaks to the relationship and the respect of the traditional mobility of the Métis harvesting, of the Métis people, and the Métis rights in that province. So I think that looking there

would be a good start. Whether that is going to respond to, "Are the needs of industry going to be the same in Ontario as in Alberta?" I think there are certain things we have to look at. It's a lot different here.

As far as partnership on project ownership, employment, stuff like that, I'm not sure offhand of any specific Métis model. I know there are some good First Nation models, where they're owning portions of different hydro projects in B.C., that could be looked at, that could be replicated for First Nations and Métis here.

When it comes to employment, in Alberta we do our service delivery by and large through our affiliate structures. One of our newest affiliates is called Rupertsland Institute. Rupertsland does education, training, and research. We fund about a thousand individuals a year through the ASETS agreement, the aboriginal skills and employment training strategy, that allows us to use about 14 and a half million dollars and calls for 10 offices province-wide and two mobile offices, that are well in tune with and accessing well the labour market potential of Métis individuals that are ready, willing, and able to enter the workforce.

Mr. Hehr: Thank you. Just a final question. You may have brought this up in your introduction, and I either forgot or didn't hear. In your estimate how many Métis are living in Alberta, and is there a Métis population in and around the proposed hydroelectric dams that we're talking about in this province?

Mr. Barner: The last Stats Canada data that we have is from 2006. In there there were 85,000 self-identified Métis. Given that that doubled from the 1996 Canada stats, I think, what we would project is that it's likely over a hundred thousand today. And when I say that, it's not that just all of a sudden more people are being born. It's that more people are identifying as Métis, right? I explained Rupertsland Institute, for example, and the opportunities there. The Métis people have more of a reason to come out and self-identify. There are more opportunities for them.

Sorry. What was the second part of the question?

Mr. Hehr: Do you have a Métis population in and around the proposed hydroelectric dam sites in northern Alberta?

Mr. Barner: Yeah. A lot of Métis people congregate in the larger urban centres, but they're also very mobile traditionally. Our people have and always will go where there's work. If there's an opportunity anywhere in this province, anywhere where there's, you know, a lot of economic development happening, you'll find Métis there. Whether they're living close or whether they're willing to travel, I think that finding Métis employment opportunities is not going to be an issue.

Mr. Hehr: If I have time for one final question, Madam Chair, I think I heard a couple of weeks ago that a brand new decision came out of the Supreme Court of Canada which strengthened the Métis position in terms of legal rights. Is that true? If you could tell me what the synopsis of that case was briefly and if it has any application to what we're talking about here.

Mr. Barner: Well, it was a Federal Court decision. We're expecting that it will end up in the Supreme Court because it's likely going to be appealed. There hasn't been much of a response from the federal government on what this decision really means. We think that it finally, once and for all, clears up the fact of who has jurisdictional responsibility for the rights and interests of Métis. That decision spoke to the 1867 Constitution, section 91.24, that said that the federal government has exclusive legislative authority for "Indians, and Lands reserved for the Indians."

Fast-forward to 1939. Just to put it into perspective, Inuit were considered Indians when it came to that definition and who has legislative jurisdiction over them. Now move on to 2013. That was the same decision that just came down from the Federal Court. It doesn't change who we are. It doesn't change that we're one of Canada's three distinct aboriginal peoples. It doesn't mean that we're going to go under the Indian Act or that we are Indians. We're still the same that we always have been historically, politically, and even today, you know, contemporaries.

Mr. Hehr: Thank you. I'll go take a look at that, but that gives me a good start and a good frame of reference. Thank you for answering my questions.

Mr. Barner: You're welcome.

The Chair: All right. We'll move to the New Democratic caucus and Mr. Bilous.

Mr. Bilous: Thank you, and thanks again for coming today, gentlemen.

Kent, that was the Daniels decision that you're referring to. What's interesting – I'd just like to follow up – is that approximately 200,000 Métis and 400,000 nonstatus individuals will now be considered Indians under this Federal Court ruling. In your opinion, what kind of impact, if any, do you think that will have? Let's talk about consultation, the duty to consult but especially when it comes to potential hydroelectric projects.

Mr. Barner: The impact moving ahead: it's really tough to say, you know, what it's exactly going to mean. I think it clearly defines who has the jurisdictional responsibility. What we want to see is a real nation-to-nation negotiation, discussion with the federal government on this. What is the likelihood of this happening if it goes to the Supreme Court? Well, eventually it will have to happen but probably not – what our lawyers are saying is that it's going to be three to five years before they would have a ruling on something like this. I do think it's a very good win, so to speak, for the Métis, but I don't know what the exact impact for sure is going to be.

Mr. Bilous: Well, I can appreciate your frustration. That was a 13-year-old battle, that just was decided last month.

I just want to talk a little about hydro development, and I'm going to touch on B.C. Since 2012 B.C. Hydro has been in communication with yourselves, the Métis Nation of Alberta, region 6, regarding the site C clean energy project. I understand the Métis Nation is particularly concerned about the impact that that project will have on the ice bridges that their members use to access lands and more generally on transportation on the Peace River. They also expressed concerns about their members' traplines on the tributaries of the Peace River and fishing on the Peace.

I've got a number of questions, but I'll just start off with: to what extent has B.C. Hydro satisfied the concerns of the Métis Nation, of yourselves?

1:10

Mr. Barner: Wow. You know what? I don't have a clear answer on that one. I'd be more than willing to give a written submission once I speak with the region 6 president, Sylvia Johnson, and provide an update to the committee on that. I could speculate, but you guys probably already know what I'm going to say.

Mr. Bilous: Yeah. Aaron, I'd be more than satisfied and, hopefully, my colleagues would be as well with that.

Mr. Ghostkeeper: For the most part, too, speaking in terms of consultation, there have been some terms of reference coming from AESO. We're fully aware of that. We had a consultation less than two weeks ago. It wasn't a formal consultation, but all the PDF files were there. We haven't submitted anything further, but there is going to be a further dialogue.

Mr. Bilous: Good. But I find it a major concern to this day that there still is not a consultation policy with the Métis Nation within our province.

I'm not sure if you can answer this next one, but do you know why no traditional land-use study has been conducted by B.C. Hydro and the Métis Nation of Alberta?

Mr. Barner: I don't know. I couldn't tell you why.

Mr. Bilous: Okay.

Mr. Barner: What I would like to just say is that I don't know why, but I can tell you that we would fully expect for there to be one that occurs.

Mr. Bilous: In case members are wondering why I keep going to B.C. Hydro, it is because, again, it deals directly with the Métis Nation of Alberta, with one of their major projects. What's interesting is that it states that – this is what B.C. Hydro said – their understanding is that the project "will have no adverse effects on the current use of lands and resources for traditional purposes of the Métis Nation of Alberta – Region 6." Do you agree with that?

Mr. Barner: You know, without a traditional knowledge or traditional land-use study or whatever being undertaken, I can't agree with analyzing any impact. I would have to say that, you know, they haven't done their due diligence to tell us whether there is or there isn't going to be, and if there isn't, then as far as I'm concerned, B.C. Hydro is going to be responsible to the Métis people for any adverse effects there potentially will be and most likely will be.

Mr. Bilous: Okay. One last question: has the Métis Nation of Alberta been consulted at all by ATCO or TransAlta?

Mr. Ghostkeeper: There hasn't been any formal consultation, but for most of the consultations we've been doing, we've been piggybacking off the Métis trappers for the most part. We've been representing them at that point. There is a dialogue that was set out in 1980 of that formal consultation. In fact, ATCO was a part of that, the underwriters for the Alberta Trappers' Association. But a lot of the Métis trappers were misrepresented, and that's why we submit to consultation with the trappers, to help them represent. For the most part the Métis trappers, some of them, you've got to understand, couldn't read and write, so that's why for a lot of the consultation we've stepped forward, and some of our submissions come from our part.

Mr. Bilous: Okay. Thank you.

Mr. Barner: When you asked the question, "Has there been consultation that has occurred?" again it goes back to why we need a policy. You know what? There is consultation that happens, some at the regional level, some at the local level. With some specific industry we have that one window through the MNA, but it's so fragmented and it happens at such a different level, depending on the capacity at the regional or the local level, the capacity we have as far as people's time at the head office. To answer a question like that, again, it's so fragmented that it's hard to really pinpoint a yes or a no. There may very well have been cases where they have, and there have probably been cases where they haven't.

Mr. Bilous: Thank you.

The Chair: Thank you, gentlemen.

We have time for probably one more round from the Wildrose and the PC Party.

Does the Wildrose caucus have some questions? Mr. Hale?

Mr. Hale: Not really. Most of it's been answered before.

When you talk about the Métis consultation policy being needed, is that something you think that the members of this committee or that the government should take the initial steps on, or is it something that you guys would provide to the legislators for what you would like to see? How do you see that process going, I guess, in coming up with this policy?

Mr. Barner: Well, I think there needs to be a process for, like I said, engagement in good faith to create something that's going to work for the Métis people, for industry, and for government – right? – for the government to be able to distinguish the Crown's duty to consult with aboriginal people on projects. As far as the process goes, we do have our own policy, that our community supported unanimously in 2010. Is that framework going to be completely replicated? Is that what we want? Would we say to government: "You know what? Fund us a similar way, even though it's not very much, that you're funding a First Nation so that we can uphold our consultation policy"? Would that be acceptable? I would have to go back to my political leaders and probably get further direction on what that would look like. I do think that if it is to happen, it needs to happen in good faith and through a partnered approach that makes sure that we have something that's going to work.

You know, what's happening with the First Nations now, coming back after everybody was mad at each other since they developed it in 2008 – they were all mad at each other for four or five years. Now they want to revisit it. They're still mad at each other. They're going to come up with something new. Then they're still all going to be mad at each other, right? I think that we can learn from that and build something that's going to work for government, industry, and Métis.

Mr. Ghostkeeper: For the most part we work with the regions. We have three separate levels of government. We have the local, that's directly impacted, and the second part is that we have regional divisions within Alberta. At the MNA level we have portfolio holders. Everybody is represented as ministers for the most part, so we have a separate division of ministers.

The Chair: Okay. If that's all the questions from the Wildrose caucus, then Ms Calahasen and Ms Johnson have a question.

Ms Calahasen: Do you want to go first?

Ms L. Johnson: Sure.

Ms Calahasen: Go ahead, and then I'll ask after.

The Chair: So we're starting with Ms Johnson and then Ms Calahasen.

Ms L. Johnson: Well, thank you, colleague. My question you probably know the answer to as well. With all due respect, I don't understand all the definitions all the time, and I think that since

I've become an MLA, you always have to step back. What is the definition that we're using for this phrase? The phrase I'd like to understand better is "Métis interests." My constituency is next door to the Tsuu T'ina lands, so I have some – some – understanding of their authority over industrial development on their lands, expansion of casinos. When the phrase "Métis interest" is used, could you expand on a definition for that for me, please?

Mr. Barner: Sure. I can try to, whether it be a definition or just what I think it means, I guess. Métis are and always have been interested in whether it becomes the governance. You look back to Riel, and you look at talking about partnership, economic development, and you look at the role that Métis played in the development of this country and commerce. You look at where we are today and how we continue to be a distinct nation. What are our interests? Our interests span the whole gamut.

Here's a great example that I've used before when speaking with government. You know what? We all have the same interests, right? Our interests as the MNA – my political leaders all have the same interests as you, doing the best job they can to represent the rights, the interests, the aspirations of their constituents. It's the same thing here at the MNA.

Ms L. Johnson: Okay. Thank you.

Ms Calahasen: Well, first of all, thanks for coming and facing all the politicians of the day. We're all different parties, so it's good see the questions from the various parties. Métis have always had a special relationship with the Alberta government. They always have. I hope that continues because I think that's how you determine what happens for the next steps. I know that there was a negotiated Métis harvesting agreement that was nixed somewhere along the way. However, that doesn't mean that that's the end of anything to do with consultation. We've always known somewhere along the way that there's going to be a challenge with the Supreme Court of Canada regarding anything to do with Métis rights. I think that's coming to pass. We have always dealt with the Métis as a partner and dealt with issues no matter what they were. We always talked about what needed to be done.

1:20

I guess my question, then. There was a question from some of my colleagues. The number of Métis communities that could potentially be impacted regarding anything to do with hydro in the northern part of the community: I know the Métis Nation has that information, and I know the number of Métis peoples that could have their lives changed as a result of that. I think it's important and should actually have some information brought forward by the Métis Nation of Alberta.

The second question I have. The fact that we have no process for Métis consultation policy developed yet, which was to be done a while back: what process would you recommend or suggest can be utilized if we were to move forward in anything to do with hydro production or anything of that nature?

Mr. Barner: Well, I mean, that's precisely why we created our own consultation policy, so the guidelines are very well laid out there on how we can get right down to the local level and how we can ensure that you're dealing with the people that are feeling the impact and that there is capacity for them to respond meaningfully to a consultation process.

Just a comment on knowing we're going to end up in the Supreme Court. The MNA never wanted to litigate. We've always wanted to negotiate. We didn't want to have to be and we still don't want to be in court over harvesting. We want to settle out of court. We wanted to have an agreement that worked very well like the interim harvesting agreement when that came out. That was unilaterally rescinded based on certain agendas that the MNA had no control over. We're still open to negotiating and not continuing in the court, wasting everybody's time and money on harvesting, which was a policy that we had in place that worked well for everybody, the government and the MNA.

Ms Calahasen: Can you tell us, then, in terms of the process: would you suggest that there's any development that happens that can be utilized for the Métis Nation members?

Mr. Barner: Development like opportunities for members to participate?

Ms Calahasen: Other partnerships or ways for people to be able to work with the Métis Nation so that things are not held back but are being brought forward for individuals to at least participate in some way or get something for something that's lost, a lifestyle that may be lost.

Mr. Barner: Yeah. I think it needs to happen with a one-windowed approach, right? It needs to be set out. We have MOUs with certain industry, where it spells out a very, very clear process on how we are going to get right down to the level where the impact happens. Unfortunately, they have to fund us for that. We need the capacity to respond. We need the boots on the ground for that because if they don't have that MOU with us and there aren't dollars attached to the process and there aren't deliverables attached to those dollars, then we don't have the capacity to respond. It's just happening at a fragmented level across the board, whether it be local, regional.

Ms Calahasen: There was a study that was done in terms of what Métis communities existed prior to certain years. Have you got that study finished at all in any shape or form? Supposedly there was a study on the Métis communities that had been established long before Alberta was even considered a province.

Mr. Barner: I'm not really sure where that study is or if it's been finished. I haven't seen it. But what I can tell you is that from a contemporary perspective we look corner to corner in the province and the right for us to exercise our rights, whether it be contemporary or historical usage.

Ms Calahasen: Thank you.

The Chair: Thank you very, very much, Mr. Barner and Mr. Ghostkeeper. Thank you for taking the time. You've undertaken to provide us with more information, and it will be very well received. If you provide it to Dr. Massolin, we'll make sure it gets on our website, and then we will look at it. Thank you for coming and joining us. We're really grateful.

Mr. Barner: Thank you.

The Chair: What we will do now is just take a five-minute break here to switch chairs, and we're going to invite Mr. Webb, who has been here since lunchtime – he's hopefully familiar with what goes on here – from Little Red River Cree Nation. I also want to say hello to Paddle Prairie Métis settlement, Mr. Armstrong, who's here, and I just saw the whole Smith's Landing crew come in. Welcome. There are some drinks and things. If you would like to have a drink, you can back here.

So we'll just take a couple of minutes if you want to stretch your legs or something, but do come back in a couple of minutes.

[The committee adjourned from 1:26 p.m. to 1:33 p.m.]

The Chair: Okay. I think we're ready to go.

Mr. Hehr, are you with us?

Okay. We would like to welcome Jim Webb, senior policy adviser with the Little Red River Cree Nation. You've been patiently listening to these discussions, so are you comfortable with everybody at the table? Do you want introductions, or do you want to pass on introductions?

Mr. Webb: I'm fine.

The Chair: Okay.

I also want to just restate that this is not a consultation.

Mr. Webb: I understand that although you guys get confused about it at times. While you were talking to the Métis presenters, at least two of you talked about consultations.

The Chair: We'll have to come up with a different word for this conversation.

We will turn it over to you, Mr. Webb, and then we will go through questions as we did before. I see you have a presentation, so thank you.

Mr. Webb: Yes. I've given you two pieces of information. One is a copy of the PowerPoint. The second one is a written text. The PowerPoint is about what, and the text document is about how what we're asking for could be accomplished.

Little Red River Cree Nation

Mr. Webb: The thing that I want to start with is the treaty relationship. We have to talk a little bit about the Supreme Court because what they say structures a lot of what we do. In Mikisew one of the important things that the court said was that the treaty did not create a final land-use blueprint for the treaty area. The map on the screen shows you most of the treaty area, which is quite large. What the treaty did was to create a political relationship between the Crown and Indian peoples, and that political relationship is sometimes called a nation-to-nation relationship. At other times and most often in Alberta in the context of what the Premier has done with treaties 6, 7, and 8, it's called a government-to-government relationship.

The treaty affirmed the right of the Crown to take up land for settlement and development, but the treaty also affirmed and guaranteed the First Nations' right to use all lands not taken up by the Crown to continue their way of life and their usual vocations of hunting, trapping, and fishing. Water was not mentioned at all in the treaty or during the discussion of the treaty.

All of those points are important to what you have to consider as part of this committee. By way of explanation this slide is an original artwork done by a Dene Tha' person and belonging now to me, which depicts a vision of what their world is. I've used it to show that the treaties guaranteed First Nations freedom and economic rights, and these economic rights included the right to continue what is called their traditional seasonal rounds within Crown lands. That's another one of the phrases that has come into our language in relation to treaties now, and what it refers to is the right and the practice that First Nation people use in occupying Crown land and hunting, trapping, and fishing within those lands in accordance with their own customs, traditions, and laws.

The treaty also guaranteed the economic right of the Indians, or First Nation people more properly, to become part of new livelihoods. In that context what I'm saying today is focused principally on this right to continue their traditional seasonal rounds within Crown lands rather than rights to participate in new forms of livelihood situated on reserve lands.

We believe that the treaty created Crown duties. If the First Nation people had the right to continue use of Crown lands in accordance with their traditional seasonal rounds, Crown governments have a duty to maintain a goodly supply of fish and game on those lands, to protect the habitats of those species of interest to First Nations in the conduct of their traditional seasonal rounds, and to protect First Nation people from white competition in their exercise of these rights. That is a more fulsome sort of outline of what this treaty relationship between the Crown and First Nation peoples is in relation to provincial Crown lands and in relation to federal Crown lands in Wood Buffalo national park with respect to the nation that I work for.

1:40

One way to explain this further is to talk about cultural sustainability. Cultural sustainability refers to the expectation of First Nation people that their land and resource uses, which are central to their identity and integral to their way of life, will be protected and maintained by the Crown, incident to the Crown making decisions about other uses of this land.

The second statement on this slide gets us right to the heart of my presentation. Hydroelectric developments must be done in a manner that maintains or retains the ecological integrity of lands not taken up so that First Nation people can use them to sustain their culture and their way of life.

The Little Red River Cree Nation and other First Nations within the Treaty 8 territory – in Alberta, in British Columbia, and in the Northwest Territories – have been engaged in a 50-year dialogue with B.C. Hydro and with the federal government about the fact that the government of B.C. in the mid-1960s chose to undertake hydroelectric development in a manner that maximized the hydroelectric potential of the Peace River within British Columbia. They did that without any consideration of the need at that time to mitigate their actions on downstream resources and downstream peoples.

Consequently, since the early '70s the Peace River has been managed under a hydroelectric regime that has turned the seasonal rate of flow of water on its head. The result of that has been a drastic reduction in the ecological integrity of wetlands situated in the boreal forest along the lower Peace River to the west of Wood Buffalo national park and within Wood Buffalo national park. The scale of that reduction is that between 40 and 60 per cent of these wetlands have been degraded to the point that their ecological integrity is at risk.

Now, Little Red River Cree Nation is one of the First Nations that has participated in this dialogue, and we've done this through the northern river basins study. We've done it through the consultations on the Mackenzie River basin master agreement. We've done it through processes within Wood Buffalo national park on the Peace-Athabasca delta environmental monitoring committee process. We've done it more recently in relation to consultations with B.C. Hydro and the federal and provincial government related to the environmental assessment of site C.

None of those processes have been sufficient to address our concerns or to prompt a government response to our concerns. The reason for this is outlined in this slide. The forest and the wetlands situated within the lower Peace River basin are the basis of Little Red River Cree Nation's traditional seasonal round. These wet-

lands are central to the way of life and integral to the culture of Little Red River Cree Nation people. Water is essential to the maintenance of the environment that would be conducive to the exercise of these vocations and the way of life. Management of the flow regime within the Peace-Athabasca river basin is essential for preserving ecological integrity.

If the Crown has a duty to manage water for this and they have a duty to reconcile this duty towards First Nations with other proposed uses of water, as you approach the question of hydroelectric development in Alberta, you are going to have to wrestle with what a proper reconciliation will look like.

Over these slides I've used two words. In the beginning I talked about mitigation and the fact that B.C. Hydro, when they undertook to construct the "Wacky" Bennett and site 1, did not undertake to mitigate their actions. Mitigation used to be a word that governments liked when they were talking to First Nations because they believed that governments had the right to make decisions which could affect First Nations, that they understood how to justify those decisions, and then all they had to do was to find ways to mitigate the decision to somehow make up for the impacts that they were causing.

That is changing. The courts over the last couple of years have begun to say that the Crown can no longer assume that its right to make a decision is somehow superior to the right of First Nation peoples to use lands that are not taken up to sustain their way of life and their usual vocations, that these rights are not inferior and superior rights, that they exist at the same level. The task is moving from one of mitigation to one of reconciliation, so when governments consider developments with the risk of infringing on First Nation rights, their task has become much more complex. They have to figure out how to reconcile these two and to properly balance them, and that, when it comes to hydroelectric development, is a daunting task.

I'm using this slide as an example. There are two things that are in the text there. The first is Little Red River Cree Nation. It's fairly large as First Nations in Alberta go. It has a population of something over 4,500 people, and 87 per cent of their members live within three Indian reserves – Fox Lake, John D'Or, and Garden River – that are situated on the Peace River to the west of Wood Buffalo national park. They sustain their families in these communities by hunting, trapping, and fishing on Crown lands which surround their communities. Now, the small map in this slide is an area just to the east of the Fox Lake Indian reserve. The small circle on that small map is blown up in the larger map, which shows a complex of wetlands sedge meadows that exist there.

In 2005 Little Red River Cree Nation, working through the Sustainable Forest Management Network, commissioned a professor from the University of Calgary by the name of Wayne Strong to study these sedge meadows and to calculate their carrying capacity in relation to wood bison, which are one of the animals which range on these lands inside and outside of Wood Buffalo national park. What he found by doing detailed protein analysis of the sedge that exists there is that there is enough habitat in this series of wetlands to sustain a herd of 1,100 wood bison.

1:50

What is important about that is that this particular wetlands complex has persisted whereas others which are situated in lower lying portions of the Peace-Athabasca delta have dried up because of changes in the water regime. With a population of 4,500 and a demographic profile that our population doubles every 22 to 27 years, the ability to sustain themselves on moose, deer, and bison in this landscape is being pushed to the point that if the integrity of this landscape is not maintained, these people will not be able to maintain their way of life and their culture.

It's in that context that we make a set of recommendations to you. We recommend that the government of Alberta and the Treaty 8 nations implement and participate in a river basin management regime that will be capable of either restoring or emulating the natural flow regime – that is, the flow of water in its quantity, its quality, and its seasonal rate of flow – within the Peace and Athabasca river basins, and we propose that any future hydroelectric development within these basins be undertaken in a manner that maintains this natural flow regime in the interest of the ecological integrity of boreal wetlands. We believe that that would be a proper reconciliation of rights and interests. We believe that hydroelectric development would be possible if the natural flow regime were restored although we will submit that you would not be able to generate as much hydroelectric power as you would under the current water regime that's in place on the Peace.

The second recommendation that we make – and we've made this in our submissions to the Alberta Utilities Commission; we've made it in our discussions with Alberta Environment over the bilateral water negotiations – is that Alberta use the ongoing bilateral water negotiations that they are having with British Columbia to compel British Columbia to modify their water management regime and compel B.C. Hydro to change their hydroelectric operations within the upper Peace River basin so as to re-establish or emulate the natural flow regime within the Peace River.

That's the presentation that I prepared coming into this meeting. As I said before, the text document that I delivered to you outlines a tribal council level subcommittee on water that is being established between the North Peace Tribal Council and your government where matters like this can be discussed, and we look forward to those discussions.

Thank you.

The Chair: Thank you, Mr. Webb. Given the comprehensive nature of your presentation I'm going to suggest that we will do one round of questioning, and if people have questions that they're not able to have answered in this round, then we'll read them into the transcript and give them to you, Mr. Webb, to respond later.

I will start with the Wildrose caucus. Mr. Anglin.

Mr. Anglin: Thank you. I know this was explained. I apologize; I had to step out for a reason. We are tasked just to look into making recommendations to government. I had the opportunity to read the treaty that was online. I won't say that it's the actual physical copy, but I was interested in reading it and how it would apply. So I'm going to ask you: what is the greatest stumbling block for First Nations in dealing in particular with both provincial and federal governments?

Mr. Webb: In my estimation it is the fact that we do not have a shared understanding of the treaty. What you read as a treaty document was the English text of a document drawn up by the Crown. Some of the people present at some of the treaty negotiations have said that they never saw this document. Some of them said: oh, we saw a document, but it wasn't this document. But the more fundamental problem is that that English-language treaty had to be translated from English in discussions with people who spoke Cree or Dene. Harold Cardinal, among others, as a legal scholar has done a lot of work to document what the treaty, when translated into Cree, would have meant in the natural understanding of Cree peoples.

I've done a little work that's published on that, and the gist of it is this. In the treaty they talk about their usual vocations of hunting, trapping, and fishing. When most of us who are English-language speakers think of the word "vocation," we think about what a person does to make a living, their job. But when we think about "vocation" the way that word is used to talk about the priesthood or physicians or sometimes lawyers, we think about a set of moral and legal precepts that guide the individual as a professional in the exercise of a serious duty towards others.

The Cree word that that word "vocation" gets translated into, in Cardinal's estimation, grounded in discussions with a large number of elders, is a word that I will mispronounce as pimatisewin. Pimatisewin means in the Cree language this larger set of values and rules or laws that the individual is compelled to follow in his relationships with everything on the land, including others who come onto the land. That's where this emerging line of thought about the right of Indians, or First Nation peoples more properly, to hunt, trap, and fish in accordance with their traditional seasonal round comes from because it means that they have the right to hunt, trap, and fish according to their own laws and the way that their own culture tells them that they must.

In Saskatchewan, where they've had an office of Treaty Commissioner for about 15 years, Judge Arnot, who was the chair of that treaty commission, wrote a book at the end of the first stage of treaty discussions called *Treaty Implementation*. In that book, which is the report of the Saskatchewan Indian commission, he outlines a set of principles which could be used to develop a shared understanding of what the treaty means between English and Cree speakers on the basis that it would be that shared understanding which would then allow us to reach agreement on what needs to be reconciled in our relationships.

I hope that that's a reasonable explanation to you.

Mr. Anglin: Okay. Thank you.

The Chair: Actually, we're at five minutes, so I'm going to move to the next caucus. I know, Mr. Stier, you have a question. If we have time at the end of the round, I'll come back to your question. Is that okay?

Mr. Stier: You'll get to me later? Thank you.

2:00

The Chair: PC caucus, who would like to ask a question?

Mr. Casey: If by some chance the traditional flows in the Peace were able to be restored and the wetlands re-established, what other impacts do you see then? That's a very strong environmental impact, and it obviously has a social side to it. Are there other impacts for Cree peoples here of a hydroelectric project, especially if it was close to you; for example, if there were jobs, you know, that kind of thing, outside of the traditional sense?

Mr. Webb: If a hydroelectric project were being undertaken in a manner that restored the natural flow regime or emulated it, we would want to talk to the proponent, and we would want to talk to the governments about other benefits.

In the context that one of the sites that's been on the books for a long time for hydroelectric development in Alberta is Vermilion Chutes, if that particular site were ever to be looked at seriously for a run-of-the-river type of project, we would have to be consulted on the basis that impoundment of water there would flood the John D'Or Prairie Indian reserve. We have made that information available to the government of Alberta, saying that as we understand in that context, both ourselves and the government of Canada would have to be talked to, and our consent would be necessary for that particular project.

Our principle concern that we wanted to bring here was this concern about the ecological integrity of Crown wetlands within Crown forest, which are necessary for our way of life.

The Chair: Do you have another question, Mr. Casey? Ms Johnson has one.

Mr. Casey: Oh, please, then let Linda go.

Ms L. Johnson: Well, thank you. Thank you, Mr. Webb. I found your presentation quite thought provoking. One of your comments was about if the Crown has a duty to manage flow. Was I missing something there, or was there a particular point you were hoping that we'd catch?

Mr. Webb: The point that I was trying to make – and I was very careful to say that we believe the Crown has this duty. In other contexts the Crown has been told that they have a duty to maintain a goodly supply of wildlife and fish and that they have a duty to maintain the environments that are necessary to do that. We believe that those types of guidance to the Crown imply that there is a duty to manage flow in this interest, particularly in the context that changes to flow have so drastically affected the ecology of these boreal wetlands. But the only place that will ever be tested, unless the Crown reaches agreement with us to do that, would be if we had to take the Crown to court, to launch an action and ask the court to give us both some kind of guidance on it.

Ms L. Johnson: Okay.

The Chair: Mr. Casey, if you still have a question, we have one more minute.

Mr. Casey: I just need to get back to what my question was going to be. You had mentioned other benefits and then sort of gone on to really talk about re-establishing or sustaining traditional wetlands. The other benefits that you were referring to: what, potentially, are we including in that?

Mr. Webb: Well, Little Red River Cree Nation with a population of 4,500 has got 70 to 85 per cent seasonal unemployment. Our members need jobs. We have no viable business to employ our peoples, and it's one of the reasons that most of them sustain themselves to this day by hunting, trapping, and fishing. We are as interested as any other peoples within Alberta in jobs and business opportunities, but we believe that the government needs to address the matter of cultural sustainability before it tries to talk about what we call equitable benefit, which is jobs and business opportunities.

Mr. Casey: Thank you.

The Chair: All right. Thank you.

We'll move to the Liberal caucus. Mr. Hehr, the floor is yours.

Mr. Hehr: Yeah. Just a couple of quick questions, because it was a very detailed report. It gave me a lot to think about and the like. Do you think the project can be done if we go forward on this and the government puts a really serious effort into wetland protection? Just a second quick question. As you alluded to in the last question, how do you see your people participating in the workforce? Would you need to set up companies? Would there have to be extensive training done on behalf of some bodies? Just sort of

fill me in on what you think would best enable people from your jurisdiction to be employed in these projects.

Mr. Webb: Okay. In relation to the first question project-specific environmental impact assessments are not necessarily the best tool for addressing these large questions about ecological integrity. It's been our experience in the site C EIA process that while in Alberta EIAs have been allowed to look at the impacts of development from a preindustrial footprint forward, the EIA that we're currently participating in in B.C. doesn't allow that. So there is no proper consideration of the historic context of the impact of previous hydroelectric developments on the Peace on our rights and interests.

The point that I'm trying to make in this is that there is another way to do environmental assessments, which is called a regional strategic environmental assessment, an RSEA. What that does is look at the impacts of historic and reasonably foreseeable industrial development as a baseline that can then be looked at in relation to scenario developments.

Mr. Hehr: Now, let me ask you a question, then, interrupting you briefly. Sorry about this. Have there been other jurisdictions who have used this type of assessment tool that we could look to model if that is the recommendation you're giving?

Mr. Webb: Alberta and the government of Canada, the government of Northwest Territories, and the government of Saskatchewan actually used a form of this in the northern river basin study, where they were looking at the impact of pulp and paper industrial development on contaminants within these river systems. It's one of the best examples of what an RSEA historically has been able to look at. That type of an approach to hydroelectric development in the context of ongoing energy development and forestry operations would be a good basis for decision-making about what type of a future we want for the boreal forest and what kind of developments ought to proceed and at what scale.

Mr. Hehr: Thank you. That's a great answer.

2:10

The Chair: All right. Have you any more questions, Mr. Hehr?

Mr. Hehr: No. I'm good.

The Chair: Okay. We'll move on to Mr. Bilous.

Mr. Bilous: Thank you. Thank you again for coming. If my colleagues will bear with me, I'm going to touch a little bit on B.C. Hydro again because it does deal with yourselves and with Alberta. In June 2011 a meeting took place between B.C. Hydro and Little Red River Cree Nation, where you folks raised historical grievances related to the construction and operation of existing hydroelectric facilities on the Peace, that indicated that it viewed the current project as an extension of those facilities. B.C. Hydro explained it did not have a mandate to address the concerns. I'm just wondering if you could outline for this committee some of those historical grievances related to the construction and operation of existing hydroelectric facilities on the Peace River.

Mr. Webb: Yes. I started my presentation by saying that construction and operation of these dams turned the water regime on its head. B.C. Hydro releases roughly the same amount of water every year that was flowing down the Peace before the dams were constructed. The problem is that much more water flows down the river in the winter under ice and much less water flows down the river in the spring and over the summer. The reason that happens is that electricity has a higher price in the winter and a lower price in the summer.

Before the dams were built, there was a phenomenon known as ice damming, and at major river confluences, in the instance of Little Red at the Wabasca River and the Mikkwa River, there would be ice dams that would form. The effect of these dams was to cause the river to overflow relatively low banks and flood and recharge extensive wetland complexes. When the flow regime was changed, these ice dams occurred much less regularly. Consequently, these wetland complexes were not recharged as often, and through a process of vegetational succession a lot of them turned from being sedge meadow complexes into large stands of willows. They're much less viable as wildlife habitats.

In the Peace-Athabasca delta, where this has been studied for a number of years, the effect has been to diminish the wetland complexes by 40 to 50 per cent. In the area surrounding Jean D'Or Prairie and Fox Lake this same level of degradation and drying up has occurred, but it has not been as extensively documented because nobody has had the money to do it.

Mr. Bilous: Great. I have enough time for another question. Thank you. In your experience – and this kind of deals a little bit with consultation – do you feel that you've been able to receive appropriate capacity funding from either industry or the government to properly and fully assess the impacts of hydro development on your lands and within your treaty rights?

Mr. Webb: No. The Little Red River Cree Nation was offered what every other First Nation in Alberta was offered, which was approximately $30,000, to engage with B.C. Hydro. The point that we made with B.C. Hydro was that we have three communities and a population of 4,500 people. Two of our communities are classified as isolated, remote communities. For at least half the year the only way into or out of those communities is by airplane, and for the remainder of the year transportation into and out of those communities is extremely hard, depending on weather, as Pearl, who has visited them, will be able to tell you. Little Red actually has not accepted the contribution monies from B.C. Hydro on the basis that they were not offering enough for them to properly engage.

Mr. Bilous: Do you receive or have you received any provincial dollars for consultation?

Mr. Webb: The government of Alberta has provided Little Red with consultation funding in relation to project-specific consultations that are ongoing. I can't give you the exact amount that we're currently receiving, but I can tell you that it's woefully inadequate.

Mr. Bilous: I was going to say that from the different nations and groups I've spoken with, the expectation of the level of consultation – at least, they're telling me that there aren't enough dollars for them to meaningfully consult on the variety of projects that they are supposed to be able to consult on and deal with. The outcome for them is quite negative in that they're either not consulting or being consulted to the level that they should be and require to be and that, as you mentioned, the funds are woefully inadequate.

The Chair: I'm going to stop here now. I think, Mr. Stier, you had one quick question. We can do it now. If the PC caucus has a quick question or comment, that would be a good finale here.

Mr. Stier: Thank you for your presentation. I'll just make it brief. You actually cleared up some of what I had with Mr. Bilous there in respect to the change of flows and so on and so forth. I just want to jump into that a little bit further if I could. You have mentioned that, before and after, the changes of the flow times and the amount of flow have had a significant effect on what used to be wetlands, and brush has grown into those areas that are no longer wetlands. I wonder about that because we have seasonal melt trends. Dams on rivers accumulate more water for a while and then release it, sometimes in a similar type of seasonal flow, in my mind. Once they have accumulated a reservoir, do they necessarily have to change their flows for their operation compared to what was done in the past?

Maybe I could add to that. For example, I'm downstream from two dams on the Bow, and it's always gone up and down with the June flooding time. That's been going on for years and years and years because we're the benefactors of the melt in B.C. I'm just wondering what has changed significantly. Maybe you alluded to that earlier, and I missed it. If so, I apologize.

Mr. Webb: What changed significantly is that water no longer flows in the seasonal pattern that it used to flow. B.C. operates these dams to maximize their hydroelectric potential, which means they release water when they need it to generate electricity because they can sell the electricity at a high market price. When electricity on the spot market is selling at a low price, they shut off the tap. That pattern is backwards.

The thing that I can say with some degree of certainty is that the report of the Peace-Athabasca delta monitoring committee that's in preparation essentially states that restoration of the natural flow regime of the Peace River would be the top priority for restoring the ecological integrity of the Peace-Athabasca delta, that it's that important. Every time B.C. Hydro has released water outside of their hydroelectric flow regime – and they've released water in historic, large water releases a number of times over the last 10 years – these deltas have been recharged and have stayed recharged for varying lengths of time. So the relationship between large-scale releases of water at the proper time and the ecology of the delta is well understood both within the scientific community and within the traditional knowledge community, that are working on the Peace-Athabasca delta reports.

2:20

Mr. Stier: Okay. Thank you very much.

The Chair: Thank you.

Is there any other question from the PC caucus? Ms Calahasen.

Ms Calahasen: Thank you very much. First of all, thank you very much for bringing a perspective that I think is very important to this group. Treaty 8 extends not only in Alberta, but it also extends in B.C. and in the Territories and, I believe, in Saskatchewan. When you look at Treaty 8 and what the intention of the relationship was, I guess my question. In each of these various provinces and territories there has been a consultation process that is being developed. Is it possible that you can give me a perspective as to which consultation process seems to be the better process to address natural resource development as it occurs and the items that impact the First Nations' livelihood as described in Treaty 8?

Mr. Webb: Yes, I can. I work for the Little Red River Cree Nation. I also live in and work for the West Moberly First Nation in northeast B.C. My wife is a member there. I participate in consultation processes in both provinces. I can tell you unequivocally that since British Columbia established the new relationship and entered into an economic benefit agreement with the Treaty 8 First Nations in northeast B.C., some of them collectively and some of them individually, the level of resourcing that is provided to these First Nations to consult with the government and with industry is much, much larger than they are provided in Alberta.

I can put that into context. In Alberta for a nation like the Little Red River Cree Nation the largest contribution that we ever received from the government of Alberta was $120,000, and I believe it's something like $50,000 or $80,000 now. The level of funding that my wife's First Nation in northeast B.C. receives to consult on oil and gas referrals occurring within their territory is in the order of magnitude of about $80,000 a month. So they receive in a month the equivalent that the Little Red River Cree Nation receives in a year. My West Moberly First Nation has a population of 250 whereas Little Red's population is 4,500-plus.

The other thing that I can say unequivocally is that the consultation relationship that's established in B.C. is much richer and is coming to better reflect these ideas that the courts are now providing guidance on, the right of Indians to use lands according to their own rules, the right of First Nation peoples to occupy the land.

When you compare that to what the government of Alberta is doing, which, as I understand it, is to compel First Nation peoples to apply for a permit if they want to go out and stay on the land for a longer period than 14 days, it's like night and day. Everything is not right in B.C. yet, but they are much closer to reconciling their relationship with Treaty 8 peoples than the government of Alberta is.

Ms Calahasen: Thank you.

The Chair: Okay. We're just finishing up here, and my co-chair here would like to read a question into the transcript. Perhaps, Mr. Webb, you can respond to it a little more at your leisure.

Mr. Rowe: Thank you, Madam Chairman. Thank you very much for the presentation. Very informative. I'd like to pose this question to you, and perhaps it's best that it's done in this format. It'll give you time to give it some thought. Do you feel in your mind or heart that given proper consultation and respect as an equal partner in a project such as this there is a point where we can come to an agreement and make it happen? I'll let you deliberate that.

Mr. Webb: I don't have to deliberate. The answer is yes. My experience in the late '90s and early 2000s, when Little Red had a co-operative management planning agreement with the government of Alberta, was that for the five years that agreement was in place, we were moving towards a partnership. Unfortunately, that agreement and the process, which was well documented by the Sustainable Forest Management Network, was unilaterally stopped by the minister responsible. Without prejudice his actions were done in the face of a number of third-party studies which said that this particular co-operative management agreement constituted a best practice on a national scale.

Mr. Rowe: Thank you. That's very reassuring. Well said.

The Chair: All right. This will draw it to a close. Mr. Webb, thank you for your thoughtful presentation. You obviously have spent decades preparing your thoughts for this kind of dialogue, not a consultation.

Mr. Webb: That's why my hair is this colour.

The Chair: We are going to take a 15-minute break. If everyone could return at a quarter to 3, we will have the Paddle Prairie Métis settlement, Mr. Alden Armstrong presenting, at that time.

[The committee adjourned from 2:28 p.m. to 2:46 p.m.]

The Chair: Okay. I think we're ready to start, folks.

Welcome, Mr. Armstrong, from the Paddle Prairie Métis settlement. We're delighted that you're able to join us. I think you've been in the room for a little while, so you must know who everybody is or have a sense of who everyone is, or would you prefer that we introduce ourselves?

Mr. Armstrong: If I'm being asked to give a comprehensive opinion in 10 minutes, I would forgo the introductions.

The Chair: All right. I like your picks there. Would you like to do a little introduction? Then we can start with some questions.

Paddle Prairie Métis Settlement

Mr. Armstrong: Sure. For those of you who don't know me, my name is Alden Armstrong. I'm the chairman of the Paddle Prairie Métis settlement. The Paddle Prairie Métis settlement is a 400,000-acre piece of private land in northwestern Alberta. We're located about halfway between the town of High Level and the town of Manning.

My personal involvement in the region starts with my grandfather's immigration to the area a hundred years ago. James Armstrong came up there and married an aboriginal woman, and as far as I know, we are the only arm of the Armstrongs that is aboriginal. We're pretty proud of that. We think that we are the most northern aboriginal Armstrong family in the world today.

With that as an introduction, I spoke to the secretary about attending here. He told me that you folks were looking for a comprehensive opinion. I had a little chuckle over that because 10 minutes to give you a comprehensive opinion is a pretty short time.

The Chair: You have to remember that we're politicians, though.

Mr. Armstrong: So am I, which was why I was really concerned. Holy crow. Ten minutes for Alden Armstrong? You guys obviously don't know me. I won't get into any detail about the length of speeches or what have you. I'll just try to do the best I can to give you a quick opinion based on my own personal background.

Just a couple of highlights on my personal background. There isn't one policy in Alberta that I haven't been involved in since the late '90s. I worked with Lorne Taylor, the Alberta water for life strategy. I was Alberta's aboriginal representative for nine years on the Mackenzie River Basin Board. I have first-hand knowledge of the Peace River, having been raised there since the Bennett dam was put in. I hold the trapline area 2022, which would have a direct impact should any sort of hydroelectric be considered in the northern regions.

On behalf of my settlement Paddle Prairie has around 50 linear miles of shore affected by any sort of development. The Peace River makes up our eastern boundary. As a result of that, we are direct stakeholders on any sort of development on the Peace River.

Again by way of background, I took intervenor status against Glacier Power a number of years back in relation to hydro development. I'm not a fan of big dams; I never will be. I think those are a thing of the past. I think any good scientist will tell you that putting big dams with big reservoirs behind them nowadays really doesn't need to happen. Logically, if you're going to do anything, you do a run of river. It gives you your best shot.

As far as my own personal feelings are related to this matter, I was against hydro right up until nuclear energy started getting talked about. That's just the truth. I can't dance around it. I can't tell you otherwise. For me it was a real awakening when a nuclear facility was being considered in our region. As an individual I quickly said to people around me: if it's a trade-off that we're looking for, obviously, hydroelectricity being much safer over the long haul than nuclear, I would as an Albertan have no problem considering projects in northern Alberta related to hydro.

With that said, there are all kinds of issues that need to be considered when you consider hydro facilities. I spoke earlier to the one MLA here about my own personal experience. I live about 50 yards from the Peace River. I hold the original Armstrong property on the Paddle Prairie settlement, and our jump-off point for our trapline is where I live. I live a stone's throw from the Peace River. The Peace River is a market-driven river, make no mistake. I live there. In early December when people start turning their Christmas lights on, the river comes up. Around the second week in January, when people turn their Christmas lights off, the river goes down about five or 10 feet.

It's not a stretch to think that, obviously, B.C. Hydro couldn't give a hoot about what's going on downriver. They didn't care when they built it, and they don't care now. What's a little interesting for me and I think is worth talking about is that I find it hypocritical that the B.C. government is giving us a hard time on the Gateway project, considering they ruined the Peace River. They've got, themselves, a lot of gall, if you ask me, and I'm quite surprised that no one has called them on it, because I sure as heck would in a heartbeat.

We live today in northern Alberta with those negative things that occurred. I won't spend more time talking about them. Jim talked about those matters. There is no doubt. I don't know if any of you have been to the east arm, up where it's really wild, but if you ever go there, all that the people there really want to do is that they want to be able to feed their families. They want to know that the animals that they're feeding their families are healthy. They want to know that they're able to provide for their families on those lands that they've lived on traditionally since time immemorial. Those are the basics.

I did a talk down at Banff Centre a while back and said: "Yeah, I wish I could turn the rivers in the other direction. I wish I could turn the rivers toward the populated areas because people then would look at it a lot differently." Right now most people who make decisions for us have no idea what's going on in the north. They don't live there. They don't sleep there. So why should they care? The only way we can make them care is through forums like this. That's the only reason I came here today, and I came without a presentation on purpose. I came here to talk to you people as an Albertan, to give you my point of view as to exactly what it is that I think.

All of your questions that you ask within these can be answered very quickly. Obviously, if there's a trade-off to be made, nuclear versus hydro, we should do it. Where should we do it? I would strongly recommend that we limit the footprint. There is already a big dam up by the border. There is already a footprint over there, so keep it over there. Build run-of-river dams up against the B.C. border so that the impact that's already there is there and not carried way down the river to other places, where it's not necessary.

Now, don't get me wrong. We know as Albertans that for sure this province is going to grow. We're going to see our population double and quadruple, but every step of the way people like myself will come forward to try to minimize the impact on the north because ultimately everything that B.C. does and everything that

Alberta does affects the greater ecological good, in this case one basin in particular, which is the Mackenzie River basin. I don't know how many of you are aware of it, but Alberta is a signatory to the bilaterals to the Mackenzie River Basin Board, and the Mackenzie River Basin Board constitutes around one-sixth of the geographic area of the country. So when we talk about impacts, we need to consider what those impacts are within every basin.

2:55

Back in the days when I had an opportunity to influence and work with I think one of the best ministers of all time, Dr. Lorne Taylor, I asked him: how come you would invite a guy like me to come down here and participate in this sort of forum? I worked with 15 people to develop the original framework for the Alberta water for life strategy. He gave me a point of view which I'll share with you people. He said to me that it just made good sense to put 15 people with 15 different points of view in the room and come up with a solution based on those 15 minds. His point of view was: well, 15 minds have got to be better than one.

So at the end of the day for me, if I had my way – and I'm trying to keep an eye on that clock and limit this to 10 minutes – the reality is that this province is going to have to consider First Nations and Métis involvement every step of the way. Let me give an example. If I were a leader – and I am – and I looked forward 20 years for our people, I'd be a damn fool to turn down any opportunity. Any opportunity that can be given to our people today will be taken, make no mistake.

Some of us will fight based on our belief at our local level. I've got to say that for a hundred years the Armstrongs have been in northwestern Alberta. My grandfather came in on the Peace River. He walked across Canada, married an aboriginal wife, and our people come from that region. What we want is what's best for our people in the region. We don't want to be worrying about animals that are unhealthy. We don't want to be worrying about whether or not we can cross that river. We just want to be participating and involved, and that sometimes means that we'll take you guys on. We'll take the Alberta government on when necessary, when we think from a principled standpoint that it's necessary. That's the great thing about living in a democracy.

What I'm hopeful for is that we would as a province seriously consider what sort of development we do. And I would say this. Technology is advancing all the time. We know that. What was available five years ago is 10 times better five years later. I'm an eternal optimist. I believe that we can have hydroelectricity developed in this province with very little environmental impact, and that means using technology to do run-of-river hydro development because that is by far the least damaging way to generate power. I'll give an example. If you took 150 feet of inch-and-a-half hose and ran it up any little river that was running and put a water pump on the end of it, a regular vehicle water pump with a pulley on it, and tied it to a generator, it will produce electricity.

The same principle can be applied in large rivers. You can actually drop your turbines, in my view at least, right into the flow of the river. For what it's worth, that's where I come from. It's: how do you trade it off? I've been around this policy stuff long enough that I've said at home: you know, it's always related to the public interest. What is the best-case scenario for the public interest? Well, as a province I have no doubt that I can come here and fight and scream and holler and say, "No hydro development," but the reality is that in the name of the common good the odds are good that hydro development will occur. So my strategy is to keep it as far away from us as we possibly can for now. From there, as you move closer, do we want to be partners? Absolutely.

If we have no choice, if Alberta comes in and says, "Whether you like it or not, after we're done talking to you, we're going to build a hydro dam in your area," again, we would be damn fools not to take the opportunity. In fact, we would be looking for investors to become equity partners. I don't have time to explain to you guys the type of work that Paddle Prairie does, but we have partnerships that are joint venture partnerships, we have equity partnerships, and we have outright partnerships. Partnerships are not anything new to us.

I'm sorry, you guys. I went way past the 10 minutes.

The Chair: Thank you, Mr. Armstrong. Again, like Mr. Webb, I think you've spent several decades building that speech. Much appreciated.

Mr. Armstrong: That's the difference. I didn't have anything in front of me.

The Chair: We will start again with the Wildrose caucus. Just a note to the group: Mr. Hehr had to go to another meeting, so we will only have three caucuses' questions.

Mr. Anglin.

Mr. Anglin: Thank you very much. I actually have one question, and I'm going to ask you to comment. I just want to start off by saying that I agree with you. This is about a trade-off: nuclear power, coal versus hydro. For me, that is really what I'm looking at from the seat I sit in.

The other thing is that you're correct in the sense that this does affect the entire Mackenzie River delta in one way or another. I actually had made a motion in front of this committee to consider that, and that was actually refused.

Now my first question. No matter what was decided, whether or not we build a run-of-river dam, there will be transmission lines connected to this, and in the province of Alberta transmission lines are exempt from environmental impact assessments. For my first question: would your recommendation be that we eliminate that exemption and require an environmental impact assessment for transmission lines?

Then my . . .

Mr. Armstrong: Could I have one question at a time? I'm real short minded, man. I can talk till the cows come home, but if you start asking me three, four questions and expect me to remember, it'll never happen. If I could have one question at a time, it would help.

Mr. Anglin: Would it be your recommendation that we change that exemption and require environmental impact assessments for transmission lines?

Mr. Armstrong: Absolutely, and the reason I would do that is fairly simple. I'm a bush guy. I don't know if you guys know this, but over the years I've observed – people figure the moose population in the north is hanging around the highways because of the highway noise to keep the wolves away. That's not the case. They're hanging around there because of the noise from the power lines. It's the power lines that keep the wolves away. It's that constant buzzing.

From that standpoint alone, purely from a standpoint of how you manage potential long-term impacts in the north in particular, keeping in mind we're not as populated as the south, obviously, if you go into that area without consultation, I think it's a mistake. I think you have to consult the people in the areas. The regions have

to be consulted. Everybody should be talked to, in my view, with relation to a power transmission line, especially of this size.

The Chair: I'm going to interrupt here and just remind us to stay focused on hydroelectricity generation. Thank you.

Mr. Anglin: That's not connected?

The Chair: You're blurring the lines. We're getting close to the line. That's all my point is, Mr. Anglin.

Mr. Anglin: We're talking about the lines. Okay.

I want to talk about flow maintenance. It was discussed earlier. I don't have an answer for this, and I don't think there is an answer, but it did come up when we talked to the environmental groups. Maintaining the integrity of the river is something that seems to be paramount to everybody that has spoken so far. One of the items that did come up: dams, in effect, have the ability to retain water, to release water, particularly in times of drought. I would like you to comment on this. Is that something that should be discussed? In terms of if a dam was undertaken, should we be looking at it in the broader context – we have the hydroelectric production – of maintaining the river flow, the integrity of the river in times of drought?

3:05

Mr. Armstrong: I was lucky enough to have an opportunity to sit with the president of B.C. Hydro when we did a big scientific forum in the north. It's common sense. Basically, all it would take is this. You get the July rains, and this is where oral traditional knowledge comes in. I think a lot of people are missing the boat because they're not chasing it down. Traditionally the Peace River flow was highest at the end of June, early July, and that's common sense because the mountain caps were thawing then. Also, simultaneously what would occur is that you would get your July rains, so between the two is how you would flood your basins.

At the end of the day what I said to the president of B.C. Hydro was: what was limiting B.C. Hydro from simply giving us the water in July, when we needed it? Jim is absolutely correct. Every gallon of water held behind that is basically dollars in the bank for B.C. Hydro. They don't let anything out unless they're getting paid. Quite frankly, if we forced them as Alberta through our bilateral discussions, I don't think they'd have much of a leg to stand on. I think we should force them unequivocally to give us the water when we need it so that we can copycat, and that's really what it is. It's copycatting history.

The Chair: Mr. Barnes has a question.

Mr. Barnes: Thank you. Thank you, Mr. Armstrong, for your time and your presentation. You said three words that have greatly piqued my interest. You mentioned that you and the Paddle Prairie Métis would be interested in a partnership, interested in participating, and interested in some kind of involvement. Can you expand on the meaning of those three words, please?

Mr. Armstrong: I'll expand on them, but I'll also qualify them for the record: only when they get there. As I said, our strategy is fairly simple. Keep your footprint where it already is, nearer the B.C. border. So if we're having any good luck, I won't have to deal with this matter. Someone else will deal with it. But if we have no other choice and you come to the area, I do have to say this, and I'm glad you asked the question from that standpoint. On the way driving up here and prior to leaving, I phoned a couple of other people. Some of us make a living on this river. I'm a trapper. I own area 2022. I hunt beaver every spring on the Peace River. I have a colleague who owns Broken Arrow outfitting. They bring Americans and Germans from all over the land and utilize the river to hunt moose off it.

We have traditional camps. We have camps that go back over a hundred years in our region. One example would be that if there were to be a dam in the Paddle Prairie region, there's very little doubt that that dam would have definite negative impacts on those types of sites, so we have a concern there. What I'm saying is that if the trade-off is there, if there is no other choice, if the government is proceeding with hydro facilities in our area against our will, then absolutely we would be fools not to involve ourselves.

Where I would come from is that I would say that partnerships should be made and based on the reality of whatever the project is. If you look at successful projects that have been done all across Canada, most recently in the Hudson Bay area, they have included aboriginal partners as equity owners. It's outright. They're part of the business plan, they're part of the actual work, and ultimately they will share in the revenue generated as a full partner. In our case we would be looking for a full partnership, nothing short of that.

The Chair: Thank you.

I think we'll go to the PC caucus now. If you have another question, we can hold it till the end and read it into the script.

PC caucus, anyone have questions?

Mr. Webber: First of all, Alden, thank you for your presentation. It was excellent, along with Mr. Webb's. I really enjoyed both your presentations. It got me to think a little bit about, first of all, what Mr. Webb had said regarding wanting to implement a river basin management regime and emulate the natural flow of waters after the dams.

Now, I don't know if this is a question for you, Alden, or if it's more maybe an ask of the committee and perhaps our researchers, Chris and Dr. Phil. First of all, we toured a couple of dams on Friday, the run-of-river Bearspaw dam in Calgary and the Ghost dam, just out in the Cochrane area west of Calgary. That was a reservoir dam. It was unbelievably enlightening. The question that I have for maybe our researchers – maybe, Alden, you or someone in the room can answer this – is: of our dams that are existing in Alberta here right now, are there any that have a natural flow with respect to after the dam, or have they all, you know, changed the natural flow of the rivers? I would expect that there probably aren't any, but maybe you can tell me. Would the future development of dams be viable if we had a regime in place that made it a necessity to have a natural flow of quantity, quality, and the seasonal rate of flow? Would it be viable to build dams if we had that regime in place?

Mr. Armstrong: That's a good question. I can answer it. When I took intervenor status on the Glacier Power project, which is just right at the Dunvegan dam – that was what was called a run-of-the-river dam system – it was going to raise the water level behind the dam by about 18 feet. We fought it tooth and nail.

In relation to the Glacier Power dam and application on the Peace River, which has been approved, in fact – and I'll use it as a case in point – in that instance we took intervenor status and fought it. What we fought it on was the ground of the ice not being good enough by the time it reached us.

To finish the point, the point is that in that instance we fought them. They didn't get approval from Alberta Environment. They went back, and they did a design change. They came back, and they improved their design to where they addressed our ice issues and our ice floe issues. The second time around we didn't seek

intervenor status because we felt that they had done what we asked them to do.

The example I would make is that I think that was one of the only run-of-the-river systems in Alberta. It has been approved and, I'm assuming, eventually will be built. But I also think other thoughts, which I won't share here, because Glacier is owned by the same people who want to run nuclear. Go figure that. There's probably a strategy somewhere. I'll leave it at that.

Mr. Webber: Again, I just would like to say that if we can find that information out, Doctor, with respect to what dams here in Alberta right now have – you know, do they maintain natural flows? Which ones do? Which ones don't? – that would be interesting to me, anyway. Again, if there was a regime in place where we had to implement a natural flow in these dams in the future, would it be viable? Would it be something, then, that we would have to not consider because of the restrictions there? If it's okay to ask for that, that would be helpful.

The Chair: Thank you. Good points.

Mr. Bilous.

Mr. Bilous: Thank you. I guess I should have explained to the committee that the reason I'm running back and forth is that, unfortunately, I have all-day caucus consultations going on in the other committee room. That explains why I'm shuttling back and forth, so I apologize, especially to our presenters. No disrespect is meant to yourselves.

Thank you, Mr. Armstrong, for coming, and I did catch most of your presentation. I just want to start off by asking about hydro development. It's my understanding that according to a submission from Ackroyd Barristers & Solicitors on behalf of the Paddle Prairie Métis settlement in 2008 your concern regarding the Dunvegan project was primarily about restoring the natural flow in the Peace River. Forgive me if you've already touched on this, but what is the current status of your efforts to restore the natural flow regime?

3:15

Mr. Armstrong: Our efforts have been limited to my own personal points of view shared with people who will listen to me. At the end of the day I have to also state that like all communities, we are subject to changes in leadership. They didn't have as good leaders in '08 as they do now, so I can't speak for them. That was a little bit of a shot there.

Mr. Bilous: Okay. Can you comment a little further, please?

Mr. Armstrong: Okay. As far as restoring the traditional flow of the Peace River, B.C. Hydro has a lot of cash, and what B.C. Hydro does is spend that cash hiring experts from all over the land to find different ways to justify the problems that they've created. If you go to B.C. Hydro, they'll march out a whole bunch of scientists who will say that the flow is the same. What they won't tell you is that what's really changed is when the flow comes.

To get a traditional flow study done and then to implement it is possible, absolutely. It's whether the political will is there to actually even consider that. What B.C. is saying is this: it's my land and my jurisdiction, and I'll do exactly what I want. That's what they're saying to Alberta. Unless Alberta is strong enough to go to them and say, "Give us traditional flow when we need it," it's not happening. We don't have the jurisdiction over there, and that's been the issue.

I think the vehicle exists. It is the Mackenzie River Basin Board. It is the bilateral process that's already in place, but a lot of work needs to be done in those areas. There needs to be more cash given to the MRBB so can they live up to their mandate, and there needs to be a better understanding created between the five governments that are involved with that particular agreement.

Mr. Bilous: Okay. Thank you. I believe I have time for one more question. I find it very interesting that, you know, you had talked about that for yourself you're open to any proposal. Well, there are a few caveats, but one of them is that it serves the public interest. Now, not to politicize this meeting, but in the fall sitting of the Legislature we had a debate on what the public interest is. If you could please explain to my colleagues in your words what the public interest is and what you meant by that.

Mr. Armstrong: Well, I look at things from a fairly basic place, right? I'm no scientist. At the end of the day where I come from is that I say that we need to make decisions based on demographics. What's our size? What's our need 20 years out? I think to a large extent one of the mistakes we make as a province is that we automatically assume some things. One of the things that has perplexed me and troubled me to a certain degree is that when we challenged the Glacier Power folks, they had no information to tell us where the need was. That's all I'm saying as a citizen, that if you have the need, that is the common good at the end of the day. That is what will directly drive the politicians and the people over here.

From my point of view, I've been coming to this part of the world for many years now to try to talk to people over here because we don't have enough people in the north to influence anything. The entire Mackenzie River Basin, one sixth of Canada's geographic size, has half a million people in it. All of the politics are driven from here, from in the southern areas. For me, what I want is for any decision-maker who makes a decision to understand what the repercussion is when it reaches the north. That's where I'm coming from.

I would love for you folks, every one of you, to have an opportunity to go to those wild places in the north, spend time there, and picture yourself living there 24/7 and what you might do if you were given the chance to make some decisions that might help. Far too often what we're doing is making decisions over here in the south related to everything we see over here. To the north, where this big, beautiful place is, we're making some mistakes up there.

You know, I've said that if I had a way to build a dam, I'd build a dam, and I'd put some filters on it if I had the technology. I'd put it right below the Daishowa mill that exists just north of Peace River. I'd put one dam there, and I'd put some filters on it to filter the water a little. I won't get too far out there.

Mr. Bilous: Thank you for explaining that. The other thing that I appreciate is that it's that long-term vision. It's not just the impact today but our grandchildren and their grandchildren, which needs to be a part of that.

Thank you.

The Chair: Mr. Barnes and Ms Johnson both had a question, so we'll finish up with those two questions.

Mr. Barnes: Thank you. Mr. Armstrong, if you could take a minute, please, and tell us a little bit more about the Paddle Prairie settlement: the people, the history, the nature, the standard of living, those kind of things, any cultural impacts you think it may have, even a run-of-river, which would only be a rise of 18 or 20 feet.

I was very intrigued by one of the things in Mr. Webb's brochure, that stated, "Treaties guaranteed First Nations' freedom, & economic rights to . . . become part of new livelihoods." I wonder if you foresee any new livelihoods that might make a positive difference.

Mr. Armstrong: Well, I'll provide a few more details. We have about, give or take, a population of a thousand to 1,400 people. We have 400,000 acres of land. We've been implementing a strategic plan there for three years. I think we're the only government in the country that's cut 30 per cent over the last two years. We have equity partnerships with Manning Diversified, just south of us. We own part of that mill. We're currently working on a 20-year economic sustainability plan with the province, working with them. That's basically our style. We do everything through conferences and negotiations. That's been the method we've used.

Insofar as our people – Jim alluded to them – we interpreted the original Treaty 8 agreement. There's no doubt about that. Our people were there. I had relatives there. My grandfather signed the original Treaty 8 agreement on the Indian side. His name was Tallcree. I'm seventh generation from him.

As far as our people are concerned, we've always been involved in development. In our region, the Rainbow Lake, the original oil find up there, my uncles guided those people in there. From our end we basically look at economic opportunity as just an everyday thing that we have to do. We absolutely must survive. We promote our people to work in the region with everybody who we possibly can. I should mention that we also have another unique distinction, which is that we have, I believe, the only aboriginal women's majority council. We have three ladies on our council and two men. I see all these women just grinning at me here. I did it on purpose. You guys outnumber the men, I can see now. I'm just kidding. The reality is that we have an aboriginal women's council. We have a very good council.

I guess I have to go back to just a layman's way of saying it. What we do is what's necessary to live. Jim mispronounced it. Pimatisewin is what it's called in Cree. Pimatisewin means that it's your life. It's how you make your living. It's how you conduct yourself. It's how you do that. In our case, we are promoting our people to live good, healthy lives in our area and take advantage of every opportunity we can. We've got partnerships with TransCanada, some of the better groups. We're involved in the big pipeline expansion up near the Horn valley with TransCanada. We're doing a joint a venture there. We do joint ventures wherever we have to to gain capacity and be just as active as we possibly can be.

3:25

The Chair: Thank you very much.

Ms Johnson, just a quick question and quick answer, and we'll have to conclude here, regrettably.

Ms L. Johnson: Thank you for your layman's terms, as you say. Going forward, if we do decide to go ahead with more hydro-electric development, would the bilateral model work, or would you have some thoughts to share with us on managing those relationships and managing the criteria, the frame of reference, so that we don't run in to some of the examples you've shared with us today?

Mr. Armstrong: Well, I think there's common sense to what I'm saying. For one thing, I can't see why B.C. would have any sort of problem with Alberta having run-of-the-mill dams right up against their site C project, right on our border. There would be no logic for B.C. to have any problem. Logically the bilateral would be possible there.

The bilateral with the Northwest Territories would have a much better chance of flying because it's a long way away. I think they'll follow the same strategy as us, which is: keep it over there if you can, and we'll be happy, and if you come closer, well, then we'll see you then.

I just want to make one last analogy. None of you people here are trappers.

Ms Calahasen: I was.

Mr. Armstrong: Sorry. I forgot Ms Calahasen, my minister for life, by the way. I've got to say that if you copy nature at every possible opportunity that it's given to you, you'll find that it works. When I was driving up, thinking of what strategy would work here, I came to the conclusion that we could justify this particular argument of limiting the footprint over near the B.C. border in another way as well.

When beavers lay out a dam, they put check dams all the way down behind it. So you'll have one large dam, one smaller dam, and so on all the way down. When you look at what B.C. is doing, they're essentially doing that. They have one large dam. Then they have one smaller dam. Now they're going to put site C in behind that. If we simply came up behind them, right on the B.C. border, with the same sort of stepped approach, there's real logic there, and it also limits the ecological footprint until you know whether you need it. That's what I would emphasize. Nobody disputes the fact that if we need it, we've got to do it. Right now the question is: do we really need it right now?

There are alternatives. I do have to make mention of one in particular which interests me, which I think is probably another committee's work. Clean natural gas as well is a very viable long-term solution for power generation in this province. There's very little doubt about that. If somebody came to me and they said, "Alden, you've got a choice: either we dam this river that flows in front of you, or you build a gas-fired power plant," I think I'd go with a gas-fired power plant, to tell you the truth, if it was my own decision to make. That's why I'm here. I got asked to give an opinion.

I want to make one last – you're going to shut me down. I can tell. Just give me a second here if you could. I did promise the community, the members that I spoke to, that I would for sure make sure that it was mentioned that livelihoods would definitely be affected. People would definitely be affected, and no matter what goes on in our region, that has got to be given heavy, heavy consideration. We're talking burial grounds, we're talking historic sites, and we're talking people making a living out there at the same time.

The Chair: I don't think I would ever shut you down. I think that the conversation needs to continue. Thank you very, very much for that very thoughtful presentation.

We're going to now hear from the Smith's Landing First Nation, and you're very well represented today. I think that Chief Andrew Wanderingspirit and Mr. John Tourangeau and Mr. Peter Paulette were going to come to the front.

We need a five-minute break to get the teleconference going so that we can tie in Mr. Rick Hendriks, who is director of a consulting company that supports this group. Allisun Rana, Jeff Dixon, and another Mr. Paulette, the older Mr. Paulette, are with the group. We will take five minutes to get ourselves organized with the teleconference.

[The committee adjourned from 3:31 p.m. to 3:33 p.m.]

The Chair: I'd first like to welcome you and thank you. That's a very powerful, impressive delegation you're bringing, Chief, and we're very, very grateful that you would take the time and the leadership to have such a presence here. Thank you.

I also want to make it clear that we are not here to have a consultation. We are here to seek your ideas about hydroelectricity in northern Alberta. We have no predetermined outcomes. This is a feasibility study, and we have 25 people from all four parties in this province who want to hear your views on how we go about this.

Everything is recorded, so you can read your comments later. Others may read your comments later, within hours, just so you're aware of that.

I might just go around the room and have an introduction again given that we're starting. I might start with you, Mr. Young, and we'll go clockwise.

Mr. Young: Okay. Thank you. Steve Young, Edmonton-Riverview.

The Chair: We'll go clockwise, so our guests.

Ms Rana: I'm Allisun Rana, legal counsel for the Smith's Landing First Nation.

Chief Wanderingspirit: Andrew Wanderingspirit, chief, Smith's Landing First Nation.

Mr. Tourangeau: John Tourangeau, councillor, Smith's Landing.

Mr. P. Paulette: Hello. Peter Paulette, councillor for Smith's Landing First Nation.

Mr. Dixon: Good afternoon, everyone. Jeff Dixon. I'm the land and resource co-ordinator for the Smith's Landing First Nation.

Mr. Hale: Jason Hale, MLA for Strathmore-Brooks.

Ms L. Johnson: Linda Johnson, MLA, Calgary-Glenmore.

Mr. Webber: Len Webber, MLA, Calgary-Foothills.

Ms Kubinec: Maureen Kubinec, MLA, Barrhead-Morinville-Westlock.

Mr. Xiao: David Xiao, Edmonton-McClung.

Mr. Rowe: Bruce Rowe, Olds-Didsbury-Three Hills.

The Chair: Donna Kennedy-Glans, Calgary-Varsity, and chair.

Mr. Tyrell: Chris Tyrell, committee clerk.

Mr. Bilous: Good afternoon. Deron Bilous, Edmonton-Beverly-Clareview.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research services.

Mrs. Leskiw: Hi. Genia Leskiw, MLA for Bonnyville-Cold Lake.

Ms Fenske: Hello. Jacquie Fenske, MLA, Fort Saskatchewan-Vegreville.

Mr. Cao: Wayne Cao, Calgary-Fort. Welcome.

Mr. Saskiw: Shayne Saskiw, MLA for Lac La Biche-St. Paul-Two Hills.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Casey: Ron Casey, Banff-Cochrane.

The Chair: And we have Mr. Hendriks on the phone. Is that correct?

Mr. Hendriks: Yes. Rick Hendriks, consultant to Smith's Landing First Nation.

The Chair: Welcome.

We also have another Mr. Paulette at the back, who can wave at us. Welcome.

You have a presentation. We would like to hear that presentation, and then, as you've observed, we have questions from all the individual caucuses. We'll start.

Smith's Landing First Nation

Ms Rana: I'm going to do a bit of an introduction to the First Nation and sort of make it clear why we're here and what our interests are. Then I'll hand it over to Rick Hendriks, who's on the phone, to provide some technical comments on our presentation. We have the PowerPoint running right behind you, Madam Chair, and I believe that there are handouts that you may have in front of you already as well. There's also a written technical submission that Rick Hendriks did that's also available to you, that details his comments. You may or may not have that in front of you. I know that the clerk does have it.

We're here particularly in response to a presentation that we know was provided to you in November last by ATCO and TransCanada on the Slave River hydro project. I'm sure you heard about Smith's Landing during that presentation. We felt that it was necessary to come here to provide our perspective on that project more particularly.

The Chair: I would like to just interrupt the presentation to be absolutely crystal clear. When we asked any presenter to present, it was never on the basis of an individual project, including corporate proponents of individual projects that are ongoing in the province. This committee's task is not to look at an individual project. It's to actually look at the feasibility in a broader spectrum of hydroelectricity. So I would encourage you and ask you, really, to make sure that your comments are not directed to a specific project as a microcosm but to kind of pull back a little bit and look at this from a little bit farther away. Is that acceptable?

Ms Rana: That's fair enough, and I expect that during the question-and-answer we may have an opportunity to speak more broadly about the impacts of hydroelectric development on First Nations. I think that this as a sort of case study of how the impacts could be vested on a First Nation is certainly going to be a lesson to everyone.

The Chair: But just so we're fair, it's not a fair environment where we have a proponent – we didn't allow proponents to espouse the merits of their projects, because other stakeholders weren't here. It's not a consultation process. So for you to do the same would not be fair for the proponents. I'm just trying as chair to make sure that we have a very fair environment. We do want to hear what you have to say. We're delighted you are here. I just don't want this to be us providing a forum for a go-between around a particular project. This is not the right forum for that. I just want to make that clear.

Ms Rana: Yeah. That's fair enough. We have reviewed the ATCO-TransCanada presentation, and we saw that that was the

approach that they took. We felt that it made some sense to just provide the First Nations perspective on hydro development in their territory. It so happens that that is the only project that they have been dealing with, but of course you can take our comments as general concerns around hydro development in First Nations territories.

3:40

We did hear you when we came in, that this is not a consultation process. Of course, we're glad to hear that, and we put that as the very first point on our slide show, that we recognize that this is not a forum for consultation, that we're very pleased to be here to present our perspective.

I'm going to just share a little bit about Smith's Landing First Nation, who they are. They're descended from the Chipewyan band that signed Treaty 8 in July of 1899 on the west bank of the Slave River at Smith's Landing in Alberta, just south of the Northwest Territories border. The nation itself was not formally created as the Smith's Landing First Nation until the year 2000, when they signed their treaty land entitlement settlement. Before that they were the Chip band – and they changed names several times – and the Fitz-Smith band. Ultimately they divided, and the Salt River First Nation is the other half of the descendants from the Chipewyan band that signed Treaty 8 in 1899.

Now, I mentioned that the treaty was signed on the Slave River, and this is a very important travel route for First Nations people and has been for centuries, actually. There is literature that states that it's been used as a travel route for thousands of years. You've probably heard about the rapids up there between Fort Fitzgerald and Fort Smith. There are four sets of rapids over about a 10-kilometre stretch, and those rapids, of course, prevent travel right through from Fort Fitzgerald to Fort Smith. You actually have to get out of the river and portage. So even back in the early days First Nations people were acting as guides and assisting traders and explorers with the portage routes on both sides of the river. Typically the trails ended up developing on the west bank, but through the Precambrian Shield on the east bank there were little rivers that First Nations people guided the travelers and the explorers through.

Originally it was canoes, but in the 1800s they graduated to the big Hudson's Bay Company York boats and the scows and the sturgeon boats, so the boats got bigger. Over time, instead of dragging them with ropes and rolling them on wooden sort of rollers, they actually transported them with machinery later on.

The ancestors of the Smith's Landing people first requested reserve lands in about 1916, and they made selections in the decades that followed for reserves along the Slave River both on the eastern side, where the Dog and the Slave rivers join, and on the west bank. It wasn't until the year 2000 that they actually received those reserves, when the TLE agreement was reached. So for about a hundred years they were requesting reserve lands before they actually received them. They ended up with about 21,500 acres of reserve land. It's all in northeastern Alberta, some of it in Wood Buffalo national park. The reserve that borders the west bank of the Slave River is called the Fitzgerald reserve, IR 196. There's also a reserve on the east side at the confluence of the Dog and the Slave rivers.

When they made decisions to select particular areas for reserve lands, they selected to protect their values, so access to the Slave River was a priority. The Fitzgerald reserve runs along the west bank of the river. It runs from Fort Fitzgerald about halfway to Fort Smith, and the portage trails that I talked about that are on the western bank are now on the reserve. These are historic trails that date back hundreds of years, and they've been recognized as part of the Trans Canada Trail network, I believe it's called.

Smith's Landing has been active, since they got their reserve lands in the last decade, in developing community plans that set out their vision for developing their lands along the river on the stable lands. They're involved in water monitoring along the Slave. They're involved in a number of processes like the Peace-Athabasca delta monitoring committee. They're working to understand the water regime and the water flows, the impacts of the Bennett Dam, and as Mr. Webb said earlier, hoping to restore the natural flow. They also did a comprehensive traditional use study in 2007, that documents intensive land use along the Slave River by their members going back into history and including the present day.

We just included in our presentation a little bit about the pelicans. You may have heard about the white pelicans that are at the Mountain Rapids. This is just a quote from the Alberta government website. This is the most northern nesting place in North America for the white pelicans. They nest on islands in the Slave River right by the Mountain Rapids.

Overall, Smith's Landing has always been a very strong proponent for the protection of the Slave River, and they participated in the lower Athabasca regional plan in consultations with the government and advocated for the creation of a conservation area along the Slave.

When the Slave River hydro development project first came forward in the 1970s and '80s, the First Nation was a part of the Fitz-Smith band at the time and was a strong opponent of the project. When it came back in 2007 with ATCO and TransCanada, the nation raised a lot of concerns but did sit down with the proponent for just about a two-year period to try to negotiate a feasibility study agreement. This is one of the things that I think we've heard some of the other speakers talk about, how we can be working with industry to try to make sure that benefits are maximized and people are participating.

Now, this was not an impact-benefit agreement. This was an agreement to work together on studies, so full participation of the First Nation in the actual studies. We negotiated for two years, and ultimately the First Nation decided not to move forward with the studies. The members felt that it would be unfair to the company to have them spend all that money and do all that work when fundamentally the people were just not in favour of damming the river.

They issued a joint press statement in October of 2010 – the First Nation, ATCO, and TransCanada – and made it clear that it's not a relationship thing. We worked well together, and on both sides, I believe, there is a lot of good faith. But, ultimately, the First Nation had a different vision for the river.

Importantly, the project was going to flood part of the Fitzgerald reserve, so I think this puts the nation in a bit of a different position than in some other cases. They actually would have had to consent because they would have needed to surrender a portion of their reserve, and that was something that they were not prepared to do. After fighting for a hundred years to get those reserves, they didn't want to surrender them.

Representatives of the Slave River hydro development agreed to take a step back and stop pursuing the project and respected the decision that was made by the nation. Just recently, in January, just last month, our chief met with Nancy Southern, the CEO of ATCO, in Yellowknife, and she confirmed that commitment. The First Nation really believes that a government-to-government relationship with the province is necessary to ensure that their concerns for these kinds of large-scale projects are addressed. While we were working directly with the proponent in that case, I

expect that because it was quite early in the process, they didn't have a project yet. They had an idea. But, ultimately, these kinds of discussions absolutely needed to take place between the First Nations and government directly.

I'm going to pass it over to my colleague on the phone, Rick Hendriks, for the next few slides.

Mr. Hendriks: Okay. Good afternoon. As was mentioned, my name is Rick Hendriks, and I am providing some technical advice and support to Smith's Landing First Nation in relation to hydroelectric development in a general sense. Thank you for allowing me to join your conversation today.

As detailed in the technical memo that was distributed to you earlier, the Slave River hydro development is a good example, actually, of a hydroelectric development in Alberta, and studying it provides some good insights for the standing committee. The project has the potential to interact in several ways with lands adjacent to its proposed reservoir, including the SLFN reserve land. These ways include direct inundation, erosion, long-term instability, landslide-generated waves, and water table increases. I will speak to direct inundation in a moment, but I would like to begin with erosion.

Modern hydroelectric reservoir design generally makes use of what we call a reservoir impact line approach. As this figure illustrates, the extent of erosion will be much greater than the extent of inundation, as suggested by the erosion impact line, that little arrow there at the top of the bank. The time period for erosion and slope retreat depends on site conditions and will vary by location, with the most extensive erosion occurring in the first few years but with additional erosion continuing indefinitely, really, and eventually decreasing to baseline erosion rates in about a century or so.

In addition to impacts from inundation and erosion, portions of the SLFN reserve land adjacent to the Slave River would remain unstable – and this is quite typical of reservoirs – for extended periods following inundation. This concept is illustrated in this figure by the stability impact line. While reservoir shoreline conditions behind a dam on the Slave River or any other location where there's a reservoir, for that matter, would need to be investigated, it's instructive to note that the stability impact lines for the site C reservoir on the Peace River in British Columbia extend from about three to 10 times further than inundation lines of the original river bank, depending again, as I said, on site-specific conditions.

3:50

As well, landslides are common along the western shore of the Slave River, and in fact they're common along the entirety of the Peace River. The development of a reservoir at the Slave River rapids or potentially at other locations on this river could accelerate the number of landslides for several years following inundation in addition to the adverse effects resulting from landslides located on SLFN reserve lands themselves. So if land was to slide from the reserve into the reservoir, there would of course be adverse effects, but landslides located anywhere within the reservoir would also have the potential to induce large waves. The extent to which these waves could inundate the reserve lands would depend on several factors, including the size of the landslide, the size of the landslide-generated wave, the elevation of the reservoir at the time of the landslide, and the proximity of the landslide to the reserve land.

I'm just going to return to direct inundation. This slide illustrates the extent of direct inundation, which is shown in dark blue, and the hatched lines illustrate the SLFN reserve land. Representatives from Slave River hydro presented a similar map showing the direct inundation resulting from creation of a reservoir located behind the dam at alternative 4. Now, the dam on this particular map shows the location at Rapids of the Drowned, but that's immaterial. The proponents concluded that direct inundation was about a square kilometre, and we don't fundamentally disagree with that other than to note that it appears that there would also be inundation of an additional one to two square kilometres on the eastern bank of the Slave River at the mouth of the Dog River.

I'd also like to clarify a point here. Just from reading the notes from the committee presentation, there may be a bit of a misunderstanding in the differences between a run-of-river facility and what might be more properly called a run-of-reservoir facility, the latter having both a dam and reservoir rather than a pure run-of-river facility, which has neither. We can discuss this during the question period if you wish.

In addition to all of those aspects related to inundation and erosion, there's also the potential for water table increases. This same slide here shows that much of the land surrounding the reservoir is relatively moist, as illustrated by the green shrubs – this is, again, quite typical of northern Alberta – that dot the landscape. These little shrubs that you see on the map are sort of wetlands in relatively low-lying areas.

The next slide speaks to the final issue regarding the potential for reservoir creation to result in water table increases. The 1982 feasibility study also concluded that the reservoir would cause increases in the nearby water table. The result would be increased runoff but also the conversion of currently dry land to freshwater swamps and freshwater swamps to wetlands, the difference being that freshwater swamps are seasonably inundated and wetlands are continually inundated. Over time this would result in a transition of the vegetation environment in this area, including affected areas within the SLFN reserve land in this instance. Depending on the extent of these effects, large areas of the reserve lands could become unsuitable for habitation or other land-based activities, and this would clearly be of concern to the First Nations.

In a more general sense, there is not a great deal of recent experience in Alberta with the assessment of large-scale hydroelectric projects, with only the Dunvegan project assessed two times in the past decade. As such, we thought it would be beneficial to provide some suggestions in our technical memo about how the regulatory process for hydroelectric projects could be improved to create greater environmental, regulatory, and development certainty. These suggestions relate to integrated resource planning, regional cumulative effects assessment and land-use planning, adequate assessment of project-specific environmental effects, consideration of need and alternatives, and, of course, avoidance of duplication.

I would like to finish my presentation here by discussing just the first one, which concerns integrated resource planning in relation to electricity planning in Alberta. The recently completed AESO 2012 long-term outlook predicted high annual electricity growth rates, which will require careful planning on the part of regulators and the AESO to ensure that ratepayers are receiving optimal value from the available resource. As Madam Chairperson indicated at the start of this session here today, there are no predetermined outcomes, so we thought that we would put forward some suggestions.

In order to determine how hydroelectric development might best fit into the resource mix, there are a number of additional aspects in the AESO outlook that suggest a need for a more integrated resource planning approach that's more inclusive and responsive to changing conditions in the energy economy both

within and outside Alberta. These include the following: the role for demand-side management in meeting some of the electricity and capacity requirements going forward; the considerable decrease in electricity load growth in the United States, particularly in regions in the northwest United States, suggesting the need for greater consideration of cost-effective imports to meet provincial requirements; and the potential for greater consideration of more complex scenarios when analyzing future electricity growth, as these more complex scenarios would tend to yield more robust findings. We've provided more detailed information in the technical memo.

That concludes our presentation. Thank you.

The Chair: Thank you very much. That was very well done.

Again, we have questions from three caucuses. The Liberal caucus is not represented at this moment because of other commitments.

I will open up the floor to the Wildrose caucus. Who would like to ask questions? Mr. Barnes.

Mr. Barnes: Thank you. If I could, I too would like to thank you all very, very much for your time and your interest in coming to help us in our learning of the process. I, too, would like to hear a little bit more about your people up there, how many there are and the cultural impacts this may have. It looks a little bit like you're opposed to any kind of development up there hydroelectricwise. I'm wondering if that's the case and if there are any discussions that we could have around that in terms of some of the other groups mentioning partnerships, sharing, possible investments, those kinds of things, please.

Chief Wanderingspirit: Good afternoon. As chief and council we get our direction from our membership, and our membership is the one that decides. They're the ultimate authority here. If they decide that they want hydro development on the Slave River, that will be their choice. As the leadership we're trying to look out for our membership, and not only our membership, but that river will affect a lot more people than just Fort Smith. There are a lot of people downriver, upriver, and it's going to affect a lot of people right down to the Arctic Ocean. We can't just look at it in such a narrow, narrow, narrow place.

Culturally the Bennett dam – I can remember when it first came in. I was six years old when that came in, and it changed our livelihood. How? There's no more delta. The Peace-Athabasca delta is gone. All that is there now is grass and willows where we used to go hunting and trapping, fishing, hunting waterfowl. Last year, for example, my father and I went out trapping. I got one muskrat last year. When I was young, we used to get hundreds of muskrats every spring. I only got one. One. Can you imagine that, after how many years growing up, seeing this big, drastic change? Now, if the hydro development comes in, what's going to happen to our water? That's our life.

Where are we going to get our drinking water from? If site C comes through, where are we going to get our water from? Are we going to get it from the Athabasca? The Athabasca is poisoned, and that's coming right through our doorstep. So where will we get our drinking water from? The town of Fort Smith.

4:00

Mr. Barnes: Do you believe that there is a level of studies, a level of checking into this that we could do that might someday satisfy you and your people and your members?

Chief Wanderingspirit: I think it's an ongoing thing right now, where the scientists are studying the pollutants and stuff coming out of the tar sands development, the long-term effects. That's what is affecting our food right now. The park wardens are telling us that we can't eat moose meat anymore. They're telling us not to eat what we call the delicacies – right? – like the kidneys, the heart, the liver, et cetera, the insides of the moose. They are telling us: don't eat that anymore. That's what the old people really love, myself included. A lot of the younger people don't eat the wild meat anymore because they hear so many reports on the radio and on TV that it's poisoned. They won't eat ducks anymore because they hear that they're full of chemicals. They come through Syncrude and all those big tailings ponds. They don't want to eat ducks anymore. I'm kind of at a loss here, but that's my perspective. Like, growing up as a young boy, that's what I've seen.

Mr. Barnes: Sir, how many people, again, live at Smith's Landing? I'm still wondering if there was any desire or any commitment on behalf of your people to enter into some kind of analysis, ensuring that those kinds of effects would be minimal or zero?

Chief Wanderingspirit: Maybe you could clarify that for me.

Mr. Barnes: Again, it sounds to me a little bit like you're not at all interested in studying this and seeing that maybe a run-of-river development could be done with little or no impact. Is there any desire to try to work on something like that?

Chief Wanderingspirit: Once again I have to say that we have to bring this to our membership. This is something big, bigger than us. We have to bring it to our membership. Our membership will let us know. If they are for it, then they'll give us direction. But to sit here and make that decision: I can't do that right now. I have to talk to the membership first.

Mr. Barnes: How big is your membership?

Chief Wanderingspirit: We have around 330 and growing. The majority of our population, maybe 25 per cent or higher, I'd say, is under 18.

Mr. Barnes: Okay. If I recall correctly, your reserve and the negotiations: was it 2000, 2002 when that was finalized?

Chief Wanderingspirit: Yeah.

Mr. Barnes: Did your people have to move at that point, or was it just an affirmation of the land that you already had and were residing on?

Chief Wanderingspirit: Well, maybe I could refer that one to John. You were part of that relocation. No?

Mr. Tourangeau: Allisun.

Chief Wanderingspirit: Okay. Allisun, then.

Ms Rana: There were people living at Fort Fitzgerald that had come back in the 1960s, I believe. The community all lived in Fort Fitzgerald, which was Smith's Landing originally, but in the early '60s they were relocated en masse to Fort Smith by the government. Over time some people started to come back to Fort Fitzgerald and built their own homes and stayed there even though it was just Crown land because that was their home, and that was the land that they fought to get back when they got their reserve settlement. So the tie to Fort Fitzgerald, also known as Smith's Landing in the old days, is very, very strong.

The Chair: We'll move on to the next round of questions. Mr. Stier, you've also got a question, but we'll come around after we do the rotation.

Ms Johnson from the PC caucus had a question, and if anybody else in the PC caucus has a question, just raise your hand.

Ms L. Johnson: Thank you, Madam Chair. I'm sorry; I forget the gentleman's name on the phone.

The Chair: Mr. Hendriks.

Ms L. Johnson: Okay. Mr. Hendriks, my question focuses on the demand side of your presentation. I actually have the long-term outlook book in my hand. I brought it with me today. Could you expand on your comments about how the demand was calculated and what observations you think this committee should hear?

Mr. Hendriks: Sure. I'm not taking many issues into the calculation of the demand so much as the variables, I guess, that were used in the analysis. If you look at the AESO plan, much of the analysis is around what we would call bilateral relationships. So if you increase the price of this, then demand goes up or down; if you increase or decrease GDP, demand goes up or down. Fair enough. Those relationships are legitimate. But if you look at best practice in other jurisdictions, what they tend to do is vary multiple factors. Say, for example, if the price of gas goes down, that in turn has an influence on GDP. So there are not just simply linear relationships between one particular factor and electricity demand growth; there's an interaction between a variety of factors. That kind of analysis doesn't seem to come across in the AESO long-term outlook. That's what we were trying to get at.

Ms L. Johnson: Okay. Thank you.

The Chair: You have a second question? Okay.

Ms Calahasen.

Ms Calahasen: Thank you very much, Madam Chair. First of all, thank you for coming. I know it's a long way from Fort Fitzgerald and places like that. Thank you very much for making the trek. Also, I know that we were trying to decide whether or not we would be able to go and see where you live and to see the potential impact of any kind of development. I guess we have sort of landed on possibly not being able to do that. I think that seeing what is or what isn't is always an important factor in the determination of what kind of decisions can be made, so I feel very sad that we can't be up there. I've been in Fort Fitzgerald; it's an interesting place.

I can understand the concerns that you have in protecting the lands and water used by the Dene. I can see the concerns, some of the problems that you could experience should there be some development that happens. My question would be, then: are Fort Fitzgerald and your reserve using electricity to this date? Are there a lot of electrical connections in your community? I know that was one that we were trying to get done, some developments there.

Chief Wanderingspirit: Yeah, they have power. They have telephones. They've got everything there. They have computers.

Ms Calahasen: So can you tell me: which source do you use to be able to do that? Is that still just carbon that's being used?

Chief Wanderingspirit: That's through the Taltson power system. As I understand it, through Dezé corp they have a surplus of power. They haven't been using the maximum amount of power that that dam provides. They have, like, I don't know how many megawatts that are surplus. So the turbines are spinning, and they're just sort of freewheeling.

Ms Calahasen: That's good to know.

The other question that I do have is: has the nation taken any kind of study to determine the potential impact not only on the livelihood but also on the ecosystem should there ever be anything like this that happens? Has that been determined at all? I was listening and trying to figure out if that had been decided or if that kind of study had been done by the nation. I know that you do a lot of work, and because you guys are usually ahead of the game, I wanted to know if you have done any kind of studies like that.

Ms Rana: Rick, do you want to talk about the socioeconomic work that was done a few years ago?

Mr. Hendriks: Sure. I can touch on that.

Ms Calahasen: That would be great. Thank you.

4:10

Mr. Hendriks: Yes. You questioned about an ecosystem study. We have not done specifically an ecosystem study, but we did look at socioeconomic conditions amongst the members living on the reserve as well as in Fort Smith to get a handle on how the project, if it were to proceed, would interact with the socioeconomic environment and what benefits could potentially accrue and what impacts would also develop as a result of building such a large project. We did produce a report at that time on a preliminary understanding around interactions in the socioeconomic environment and the proposed labour for a hydro project.

Ms Calahasen: So what kind of results did you get? Can you provide those for us at any time? I'm always interested in that. I was the minister responsible for signing the TLE when we did the TLE in 2000, so I know that you've come a long way in terms of the things that you have been able to do. I'd like to sort of get an idea as to what that impact could do for the nation.

Mr. Hendriks: Sure. That question would have to be directed at the nation. The report was provided to them some time ago.

Ms Calahasen: Oh, I see.

Mr. Hendriks: That was probably 2009, I would guess, 2008. Off the top of my head I wouldn't be able to speak to the findings, but certainly we could look into making them available.

Ms Calahasen: And just any information that's possible to share.

Mr. Hendriks: Yeah.

Chief Wanderingspirit: Maybe we can review that report because I haven't seen it myself, personally.

Ms Calahasen: Oh, okay.

Chief Wanderingspirit: I got on as councillor in December 2011, and I just recently became chief in December.

Ms Calahasen: Oh, I see. Okay. That would be great. Whatever you can share we'd like because I think that's an important thing to be able to consider. That does show what the need and the concerns are.

Chief Wanderingspirit: Yeah.

Ms Calahasen: Okay. Thank you.

Chief Wanderingspirit: And we'd like to invite you guys to come and see our country in the summertime.

Ms Calahasen: Oh, we'd love to.

The Chair: Do you really want all of us at once?

Chief Wanderingspirit: In the summertime, yeah. You can come and camp, feed the mosquitoes.

The Chair: I'd also like to point out that one of the benefits of this type of a committee is that all of the information that we gather and look at from various presenters is shared publicly, so your comment about being able to read a report – that's the beauty of having a system like this. I know your lawyer and probably your other advisers have looked at what's available. It's there. It's publicly accessible information now.

I'm going to turn it over to the NDP caucus.

Mr. Bilous: Thank you, Madam Chair. I'd like to begin by thanking all of you again for coming down here. It was a bit of a journey, and we greatly appreciate your coming to join us today. I also just want to comment on your governance model. I have a great respect that you're saying that, no, you as chief and council cannot make a decision whether to approve or not approve a project without first directly consulting your membership, which I find very, very interesting. I mean, a true direct democracy.

I had a couple of quick questions. One, in the slide presentation on the last point – I'm sorry; it's not numbered – it said: Smith's Landing First Nation "has a number of stewardship matters that it needs to work on directly with the Alberta government." I was hoping that maybe you could elaborate a little bit on those stewardship matters.

Ms Rana: We were actually talking about that this morning. I think that if Jerry Paulette wouldn't mind commenting on that, that was a point that he had made.

The Chair: Mr. Paulette, you'll have to speak into the microphone, please.

Mr. J. Paulette: Good afternoon. My name is Jerry Paulette. I'm a member of Smith's Landing First Nation. The chief and council have asked me to tag along today to this discussion that's occurring in regard to possible hydro development in the north. My history is that I was the chief in our area for a number of years, starting in 1987. Our nations have been through a lot up north in terms of land claims negotiations, land management issues, court challenges, and so on.

You asked a question earlier about the broader question in terms of the approach of hydro development in the north. The automatic response of any group of people is going to be probably not in regard to a proposal because if somebody puts something in front of you that's just an idea with huge implications, your automatic response will be, "I don't think so right now," until you see it, until we talk about those things. Where we come from, because we've been involved with land claims and self-government negotiations for decades, many of our people have been involved at that level in terms of negotiations.

The question of stewardship is on two major principles, like any government: one is the environmental regulations, and the other is economic policy. In our area the environmental regulations are very important because they determine whether or not something in terms of a huge project, whether it's hydro or whether it's a diamond mine or something – we need to be participating in that body to approve a permit request or a licence request or whatever it be.

The second part of it is the economic policy, the economics of a proposal or a project: how is that measured in terms of what are the pros and cons of both? Without having a strong sense of environmental stewardship in northern Alberta, then serious questions are raised by our people in terms of not knowing what the economic impacts would be or potential. Then same thing there. There are more questions than there are answers. Like anybody anywhere in the world, you probably have a lot more questions. So, you know, the question is: if we showed up here and asked you guys, "Well, we're proposing to put a hydro facility right over here on the Saskatchewan River, just underneath the Whitemud bridge," what would the million people or so in the area, what would that response or reaction be? Very similar to us at home.

Those are the same challenging questions that we would have, both on the environmental and the economics.

Going to partnerships and so on, same thing. We would have to look at all of that. In terms of the regulation of what is going to sustain the environment, same thing. On that slide that's up there, in our language we say: [remarks in Chipewyan]. That means we all live because of water, all human beings. That's all that's about. It's a very important part of what is evolving here in northern Alberta that you're looking at.

One of the important things is that we in the First Nations need to have more communication with people like yourselves, especially on something this major.

Mr. Bilous: Thank you very much, Councillor Paulette.

There are so many things that I would love to sit and talk with you folks about. I'm just going to actually ask a couple of questions, and possibly this could turn into a written submission for a response because I'm probably down to my last minute. I mean, I'd love to get your concerns or how you think the new single regulator is going to impact projects in the north. You're probably familiar that in the fall we passed Bill 2, which creates a single regulator entity. Again, how will that impact future projects in the approval or disapproval?

I would love to talk to you about the consultation process. I know that the government is starting to revisit consultation. What I'm hearing from many different bands is that unless it is meaningful consultation, it's lip service.

The other thing I'd like to ask the gentleman on the phone. He mentioned in the slide the difference between a reservoir and a run-of-reservoir is different from a run-of-river. I'd love for you to expand on that if you could, if we still have him.

Mr. Hendriks: Yes, I'm here. I just wondered whether the question surrounding Bill 2 would be responded to first.

The Chair: Why don't you take a few minutes and answer that?

Mr. Hendriks: The question to me?

The Chair: Whoever wishes to answer that question.

Mr. Hendriks: Sorry. About the run-of-reservoir versus run-of-river?

The Chair: Sure. Why don't you answer that one, and then somebody can take a crack at the other one.

4:20

Mr. Hendriks: Okay. Generally speaking, when I work with communities – and I do work with many communities across

Canada – I actually use three different terms to describe hydro-electric projects. One term I use is a reservoir-operated project. An example of a reservoir-operated project would be the W.A.C. Bennett dam and the Williston reservoir. What that means is that the reservoir goes up and down a great deal. There's a lot of what we call live storage, so a lot of fluctuation, a very wide shoreline to the reservoir, and the impacts tend to be the worst of the three. So that's reservoir-operated type 1.

Type 2 I have taken to calling run-of-reservoir. I use that term to distinguish it from run-of-river. By run-of-reservoir I mean a facility like, actually, the Peace Canyon dam just downstream on the Peace River. The proposed Slave River hydro development would also be a run-of-reservoir facility. What that means is that you still have a dam and a reservoir, and the dam is necessary in order to create a difference between the height of the reservoir and the height of the river down below, or what we call head. In a run-of-reservoir facility there's no operation of the reservoir. Whatever water comes down the river flows to the turbines, or if there's too much, then some of it goes into the spillway. Generally speaking, the flow of the river is basically maintained. I mean, you might have some very minor operation of the reservoir for safety or maintenance purposes. So, generally speaking, the impacts related to fluctuation are addressed by run-of-reservoir.

Then a run-of-river facility, in the way that I usually use that term, refers to a facility that does not have a dam or a reservoir at all. In the case of the Slave River – we'll use that as an example – a true run-of-river facility would divert water above the rapids into a channel or into what we call a penstock, which is just a big pipe, and that water would then travel alongside the rapids, and then it would fall down through the turbines and back into the river again. We call this a diverted reach. So a reach of the river has been diverted. Now, it doesn't mean that all of the water would be taken out of the river. A portion, of course, remains in the river to maintain fish habitat and aquatic ecosystems, et cetera. So that would be more of a run-of-river type of facility as I would use that term.

Hopefully, that's helpful in distinguishing the three types.

Mr. Bilous: Very much so. Thank you.

The Chair: Does somebody want to take two minutes to take a crack at the other?

Ms Rana: I'm going to actually look to Jeff, our lands and resources director. Is that something that you've had yet an opportunity to deal with, Alberta's new one-approval or – what did we call it? – one-window, one-regulator process?

Mr. Dixon: No. I haven't had an opportunity to look at that at all.

Mr. Bilous: If I may, Madam Chair. I'm not trying to put work on you folks, but if and when you do get to looking at it and becoming more familiar with that piece of legislation, I know I'd be very interested to hear your comments and feedback on it. I can just say for the record that if there are concerns that you have with it, I'd likely share them. Unfortunately, that bill was already passed.

The Chair: That's probably where we can stop. I have to keep the boundaries of this going. We've got three more people with questions, and we're getting to the end of our time. We had lots of time to debate those questions in other forums. Mr. Stier has a question, Mr. Anglin has a question, and Mr. Cao has a question, and then that will be a wrap. Is there anybody else with a question? Okay.

Mr. Stier: Madam Chairman, I'm out now because Mr. Bilous just took my thunder. I was going after what the definitions were on the different types. I wanted also to follow up with what had been presented before, and that was also answered. So thank you.

The Chair: Yeah. That was a very good explanation.

Mr. Anglin.

Mr. Anglin: Thank you, Madam Chair. I noticed that AESO's 2012 long-term plan has been mentioned. Can I get into the probabilistic versus deterministic planning of this ineffective document?

The Chair: We'd probably prefer you not.

Mr. Anglin: I figured as much, but I just wanted to end the day on that note, too.

The Chair: I appreciate your asking, though. Thank you, Mr. Anglin. We are making progress here.

Mr. Anglin: I'll put it in writing.

I do have one question. This is something that came up earlier. I'm not sure if you were all in the room when it came up, but we are looking into making in the recommendation to government that they should maybe pursue or not pursue the development of hydro. This isn't the consultation, as you've been told, in the process. We're just here to look at it and make the recommendation.

Going forward on a much broader picture, the alternatives are: do we bring nuclear power into the province, do we develop more coal-fired generation, and all the other possibilities? Is hydro a feasible economic option? Is that something that should be considered? So I will put the question to you. Like any development, it can be disastrous if it's not done right. Other developments can mitigate problems and have benefits. Looking at this, if it were to be able to reduce the pollution coming out of Fort McMurray and increase the economics of the region, is that an option that would be of consideration to your people, particularly when we're looking at coal and nuclear as the other options moving forward?

Chief Wanderingspirit: It's like déjà vu here. We were talking about exactly this thing this morning, right? You know, like I said before, any kind of development proposed, any kind of ideas like that, we're going to have to bring it to our membership. That's where we get our direction from. The people are the ones that tell us what to do. They set the mandate, and that is what we do. We're here for them, right?

I'm not opposed to economic development per se, but we'd like to have all the facts, environmental impact assessments, long-term assessments not only in our area but downstream as well, because if any hydro development occurs on our territory, it's going to affect all the way downstream. And how it is going to affect those people bothers me because already on the Slave River delta, like Deninoo Kue – that's on Fort Resolution – there is no delta no more. They just have the river running through it. That's it. They lost it.

I sure wish that they were part of this, you know, that all the First Nations along that river, all the way down to the Arctic Ocean were involved in this discussion because they would tell you stories about the water levels and stuff. Any kind of hydro development on the Slave River is going to affect them all the way down. And the Peace River as well. That affected us, Fort Chipewyan, all the First Nations all the way downstream, and it's still affecting us to this day.

Like I said, I have to go to our membership. Get all the information that the proponents or the government of the day is going to provide for us, and then we can decide from there.

Maybe my friend Jerry can speak a little more on this.

Mr. J. Paulette: Yeah. I think on the global question of which would you choose if you had to make a choice between hydro, nuclear, or coal: that's the question that the global population is looking at everywhere. In our case there's a fourth option, which is to simply leave things the way they are, where we're situated. We have approximately 8 megawatts of hydroelectricity that on a daily basis is not being used from a facility north of us called Taltson hydro. That's one matter. That was the facility built in the 1960s.

On the question of consultation earlier, in terms of that question we did have a meeting with Minister Campbell, I believe his name is, on Friday. We're looking at inviting him to come to our area to talk about consultation and what his wish list is in regard to consultation policy.

4:30

In regard to bills in regard to environmental regulation we can tell you that we're very familiar with the Mackenzie Valley Resource Management Act, which is a federal piece of legislation governing environmental regulations north of 60, where the aboriginal peoples participate in a system of co-management over lands and resource development in the western Arctic. That's a model that I believe Alberta can look to in terms of northern Alberta that would go towards better certainty in regard to aboriginal issues, claims, and so on. It's a way of moving forward, because I think we're all after sort of the same thing, but that sort of discussion is where we need to have more communication.

Those are my comments in regard to those three questions.

The Chair: Thank you very much.

Mr. Cao, you've got the closing here.

Mr. Cao: All right. Thank you, Madam Chair. Thank you, chief and councillors, for coming and educating me, particularly, about the situation. My question is just regarding the situation assessment before and after, so any proposal where you come and say, "Hey, this is what it is now," and then we come to some changes initiated either by you or some others, and then we have a change, so before and after. I was wondering if there is any initiative on documenting what it is now so that if somebody comes in and proposes changes, then you can see if they are sure that they will be the same before and after. Then, really, you're happy – right? – and you have the benefits from that. It's a moving target. We can never get to anything. So if we can have documentation: what is it now?

My second question is about the Slave River area. I don't know much about the terrain there, except from flying over, but I can see that the water is valuable there, like you said. But in terms of agriculture it's much more valuable because I can see that if irrigation is part of this consideration, then the land becomes valuable. Food producers for the world, right? It's along that line that I just wanted to bring those thoughts in and see if you have any comment.

Ms Rana: If I can just speak to your first question – I think you were talking about baseline studies – that's some of the work that Smith's Landing is involved in right now with their water monitoring.

Jeff, I don't know if you want to elaborate a bit on that, but I understand that that is exactly to do that, to figure out what it is now.

Mr. Dixon: The First Nations have been involved in basically two committees now for a couple of years. The first one is called the Peace-Athabasca delta ecological monitoring program, and that's based out of Fort Chipewyan. Recognizing that it's all the same watershed, the Peace-Athabasca is a huge watershed, and it drains all the way down through us to the Mackenzie. We're involved in that group, and it's got multiple stakeholders and partners. Scientists and traditional knowledge are getting married together right now, and it's all going quite well. But as everybody can appreciate, it's a complicated thing because, you know, there's more than one jurisdiction involved, there are multiple land users, we've got oil sands impacts upstream, and then we've got the Peace watershed coming in. You've got two major rivers meeting, and then it becomes the Slave. So the Slave River is sort of the recipient of all the upstream developments and land uses that are happening.

Then we have climate change happening, too. You know, depending on who you are, you understand or you don't, so there's lots of debate over what role climate change is playing. We know we're seeing reduced water levels in the aquifers and stuff like that. So there are things going on, too, that we may not fully understand yet.

Through these committees – the PADEMP we call it – we're meeting regularly and we're trying to work out a baseline of monitoring. Obviously, we don't have the luxury of having started all of this before the developments went on in the river, which started in the '60s. So we're doing the best we can to try and be involved in a group of experts and traditional-knowledge holders that are doing monitoring on the river, and the monitoring is pretty wide suite. It's water quality and quantity, and there are airborne emissions as well as waterborne.

Then the other group that we're involved in, more on the Northwest Territories side, is called the Slave River and Delta partnership. That one is looking at the river as it continues into the Northwest Territories and on to Great Slave Lake and down the Mackenzie. So it's a whole watershed effort to get a better idea of what is happening and then looking at these long-term trends to see what actions need to be taken.

The Chair: Thank you very much.

We're going to have to close now. Hopefully, we will be able to continue this conversation. I'm pleased and I'm sure all of us are pleased to know that the government of Alberta is going to be meeting with you to talk through consultation. On behalf of this committee our sincere thanks for taking the time. Chief Wanderingspirit, thank you for honouring us by being here and thank you for bringing a very significant group with you. Your presence is very much appreciated.

Chief Wanderingspirit: Thank you. Thank you for having us.

The Chair: If there's nothing else for this committee's consideration, would a member move to adjourn?

Mr. Xiao: So moved.

The Chair: All in favour? Any objections? We'll see you tomorrow at 10 o'clock, everyone.

[The committee adjourned at 4:36 p.m.]

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