



# New Post Creek Project News

Newsletter #1  
May, 2008

Wachay! Welcome to the first newsletter from Coral Rapids Power about the New Post Creek Hydroelectric Development. The project team (made up of people from Coral Rapids Power and Ontario Power Generation Inc. (OPG)) has been making steady progress since the community vote on November 10, 2007 when the Taykwa Tagamou Nation membership voted to accept the settlement agreement from OPG and move forward with a partnership to explore the New Post Creek hydroelectric project. The aim of this newsletter is to update the community on the progress being made on this very important project which has the potential to bring economic prosperity to the TTN membership.

*Peter Archibald, Community Advisor & Government Liaison*  
*Sue Hartwig, Interim CEO*

## Project Status

Since the community vote, Coral Rapids Power (CRP) has made some important steps forward. On January 28, a board meeting for CRP was held and a new plan for the staff and board of directors was made. In order to move the New Post Creek project forward, this structure will remain in effect until CRP is able to hire permanent staff. The board of directors and staff members of CRP are:

**Patrick Chilton** – President and Director  
**Robert Linklater** – Treasurer and Director  
**Rod Reimer** – Secretary and Financial Administrator  
**Sue Hartwig** – Interim CEO  
**Peter Archibald** – Community Advisor & Government Liaison

The board and staff, along with the project team members from OPG are now focused on what needs to be in place for the project to move into the next phase of development. These are the things need to be completed or resolved by CRP before the project can move forward:

- The co-planning requirements of the Ministry of Natural Resources with regards to hydroelectric development in the Moose River Basin north of High-



*New Post Creek Falls - Close to the Project Site*

way 11 must be satisfied (you can read more about this later in the newsletter).

- TTN must reach an agreement with Moose Cree First Nation (MCFN) as outlined in Schedule 24 of the OPG – TTN Partnership Term Sheet. The agreement will say that MCFN is aware of the New Post Creek project and that it recognizes that although some of the related parts of the project might cross its traditional territory, the project site is entirely on TTN lands. MCFN is working towards the re-development of the Lower Mattagamgi Complex. TTN will have to sign a similar agreement about that project in order for MCFN to be able to move forward with it.
- There must be a process in place for the Ministry of Natural Resources to release the land for the site of the project to TTN, since the site currently lies within a provincial waterway park.
- Legal agreements (Limited Partnership Agreement, Service Agreement, Loan Agreement, Project Management Agreement) need to be completed and signed by CRP and OPG. The scheduled completion date is June 27.
- CRP must be staffed and operating independently with its own funds.

# Project Achievements

Below is an overview of the major achievements of the New Post Creek project so far:

**April, 2006:** A Memorandum of Understanding (MOU) was signed between Taykwa Tagamou Nation (TTN) and Ontario Power Generation Inc. to jointly explore hydroelectric development opportunities on the Abitibi River, north of Highway 11.

**August, 2006:** OPG, with input from TTN, selected KGS Group to carry out a "Concept Phase" Study to consider four possible locations for the hydro development on New Post Creek near the falls at its outlet into the Abitibi River. The development would use some of the water flow that has been diverted since 1963 from the Little Abitibi River by the New Post Diversion Dam.

**October, 2006:** Based on the information collected at the site, other historic information and KGS expertise gained from other projects, KGS prepared a Concept Phase Report which analyzed four alternative development sites in detail. The Report says that the development of a 25 MW facility seems feasible from the technical, environmental and economic perspectives. It recommends that one site (Alternative 1) should be pursued first, with an understanding that as more information is gathered, other alternatives might be considered further.

**November 10, 2007:** The members of Taykwa Tagamou Nation voted to accept a settlement offer from OPG for past grievances regarding hydro development on their traditional lands. The community members also voted to proceed with the New Post Creek hydroelectric development in partnership with OPG. Present at the vote were 142 eligible voting members: 97 of them voted yes, 38 voted no, 1 ballot was spoiled and 6 did not vote, making 71% of the members in favour. A detailed commercial Partnership Term Sheet between OPG and TTN was then signed. *Continued on next page...*



*Some of the Project Team members arriving in Moosonee for the community vote: Derek Chum - TTN/CRP Legal, Nancy Kleer - TTN Legal, Mike Markovich - KGS, Sue Hartwig - TTN/CRP Advisor, Kath Hammond - OPG, John Arcuich - OPG & Merv McLeod - TTN/CRP Advisor*

## Concept and Definition Phases

Hydroelectric development projects usually go through four phases before they are operating and making electricity. The phases are called Concept, Definition, Execution, and Operations phases.

For the New Post Creek project, the Concept Phase began in April 2006. It is expected to end in July of 2008, but this depends on whether the project team can finish all of the activities that need to be completed. Much of the early work to determine whether or not the project is feasible is carried out during the Concept Phase. The second phase, the Definition Phase, will last at least 2 years. The Definition Phase is when the Environmental Assessments and the Power Purchase Agreement negotiations will be completed. Further design work is also completed in order to issue a Request for Proposals (RFPs) to build the facility. Once completed, we will know if the project is still feasible, and the final decision will be made to move forward into the next phase. If we decide to go ahead with it, construction will begin during the Execution Phase, which should last about 2 years. If everything goes according to plan, the New Post Creek Hydroelectric Facility could begin operations in the summer of 2012.

## More Funds to Flow to TTN Members Once Project Moves into Execution Phase

For TTN members, it is important to note that the second payout of money from Ontario Power Generation of \$1.5 million will not occur until after the OPG board of directors has given their written approval to move into construction on the project (which will not happen until the end of the Definition Phase). This means that TTN members may expect to receive this payment in the summer of 2010 at the earliest. If, for some reason the project does not go ahead, OPG agreed to make this payment 5 years from the date that the agreement was accepted by the community, which would be Nov. 10, 2012.

**November 16, 2007:** OPG's board of directors supported the continued development of the New Post Creek Project.

**January 29, 2008:** A meeting of the CRP Board of Directors was held and a new staffing plan was adopted.

**January 31, 2008:** Work began on the agreements that must be in place in order to move to Definition Phase. These agreements include the Loan Agreement, Services Agreement, Project Management Agreement and the Limited Partnership Agreement.

**March 10, 2008:** A communication plan was jointly developed by CRP and OPG that outlines how both

parties will communicate about the project with the public and government to gain support.

**March 17, 2008:** CRP representatives met with Indian and Northern Affairs Canada Regional Director General, Deborah Richardson, and Director of Strategic Direction & Policy, Jennifer Alderson. It was an extremely positive meeting where INAC agreed that they would support the project.

**March 26, 2008:** A follow-up teleconference was held with INAC to discuss funding for Coral Rapids Power. A meeting has been set up for May 7, 2008 to ensure that CRP is on track to receive funding; the target date for this is fall 2008.

## CRP Working Closely with MNR to Secure Project Site

### Possible Replacement Lands to be Added to Little Abitibi Provincial Park Identified

The New Post Creek hydroelectric development will be built on a portion of lands that are currently a part of the Little Abitibi Provincial Park. These lands will need to be deregulated, or taken out of the Park, in order to be used for the project. In order for this to happen, TTN has identified lands to replace this portion so the size of the Park remains the same. TTN sees this as an opportunity to protect some of its lands that contain delicate ecosystems from development.

Five "Areas of Interest" for lands to replace those that will be taken out of the provincial park for the project have been suggested by MNR with input from TTN. Area of Interest "A" is located on the West side of the Abitibi

River, approximately across the river from the proposed project site. It is one of the few areas that is connected to the Park that has not been disturbed by forestry or roads. Area of Interest "B" is located south-east of New Post Creek and the preferred project site (Alternative 1). Area of Interest "C" is 12 km east of the New Post Falls section of the Park, south of New Post Creek. Area of Interest "D" lies about 15 km east of the New Post Falls section of the Park, south of the diversion channel that directs water out of the Little Abitibi into New Post Creek. The last option, Area of Interest "E", lies about 40 km southeast of the New Post Falls section of the park, north of the Little Abitibi River.

The project team and MNR have narrowed these down to two preferred options; these are Area of Interest option "C" and option "E". Community members are welcome to provide input into this decision. If you would like more information, there are maps available at the Band Office or you may contact Peter Archibald directly at 705-365-6549(cell) or 705-272-6897 (home).



*The community vote on November 10, 2007 in Moosonee.*

## CRP Seeks Funding from Indian and Northern Affairs Canada

One of the big challenges that CRP is facing is the need to raise money to cover its own costs for participating in the Definition and Execution Phases. CRP is partnering with OPG and OPG will have contributed a significant amount of money to Coral Rapids during the Concept Phase. In addition, the Taykwa Tagamou Nation has contributed about \$300,000 towards the project costs so far. It is important for CRP to participate as an independent partner throughout the Definition Phase and the Execution Phase and in order to do so CRP will need about \$2.5 million over the

next 4 to 5 years so it must find these funds from other sources. This money is needed to cover the costs of CRP's independent lawyers, financial, engineering and business consultants and to carry out detailed engineering and design work as well as to pay for the staff and other costs of running the corporation. OPG will pay for all the third party costs during the Definition Phase such as the detailed financial modeling, Environmental Assessment work and costs associated with the Power Purchase Agreement negotiations.

CRP is currently in discussions with Indian and Northern Affairs Canada (INAC) and other agencies for potential funding. Talks are going well so far and CRP hopes that some funding will begin to flow by the fall of 2008.

## Fulfilling the Requirement for Co-Planning within the Moose River Basin North of Highway 11

Another one of the challenges that faces this project is the requirement for "co-planning" for any hydro-electric development in the Moose River Basin north of Highway 11. In 1993, then-Minister of Natural Resources Bud Wildman wrote a letter which outlined MNR's policy regarding hydroelectric development in this area. Basically it says that there cannot be any hydro developments in this area until there is a co-planning process in place which has been agreed to and applied by the affected First

Nations and the Government of Ontario. TTN's position for co-planning regarding hydro development is defined as "the First Nation has to be the proponent on any development north of Highway 11 on Greenfield sites."

Aside from TTN, the other First Nation that has a land base in the Moose River Basin is the Moose Cree First Nation. Talks are underway with MCFN to come to an agreement about this issue, and the project team is also working closely with MNR to make sure that the requirements related to co-planning are met so the project can move forward. Making sure that these requirements are fulfilled is one of the criteria for the project to complete the Concept Phase in order to move into Definition Phase.

### For more information, please contact:

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*Peter Sutherland and Peter Archibald at the Community Vote on November 10, 2007. They have both been very involved in the New Post Creek Project.*

## Water Gauge Installation on New Post Creek

TTN/CRP and OPG are working with MNR to install a permanent water flow gauge on New Post Creek near the potential development site. The permanent gauge could be installed as early as the spring of 2008, but may not be installed until later.

The purpose of the gauge is to gather accurate flow data. This flow data will be used in the project development stage to determine the amount of water available for power generation, the design of the generating facility and to develop accurate revenue forecasts.

The installation will look like either Photos # 1 or Photo # 2 below depending on actual site conditions.



**Photo #1**



**Photo #2**

There are also plans to take measurements using temporary gauges on New Post Creek this summer. This would be done at approximately the same location as the permanent gauge. The purpose of these measurements is to also gather water flow data up until the time that the permanent installation is completed. These measurements can be taken as early as spring/summer 2008. Access to the site will be by helicopter. Unlike the permanent gauges, the temporary gauges are the size of a 48 oz can of apple juice with a string attached. The temporary gauge is placed in the water and left there for the season, and will have to be removed before freeze-up.

For more information please call:

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