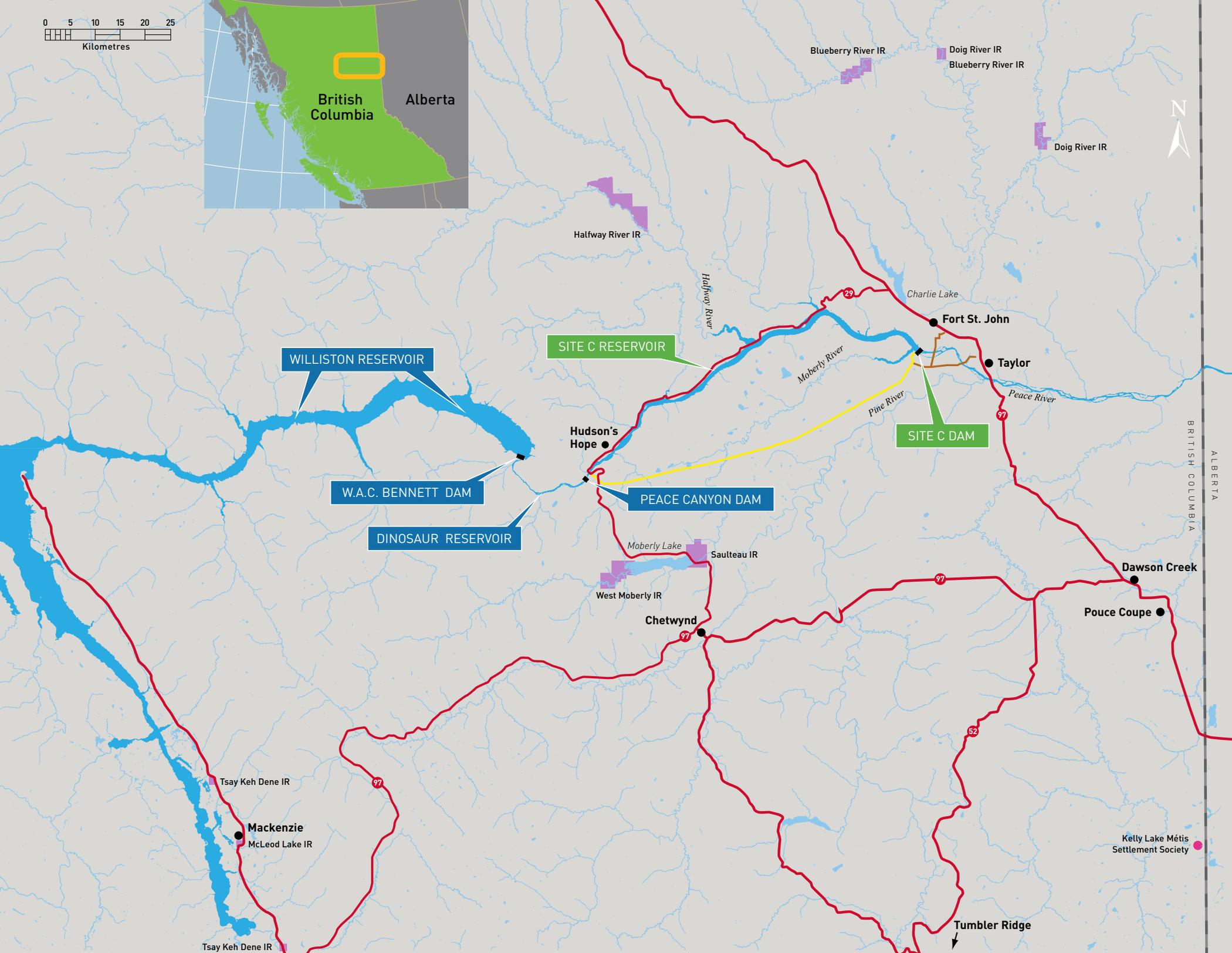
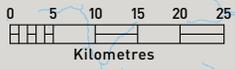


Site C Clean Energy Project

Framework for an Agricultural Mitigation and Compensation Plan Stakeholder Consultation Discussion Guide and Feedback Form

November 2015 – January 2016





WILLISTON RESERVOIR

SITE C RESERVOIR

W.A.C. BENNETT DAM

PEACE CANYON DAM

DINOSAUR RESERVOIR

SITE C DAM

Tsay Keh Dene IR

Mackenzie
McLeod Lake IR

Tsay Keh Dene IR

Halfway River IR

Blueberry River IR

Doig River IR
Blueberry River IR

Doig River IR

Hudson's Hope

Moberly Lake
Saulteau IR

West Moberly IR

Chetwynd

Charlie Lake

Fort St. John

Taylor

Dawson Creek

Pouce Coupe

Kelly Lake Métis
Settlement Society

Tumbler Ridge

BRITISH COLUMBIA

ALBERTA

Framework for an Agricultural Mitigation and Compensation Plan – Stakeholder Consultation

(November 2015-January 2016)

Purpose

BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines are seeking your input regarding the development of a Framework for an Agricultural Mitigation and Compensation Plan for the Site C Clean Energy Project.

This consultation process seeks your input regarding the four parts of the framework:

- A. Implementation of appropriate construction management practices, as they pertain to agriculture
- B. Approach to development of individual farm mitigation plans
- C. Approach to management of surplus agricultural land
- D. Establishment of a \$20 million Agricultural Compensation Fund

How Input Will be Used

Your input will be considered, along with technical and financial information, as BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines develop a Framework for the Agricultural Mitigation and Compensation Plan by July 2016, a draft Agricultural Mitigation and Compensation Plan by January 2017, and a final Plan by July 2017.

We Want to Hear From You

This consultation period runs from November 23, 2015 to January 29, 2016, so that Peace River agricultural stakeholders across various sectors will have an opportunity to review and provide their input.

As part of the consultation period, regional stakeholder meetings will be held in December 2015 and January 2016. If you are an agricultural stakeholder interested in attending a meeting and haven't received an invitation, please email us at sitec@bchydro.com.

Learn more and provide your feedback by:

- Coming to a stakeholder meeting
- Filling out the feedback form found in this discussion guide at sitecproject.com. Alternatively, you can send your hardcopy feedback form to **PO Box 2218, Vancouver, B.C. V6B 3W2**.
- Sending us an email to sitec@bchydro.com or letter to **PO Box 2218, Vancouver, B.C. V6B 3W2**

Please provide your feedback by January 29, 2016.

1. Background

About the Site C Clean Energy Project

The Site C Clean Energy Project (Site C) will be a third dam and hydroelectric generating station on the Peace River in northeast B.C. Approved by the Province of B.C. on December 16, 2014, construction of the project began in the summer of 2015. Site C will provide 1,100 megawatts (MW) of capacity, and produce about 5,100 gigawatt hours (GWh) of electricity each year — enough energy to power the equivalent of about 450,000 homes per year in B.C.

Site C received environmental approvals from the federal and provincial governments in October 2014, and received approval from the Province of B.C. in December 2014. Site C will be a source of clean, reliable and affordable electricity for more than 100 years.

More information about Site C can be found at sitecproject.com.

Provincial Environmental Assessment Certificate – Conditions Regarding Agriculture

The Provincial Environmental Assessment Certificate for the Site C Clean Energy Project includes two conditions specific to agriculture, summarized below:

Condition No.30: BC Hydro will develop an Agricultural Mitigation and Compensation Plan addressing the following requirements: establishing a \$20 million Agricultural Compensation Fund; implementing appropriate construction management practices; developing individual farm mitigation plans; and managing surplus agricultural land.

Condition No.31: BC Hydro will implement an agriculture monitoring and follow-up program for a 10 year period: 5 years prior to operations and 5 years during operations. Condition 31 requires the development of a draft Agriculture Monitoring and Follow-Up Program which has been submitted to the Ministry of Agriculture, Peace River Regional District, and the District of Hudson's Hope for review. A final Program will be submitted in December 2015, and the monitoring program will begin in January 2016, within 180 days of the start of construction.

Monitoring programs to determine if creation of the Site C reservoir may result in site-specific changes that may affect agricultural operations include the following:

- Reservoir induced effects on crop drying;
- Effects on crop production due to changes in groundwater elevations;
- Effects on agriculture due to changes in wildlife habitat utilization; and
- Climate parameters to estimate irrigation water requirements near the reservoir.

2. Framework for an Agricultural Mitigation and Compensation Plan

The Agricultural Mitigation and Compensation Plan will include four components, which are the subject of this consultation process:

- A. Implementation of appropriate construction management practices, as they pertain to agriculture
- B. Approach to development of individual farm mitigation plans
- C. Approach to management of surplus agricultural land
- D. Establishment of a \$20 million Agricultural Compensation Fund

BC Hydro, the Ministry of Agriculture and the Ministry of Energy and Mines have established a Consultation Steering Committee to guide consultation with agricultural stakeholders regarding a framework for the Agricultural Mitigation and Compensation Plan. The Consultation Steering Committee is seeking and receiving advice from regional advisors: Hon. Mike Bernier, MLA for Peace River South, and Pat Pimm, MLA for Peace River North.

The Consultation Steering Committee has considered previous input related to agriculture received from consultation regarding the Site C Clean Energy Project and applied it in the development of this discussion guide and mitigation programs.

Process and Timeframe for Developing an Agricultural Mitigation and Compensation Plan

BC Hydro is working with the Ministry of Energy and Mines and Ministry of Agriculture to develop the Agricultural Mitigation and Compensation Plan.

The Agricultural Mitigation and Compensation Plan will be developed within the following timelines:

- **Framework (by July 2016):** An Agricultural Mitigation and Compensation Plan Framework will be developed in consultation with affected agricultural land owners and tenure holders, and the Ministry of Agriculture and provided to the Peace River Regional District and the District of Hudson's Hope for review by July 2016.
- **Draft Plan (by January 2017):** A Draft Agricultural Mitigation and Compensation Plan will be provided for review and comment by affected agricultural land owners and tenure holders, the Peace River Regional District, District of Hudson's Hope, Ministry of Agriculture and the Ministry of Forests, Lands and Natural Resource Operations by January 2017.
- **Final Plan (by July 2017):** The Agricultural Mitigation and Compensation Plan will be filed with the BC Environmental Assessment Office, Peace River Regional District, District of Hudson's Hope, the Ministry of Agriculture and the Ministry of Forests, Lands and Natural Resource Operations by July 2017.

D. Establishment of an Agricultural Compensation Fund

As part of the environmental assessment of Site C, BC Hydro proposed the creation of a \$20 million Agricultural Compensation Fund for use in the Peace Region. The purpose of the fund is to mitigate the change in agricultural economic activity as a result of Site C.

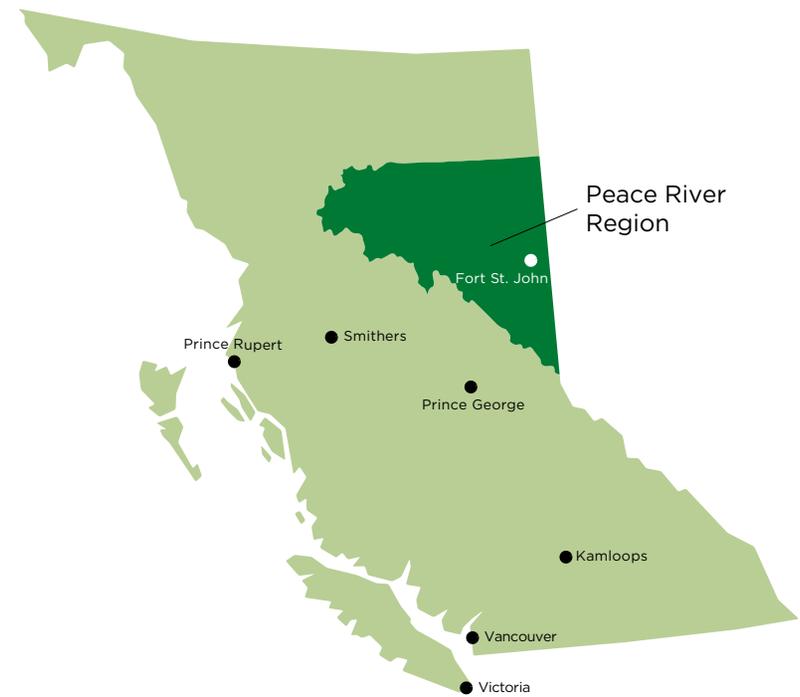
In accordance with Condition 30, BC Hydro's Agricultural Mitigation and Compensation Plan must include:

"... establishment of an agricultural compensation fund of \$20 million for use in the Peace Region or other areas of the province as necessary to compensate for lost agricultural lands and activities, and an approach for establishing the governance and allocation of funds. The EAC Holder must work with the Ministry of Agriculture to establish a governance structure for the agriculture compensation fund that will ensure funds will be used to support enhancement projects that improve agricultural land, productivity or systems."

BC Hydro is accountable for creating the Agricultural Compensation Fund, and responsible for seeking input from agricultural stakeholders on its objectives, administration, and delivery, which is the purpose of this consultation. Input received on the discussion guide information and feedback questions below will provide content for the development of the Framework, and will be the basis for a detailed Mandate to direct the Fund's future implementation.

The next few pages provide information and ask for your feedback regarding the following topics:

- **Vision:** Why are we creating an Agricultural Compensation Fund? Where should the Fund be targeted and what should it cover?
- **Governance:** How should the Fund be administered? How should projects be reviewed?
- **Eligibility:** Who should be eligible to apply? What is the nature and scope of projects that should be funded?
- **Allocation:** How should funds be allocated and over what time period?

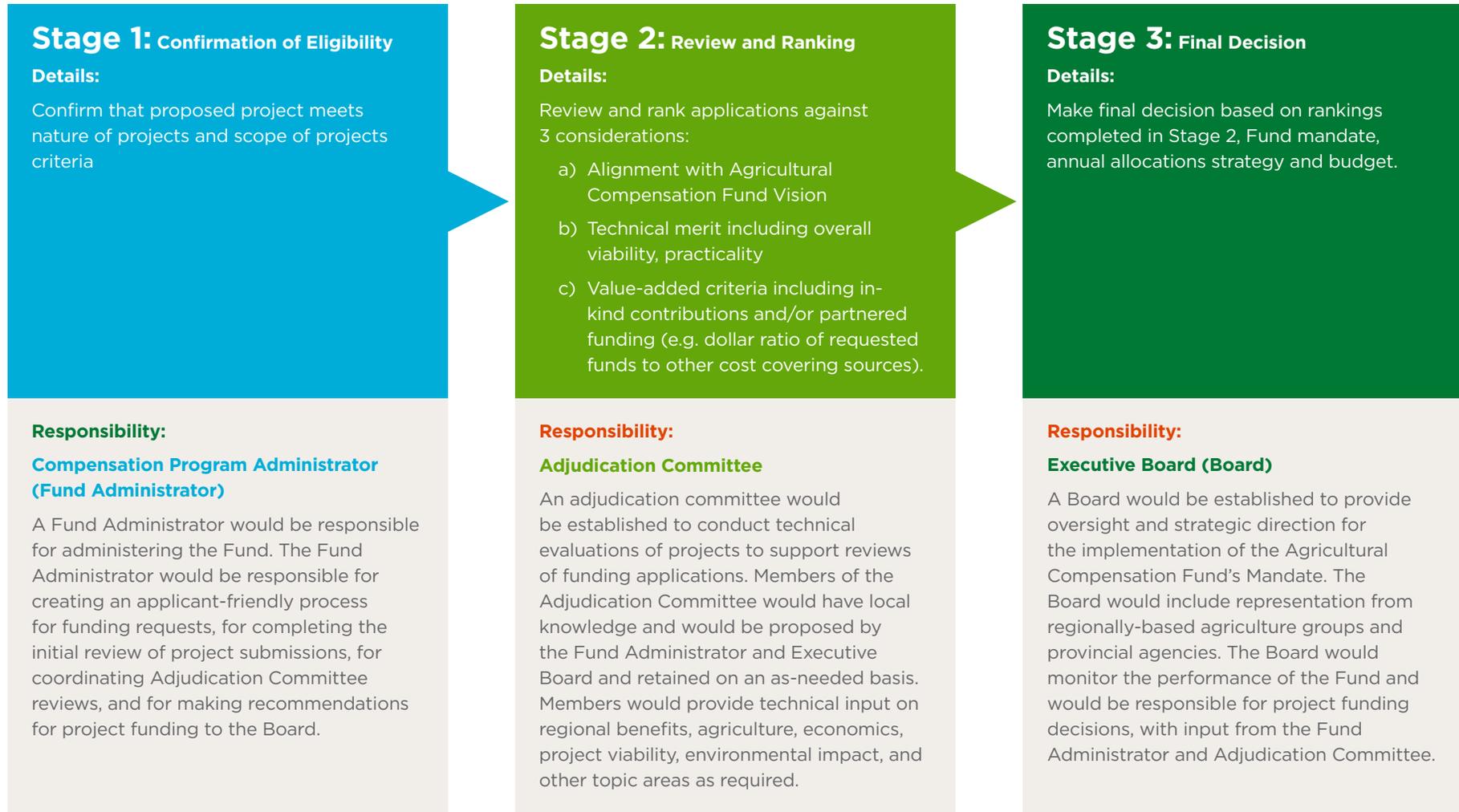


How should the fund be operated?

To achieve the administrative requirements outlined on the previous page, it is proposed that the Fund's organizational structure would include an Executive Board, an independent Fund Administrator, and an Adjudication Committee with agriculture and economic experts. Administration costs would be covered by the Fund. The proposed roles and responsibilities of each are outlined below and the relationship between each group is illustrated in the flowchart.

How should projects be reviewed?

It is proposed that project funding applications would be reviewed using a three-stage process:



How should funds be allocated and over what time period?

A wide variety of approaches to fund allocation, including consideration of the size of awards, maximum duration of project funding, and frequency of disbursements have been explored.

The preferred approach for the Agricultural Compensation Fund is to retain flexibility to provide funding for projects that would provide the greatest benefits to agricultural production and agrifoods economic activity in the Peace River region. It is proposed that projects requesting over \$20,000 in

funds should have a minimum of one other funding source. The other funding sources could include in-kind contributions or other government or private funding. A second source of funding provides external validation of project value, and also creates a greater commitment by the project proponent to deliver the project. Specific details for fund applications and project requirements will be developed after the Fund Mandate is created.

The table below summarizes options considered by the Consultation Steering Committee for the following topics:

Topic	Options Considered	Research Findings
Fund Duration How long will the Fund be in place?	<ul style="list-style-type: none"> • Single project investment (i.e., spend all \$20 million on a major investment such as an Agricultural Research and Development Centre) • Spread payout over a 5-, 10- or 20-year period • Endowment Approach, where only the interest would be allocated to projects 	<ul style="list-style-type: none"> • Determining a specific timeframe for the Fund may limit eligible projects and Fund effectiveness.
Annual Allocation How much would be dispersed from the Fund each year?	<ul style="list-style-type: none"> • \$20 million in one year (i.e., single project investment) • \$4 million per year for 5 years • \$2 million a year for 10 years • \$1 million per year for 20 years • Endowment Approach, which could be continued in perpetuity 	<ul style="list-style-type: none"> • Pre-determining annual fund distribution totals may reduce the impact of the Fund by delaying funding of projects with merit.
Duration of Project Funding How long should a project be eligible to receive funding for?	<ul style="list-style-type: none"> • One year only • Multiple years, with an annual reporting requirement to secure funding for subsequent years 	<ul style="list-style-type: none"> • Due to the seasonality of agriculture, several growing seasons are often required to understand the benefits of a new program, technology or process.
Project Funding Limits What percentage of a project's cost should be eligible for funding?	<ul style="list-style-type: none"> • No limit on individual project costs • Limited to \$500,000 per project, per applicant, per year • Limited to 50 per cent of a project's cost • Limit the % of in-kind contribution • Requirement of funding from at least one other source. 	<ul style="list-style-type: none"> • Funding from a minimum of a second source provide validation of project value, and creates a greater commitment by the project proponent.
Application Submission Deadlines When should project applications be accepted?	<ul style="list-style-type: none"> • Pre-determined intake periods to focus review process on annual or bi-annual submissions • No deadlines – applications accepted and reviewed continuously 	<ul style="list-style-type: none"> • Pre-determined intakes for large applications assists in review processes, and efficiency of funding awards. • Consider allowance for small funding requests to be considered on an ongoing basis.

About You

16. Which provincial agricultural region are you from?

- Peace
- Omenica Skeena
- Cariboo Chilcotin Coast
- Thompson Nicola
- Okanagan
- Kootenay
- South Coast
- Vancouver Island/Coast

17. What agricultural sector(s) are you active in?

(select all that apply)

- Beef cattle ranching
- Dairy cattle
- Fruit and nut tree farming
- Field vegetables, melon farming and potato farming
- Greenhouse, mushroom, nursery and floriculture production
- Hog farming
- Forages
- Oilseed and grain farming
- Poultry and egg production
- Sheep and goat farming
- Other (please specify): _____

18. What is your role within the agricultural sector?

(select all that apply)

- Primary producer (farmer/rancher)
- Agriculture industry organization
- Agricultural service industry
- Agricultural product processor/marketer
- Agricultural researcher/educator
- Government representative
- Other (please specify): _____

19. Please provide your contact information (optional):

Name:

Organization:

Position:

Email Address:

Phone Number:

Personal information is collected for the purposes of stakeholder consultation regarding the development of a Framework for an Agricultural Mitigation and Compensation Plan for the Site C Clean Energy Project by BC Hydro, under s. 26(c) of the Freedom of Information and Protection of Privacy Act, specifically in accordance with conditions 30 and 31 of the Provincial Environmental Assessment Certificate issued regarding the Site C Clean Energy Project. Please be aware that any personal information in connection with your response to the survey is collected by Kirk & Co. Consulting Ltd. and stored in Canada by FluidSurveys and not BC Hydro.

