

# Re-envisioning the North?

## A Critical Socio-economic Assessment of Manitoba Hydro's 2012/13 to 2047/48 Preferred Development Plan

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By<sup>1</sup>

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## Researcher Biographies

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## Executive Summary

This report provides a critical analysis of the potential socio-economic impacts of Manitoba Hydro's Preferred Development Plan (PDP) on northern and Aboriginal communities in Manitoba. Drawing on the academic literature, the history of hydroelectric development in Manitoba and a stakeholder analysis, we assess whether the PDP meets international good practice for socio-economic benefit-sharing among stakeholders of hydroelectric development in Manitoba.

We first review the academic literature on the relationship between Indigenous and remote communities and development. Four main viewpoints can be identified. The first view is that development is achieved by the market through the advancement of capitalism. The second argues that while capitalism is a constructive system it can lead to excesses that hurt sub-populations and the environment, so that the state and communities must bridle the market to ensure equity and sustainability are promoted. The third view is that capitalism cannot achieve development and that a structuralist alternative is necessary. The final view rejects the universal notion of development based on the critique that all projects, at their root, are colonial and patriarchal, and thus disadvantage certain groups.

Next we provide a brief history of hydroelectric development in Manitoba, and note that this development has typically lead to substantial harms and to winners and losers within dam affected communities. International good practice thus recommends that the benefits of hydroelectric development be shared amongst all dam-affected individuals and communities. One framework for benefit-sharing is that published by the World Bank and authored by Chaogang Wang (2012). We introduce this framework which suggests that hydropower projects ensure consultation with local stakeholders; monetary and non-monetary benefit-sharing with those stakeholders; transparent and efficient implementation of the benefit-sharing program and mitigation of harmful effects.

We then describe Manitoba Hydro's PDP and its alternatives, with a focus on the Keeyask Generation Project as it is given the most attention in Manitoba Hydro's NFAT Business Case Submission.

The final step of our analysis is an examination of the views on the potential socio-economic impacts of Manitoba Hydro's PDP. We generally find that these views fall within the second viewpoint discussed in our literature review – the view favouring managed capitalism. We first summarize the views of key informants in Northern Manitoba and Winnipeg. These key informants were chosen based on their close relationship with the proposed Keeyask and Conawapa projects. Individuals raised many interesting issues, for example noting the importance of economic benefits of the PDP in the North or criticizing the approval process for the Keeyask project.

We then present a content analysis of the Clean Environment Commission (CEC) hearings transcripts for the Keeyask Generation project. This analysis allows us to capture a wide range of perspectives on the PDP from members of Tataskweyak Cree Nation, War Lake First Nation, York Factory First Nation and Fox Lake Cree Nation, other First Nations communities, Manitoba Hydro staff, concerned citizens and academics. The themes raised by those who viewed the Keeyask model favourably were: that Keeyask ushers in a new and more participatory era for hydro development; that there will be positive benefits for Indigenous Peoples; and that there are moral challenges associated with the Keeyask model but that it is a new and progressive model. More critical participants of the CEC hearings emphasized

negative impacts of the proposed Keeyask model on people and the environment, uncertainty about tangible benefits for local people, recognition of past harms from hydro development and concern for future generations.

Our stakeholder analysis suggests that indeed there is a polarization of positions on whether or not the PDP is the energy alternative with the most socio-economic potential for Manitoba's north. However many stakeholders share common concerns and ideas about future hydroelectric developments. Many suggested improvements to Manitoba Hydro's model of hydroelectric development and these improvements fall in line with the World Bank's benefit-sharing framework. We conclude with 7 recommendations for a revised PDP that, in the event it is approved, are more likely to achieve a socio-economic win-win for all stakeholders of energy development in Manitoba.

## 1. Introduction

This report provides a critical analysis of the potential socio-economic impacts of Manitoba Hydro's Preferred Development Plan (PDP) on northern and Aboriginal communities in Manitoba<sup>2</sup>. It has been prepared for the Government of Manitoba's Needs For and Alternatives To (NFAT) review of these developments through the Public Utilities Board (PUB). While a consideration of potential environmental impacts of hydro-electric development on Manitoba's North is necessarily implicit in our research, we do not draw conclusions on whether the PDP or alternatives are environmentally sustainable.

In this report we are guided by the definition of socio-economic impact and benefits according to the NFAT Terms of Reference which seeks "a critical analysis of the socio-economic impacts and benefits of Manitoba Hydro's Preferred Development Plan and alternative Plans. Specifically, a high level summary of potential effects to people in Manitoba, especially Northern and Aboriginal communities, including such things as employment, training and business opportunities; infrastructure and services; personal family and community life; and resource use" (Manitoba PUB (2013), page 14). We note that a companion piece by Habitat Health Impact Consultants focuses on potential health opportunities and risks associated with the PDP.

Hydroelectric development such as Manitoba Hydro's PDP typically has large social and economic impacts. Some impacts are positive, such as jobs or training for community members, while others, such as dislocation or social disruption, are quite harmful. It is essential that the PDP ensures an equitable distribution of the benefits and opportunities arising from hydroelectric development, and a minimization of the costs and risks of this development. How this sharing takes place should in turn reflect the needs and desires of the stakeholders themselves, including Manitoba Hydro, Northern residents, First Nations communities surrounding the proposed dam sites as well as those upstream and downstream of the dams, Manitoba Hydro ratepayers and those living along the proposed transmission lines<sup>3</sup>. In this report we explore different viewpoints of these stakeholders on the features and potential impacts of Manitoba Hydro's PDP. These views allow us to assess whether the PDP has the potential to bring socio-economic benefits and opportunities for Northern and Aboriginal Manitobans, as it will for other stakeholders in the province.

We proceed in four main steps. First, we review the academic literature on the relationship between Indigenous peoples and development, and on remote communities and development. Four main viewpoints can be identified within these literatures, and we discuss each in turn.

Second, we provide a brief history of hydroelectric development globally and in Manitoba, and note that hydroelectric development is currently experiencing a resurgence. In this section we summarize the World Bank's guidelines aimed at ensuring that hydroelectric development in this new era is equitable.

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<sup>2</sup> Although we take into account the effects on and views of individuals from Thompson and Gillam, our primary focus in this report is on Northern First Nations communities.

<sup>3</sup> Indeed, according to Principle 3(4) of the Manitoba Sustainable Development Act: "Manitobans should consider the aspirations, needs and views of the people of the various geographical regions and ethnic groups in Manitoba, including aboriginal peoples, to facilitate equitable management of Manitoba's common resources." (<https://web2.gov.mb.ca/laws/statutes/ccsm/s270e.php>)

Third, we describe Manitoba Hydro's PDP and its alternatives, with a focus on the Keeyask Generation Project given that it is given the most attention in Manitoba Hydro's NFAT Business Case Submission.

The final step of our analysis can be thought of as an empirical or stakeholder analysis of the views on socio-economic impacts of Manitoba Hydro's PDP and its alternatives. We first summarize these views based on interviews with key informants in Northern Manitoba and Winnipeg. We also conduct a content analysis of the Clean Environment Commission (CEC) hearings transcripts for the Keeyask Generation project. This analysis is important for two reasons. First, we were unable to speak to leadership of the communities adjacent to the proposed Keeyask project, the Keeyask Cree Communities (KCNs), during our key informant interviews<sup>4</sup>. Their views are however expressed in the CEC hearings for the Keeyask project. The content analysis therefore provided us with the wide range of views on the socio-economic impacts of the PDP that is required for a balanced critical analysis of these impacts. Second, along with the KCN environmental assessments, the CEC hearings transcript is the richest source of information on the public dialogue surrounding the Keeyask project.

We then compare stakeholder views from these two different sources to our categorization of views in step 1 of our analysis. We also compare whether stakeholders and CEC participants reference the types of benefit-sharing ideas espoused in the World Bank guidelines.

Our conclusion draws attention to the fact that stakeholders interviewed and opinions expressed in the CEC hearings identify with a very wide range of viewpoints on hydroelectric development in Manitoba's North. Despite this wide range of views, proponents and opponents of this development share common concerns about future hydroelectric developments and propose mechanisms of addressing these concerns. These mechanisms echo those suggested by the World Bank benefit-sharing framework. The model of hydroelectric development in the PDP can therefore be improved according to the consensus of stakeholder viewpoints and the World Bank guidelines. In the event the PDP is authorized, this will help to ensure that the benefits, costs, risks and opportunities presented by the PDP are more equally distributed, so that the plan is mutually beneficial for all stakeholders.

## 1.1. Defining Indigenous Peoples

A key challenge regarding investigations about Indigenous People and development is the definition of *Indigenous*. There are many definitions of Indigenous and this presents challenges regarding the examination of Indigenous People and development. One relatively common definition is from the United Nations Working Group on Indigenous Peoples. They use a definition with four features (Hall 2012) including,

- People who have a long-term claim on the land, or "priority in time"
- People who voluntarily foster cultural distinctiveness
- Self-identification, and

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<sup>4</sup> Use of the acronym KCN does not reflect the view that Tataskweyak Cree Nation, War Lake First Nation, York Factory First Nation and Fox Lake Cree Nation are jointly one entity. It is used at various points in the report to abbreviate these names. We recognize that these communities are four independent nations with different views and interests in the PDP.

- An experience of marginalization or oppression (UN Working Group on Indigenous Peoples, cited in Hall 2012)<sup>5</sup>.

In the Canadian context this definition includes First Nations, Métis, and Inuit peoples . While it is not universal, generally speaking, Indigenous People experience higher rates of poverty and marginalization in many regions, as compared with non-indigenous peoples (Hall 2012). For instance, in Canada, Indigenous individuals experience higher rates of material poverty, lower rates of secondary educational attainment, and higher levels of infant mortality (Hall 2012).

## 1.2. Meanings of Development in Indigenous and Remote Communities

This section provides a summary of the academic literature that examines the relationship between Indigenous Peoples and development, and the literature that examines remote communities and development. Before proceeding to examining the relationship it is helpful to consider an overall framework that examines different perspectives about the idea of development.

Generally speaking, development refers to a movement towards improved human well-being. The term *development* means many different things to many people, and in some cases these meanings are in concert and in some cases they are in tension. Frameworks are used to help to understand the diversity and complexity of development meanings. One framework to categorize views on development, used by Allen and Thomas (2000), is to locate the approach within one of the following four approaches to development

- a) Market-driven change (Capitalism)
- b) State- or community-guided markets (Managed capitalism)
- c) State/community-based movement against markets (Anti-capitalist)
- d) Post-development (Allen and Thomas 2000).

This section summarizes key features of the academic literature that explores meaning of development for Indigenous and and remote communities. The literature is presented within the Allen and Thomas *Meanings of Development* framework just described.

### 1.3.1 Market-driven Change

This meaning of development sees technological change and economic innovation as the central means to expanding the economy. There is relatively little literature that presents a purely market-oriented approach to Indigenous and remote development. This perspective finds that the greatest engine for social progress comes through economic growth and that economic growth is best achieved through expanding markets and applying new technologies to existing and new economic processes. For instance, Flanagan et al. (2010) have argued that introducing private property rights in First Nations communities is a means to aboriginal economic development. Flanagan et al.'s argument is a longstanding one in the social science literature. It finds that economic progress is dependent on markets and that market establishment and

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<sup>5</sup> Using this definition, it has been estimated that there are between 300 and 500 million Indigenous Peoples around the world (Hall 2012). The largest numbers of Indigenous People are found in China (106 million) and South Asia (95 million), with the Anglo-American settler societies of US, Canada, Australia, and New Zealand, having a total Indigenous population of approximately 4 million.

development is dependent on the application of private property rights. Once private property rights are assigned then owners will make badly needed investments in their resources.<sup>6</sup>

### 1.3.2 State- or Community-guided markets (Managed capitalism)

Those espousing a 'managed capitalist' view of hydroelectric development emphasize:

- ★ the need for such development to be in line with the vision for development of those it will impact – top down approaches are not appropriate.
- ★ that resource development may have weaker benefits for Indigenous people who typically have greater land relative to financial assets
- ★ that limited capacity of rural communities may weaken a community's benefits from resource development

There is an extensive and varied literature that considers how the state or communities can guide or manage markets to foster Indigenous and remote development. The community is defined either geographically (e.g., village, inner-city neighbourhood) or through common identity (e.g., Indigenous, ethnic minority). These literatures identify how these groups can envision, plan, and implement change that is driven by local interests and build on local need. This section will report on a strain in the literature dealing with remote and northern development.

Ryser & Halseth (2010) consider longstanding research themes in rural economic development research such as changing circumstances brought about by social and economic restructuring ; the role of place (e.g., community economic development, asset-planning over a needs-based approach; community capacity); and governance (e.g., policy shift from welfare to empowerment). They identify research issues that have emerged and re-emerged over the past decade on rural change and development strategies, for example the critique of economic diversification, shifting approaches to development, tourism and agriculture.

Markey, Halseth, and Manson (2012) explore provincial and community-level responses to economic, social, and political transformation that has occurred since the 1980s in Northern British Columbia resulting from government decentralization. This includes abandonment of government commitment to equity and either government assuming a secondary role or relying on market forces to determine which services and programs are employed. The authors then describe a number of examples of government enabling (or relinquishing responsibility) since the 1980s. Markey et al argue that what is needed for northern BC is the establishment by northerners of a vision for the future of their region but this is challenged by local human and institutional capacity and (inter-) community conflict, among other things.

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<sup>6</sup> While this argument does have some empirical support, the application of this idea through Structural Adjustment Programs in Developing Nations has caused major disruptions because it fails to understand the cultural basis of private property and cultural basis for collective ownership (Todaro and Smith (2012), p.445; Jazairy et al. (1992), p.112)

Douglas (2010) presents a comprehensive survey of rural and remote development issues and approaches. The authors devote a section to energy, explaining how increasing costs both pose a threat and offer opportunity to rural communities. Rural areas typically require lots of energy, at high costs, but have the advantage of being able to tap into proximate energy sources such as solar, wind, or small-scale hydro. The final section recognizes that rural populations are challenged with supporting their livelihoods while meeting the demands of larger society and concludes that there needs to be greater collaboration between the various public and private stakeholders. The relationship between governments and rural people has deteriorated and top-down approaches cannot adequately deal with the complex problems in resource management.

Halseth and Halseth (2004) explore the role of local institutions and social capital in community economic development (CED). The authors found that leading sites – sites characterized by stronger social capital -- were better equipped than others to engage in CED. Lack of access to resources and lack of experience in deploying social capital for community economic development, in both leading and lagging sites, illustrates the need for targeted capacity development.

Munday, Bristow, and Cowell (2011) analyze the economic development opportunities surrounding wind energy development in rural Wales. Wind energy is an important source of renewable energy expansion in Europe but it is prone to public conflict and sensitivity. For rural communities it is an opportunity to promote renewable energy and capture economic benefits. However, the authors find that these benefits are challenged by environmental externalities, the limited capacities of rural communities, and lack of linkages to wider rural development initiatives. This paper concludes that economic development outcomes from rural wind energy projects have been weak for Welsh communities and it proposes ways to improve the benefits through such things as improving local capacity to identify, plan, and implement local development and to enhance local ownership.

Eyford (2013), a special federal representative, explored Aboriginal interests, concerns, and opportunities regarding west coast energy infrastructure. Aboriginal groups were found to have a range of opinions regarding environmental considerations. Greater coordination is needed between government, industry, and Aboriginal groups regarding employment, business, and financial opportunities. Some Aboriginal groups lack the capacity to participate in developments and there remain unresolved land claims and a lack of engagement with Aboriginal Peoples. Eyford's recommendations include building trust, fostering inclusion, and advancing reconciliation.

Pritchard (2003) argues that regional resource development does not always deliver lasting benefits to local people, including Indigenous people who typically have greater land assets than financial assets. Recommendations include encouraging or obliging (mining) companies to strengthen their connections with the regions in which they operate, subject to Social Impact Assessment considerations, and the capacity building of regional institutions.

Lane and Hibbard (2005) critique development planning in post-colonial societies. They find that post-colonial processes have important similarities with colonial processes in terms of harmful outcomes for Indigenous Peoples. The modern state has often failed Indigenous People. They conclude that collective empowerment of Indigenous Peoples is critical. The authors conclude that "planning can help to maintain or regain indigenous peoples' control over resources, especially their traditional lands; maintain their own unique social relations and distinct cultural orders; and achieve some measure of political autonomy."

### 1.3.3 State- or the community-based organization or movement against markets (Anti-capitalist)

A less popular but historically stronger perspective with regard to Indigenous development is associated with organizations or movements against markets, or anti-capitalism. These approaches have a theoretical relationship with Marxism. But with the failure of the centralized state associated with Marxism meant that these anti-capitalist movements now seek to root their approach in a more democratic, populist, and local locus.

For instance John Loxley (2007) argues that an authentic community economy is a converging economy. It is one that is guided by local people, utilizes the resources of the local economy, to meet the needs of the local people. This, Loxley argues, is contrasted with the globalizing economy that diverges from this ideal. The diverging economy is one in which the wants of the few are met, not the needs of the many. The diverging economy pursues simplistic conceptions of economic efficiency at the expense of a healthy community economy. Loxley argues that by converging community resources and need a more equitable and sustainable economy results.

Taiake Alfred (2005) argues that the modern Canadian state continues to pursue colonial policies that marginalize and oppress Indigenous Peoples. These post-colonial pressures continue to undermine Indigenous society and economy. Alfred is critical of processes such as education and job creation that assimilate Indigenous People into mainstream Canadian society (Alfred 2009, p.230). He calls for creative and non-violent contention and describes this approach as Indigenous anarchism.

### 1.3.4 Post-development

Much of the literature on Indigenous Peoples and development reflects either a community organization as alternative to capitalism or a post-development perspective (Gow, 2008; Blaser et al. 2010). This is because much of this literature identifies development as a process that has been undertaken by a group of non-indigenous people for the benefit of these people and at the expense of Indigenous people. Post development takes the view that development has been a project by one group of peoples (e.g., wealthy people from the Developed World) for their benefit and that the process of development has been at the expense of poor people in both Developed and Developing Worlds. This final view of development does however allow for non-universal projects to be considered developmental if they are rooted in the aspirations of a particular community.

Blaser et al. (2010) argues that colonialism was extremely harmful for Indigenous Peoples around the world. It led to domination by newcomers over the Indigenous Peoples that resulted in relocation, spread of disease, military conquest, and incremental dispossession of land (p.3). In Canada the residential school system is an example of a more 'modern' system that harmed a great many Indigenous People. Thus the adjective 'development,' for many Indigenous communities, is associated with, at best, an absence of benefit, and at worst, continuing the harmful effects of the colonial period. Blaser et al. (2004) argue that instead of *development* projects, true to a post-development perspective, what is needed are *life* projects, which they define as projects that bring "purposeful and meaningful life (Blaser et al. 2004, p.41)." They argue that these life projects can be pursued in collaboration or in contestation with the state and corporate sectors but require a reshaping of current governance structures (p.17).

Engle (2010) argues Indigenous Peoples in Canada (and other 'Anglo-American' settler nations, US, Australia, New Zealand) fall within the category of 'fourth world' in that they experience material poverty prevalent in the 'third world' of Africa, Asia, and Latin America *and* they are affected at a socio-cultural level: "What distinguishes us [Indigenous People] from them [Developing World people] are deeper, more hidden, but no less deadly effects of colonialism, which impact our distinct cultures in dramatically different ways (p.51)."

## 2. Rise, decline and rise again of dams in development, 1950s-today

### 2.1 Brief history of dams in developing countries and communities

In Smith's (1971) *A History of Dams*, he documents the beginnings of dams in antiquity, through the ages, to the twentieth century. The book documents the complex changes that have happened over time regarding the nature of dams and concludes that the materials for construction have become more homogenous and numbers and sizes of dams are accelerating in the post WWII period (p.235-236). The book was written during a period when dams were seen as a crucial and socially constructive way to generate power and irrigate agriculture. This is evidenced in that the challenges Smith identifies regarding the future of dams do not relate to the socio-economic impact on local people, with the exception of some tropical health concerns (malaria and bilharzia) (p.242), and relate more to structural (e.g., earthquakes) and strategic (e.g., to running out of dam-able rivers) vulnerabilities.

Past experience with hydroelectric development in developing countries and communities has revealed that such development leads to winners and losers. Those losing out from the construction of dams tend to be economically vulnerable.

The 1950s through the 1970s was a period of state-led development efforts and large dams were held by leaders in the global South, such as Ghana's Nkrumah, Egypt's Nasser, and India's Nehru, as a critical piece of the development 'puzzle' (Scudder 2006, p.5). In these early years of independence for developing countries there was an embrace of dams as a critical means to 'fueling' development, through irrigation and electrical generation. However, the 1970s through the 1990s witnessed a growing number of studies that documented the environmental and social challenges associated with dams (Scudder 2006, p.6-7). From the mid-1990s the documentation of these social and environmental challenges, among other issues (such as cost overruns), led to a decline in funding of dam projects in the global South on the part of bilateral and multilateral aid donors (World Bank 2009, p.1).

Criticism of dams and their effect on local people and the environment grew and encouraged the creation of the World Commission on Dams in 1998. It researched dam impact on development and published its final report in 2000. The task of the commission was to undertake a "rigorous, independent review of the development effectiveness of large dams, to assess alternatives and to propose practical guidelines for future decision-making (World Commission on Dams 2001, p.viii). Results found that dams lead to winners and losers and concluded that development was often compromised as poor people located near the dams are harmed. "The WCD Case Studies show that the direct adverse impacts of dams

have fallen disproportionately on rural dwellers, subsistence farmers, indigenous peoples, ethnic minorities, and women (WCD 2001, p.124)."

Funding for dams internationally consequently fell with criticism of them (Richter et al. (2010), Figure 1). From the mid-1990s the world's largest development banker, the World Bank, cut back on funding large dams and supported medium-sized dams instead (Bosshard 2013).

## 2.2 Hydro development in Northern Manitoba

A map illustrating the developments discussed in this section is provided in Figure 1 below. The first hydro-electric dam in Manitoba was built on the Little Saskatchewan River to provide electricity to the city of Brandon (Manitoba Hydro undated). Other dams included Pinawa and Point du Bois, built in the early 1900s. It was in the late 1950s that dams began to be constructed in northern Manitoba. The first dam on the Nelson River was the Kelsey station, intended to provide electricity for the International Nickel Company's operations (Manitoba Hydro undated). It had a generating capacity of 224 MW. Then in 1961 Manitoba Hydro was formed and from 1963 through 1966, with provincial and federal government support, it undertook serious study of the damming potential of the Nelson River.

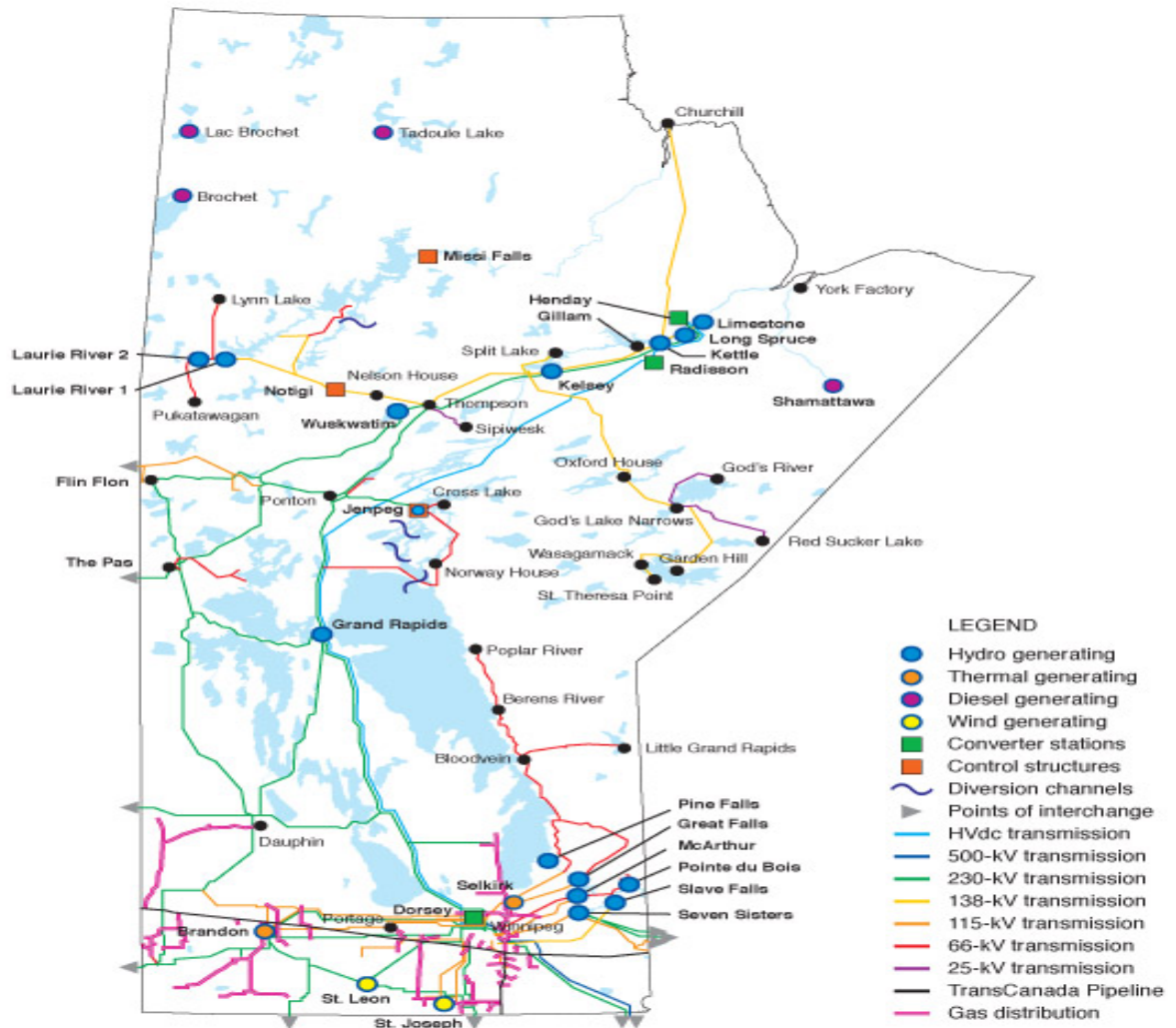
- ✧ Manitoba Hydro began constructing dams on the Nelson River in the 1960s
- ✧ Five generating stations were constructed between 1965 and the present, the most recent being the Wuskwatim Generating Station which began operation in 2012.
- ✧ The Churchill River Diversion in 1976 caused changes in water levels and flooding in the traditional territory of many First Nations communities in the North.

The Grand Rapids dam was constructed in 1965 on the Saskatchewan River which eventually had a generating capacity of 472 MW (Manitoba Hydro undated). The construction of the dam converted Cedar Lake into a reservoir and led to the relocation of the Chemawawin Cree Nation to Easterville (Loney 1987). As will be discussed below this dam had substantial negative consequences for the Chemawawin community.

In 1970 the Kettle Dam was then constructed on the Nelson River just downstream of Gillam, with a generating capacity of 1,272 MW. The use of its electricity was facilitated by the construction of Bipoles 1 and 2, transmission lines that ran from northern Manitoba to the Dorset transformer station near Winnipeg which were completed in 1972 and 1978, respectively, in order to transmit power from the north to the south: "The primary objectives of phase one was to convert the rich natural resource of the Nelson River into a power base for industrial and economic development in Manitoba, and to create a potential for the sale of power outside of Manitoba." (MH undated '1970s: A Period of Growth and Change')

In 1976 the Churchill River diversion, a key part of Manitoba Hydro's northern hydro development strategy, began. It involved diverting water from the Churchill River through the Burntwood River into the Nelson River, to increase its water flow and raise the hydroelectric generation potential (Manitoba Hydro undated). Long Spruce generating station was opened in 1979 with a generating potential of 980 MW.

## Major electrical and gas facilities



The Limestone dam was completed in 1991 with the capacity of up to 1,340 MW. Through the Limestone construction process MH sought to integrate both environmental and social safeguards (MH undated '1980s: A Decade of Improvements in Service and Reliability'). This included introducing employment training programs, hiring practices, and goods/services purchase practice that sought to privilege northern and Indigenous people and companies. Despite these efforts, only one quarter of all hires for the Limestone project were Northern Aboriginals. Northern Aboriginal workers had a high rate of turnover on the project, with the majority of these turnovers accounted for by resignations (Deloitte (2013), page 71).

In 2012, the 200 MW Wuskwatim Generating Station was constructed near Nisichawayasihk Cree Nation (NCN) on the Burntwood River. Wuskwatim was the first large hydroelectric project in Canada to be jointly developed and operated by a First Nations community (NCN) and Manitoba Hydro. NCN's traditional territory had already been impacted by hydroelectric development due to the Churchill River Diversion. Like Limestone, Wuskwatim included measures to ensure employment and training of Northern Aboriginal individuals, enshrined in the Project Development Agreement (PDA). The Wuskwatim Power Limited Partnership (WPLP) is the joint entity that owns the Wuskwatim project, and NCN may own up to 1/3 of equity in the partnership ([www.wuskwatim.ca](http://www.wuskwatim.ca)).

Many initiatives were implemented to increase retention of Aboriginal workers on Wuskwatim relative to Limestone. This included visits to the project site by Elders, cultural awareness training for all workers, sweats and feasts, on-site counselling and an Employment Liason worker (Deloitte (2013), page 16). Northern Aboriginal workers however only accounted for only 29% of hires on Wuskwatim. Further, although the turnover rate for Northern Aboriginal employees improved relative to Limestone, this rate was still high at 41% (Deloitte (2013), page 71). Lack of transportation to the work site, time away from home, long work schedules and medical issues were the most common reasons given for resignations and discharges (Deloitte (2013), page 15).

### *2.3 Growing Resistance to Hydroelectric Development in Canada*

Much of the literature that examines the impact of dams on local people in Canada finds that there have been substantial harms. These studies document the variety of ways in which indigenous communities have been negatively affected by dam projects including in northern Manitoba, British Columbia, and Québec. Negative impacts in the social, economic, and environmental realms are documented, and it is noted that negative consequences tend to persist for generations. Colchester (2000) examines how local communities have been harmed by dams around the world and notes, "[d]ue to structural inequalities, cultural dissonance, pervasive and institutional racism and discrimination, and political marginalization, Indigenous People and ethnic minorities have suffered disproportionately from the negative impacts of large dams, while often being the ones excluded from sharing the benefits (Colchester 2000, p.63)."<sup>7</sup>

Windsor and McVey (2005) examined the impact of a dam on the Cheslatta T'En community in the interior of British Columbia. The indigenous community was relocated to make space for the reservoir, and this had major consequences for the people by leading to a loss of a 'sense of place.' Relocation led to a loss of identity and community collapse. Rosenberg, Bodaly and Usher (1995) review the impact of dams on indigenous people in northern Manitoba and Québec, and conclude that indigenous residents experience substantial harm through relocation, territorial encroachment, disruption of livelihoods, and insufficient compensation. Whiteman (2004) notes that a troublesome consequence of hydroelectric development in northern Québec is that decision-making about natural resources shifted from traditional land managers, Cree Tallymen, to Chiefs. Because the Chief, generally speaking, had less knowledge about the land as compared with the Tallyman, natural resource management has deteriorated.

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<sup>7</sup> Colchester identified a number of common problems associated with hydro projects that led to local communities being harmed including, "Failure to identify the distinctive characteristics of affected peoples in project planning; failure to recognise customary rights; denial of the land for land provision; inadequate compensation and ill-planned resettlement; no prior and informed consent; no negotiation; failure to appreciate the wider impacts of projects or carry out watershed wide planning; inadequate or absent environmental and social impact assessments; tardy and inadequate reparations (Colchester 2000, p.63)."

Waldram (1988) undertook an early study on dams in northern Manitoba Indigenous people and concluded that they generally have not adequately benefited from these projects. Kulchyski (2008) examined the impact of Manitoba Hydro development on South Indian Lake, a First Nations community in northern Manitoba. The study found that Indigenous people, who relied on traditional livelihoods such as hunting, trapping, and fishing, were displaced from these resources and their livelihoods. With no alternative employment many Indigenous people of South Indian Lake became dependent on social assistance. The community tried to rectify the damage by pursuing legal avenues but this added further costs and did not overcome the harm.

Loney (1995), examining the impact of dam projects in northern Manitoba, describes Manitoba Hydro's approach to dealing with Indigenous communities as 'forced modernization'. Loney documented the negative outcomes of dam projects on local people including declining incomes, rising rates of substance abuse, and declining food security. While some short-term low-waged employment was created in the construction phase, medium to long-term employment did not arise. Loney notes, "in some cases it may be possible to argue that a new development has had an almost immediate traumatic effect, sending a community into a spiral of decline from which there seems no prospect of recovery (p.235)."

A major concern raised in the literature has to do with disruption of traditional livelihoods. Traditional livelihoods of Indigenous people in northern Manitoba provide residents a holistic set of services including physically and intellectually demanding work, income (in-kind, for trade, and for sale), and cultural and spiritual identity. This is because a traditional livelihood, as distinct from a modern one, involves greater integration of material and cultural activities. Within traditional livelihoods, work, recreation, spiritual and cultural activities are more interconnected than in a modern setting. Thus the flooding of lands traditionally used for hunting, gathering, trapping and fishing will have economic, socio-cultural, and spiritual effects.

Several studies present an assessment of impact of past dams on Indigenous and local people. For instance Niezen (1993) examined the impact of hydroelectric development on the Indigenous people of James Bay, Québec. His analysis focused on the social effects and he compared communities that were more directly affected against communities that were less affected by hydroelectric projects. He found that communities more affected by hydroelectric development experienced negative social outcomes such as suicide, violence, substance abuse, and child neglect. Communities that were less affected and who were able to follow their traditional livelihoods such as hunting, trapping, and fishing, evidenced fewer social problems. Niezen's results support the view that traditional livelihoods are more than a 'job' and that their loss has wide ranging consequences. Replacing this loss with social services and 'nine-to-five' jobs is thus not an adequate substitute.

Loney (1987) finds that the impact of hydroelectric development on Indigenous communities in northern Manitoba - Chemawawin and Moose Lake - can be characterized as impoverishing and dependency-creating. He noted that before the dam the local community was active in a number of traditional livelihoods which provided "highly nutritional food supplies and afforded a lifestyle which provided significant physical, as well as spiritual rewards" (Loney (1987), p.61). While the community might have been, relative to urban standards, materially poor, it had a strong and resilient economy (Loney (1987), p.62). The hydroelectric project damaged traditional livelihoods and led to higher rates of reliance on welfare assistance.

In 1995 Loney again studied Grand Rapids, finding that the dam caused long-term trauma to the community. This was the result of a loss of livelihoods, among other factors. Even in the more recent Wuskwatim agreement, Kulchyski (2008) notes that Manitoba Hydro continues to present a view that is critical of traditional livelihoods. He notes that this indicates a modern-bias and references the fact that in traditional systems, such as hunting, people are relatively wealthy considering the availability of leisure time to them (Kulchyski (2008), p.9).

Moreover, critics argue that in many cases new dams are not necessary because substantial reductions in electrical use could come from demand-side management (Braun 2012, p.4). They suggest that the notion that dams are environmentally neutral is simply untrue: "Canadian dams permanently flood forest lands, negatively impact water quality and disturb the fragile ecological balance of highly productive riparian zones (Braun 2012, p.4)."

With the damming in northern Manitoba resistance among Indigenous groups towards dams grew. One outcome was the formation of the Northern Flood Committee with representatives from five communities (Nisichawayasihk/Nelson House, Norway House, Pimicikamak/Cross Lake, Tataskweyak/Split Lake, and York Factory). In 1977 these five communities signed an agreement with MH, the province and the federal government. The purpose of the agreement was to compensate the communities for harm caused by northern damming and diversion (Aboriginal Affairs and Northern Development Canada 2010).

Hoffman (2008) examined the Northern Flood Agreement and states that NFA is an arrangement that seeks to find a mutually beneficial arrangement for northern Indigenous people and southern consumers. But he concludes the NFA is defective because it assumes the modern economy is superior to the traditional economy. It fails to realize that the traditional economy is inter-connected with traditional socio-cultural and religious activities. Replacing modern jobs for traditional ones misses the socio-cultural dimension.

## **2.4 Hydroelectric energy comes back into favour**

As noted above, opposition to hydroelectric dams arose because of the perception that local communities were bearing the costs of dams while the benefits, primarily in the form of electricity and profits, accrued largely to government and citizens not living in dam-affected communities (MacDonald (2009)). Benefits that were predicted to 'trickle down' to local communities were not materializing.

Despite this, countries as disparate as Brazil, Lesotho and Norway now rely almost exclusively on hydropower for their electricity needs (MacDonald (2009)). Increasing awareness of climate change is to a large extent responsible for this shift in hydroelectricity's favour. That is, given the opinion that hydroelectric power has relatively low greenhouse gas emissions per unit of electricity generated relative to oil or coal, governments and multilateral financial institutions are once again investing in large dams (MacDonald (2012)). For example, by 2006 international funding for dams had recovered to early 1990 levels (Richter et al. 2010, p.16). In 2013 the World Bank's President Jim Yong Kim announced that the World Bank would once again fund large dam projects including the \$12 billion dollar Inga 3 dam on the Congo River (Bosshard 2013).

Increased financing for dam projects is being matched by a concerted push by international institutions such as the World Bank and United Nations Environment Program (UNEP) to ensure that past criticisms of hydroelectric power projects are addressed, so that the environmental benefits of hydropower can be achieved. This work follows from the work of the World Commission on Dams (WCD), discussed above. In the next section we describe a framework developed by the World Bank to do just this. Based on experience with its Water Sector Strategy, the World Bank's renewed vision for hydropower suggests that hydropower projects can bring about poverty reduction and sustainable development if dams are 'done right'.

## 2.5 Benefit Sharing in Hydroelectric Projects - The World Bank Best Practices framework

After years of consultation with stakeholders, in 2012 the World Bank published a framework for ensuring that local communities receive a more equitable share of hydroelectric project benefits. This publication is entitled 'A Guide for Local Benefit Sharing in Hydropower Projects', and was written by Chaogang Wang. This framework seeks to allow development benefits to be tailored to fit the needs and characteristics of individual hydropower projects<sup>8</sup>.

According to the World Bank guidelines for local benefit-sharing from hydropower projects, such projects must include:

- ★ stakeholder consultation
- ★ monetary benefit-sharing
- ★ non-monetary benefit-sharing
- ★ transparent and efficient implementation of the benefit-sharing program
- ★ mitigation of harmful effects

A large literature has now arisen on benefit sharing for hydroelectric projects (for example, Égré's (2007), Égré, Roquet and Durocher (2008) and Trembath (2008)). This literature has responded to the recognition that monetary compensation alone is not enough to ensure that local communities are not harmed by hydro projects. "In many cases, the people compensated often encountered difficulties adapting to different and unfamiliar circumstances. Furthermore, the compensation-based approach generally did not cover the indirectly affected downstream and upstream communities." (Wang (2012), page 2) It is now recognized that hydro projects generate substantial benefits, and local individuals can share in these benefits. Such sharing arrangements can in turn lead to long-term development, if designed by the local beneficiaries themselves.

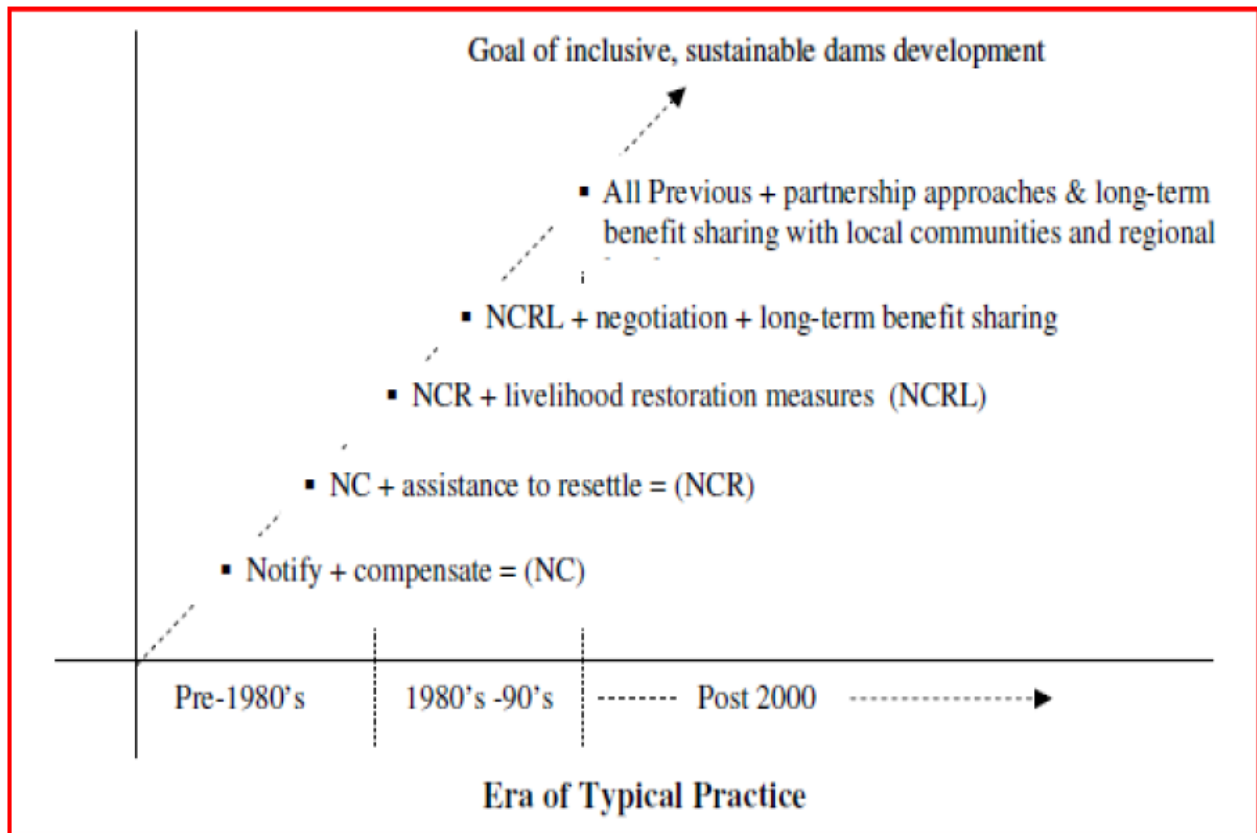
Benefit-sharing is formally defined by Wang (2012) as "the systematic efforts made by project proponents to sustainably benefit local communities affected by hydropower investments". The World Bank takes local communities to be "the residents of an area surrounding a development project who experience any direct and indirect impacts to their environment" (Wang (2012), page 20)

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<sup>8</sup> The International Hydropower Association (IHA) has also developed a Sustainability Assessment Protocol, which can be used as a framework for assessing hydropower best practice. However this Protocol does not specifically address benefit-sharing, which is the focus of Wang (2012).

Globally, the treatment of dam-affected communities has come a long way over the last few decades. Prior to the 1980s, those affected by dam construction were notified of the hydro project and compensated for negative impacts including resettlement<sup>9</sup>. At this time it was thought that macroeconomic benefits from hydroelectric projects would trickle down to local residents (e.g. through employment or business growth). After the 1980s individuals were assisted with livelihood restoration and longer-term development programs in project-affected areas. Only in the 2000's did local communities start to become partners in hydroelectric projects – with a say in how projects were designed and a right to share proportionately in the benefits. This evolution is shown in Figure 2 below.

Figure 2: Evolving Practice in the Treatment of Dam-affected Communities



Source: Wang (2012), page 4.

The main elements of the World Bank benefit-sharing guidelines are:

- Stakeholder consultation prior to a hydropower project being initiated - "Socially acceptable hydropower means that any proposal for a project must be discussed with all stakeholders concerned and adapted to their needs, and that successful negotiations must be concluded with affected local communities for a project to move ahead" (Wang (2012), page 9). Stakeholders include (a) directly and indirectly affected people; (b) displaced and host communities; (c) downstream and upstream communities; (d) local

<sup>9</sup> It should be noted however that in the Manitoba context, First Nations communities suggest they were not notified of the Kelsey Generating Station being constructed in the late 1950s.

government and central government;(e) indigenous peoples; (f) project proponents, developers, and operators; and (g) NGOs.

- Monetary benefit-sharing - Monetary benefit sharing occurs when local communities share in the revenue generated by the hydroelectric project. It may take the following forms (Wang (2012), pages 11-14):
  - Direct payments/revenue sharing - Direct payments/revenue sharing involves local communities receiving a portion of the revenue arising from electricity sales.
  - Preferential electricity rates – Citizens of the local community pay lower rates for electricity relative to other citizens.
  - Payments for environmental or ecosystem services - Hydropower project companies can provide landowners in upstream areas with monetary incentives to protect or establish forests, which entails less damage to hydropower equipment from suspended sediment.
  - Community development fund – Royalties or taxes collected by the government from the hydropower company are placed into a fund that is destined for community development initiatives. Local communities manage this fund and decide on which types of activities are funded.
  - Equity sharing – Local communities invest in the project and in turn receive dividends proportionate to their equity investment.

Monetary benefit-sharing is especially beneficial when it finances activities under a pre-existing local development plan (Wang (2012), page 20). This is certainly the case with a community development fund, however revenue sharing or equity sharing arrangements may also fund programs that have been deemed by the community to be beneficial for development.

- Non-monetary benefit sharing – This refers to any benefit that local communities receive from the project which is not monetary. This may include:
  - Improved infrastructure
  - Support for health and education programs
  - Improved access to fisheries and forests
  - Granting of legal title to land
  - Employment
- Proper implementation of benefit sharing programs – This must take into account:
  - Communication strategy and community mobilization – it is crucial that all project-affected individuals are well-informed of benefit-sharing arrangements – that benefit sharing is transparent. Information on benefit-sharing should “include the contents of benefit sharing programs established for the communities, the amount of funds and funding mechanisms, and the institutional arrangements and organizational responsibilities for the implementation of the benefit sharing program. Local communities should also be well-mobilized in decision making and management of funds, particularly when a community development fund is established” (Wang (2012), page 23).
  - Institutional arrangements – It should be made clear to local community members who is responsible for implementing the benefit-sharing program (e.g. government, a development company or the community)
  - Funding mechanisms – The amounts, timing, payment arrangements and source of all benefits arising from the benefit-sharing program should be made public and be auditable.

- Capacity building – The skills needed to run the benefit-sharing program at every stage should be specified, as should the measures that will ensure such skills are present. World Bank (2010) notes that “poor governance and weak institutions can hinder implementation, which is a key component of a successful benefit-sharing program. Political interference may derail the process. Also, distributing benefits equitably raises issues of elite capture, especially at the local level” (page 12).
  - Monitoring and evaluation – Internal and external monitoring and evaluation of the benefit-sharing program should occur on a regular basis.
  - Grievance redress – “Lack of transparency and accountability resulting in corruption is perhaps the single greatest threat to the successful introduction of benefit sharing measures and to community and public acceptance” (Wang (2012), page 24). As a result, a grievance redress mechanism, based on local structures, should be put in place to ensure that local disputes surrounding benefit sharing are handled in a transparent way and that local authorities are held accountable.
- Mitigation Instruments - Almost all hydropower projects include measures to mitigate negative environmental or social impacts (Wang (2012), page 20).

### 3 Description of Manitoba Hydro’s Preferred Development Plan and Alternatives

#### 3.1 Summary of the PDP and principal alternatives<sup>10</sup>

The business case supporting Manitoba Hydro’s Needs For and Alternatives To (NFAT) Submission to the PUB identifies a portfolio of potential supply resource technologies and options that could address the need Manitoba Hydro has identified for new resources in the early 2020s. Using these options and a screening process, Manitoba Hydro constructed 15 alternative development plans each of which meets Manitoba Hydro’s “need” for new resources. Two of these plans considered wind generation. In addition, several of the development plans involve the early construction of hydro resources (i.e. Keeyask or Keeyask and Conawapa) and the construction of a new intertie with the U.S. in order to facilitate additional firm export sales. The range of plans (in terms of types of major types of facilities considered) subjected to full economic and financial analysis are largely reflected in the following three plans<sup>11</sup>:

★ Plan #1 – Is an “All Gas” plan where single cycle and combined cycle gas turbines (CCGTs) are installed in the most economic combination in order to meet Manitoba Hydro’s forecast load net of saving from its Power Smart plan. This entails the construction of a natural gas fired generating station starting in 2022 and then a subsequent station roughly every three years thereafter<sup>12</sup>. These stations would be built in southern Manitoba within the proximity of existing natural gas supply facilities<sup>13</sup>.

★ Plan #4 – Involves the early construction of Keeyask GS (2019) and the construction of a 230 kV intertie with the US in order to facilitate a 250 MW firm export contract with Minnesota Power starting in 2020. Subsequent resource requirements to meet domestic load and export commitments would be satisfied using natural gas-fired generation starting in 2024/25 and, as needed, thereafter. The Keeyask GS would

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<sup>10</sup>We are grateful to William Harper for his assistance with this section.

<sup>11</sup>The descriptions of the Plans reflect Manitoba Hydro’s 2012 Planning Assumptions which were the basis for the main analysis presented in the business case.

<sup>12</sup> Chapter 8, page 20

<sup>13</sup> Appendix 7.2, pages 176 and 185

be located approximately 180 km northeast of Thompson and 30 km west of the town of Gillam<sup>14</sup>. The 230 kV inter-tie would begin at the new Riel converter station northeast of Winnipeg follow a southerly route to the international border<sup>15</sup>.

★ Plan #14 – This is Manitoba Hydro's Preferred Development Plan (PDP) and it involves the early construction of Keeyask GS (2019), the construction of a 500 kV inter-tie (as opposed to 230 kV) and the early construction of Conawapa GS (2026) in order to facilitate new firm export contracts with both Minnesota Power (250 MW) and Wisconsin Public Service (300 MW). Subsequent resource requirements to meet domestic load and export commitments would be satisfied using natural gas-fired generation starting in 2041<sup>16</sup>. The Conawapa GS would be located on the lower Nelson River, approximately 30 km downstream of the existing Limestone GS. The site is 90 km northeast of Gillam. The 500 kV inter-tie would originate at the Dorsey Station, run south around Winnipeg, pass near the Riel Station, and then proceed south to the international border<sup>17</sup>.

La Capra Associates, one of the Independent Expert Consultants retained by the Public Utilities Board, was tasked with reviewing Manitoba Hydro's development plan process, "identifying other scenarios that could potentially compete on an economic basis with Manitoba Hydro's Preferred Development Plan" and to also "examine the No New Generation scenario and the potential for extended use of imports to meet Manitoba Hydro's domestic load requirements"<sup>18</sup>. During its review of Manitoba Hydro's plan development process, La Capra concluded that Manitoba Hydro's plan development process did not produce a full range of potential resource plans and the company worked with Manitoba Hydro to develop two additional plans. The first was a variation on the All Gas Plan that utilized only CCGTs. However, the second represented an alternative strategy to delay new generation build as long as possible.

La Capra's No Build/Import Reliance Plan relies on increased DSM (1.5 x the Reference DSM), the promotion of fuel switching to convert existing electric heat to natural gas as well as a reduction in the penetration of electric heating in new dwellings. The plan also assumes the addition of a 500 kV transmission interconnection to the U.S. along with a relaxed policy constraint on imports (up to 20% of dependable energy). It is estimated that the need date for new resources would be 2029 at which time new natural gas-fired generation would be added in the same sequence as in the All Gas Plan<sup>19</sup>.

For the purposes of this report which is focused on northern and Indigenous Manitobans, we argue that the most important issue regarding Manitoba Hydro's plan is whether the Keeyask Dam and/or the Conawapa dam are built. So for our purposes, scenarios can largely be grouped into scenarios that include northern dams and scenarios that do not include northern dams. Because there is much more detail on the Keeyask project, we devote most of this report's analysis to it.

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14 Appendix 7.2, page 43

15 Chapter 2, page 59

16 Chapter 8, page 19.

17 Chapter 2, page 56

18 La Capra Associates, Technical Appendix 3A, page 1

19 La Capra Associates, Technical Appendix 3A, pages 25-26

## ***3.2 Description of the PDP and Alternatives***

One can think of two dimensions to any MH development plan: the demand- and supply-sides. By demand-side we refer to how the plan will affect northern and Indigenous consumers. By supply-side we refer to how the plan will affect northern and Indigenous producers. This, of course, is a simplification because for many people the demand and supply sides are inter-connected. But we use this device for illustration purposes.

### **3.2.1 The Demand-side**

By demand-side here we consider how the PDP would affect northern and Indigenous consumers. For the demand-side, the major factor is how the development plan will affect electricity rates.

#### ***3.2.1.1 The price of electricity for northern and Indigenous consumers***

Manitoba Hydro predicts that there will be a 4 percent increase in annual electricity rates over the 17 year period from 2015 to 2032 (Manitoba Hydro (2014), ch.11, p.7-11)).<sup>20</sup> Since northern and Indigenous consumers have a higher percentage of low income persons relative to other parts of Manitoba (Simpson and Stevens (2014), page 18) a rise in electricity rates will account for a disproportionately large share of their incomes and, as a consequence, harm their well-being<sup>21</sup>. In particular, Simpson and Stevens note that increased electricity costs will likely result in lower-income households decreasing their consumption of necessities like food, shelter, clothing and transportation. Low-income households will also experience an increase in their debt loads as they adjust to higher electricity costs.

Thus we might argue that northern and Indigenous consumers are particularly sensitive to price hikes. This is also stated by Deseridata Energy Consulting Inc. (2014): "It is our understanding that a majority of Manitoba Hydro's customers in northern First Nation communities are on fixed or limited incomes and are accordingly sensitive to any increases in rates. The evidence is not certain as to whether the forecast employment and income benefits of the PDP will offset or mitigate this sensitivity through an overall increase in household disposable incomes for all First Nation customers or increases in funding available to the First Nation governments, which are all General Service customers." (page 2).

Without substantial investments in expanded demand-side management, not a part of the PDP, the demand for electricity will continue to rise rapidly.<sup>22</sup> Thus the PDP presents a scenario that might be particularly harmful to northern and Indigenous consumers. As noted by Mr. George Orle in the NFAT Hearings: "The citizens of the MKO First Nations are residential ratepayers and the First Nation governments are general service ratepayers. The three (3) diesel First Nations which pay electricity bills for the schools are also First Nation education rate customers. All of the citizens of the MKO First Nations and the MKO First Nation government facilities receive electrical service solely from Manitoba Hydro ... Of primary importance to MKO is the fact that these high rate increases will be disproportionately shared. And

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<sup>20</sup> We understand that with material changes in capital costs announced March 10, 2014 there may be changes to financial estimates which may be filed the week of March 17, 2014.

<sup>21</sup> Simpson and Stevens (2014) note that approximately three quarters of the on-reserve population in Manitoba are in the first and second deciles of the after-tax income distribution (page 18), relative to only a quarter of all Manitobans in these deciles.

<sup>22</sup> We note however that Manitoba Hydro presented three new scenarios for expanded DSM in its rebuttal evidence, presented March 1, 2014 at the NFAT hearings. At this point in time however it is unclear what the effects of expanded DSM would be on Northern and Aboriginal communities.

that is because most MKO citizens are regarded in the low-income category. This is a category which spends a higher percentage of income on electricity than higher-income citizens... Income to pay for utility charges in many cases comes from the federal government. MKO has seen no evidence, nor has it been told, that there is any obligation on the part of the federal government to accept the increased rate changes and that if the budgets remain the same, the difference between the amounts payable by the First Nations at the present time and those that they will pay in the future may not be able to be absorbed by the economies of these First Nations communities” (NFAT Hearings transcript, March 3, 2014, page 49-53).

### ***3.2.1.2 Service disconnections for low-income northern and Indigenous consumers in arrears***

All other things being equal, low-income consumers are more vulnerable to being unable to keep up their electrical payments, falling into arrears, and then having their power cut-off. Thus a plan which leads to rising electrical prices could accentuate low-income consumer debt leading Manitoba Hydro shutting off their electricity. Considering that it is generally colder in northern relative to southern Manitoba, this is doubly challenging for low-income and northern residents. Although Manitoba Hydro generally limits hydroelectric disconnections to April 1 – October 31 (Desiderata Energy Consulting and Chymko Consulting Ltd. (2014)), it is often still quite cold during this time thus necessitating electric heat for many households. Any energy plan going forward should ensure that Northern Manitoba residents are protected against service disconnections for a longer period of time than has typically been Manitoba Hydro practice.

## **3.2.2 The Supply-side**

Arguably the most important elements of the PDP in terms of northern and Indigenous community impact is the construction of the Keeyask and Conawapa dams. This is not to say that the transmission lines are not important but to say that the dams have a very large physical footprint on northern Manitoba. Because there is extensive detail about the Keeyask dam and much less detail about the Conawapa dam, we focus our comments on the former.

### ***3.2.2.1 The Keeyask Hydroelectric Project***

The Keeyask Project consists of two components – the Keeyask Generating Station and the Keeyask Infrastructure Project.<sup>23</sup> It is being proposed as a joint effort of Manitoba Hydro and four Manitoba First Nations (Tataskweyak Cree Nation (TCN), War Lake First Nation (WLFN), York Factory First Nation (YFFN) and Fox Lake Cree Nation (FLCN)), referred to as the Keeyask Hydropower Limited Partnership (KHLP). The Keeyask Generation Project would be located in the Split Lake Resource Management Area of northern Manitoba, 725 kilometers northeast of Winnipeg on the lower Nelson River. The Generating Station would provide approximately 695 megawatts of capacity, and produce an average of 4,400 gigawatt hours of electricity each year. Construction on the Generating Station is scheduled to begin in 2014 and end in 2021 (<http://keeyask.com/wp/the-project>).

The Keeyask Infrastructure Project has been approved by federal and provincial authorities and will be completed by mid-2014 (<http://keeyask.com/wp/the-project>). Discussion began between TCN First Nation and Manitoba Hydro in 1998, eventually joined by War Lake, Fox Lake and York Factory. Together

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<sup>23</sup> Information for this section are compiled from a number of sources including general information from the Keeyask Hydropower Limited Partnership website, the Environmental Impact Statement responses (found on the KHLP website), and the Joint Keeyask Development Agreement (available on the Manitoba Hydro website).

they signed the Joint Keeyask Development Agreement (JKDA) in 2009, which governs all activities related to the project (training, employment, etc.). Manitoba Hydro will provide administrative and management services for the KHLP and will own at least 75% of the equity of the partnership, while the four Manitoba First Nations, known as the Keeyask Cree Nations (KCNs), have the right to own up to 25% collectively. As the Keeyask Generation Project would entail significant impacts on the KCNs, individual Adverse Effects Agreements were established, which identify potential negative impacts, outline mitigation programs, and specify compensation for adverse effects which cannot be mitigated.

#### Pre-Construction Phase (1998-2014)

Since discussion began in 1998, consultations about the Keeyask dam have occurred between KCN community members, KCN negotiators, legal advisors and Manitoba Hydro, with information meetings held in each KCN, as well as Winnipeg, Thompson, Gillam and Churchill.

Referenda were held in each KCN with invited participation by all community members of majority age, to gauge support for their leaders to sign both the JKDA and the AEAs<sup>24</sup>. Greater than one third of eligible voters came to vote and the referenda results were interpreted as supportive of the Keeyask Project. Notice of the referenda was posted in three prominent public locations in each community, published in the Winnipeg Free Press and in the Winnipeg Sun. Mail-in ballots were provided to any KCN members not living on reserve at least 45 days prior to the Referendum.

Workforce training is another important pre-construction feature. Between 2001 and 2010, multiple levels of government carried out a large training initiative called the Hydro Northern Training and Employment Initiative (HNTEI), to ensure skilled labour will be available for both the Keeyask and Wuskwatim Hydroelectric Generation Projects. This \$60.3M multi-year initiative had the goal of training over 1,000 First Nations workers for approximately 800 jobs. By 2010, 1,876 individuals had successfully completed at least one course within the initiative (WKTC Annual Report 2009/10, page 8). Training was provided for designated trades (e.g. plumbing), non-designated trades (e.g. administrative positions), and non-occupational training such as life skills. Funding for the initiative was provided by Manitoba Hydro, the Province of Manitoba, Indian and Northern Affairs Canada (INAC), Western Economic Diversification and Human Resources Skills Development Canada, and in-kind support from Nisichawayasihk Cree Nation, the KCNs, Manitoba Keewatinowi Okimakanak Inc. (MKO) and the Manitoba Metis Federation (MMF).

#### *The Construction Phase (2014-2021)*

To facilitate construction of the Keeyask Generating Station, a construction camp is being built on the north side of the river, which will be equipped with private rooms, an entertainment center, a gym, a movie theatre and a dinner complex. In 2014, the camp will have capacity for 500 workers, and by 2016 its capacity will be for 2,000 workers.

The Keeyask Infrastructure Project will provide an estimated 184 person-years of employment over an estimated three-year period, though no preferential employment for KCN members was specified for construction of the project (which began in the summer of 2011). Construction of the Keeyask Generating

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24 For instance, the Cree Nations Partners, Tataskweyak (TCN) and War Lake First Nations (WLFN) voters were asked the following: "Do you support the Chief and Council of [either TCN or WLFN] signing the proposed Joint Keeyask Development Agreement," and "Do you support the Chief and Council of [either TCN or WLFN] signing the Keeyask Adverse Effects Agreement" (Response to EIS, p.2-23, 2-24).

Station will require a total of 4,225 person-years of employment from 2014-2021 and is predicted to create jobs in designated trades (which includes licensed skilled trades), non-designated trades (such as truck drivers and labourers) and support occupations (e.g. clerks, cooks/catering personnel and security). At least 630 (15%) of these person-years of employment have been targeted by the JKDA, for KCN communities, with the peak of employment occurring in 2017. Hiring for the Keeyask project will be directed by the Burntwood Nelson Agreement (BNA).<sup>25</sup> Regardless of the hiring preferences in place, all employment will be conditional on each applicant having the “required qualifications for the job” (<http://keeyask.com/wp/the-project/employment>).

The construction phase will entail many business opportunities. Businesses will have the opportunity to bid on contracts, and preferential treatment will be provided according to Manitoba Hydro's Buy Manitoba and Northern Purchasing programs. While many contracts will be awarded through competitive bidding, about \$200 million worth will be available to qualified KCN businesses or joint venture partnerships, including contracts on the access road, security, camp maintenance, camp sewer and water, catering, construction power clearing employee retention and support, First Aid, and site preparation (For information on specific contracts that have been negotiated please see Information Request response PUB/MH II-499b).

### *The Post-Construction Phase*

Long-term job prospects, the financial structure of the KHLP, and the AEAs signed by all four KCNs are all relevant to the Post-Construction phase of the Keeyask Project, as they will determine long-term development outcomes for the communities. The target for long-term jobs for KCN members is: 100 members for TCN, 10 for War Lake, and 36 for each York Factory and Fox Lake in Operational positions (KHLP (2009a), page 45).

The Keeyask Generating Project requires \$6.5 billion of capital (Manitoba Hydro Panel 2, 'Need, Alternatives and Economic Valuation', NFAT Hearings, March 10, 2014, exhibit 95, slide 101), one quarter which will be raised through equity (up to 25% of which may be purchased by KCN), and three quarters through debt financing. KCNs must invest \$20 million of their own funds through a common equity option, which allows the community to obtain a proportionate share of cash distributions based on Partnership financial performance, or through a preferred equity option, which involves a guaranteed return and forgiveness of Manitoba Hydro loans. During the period of construction, each KCN Investment Entity is entitled to draw upon the Construction Credit Facility provided to it by Manitoba Hydro in order to meet the cash calls for which it will be liable as the holder of Common Units.

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<sup>25</sup> The Burntwood Nelson Agreement (BNA) involves hiring worker in the following order:

- “Qualified Northern Aboriginals living within the Churchill/Burntwood/Nelson River (CBNR) region and surrounding areas as defined in the BNA, and members of the Keeyask Cree Nations who live in Manitoba.
- Qualified Northern residents living north of the Manitoba Aboriginal and Northern Affairs boundary who are members of a union involved in the project.
- Qualified Northern Aboriginals living north of the Manitoba Aboriginal and Northern Affairs boundary but not within the CBNR and surrounding areas as defined in the BNA.
- Qualified Northern Manitobans living north of the Manitoba Aboriginal and Northern Affairs boundary.
- Qualified Manitoba union members
- Qualified Manitoba workers”

### *Adverse Effects Agreements (AEAs)*

Each individual KCN are responsible for off-setting programs that provide “replacements, substitutions or opportunities to offset unavoidable Keeyask Adverse Effects” (Tataskweyak Cree Nation Adverse Effects Agreement (2009), page 13). AEAs include annual supporting funds from the partnership, residual compensation, and compensation for loss of net revenue (for trappers) and infrastructure damage due to the Keeyask project.

### *Economic Benefits Arising from the Keeyask Model*

An illustration of economic benefits predicted to arise from the Keeyask model is provided in Appendix 1. These benefits are summarized in the box below.

Economic benefits arising from the Keeyask project include:

- ✧ Jobs during construction, largely through Direct-Negotiated Contracts (DNCs)
- ✧ Investment income for each KCN
- ✧ Business opportunities
- ✧ Spillover effects from increased wages, investment income and business profits in the KCNs

### ***3.2.2.2 The Conawapa Hydroelectric Project***

The Conawapa Project would consist of a 1485 MW Conawapa Generation Project and the Conawapa Transmission Outlet Project. The project would generate 7000 GWh of energy annually, which would be integrated into the Manitoba Hydro system, and provide energy to power approximately 640,000 Manitoba homes. If approved, construction would begin in 2017 and continue for 10 years. The first of 10 generating units would begin producing power in May 2026; the remaining nine units will be in production by October 2027. The Conawapa project would be located in the Fox Lake Resource Management Area, the Split Lake Resource Management Area and the York Factory Resource Management Area (Manitoba Hydro (2014), page 37).

Details have not been finalized, however at the time of submission of its Business Case, Manitoba Hydro commits to:

- “providing early involvement and extensive consultations with First Nations in planning the project
- providing a forum for addressing community issues and concerns, incorporating Aboriginal traditional knowledge, and creating understanding of project impacts and benefits
- providing long-term, sustainable benefits for First Nations in the vicinity of the project. As with Wuskwatim and the proposed Keeyask Project, the focus of these benefits will be on income, training, employment and business opportunities
- providing opportunities for First Nations in the vicinity of the project to participate in the environmental assessment, monitoring and governance of the project.” (Manitoba Hydro (2014), page 41).

The First Nations communities surrounding the proposed Conawapa Generating Station will participate in the environmental assessment, monitoring and governance of the project (Manitoba Hydro (2014), page 46).

### *Economic Benefits*

Conawapa is predicted to generate over 5000 person-years of employment in Northern Manitoba. Training will be provided but no details were provided on how and when this training would occur. Manitoba Hydro also suggests that business opportunities will arise from the Conawapa project. The BNA will again govern hiring on the Conawap project as it has for Wuskwatim and will for Keeyask. Jobs will be created not only from construction of the Conawapa Generating Station but also from the Conawapa Outlet Transmission Project. Infrastructure will be improved through the Gillam Redevelopment and Expansion Program

### *Socio-economic impacts*

"Conawapa is expected to have effects similar in nature to those of Keeyask. As with Keeyask, Manitoba Hydro, in coordination with the local communities, will develop mitigation measures to eliminate or reduce adverse effects and, in some cases, to enhance benefits. Among these will be adverse effects agreements with the directly-affected local Cree Nations, plans to address potential public safety concerns in Gillam, and the on-going Gillam Redevelopment and Expansion Program to address long-term effects to infrastructure and services in that community." (page 48-49)

The Conawapa Outlet Transmission Project is expected to have the following impacts:

- The transmissison lines will disrupt traditional livelihoods such as hunting and fishing due to changes in the biophysical habitat of animals (for example woodland caribou).
- They will change the land and landscape (due to right-of-way clearing)
- There will be an influx of construction crews during construction of the transmission lines which will have social impacts on surrounding communities
- The lines will traverse agricultural lands

## **4 Perspectives on Dams and Development**

In this section, we present the views on Manitoba Hydro's PDP, with particular attention paid to the opinions expressed in the Clean Environment Commission (CEC) hearings for the Keeyask Project. As noted in our introduction, this analysis provides us with insight on whether those most impacted by the PDP feel it will bring them a fair share of the benefits and opportunities and a minimization of the costs and risks the PDP will impose.

The content analysis allowed us to capture a wide range of perspectives on the PDP using a rich data source - the Keeyask Project CEC hearings. These hearings included participants from the KCNs, including Elders, communities affected by hydro development but not adjacent to the proposed Keeyask project, Manitoba Hydro staff, concerned citizens and experts. The transcript of the CEC hearings covers 38 days of public dialogue, providing a wealth of views on the potential impact, significance of the Keeyask project and on Keeyask as a model of community development. The Key Informant interviews on the other hand provided us with frank perspectives on the PDP and alternatives from those closely associated with

hydroelectric development in Manitoba. Individuals were able to share their views freely as they could choose to remain anonymous. This provided us with the views of key stakeholders who were not included in the CEC hearings on the socio-economic impacts of the PDP and alternatives. The two approaches of stakeholder analysis in turn allowed us to cross-check the views and to better understand which views were most prominent.

#### *4.1 Perspectives Expressed in Key Informant Interviews*

Below we compare the views of key informants in Manitoba with the perspectives on development in remote and Indigenous communities presented in Section 1, and with the World Bank framework for benefit-sharing in hydroelectric projects. We interviewed 20 individuals regarding their views on Manitoba Hydro's PDP. These interviews were conducted in Winnipeg, Gillam and Thompson, Manitoba between January and March 2014. Interviews were either conducted in person or by phone. Our questionnaire and consent form used for these interviews is provided in Appendix 2. With the exception of 5 individuals (named below), the others chose to remain anonymous.

Key informants were chosen based on their close relationship with the proposed Keeyask and Conawapa projects, either because they live in communities adjacent to the proposed dam sites, because they are aware of the details of these projects based on their professional lives, or because they are citizens concerned with the proposed developments. We attempted to speak to individuals that are likely in favour of the PDP and to those who may oppose the PDP. However the primary criterion for an individual being chosen to be a key informant was their closeness to issues in the PDP. We note that the key informant interviews may present a disproportionate number of views that are critical of the PDP rather than complimentary. This is largely because our request to speak to leadership of the Keeyask Cree Nations was unsuccessful. Further, it was suggested to us that we do not speak to government officials since they are the ultimate decision makers in the NFAT process<sup>26</sup>. Our review of the CEC proceedings enabled us to present a more complete perspective from those who support the project.

We first present prominent issues that arose during the interviews and then highlight comments from key informants in relation to the four viewpoints identified in Section 1.

Prominent issues raised by informants below were that:

- ★ Demand Side Management (DSM) is a particularly efficient plan from an economic perspective
- ★ large economic benefits may arise from the PDP

<sup>26</sup> Government support for the PDP seems evident from the following text from Greg Selinger's website: "In 2015, a publicly owned Manitoba Hydro will be stronger than ever, with the benefits flowing into all regions of Manitoba. Families and businesses will continue to enjoy the lowest rates in North America. Wuskwatim will be complete and generating export revenues and profits. Keeyask will be under construction, Conawapa will be underway, and Bipole III will be on schedule to carry new power from Keeyask and Conawapa to export customers in Minnesota and Wisconsin... All of these projects will allow Manitoba Hydro to hire and train thousands of Manitobans – especially rural, northern and First Nations residents – to build and maintain the new facilities. And we are committed to ensuring Manitoba Hydro is the best in Canada for energy conserved through its PowerSmart programs – programs that help the environment and your wallet at the same time." (<http://todaysndp.ca/manitoba-hydro-building-prosperity-everyone>). Recently when a new export agreement was signed between the province and Wisconsin Public Service (WPS), Premier Greg Selinger lauded the construction of the Conawapa Generating Station. He remarked that: "Building it for export pays down the cost of the dam through the export revenues, which keeps the rates low for Manitobans," the premier said (Owen (2014)).

- ✧ there is a gap between needs and assets in Northern communities that will be affected by the PDP
- ✧ Conawapa does pose strong environmental risks
- ✧ the approval process of the Keeyask project was not sufficient
- ✧ the approval of the PDP seems inevitable
- ✧ high electricity costs in the north are unfair when hydro development is occurring in the North
- ✧ a better model for hydro development than Keeyask exists
- ✧ the PDP may result in social, environmental and economic upheaval

### *Prominent Issues Raised*

#### Energy Efficiency

A number of informants favoured increased DSM efforts relative to the PDP. Peter Miller of the Green Action Centre highlighted the importance of DSM and the incentives that Manitoba Hydro can provide to bring it about (for example the Pay As You Save (PAYS) program and Power Smart more generally):

"Globally, based on the criterion of reducing climate change without considering economics or local environmental impacts, 2 dams are the best alternative, but only in conjunction with the most efficient energy use and high levels of exports to displace fossil generation. If energy is used wastefully at home so that less is available for export, dam construction will raise our electric bills without lowering global GHGs. Our NFAT evidence indicates that all the export contracts included in the Preferred Development Plan (PDP) could be met by demand-side management (DSM) efforts alone, which are economically and environmentally less costly than the PDP. New dams might be required, however, to meet additional contracts such as the announced sales to Sask Power and Great River Energy beginning in 2020. But then, if they are built for export, they should be shown to be of net economic benefit to Manitobans." (Peter Miller)

Another noted that "DSM makes such fundamental sense – whether you're in the north or south. Cost of saving a kw is a lot less than building capacity. From that point of view, DSM is a good strategy."

#### Economic Benefits

Key informants welcomed increased job opportunities from the PDP, noting that such opportunities are important in the North where they are otherwise hard to find. New hydro dams in their view will bring incomes for present as well as future generations. These individuals were also hopeful that construction of the new dams would stimulate much-needed business in both Thompson and Gillam.

#### Impacts of Conawapa

Two key informants questioned the claim that the Conawapa project will be less damaging to the environment relative to the Keeyask project. One person noted that:

"Conawapa will be situated in a dangerous area. Officially it is supposed to have less impact on the environment than Keeyask but sturgeon would disagree with that assertion."

"Conawapa should not go forward. A much better model is needed and it's up to First Nations communities to determine a better model. More time and money is needed to ensure it's done right."

### Approval Referenda

A few informants felt strongly that the referenda held to approve Keeyask were not sufficiently democratic to provide community approval of the Keeyask project. For example, one informant remarked, regarding the referenda that were held for Keeyask approval:

"It was a farce – it was not a democratic process. It was only held on one day. For such an important issue, why not hold multiple votes?"

One key informant commented that Keeyask information sessions "didn't give real answers, for example, information on mitigation measures. The presentation that they gave was far too rosy."

### Inevitability

Many commented on the momentum of the two hydroelectric projects. The sense was that there were huge pressures driving these projects (for example, to generate revenue for the province through water rental fees or loan guarantees, as well as lucrative export contracts), so that the projects were moving forward regardless of any public process such as the NFAT. Some quotations reflecting this are below:

"I don't support Conawapa. Costs... are sunk for Conawapa – that is why it is on the table so prominently. Analysis on any other alternatives – but you'll find those alternatives won't be viable because of the sunk costs. So the analysis is prejudiced."

"Why Manitoba Hydro cannot stop now. They have already spent \$1.5 billion. What would they say to workers, Keeyask partners, US contractors? Manitoba Hydro is boxed in by province. Province is boxed in and unwilling to be honest " (Graham Lane)

In the KCNs, informants noted the sense of inevitability of the Keeyask project. For example:

"There is a defeatist attitude with regard to Hydro. Lots of people don't think they have much of a say over what occurs in the area with regard to Hydro."

"They say that they are in the community because they have a 'duty to consult', but that's it. They will go ahead with the dams anyway. Community members then feel that if they don't go along with them, they'll be constructed anyway."

Concerns were expressed with the inordinate role of consultants and lawyers in the decision-making process for Keeyask, and with what were perceived to be potential adverse consequences if persons chose to criticize the Keeyask project.

### Gap between Needs and Assets in the North

The gap between basic needs and provision for those needs was noted by three different key informants. For example:

"Housing is very poor in Tataskweyak Cree Nation; schools are very poor condition; medical facilities are poor condition; food security poor"

"Capacity is needed to govern ourselves. It just isn't there. We have issues of basic literacy, and many who lack a vision for ourselves. Administrative capacity is also lacking."

"The cost of covering basic needs in the area surrounding these hydro projects is roughly \$1 billion. This amount of money doesn't flow because Canada has done such a good job of isolating and assimilating. These communities are still struggling to provide housing and education."

### Cumulative effects

Finally many informants referenced the cumulative negative impact of hydroelectric development along the Nelson river. The claim was that two more dams in this area could be devastating for communities and individuals:

"Fox Lake is the community that is already the most affected by hydro dams due to 4 other dams in the area"

### *Categorization of Key Informant Viewpoints*

Next we comment on which viewpoints introduced in Section 1 were held by our key informants.

### Market-driven Change

5 key informants could be categorized as holding a capitalist view of indigenous and remote development. These individuals felt that construction of the dams and transmission lines will be good for stimulating new businesses in Northern Manitoba. Much needed jobs will follow.

Those holding a capitalist viewpoint felt that the PDP will:

- ★ provide the best opportunity for economic prosperity of all energy options facing Manitoba Hydro
- ★ bring much-needed jobs to the North
- ★ entail that more younger people will stay in the North
- ★ stimulate business opportunities

Shawna Pachal and Jane Kidd-Hantscher of Manitoba Hydro noted that there will be many different benefits from the PDP, including training, employment, income for communities and business opportunities. They noted that the exact magnitude of these benefits is of course uncertain, but the PDP provides the best

opportunity for communities in the North to prosper. They felt there are not many benefits for Northern and Aboriginal individuals from wind, solar, gas etc. relative to the PDP.

One person noted that development that accompanies the PDP could be transformational for the economy of First Nations communities:

"We need to move away from the Indian Act, and to achieve economic sovereignty."

Two informants were strong advocates for northern development along the lines that the Keeyask model is proposing. One wants to see businesses in the north benefit from Keeyask and more northern individuals employed. This individual felt that many speak of preserving 'traditional' economies but few people practice what they preach. The other individual thought Keeyask and Conawapa will be good for Gillam in terms of economic development. These projects will ensure more young people stay in the North. He feels that the projects have and will affected livelihoods/traditions but people are responsible for carrying on and not relying on others (outsiders).

A number of key informants seemed to espouse a capitalist viewpoint but did not necessarily feel that the PDP would be a driver of economic growth:

"Jobs are important, but the quality of work is even more important. Higher-skill jobs are needed for the future, not just a job flipping burgers."

"Conawapa would bring 10 or 12 jobs for the long term. That is not long-term prosperity."

Another informant generally supported the Keeyask and Conawapa projects but emphasized over and over that a pure partnership - a genuine, strong partnership is integral. They said that "the potential of these projects will never be realized if the partnership's potential is never realized".

#### State- or Community-guided markets (Managed capitalism)

The most common opinion of remote and Indigenous development was that it should occur via state or community-guided markets. Institutions such as the Province of Manitoba, Manitoba Hydro or Band Councils were referenced as key players in bringing about long-term development.

In line with a Managed Capitalism viewpoint, informants highlighted that:

- ✧ there is a need for an improved Keeyask model
- ✧ Manitoba Hydro should ensure lower electricity bills for Northern customers

With regard to Manitoba Hydro's role, almost all key informants referenced the high cost of electricity in the North, despite dams being situated in the North. For example:

"I often wonder, why do we pay so much for hydro when there are dams all around?"

"There are contradictions in MH approach. They seem to want to help First Nations, but they don't attach them to the grid. They talk a good line but they don't walk it"

"...building two more dams.. is our Hydro going to go up? Do we have to pay for dams...us northerners (laughs)"

"There should be a certain amount (required for basic needs) provided for free (or subsidized) for all households – electricity in the North is naturally an essential service. Hydro should think outside the box for once. It is a crown corporation – it should be serving the needs of Manitoba citizens. Instead it is concerned with profits."

Peter Kulchyski suggested that there are better models of hydroelectric development which Manitoba Hydro could follow for Keeyask or Conawapa. He "argues that a better model, as compared with Keeyask, and a reasonable one in general (although he is critical of it as well) is the agreement between the James Bay Cree communities and the Quebec government (not the utility), he refers to as the 'Peace of the Braves'. The KCNs must borrow money to buy into Keeyask and then must repay. This is very different from the option with JBC Peace of Braves"(Peter Kulchyski)

#### State- or the community-based movement against markets (Anti-capitalist)

Four informants identified with what we have termed above an 'anti-capitalist' view of hydroelectric development in the North.

Informants expressed resentment over the concentration of the benefits of hydroelectric development among southerners, fear of harmful social effects and the expectation of few economic benefits from the PDP in the North.
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The view of these individuals is that the benefits of hydroelectric development do not outweigh the costs. One person noted:

"We'd rather not have the projects. There is no amount of money that can compensate for the social upheaval. Peoples' way of life will be destroyed."

Many costs were cited, such as poor health arising from reduced access to country foods due to the dams or concern about cancer becoming more prominent due to the transmission lines. Quite a few people mentioned racism in the North and how this would get worse as a result of the influx of foreigners for dam construction. Concern about assaults of women by Hydro workers was raised many times, as was impregnation of local girls/women by Hydro workers. One person summarized these costs succinctly:

"The real cost to hydro. development is ignored – that is, the large social cost that hydro. development entails. A woman was raped by a Manitoba Hydro worker and nothing was done about it. Her story was taped and still nothing has been done about it. This will happen again with Conawapa (due to the drugs, alcohol in the communities during construction)."

At the same time there was skepticism that many benefits would accrue to First Nation communities, Gillam or Thompson. Jobs were predicted to be short-term and largely taken up by southerners or individuals from other provinces.

These individuals were therefore against the Keeyask and Conawapa projects going forward.

### Post-development

Some criticized the proposed new hydroelectric dam projects as driven largely by the interests of Manitoba Hydro and the province, characterizing them as “an extension of colonialism that involves the economic use of rivers for Southern people. Inadequate payment of local peoples. And development should not destroy landscape but dams do destroy them”

Informants characterized Keeyask as out of touch with Northern aspirations and as potentially harmful to culture and community.

Others said that:

“The NDP believes that they can turn Northern Manitoba into a battery. This is not giving the North enough credit.”

“First Nations in Northern Manitoba have always accessed their traditional lands and used the river system in a manner in which they were well-compensated. People could lead their traditional way of life – they were prosperous. Hydro then entered the area and altered that important ecosystem. My Grandfather used the Nelson River to support his family – back then he could. Now, this isn’t possible and no new ways of prospering are being offered.”

Individuals holding this viewpoint did not trust that the PDP would be any different from past development in the North in which ‘white people’ would largely benefit. These individuals talked of traditional ways of surviving – by collecting plants (including medicines) and by eating sturgeon and caribou. They suggested that Manitoba Hydro now limits movement in the north, and that that cannot talk freely about the PDP. Some examples of this viewpoint are:

“Manitoba Hydro in the North “Is mostly staffed by white people. In turn new positions and promotions are given to these individuals or their friends/family members – there is a lot of nepotism in the ‘Hydro Establishment’.”

“Manitoba Hydro. uses unfairly its relationship with First Nations. This can be referred to as ‘red-washing’. They are getting incredible value from First Nations with nothing in return.”

A few individuals criticized the Adverse Effects Agreements (or off-set programs), claiming that the “offset idea reflects a complete lack of understanding about the traditional livelihoods. Offset programs involve more involved organization, planning, and infrastructure than is associated with traditional livelihoods.”

Two informants expressed worry about the impact of the dams on culture and traditions in the North:

"Keeyask and Conawapa together could destroy Fox Lake's social and cultural fabric. This fabric is currently held together by a thread. Conawapa would destroy it. Very few know Cree and fewer will with Conawapa. This erosion of Cree began with Kettle. At that time there was no way to save our language – to save ourselves."

Another informant – Will Braun - noted that Manitoba Hydro negotiating benefits with some communities and not others may also create tensions between First Nations communities in the North. Braun said "There is a need to share the existing pie [of hydroelectric revenue], rather than sharing new development revenue. For example, South Indian Lake and Cross Lake: what do they get? Just a rate increase. If this is a new era, it should be in all the areas not just the KCNs."

Commenting specifically on Elders that oppose the MH-PDP, one informant noted: "These Elders [from Fox Lake] are not radicals. How is it that Hydro has managed to completely reverse the usual stereotype of Elders as conservative and youth as radicals? You know there must be something wrong here if this is the case."

#### *4.2 Content Analysis of Select Clean Environment Commission Hearings Materials*

Below is a summary of the results flowing from a content analysis of select material from the fall 2013 Clean Environment Commission (CEC) hearings on the Keeyask Generation Project<sup>27</sup>. The materials include the transcript and the final written arguments from select participants.

Because there were a variety of views expressed in the hearing on the Keeyask Project we divided select participants into a proponent group and a group of project dissenters, who were less supportive or in opposition to the project. While categorizing participants into these two groups presents challenges –possibly reinforcing a polarized debate– we felt that, overall, these categories could assist in understanding of the views about the Keeyask Project represented in the hearings. Note that project proponents were not exclusively supportive of the project and project dissenters were not universally opposed to the project. There is clearly a 'middle ground' of qualified support or opposition. Moreover, project dissenters were not simply opponents but shared constructive comments about the project and about what they meant by development.<sup>28</sup>

The content analysis involves identifying key themes associated with project proponents and dissenting presenters to analyze their views about the Keeyask Project and what they mean by 'development.' In order to assist the Public Utilities Board in its NFAT process, it was felt that a presentation of the different views and their relationship to meanings of development would be helpful. The principal groups that were considered in the content analysis include,

- The Keeyask Hydropower Limited Partnership: Manitoba Hydro, Tataskweyak Cree Nation, War Lake First Nation, Fox Lake Cree Nation, and York Factory First Nation collectively. We refer to this group as the project proponents, and

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27 Clean Environment Commission hearings on the Keeyask Project were held in Gillam, Bird, York Factory, Thompson, Split Lake, Cross Lake and Winnipeg.

28 For instance, Mr. Moose commented, "We are not a dissenting group, we are adding information" (Keeyask Hearing, December 10, 2013 at p. 5856.

- Dissenting views about the Keeyask Project associated with traditional land users, elders, and northern and Indigenous community members. We refer to them as project dissenters.

#### 4.2.1 Methods

A content analysis is a research method used to identify and document the key perspectives on dams and development from the Keeyask filing. According to Bryman (2009) a content analysis is an examination of various documents and texts, which may be printed, visual, aural, or virtual. It can be quantitative, coding data into categories in a systematic and easily replicable manner, or qualitative, seeking to uncover deeper meanings in the materials.<sup>29</sup>

Content analysis was applied to select material from the CEC hearings on the Keeyask Project to identify and understand different views taken with respect to the Keeyask Project with particular reference to underlying perspectives and worldviews about the meaning of development. The materials reviewed in the Keeyask filing for the content analysis were: the Keeyask Hearing transcripts (available on the Clean Environment Commission website), and the CAC (Manitoba) and KHLP written closing arguments.

The first step in the content analysis process was to identify key days during the hearing when particularly important presentations and conversation took place, whether by project proponents or project dissenters. We identified 20 days in total (see appendix Table A1). We also drew on the closing arguments of the KHLP and CAC Manitoba. We then read and re-read the transcript and closing argument material to identify key quotes related to assessment of the Keeyask Project as a development project. A total of 298 quotes were identified (Table 1).

We found a rich selection of quotes for project proponents and project dissidents in order to undertake the content analysis. We found fewer quotes for project proponents as compared with project dissidents at 79 and 219, respectively. This difference is explained by two factors. First, in some cases project proponents repeated the same phrases and we generally only used the quote the first time the phrase appeared. Second, collection of project proponent quotes ended once the researcher felt that the proponent's message in the identified hearing days had been adequately captured. The collection of the project dissenters quotes continued past this point and included quotes with similar content.

Regardless of whether we had fewer or greater numbers of quotes did not affect the content analysis. The analysis resulted in a rich set of quotes that led to identification of four themes for the project proponents and four themes for the project dissenters.

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<sup>29</sup> Bryman, A. (2009). *Social Research Methods*. Ontario: Oxford University Press.

Table 1. Source of Quotes for Content Analysis, by Date and Location of CEC Hearing

Date	Location of hearing	Total number of quotes
24/09/13	Gillam	16 , 18
25/09/13	Bird Reserve	8, 1
26/09/13	York Factory	16
30/09/13& 1/10/13	Thompson	1, 3
08/10/13	Split Lake	6
09/10/13	Cross Lake	27
<b>21/10/13</b>	<b>Winnipeg</b>	<b>36</b>
<b>23/10/13</b>	<b>Winnipeg</b>	<b>2</b>
<b>24/10/13</b>	<b>Winnipeg</b>	<b>3</b>
07/11/13	Winnipeg	11
14/11/13	Winnipeg	20
<b>27/11/13</b>	<b>Winnipeg</b>	<b>2</b>
03/12/13	Winnipeg	12
04/12/13	Winnipeg	15
09/12/13	Winnipeg	45
10/12/13	Winnipeg	3
11/12/13	Winnipeg	3
12/12/13	Winnipeg	12
<b>09/01/14</b>	<b>Winnipeg</b>	<b>24</b>
KHLP CLOSING ARGUMENTS		<b>14</b>
<b>Total</b>		<b>79 + 219 = 298</b>

Legend: Bold font = project proponents; Regular font = project dissenters; Italicized font = both groups.

Quotes were then compiled into project proponent quotes and project dissenter quotes and these two groups of quotes were read and re-read to identify key themes. Four themes were identified for each group (see appendix Tables A2a and A2b). All themes were identified as important themes flowing from the project proponents and project dissenters quotes. In order to rank the relative importance of the themes five keywords were identified for each theme. Then we counted the number of times these keywords occurred during particular hearing days: 21 October and 9 January for project proponents, and; 9 October and 9 December 2013 for project dissenters. These days were chosen because they were days from which the most quotes were taken for both project proponents and project dissenters. Please note that *all* identified themes are important and that quantitative ranking is indicative rather than authoritative. The ranking gives insight into the relative position of the themes but does not take into account issues such as use of keywords for another purpose let alone the tone and context in which the keyword was stated.

## 4.2.2 Themes Flowing from Project Proponents

Project proponents included the Keeyask Hydropower Partnership Limited, the collaboration between Manitoba Hydro and TCN, YFFN, FLCN and WLFN. Project proponents provided a rich and textured presentation of the benefits and some of the costs of the Keeyask Project. Project proponents voice support for the proposed project because it was claimed that the project is associated with a **new era of more participatory decision making**, there are **positive benefits for Indigenous Peoples**, there were concerns about **moral challenges of the project**, but project proponents saw the Keeyask Project as a **new and progressive model**. Based on the content analysis all of these themes proved to be important. When we quantified keywords for each of these themes the rank ordering was as follows: new era, positive benefits, moral challenges, and progressive model (Table 2).

Table 2. Proponent Themes Ranked by Number of Quotes on Selected Days

Rank	Theme
1	An era of more participatory decision-making
2	Positive benefits for Indigenous Peoples
3	Moral challenges of the project
4	A new and progressive model

### 4.2.2.1 *A new and more participatory era*

A common theme identified through the Keeyask hearings by the KHLP is that of a broadly recognized new participatory era in hydro development. Key words used to describe this include opportunity, benefit, sustainability, employment, and future generations. Key components of these themes include,

- **Acknowledgement of past harms caused by hydro developments**
- **Manitoba Hydro's new approach to resource development**
- **Partnership leading to benefits to adjacent communities and to the effectiveness of the project.**

Mr. London summarized this idea as follows, "After a long and troubled history of unilateral action by Manitoba Hydro, devastating the land, waters, economy, and society of Fox Lake members, not to mention their psychological and physical health, a new era has dawned, one in which, as a partner of fellow Cree Nations and Manitoba Hydro, Fox Lake has the opportunity to benefit from the development, operation, maintenance and governance of Keeyask. This phenomenon truly constitutes a sea change."<sup>30</sup>

**Acknowledgement of the past harms caused by hydro developments** in Northern Manitoba was widely discussed both by representatives of Manitoba Hydro and the KCNs. A number of the people expressed how past hydro developments have "...devastated [their] lands and rivers..." and has been the most significant force contributing to permanent "changes to [their] way of life".<sup>31</sup> Others noted how previous development occurred with little to no warnings and no consultation with Aboriginal Peoples.<sup>32</sup> Much of this acknowledgement around past harms was connected to moving to a better model with the Keeyask Project as a means of having "...substantially reduced, if not entirely eliminated, the tragedies of

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30 "Keeyask Hearing", January 9 2013 at pp 6979-6980.

31 Chief Kennedy, "Keeyask Hearing" October 21 2013 at p 107; Chief V.Spence, "Keeyask Public Hearing" in Thompson September 30/October 1 2013 at p 31; Flett, "Keeyask Hearing", October 21 2013 at p 195.

32 Ouskun, "Keeyask Hearing" October 21 2013 at p 197.

the past"<sup>33</sup>, and through incorporating the lessons learned into Keeyask. As Ms. Cole of Manitoba Hydro expressed:

A lot of time has been spent sharing and discussing the effects of past developments and how this has shaped community perspectives and concerns about future development. Understanding and acknowledging the past has also provided important lessons about how we, as partners, want to move forward on Keeyask. As much as our partners, we do not want to repeat the mistakes of our past.<sup>34</sup>

On a number of occasions, project proponents highlighted **Manitoba Hydro's new approach to resource development**. Ms. Pachal asserts: "The Manitoba Hydro that negotiated the Northern Flood Agreement of many years ago is not the same Hydro that negotiated the Joint Keeyask Development Agreement or participated in the Keeyask environmental assessment."<sup>35</sup> Furthermore, Ms. Zbigniewicz explains:

Leading up to and throughout the Keeyask process policies, procedures, understandings and attitudes within Manitoba Hydro have changed. The impact of resource development on Aboriginal people and the environment is now better understood as is the imperative to consult and involve these most affected people in the development and to ensure the projects are better both socially and environmentally.<sup>36</sup>

Others agree that "[t]imes have changed..."<sup>37</sup> as has the way in which hydro development is carried out. "The people who have historic rights to these resources and are most impacted by their exploitation finally will share in its benefits"<sup>38</sup>. In general it has been viewed as a "new era" of "...responsible, sustainable resource development..." and of "partnership", with First Nations "...integrated and involved in all aspects of the Keeyask Project..."<sup>39</sup>

Reference was made several times to the **partnership leading to benefits to adjacent communities and to the effectiveness of the project**. Mr. Bedford set this tone on the opening day (October 21, 2013) of the hearings in Winnipeg, declaring: "When you look back at this hearing what you will remember best is that we are a partnership; two languages, two cultures, two ways of looking at the world woven into one project and one partnership."<sup>40</sup> This carried through to the KHLF "Final Argument" (January 20, 2014) which stated: "This Project is being developed by a Partnership, the Keeyask Hydropower Limited Partnership (the "Partnership"). The Partnership has assessed it, the Partnership will own it and the Partnership has been the Proponent at this hearing."<sup>41</sup>

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33 Chief Spence, "Keeyask Public Hearing" in Gillam, September 24 2013 at p 5.

34 Cole, "Keeyask Hearing" October 24 2013 at p 690.

35 Pachal, "Keeyask Hearing" October 21 2013, p 125.

36 Zbigniewicz, "Keeyask Public Hearing" in Gillam September 24 2013 at pp 23-24.

37 Regehr, "Keeyask Hearing" January 9 2013 at pp 6993-6994.

38 London, "Keeyask Hearing" January 9 2013 at p 6990.

39 Pachal, "Keeyask Hearing" October 21 2013 at p 146; Zbigniewicz, "Keeyask Public Hearing" in Gillam September 24 2013 at p 39.

40 Bedford, "Keeyask Hearing" October 21 2013 at p 27.

41 KHLF, "Final Argument" January 20 2014 at p 3.

The challenges of the partnership also came through at the hearings. Ms. Cole of Manitoba Hydro shared that, "As partners, we have negotiated, fought, cried, laughed, and learned an awful lot about each other. But most importantly, we rolled up our sleeves and worked together..."<sup>42</sup>, while Chief Garson declared it more of a "...potential partnership at this moment", stating "We're not quite there yet, but we are working toward[s] it... As the "idea [of] a partnership with Hydro has been around a long time"<sup>43</sup>.

In general however, the partnership was looked on positively. Mr. Neepin explains, "In short, for the first time in history finally, we are part of the process, not the object of the process. We are partners in this project because for the" first time in history, this is not their project, but theirs and ours. That is the revolutionary concept"<sup>44</sup>. It was commonly viewed as a catalyst for more positive future development, in which the partner communities have "...a voice..."<sup>45</sup> thus resulting in a "...healthy and economically viable future for [the] nations."<sup>46</sup> As Mr. Neepin explained:

There may be much about the deal which we might have loved to have seen done differently with different results, but Fox Lake is proud of its accomplishments, and it looks forward to using this experience as a foundation to ensure that in the subsequent projects, particularly Conawapa, that even more is achieved"<sup>47</sup>

While greater participation by First Nations in the decision making was viewed as a key component to the partnership, various KHLP representatives have expressed contempt over the comments and recommendations by "expert witnesses" which were perceived as being "judgmental, incorrect, and paternalistic". As is clearly expressed in the KHLP "Final Argument", "This is not a hearing about the soundness of our decision making. It is not appropriate to attempt to tell us who or what we should be. We have a right to be what our people alone determine is appropriate."<sup>48</sup>

#### *4.2.2.2 Positive benefits for Indigenous Peoples*

Nearly all of the KHLP representatives who spoke during the Keeyask hearing, at some point referenced the positive benefits that would come from the Keeyask Project. Key words used to describe this include participation, new, stewardship, collaboration, and two-track. Key benefits that were identified by the project proponents include,

- **Benefits to future generations**
- **Economic benefits**
- **Social benefits**
- **Environmental benefits**

Ms. Zbigniewicz emphasized the **benefits to future generations**. He noted that "[t]he partner First Nations saw an opportunity for current and future generations to benefit from the Keeyask Generation

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42 Cole, "Keeyask Hearing" October 24 2013 at p 695.

43 Chief Garson, "Keeyask Hearing", October 21 2013 at p 114.

44 Councillor George Neepin, "Keeyask Hearing" October 21 2013 at p 169.

45 Ouskun, "Keeyask Hearing" October 21 2013 at p 198.

46 Flett, "Keeyask Public Hearing" in Thompson September 30/October 1 2013at p 33.

47 Councillor George Neepin, "Keeyask Public Hearing" in Gillam September 24 2013 at pp 19-20.

48 KHLP, "Final Argument", January 20 2014 at p 64.

Project.”<sup>49</sup> Mr. Regehr of York Factory First Nation affirmed this, proclaiming that “The overarching reason community members gave for joining the Partnership was that being a partner would be beneficial for future generations for the children, grandchildren, and for generations afterward.”<sup>50</sup> Benefits arising from the project were described as economic, social, and environmental, though these were primarily described individually rather than as a collective.

**Economic benefits** that were identified include income, employment, and training received the most commentary by the KHLP throughout the hearings. Robert Flett stated that:

The Joint Keeyask Development Agreement business arrangements we expect will generate much needed income for our nation and nations with the requirement from a relatively modest cash investment. The training, employment and business opportunities available to us are substantial.<sup>51</sup>

Shawna Pachal affirmed these benefits,<sup>52</sup> while others described the **social benefits** that will flow from the Keeyask Project. The KHLP “final argument” stated:

...benefits include training and employment opportunities that would not otherwise be available to the community. There will also be financial benefits derived from employment, increased business opportunities and investment income. The increased capacity building and income will empower YFFN to improve the community's socio-economic conditions, which will ultimately benefit generations to come.<sup>53</sup>

London expands on this, explaining that:

...the benefits of the project, both monetary, capacity building, pride of ownership, and rights of participation and decision making, are a beginning step in healing and growing to independence as peoples...<sup>54</sup> [which] all will result for a hundred years or more for the benefit of the whole of the communities.<sup>55</sup>

Furthermore, Chief Kennedy proclaimed that “Keeyask will allow us to join the mainstream of Manitoba's economy, to build a future of hope that will sustain our cultural integrity and our Cree identity, and will significantly contribute to our economic prosperity.”<sup>56</sup>

While **environmental benefits** were not described to the extent that socio-economic ones were, a number of the KHLP representatives did bring these into discussion. Shawna Pachal affirmed that “...hydroelectric power generation remains the most environmentally sustainable and cost effective bulk electricity supply alternative in the world, with virtually no emissions compared to coal or natural gas,”<sup>57</sup> while Janet Mayor asserted that “The project will contribute to reductions in greenhouse gases and

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49 Zbigniewicz, “Keeyask Public Hearing” in Gillam September 24 2013 at p 22.

50 Regehr, “Keeyask Hearing” January 9 2013 at p 6996.

51 Flett, “Keeyask Public Hearing” in Thompson September 30/October 1 2013 at p 33.

52 Pachal, “Keeyask Hearing” October 21 2013 at p 133.

53 York Factory First Nation cited in KHLP, “Final Argument” January 20 2014 at p 70-71.

54 London, “Keeyask Hearing” January 9 2013 at p 6984.

55 London, “Keeyask Hearing” January 9 2013 at pp 6988-6989.

56 Kennedy, “Keeyask Hearing” October 21 2013 at p 110.

57 Pachal “Keeyask Hearing” October 21 2013 at p 145.

increases in lake sturgeon populations... And it will provide clean renewable energy for Manitobans and export markets.”<sup>58</sup> Through explanation of the many benefits, it has been asserted that “...the [Keeyask] project will produce substantial environmental, social and economic benefits, all of which are consistent with the principles of sustainability established by the Governments of Canada and Manitoba.”<sup>59</sup>

#### ***4.2.2.3 Moral challenges associated with the project***

While members of the KHLP are generally project proponents of the Keeyask Project, there are a number of KCN members who express concern and apprehension over it. Key words used to describe this include decision, experience, uncertainty, difficulty, and sceptical. This concern related to the following factors:

- **Negative impact of past hydro projects**
- **Difficult decision to make**

Regarding the **negative impact of past hydro projects**, Councillor George Neepin explained: “Our homes, our lives and the well-being of our people lie in the corporate hands of Hydro. To put it bluntly and in short, our people have been massively traumatized displaced and disrupted. And as individuals and as a community, we bear scars from that era...”<sup>60</sup> It is because of these past experiences, that some have expressed “distrust” and “scepticism” of the partnership and its proposed benefits.<sup>61</sup>

Some project proponents explained that joining the Keeyask Project was a **difficult decision to make** because of tensions within their communities related to past experiences with hydro development. Ted Bland explained:

This is not an easy decision for the community to make, given the circumstances and the diversity of views held by the community members regarding the Keeyask generation project. Members were faced with a deep moral dilemma in terms of assessing the potential environmental impacts that would affect the community. York Factory feels that there will still be substantial adverse effects to the land and our way of life.<sup>62</sup>

Chief Constant also stated that “The decision to become a partner in Keeyask was difficult. Not every member of our First Nation supports Keeyask. Many others who support the project continue to do so with mixed feelings.”<sup>63</sup> As a response to this contention, many KCN leaders have illustrated how this partnership is the best option for the future of their communities, and stressed the importance of ensuring the Project goes as planned. As Chief Garson explained, “...it is our job is to make sure that these articles are implemented as we understand them. And how it could benefit us as a First Nation in the future.”<sup>64</sup>

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58 Mayor, “Keeyask Hearing” January 9 2013 at p 6979.

59 Mayor, “Keeyask Hearing” January 9 2013 at pp 6978-6979. Councillor George Neepin, “Keeyask Public Hearing” in Gillam September 24 2013 at pp 17-18.

60 Councillor George Neepin, “Keeyask Hearing”, October 21 2013 at p168-169.

61 Chief Constant, “Keeyask Hearing” October 21 2013 at p 105; Bland, “Keeyask Hearing” October 21 2013 at p 162.

62 Bland, “Keeyask Hearing” October 21 2013 at p 155.

63 Chief Constant, “Keeyask Hearing”, October 21 2013 at p103.

64 Chief Garson, “Keeyask Public Hearing” in Split Lake October 8 2013 at p 10.

#### ***4.2.2.4 A new and progressive model***

Throughout the process of the hearing, it was identified that a primary theme by the KHLP was the idea of the Keeyask Project as a new and progressive model. Key words used to describe this include partnership, involvement, past, changes, new era. Some of the key issues identified here are:

- **Paradigm shift**
- **Simultaneous application of western science and Aboriginal worldview and knowledge**
- **Cree environmental stewardship**
- **Participation of First Nations in planning**

While many of the project proponents recognized that this project was 'building on' that of Wuskwatim, the Keeyask Project was often described as an innovative approach to hydro development in Northern Manitoba. For instance Mr. London, representing Fox Lake Cree Nation (FLCN) in the KHLP, argued that the Keeyask Project represents a **paradigm shift**: "Building on the participation of Nelson House in the Wuskwatim project, the Keeyask Project brings before this Commission a new paradigm, a fresh methodology and perspective in fulfilling your recommendatory function, one which focuses on the First Peoples."<sup>65</sup>

There were several components identified as contributing towards this new model including the "two-track" approach, its role in supporting environmental stewardship, the participatory process used in the Project, and the benefits of this participation for the Cree communities.

The **simultaneous application of western science and Aboriginal worldview and knowledge** is one component of the new paradigm. Participants sometimes referred to this as a "two-track" approach in which ATK (Aboriginal Traditional Knowledge) and Cree worldview are given equal weight and recognition to Western science, was seen as a particularly unique aspect of the Keeyask Project, marking an "unprecedented approach in the history of Manitoba Hydro...and environmental assessments everywhere" and signalling "true collaboration"<sup>66</sup>. While Manitoba Hydro describes this as more of a synchronized process, some KCN representatives asserted they were distinct. As Ms. Cole from Manitoba Hydro proclaimed:

Through the Two-track approach, we were able to assess the project based on both the Cree world view and technical science. This does not mean it resulted into solitudes. It was instead the most important conversation we had throughout the entire environmental assessment allowing the influence of two streams and ways of understanding the world to be present throughout the process<sup>67</sup>.

Ms. Zbigniewicz also affirmed this sentiment, explaining that "These two tracks, however, should not be thought of as two silos, but rather a necessary way to incorporate and understand two ways of looking at the project"<sup>68</sup>. This is compared to Ms. Saunders, representing the KHLP from York Factory Cree Nation (YFCN), who stated that "TK will have a distinguishable voice in the EIS and will not be melded with

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<sup>65</sup> London, "Keeyask Hearing" January 9 2013 at p 6981.

<sup>66</sup> Zbigniewicz, "Keeyask Public Hearing" in Gillam September 24 2013 at p 26-27.

<sup>67</sup> Cole, "Keeyask Hearing" October 23 2013 at p 36.

<sup>68</sup> Zbigniewicz, "Keeyask Public Hearing" in Gillam September 24, 2013 at p 27.

western science so as to become invisible. The EA process honours and respects ATK and the Cree worldview. It is recognized that ATK has value in it and of itself<sup>69</sup>.

A primary aspect of the “two track” approach is the contribution and support of Cree environmental stewardship. As Ms. Mayor explained:

The commitments in this regard are comprehensive and demonstrate the importance of and the value placed on environmental stewardship by the Partnership, a key aspect of the Cree worldview. Most importantly, ongoing project evaluation and adaptive management will continue to be assessed through the lenses of two different worldviews and ways of knowing<sup>70</sup>

Ms. Rosenberg also proclaimed, “What a different project it would have been (without the KCN partners) [and] not nearly as rich in ATK or as thoughtful in terms of environmental stewardship”<sup>71</sup>. Environmental stewardship was also referenced in terms of the role of the partners as “...a committed steward of the land and water...to ensure Aski and everything it represents is protected...”<sup>72</sup>, or in how it has enabled First Nations to continue this role through inclusion of their “voice” and “traditional knowledge and values”<sup>73</sup>.

Both Manitoba Hydro and the KCNs commend the **participation of the First Nations in planning the project** as beneficial to the Cree communities. In referencing the affected First Nations, Ken Adams of Manitoba Hydro proclaimed that “Their direct and fulsome participation has helped to ensure we have the best project possible”<sup>74</sup>. Alternatively Roy Ouskun of War Lake First Nation explained how:

Now through the vision, guidance and determination of our elders and leaders, and active participation of our members, we are in the position to meet our goals of secure socio-economic and cultural benefits sufficient to sustain our people while protecting the natural environment<sup>75</sup>.

Participation of the First Nations was also clearly identified as an ongoing role to “...address uncertainty...follow up on monitoring... and evaluate the effectiveness of mitigation”<sup>76</sup> and their “ongoing role in the governance of the project as members of the partnership board and various committees for employment, construction and monitoring”<sup>77</sup>. The benefit of this participation to the Cree communities was also a common theme. As Councillor George Neepin explained:

In fact, we support the project because for the first time we are a partner to the promotion of a hydroelectric project, and in that capacity we can minimize the adverse impacts. We

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69 Saunders, “Keeyask Hearing” November 27 2013 at p 4107.

70 Mayor, “Keeyask Hearing” January 9 2013 at p 6973-6974.

71 Rosenberg, “Keeyask Hearing” January 9 2013 at p 6948.

72 Mayor, “Keeyask Hearing” January 9 2013 at p 6976-6977.

73 Chief Constant, “Keeyask Hearing” October 21 2013 at p 103; Ted Bland, “Keeyask Hearing” October 21 2013 at p 156; York Factory First Nation cited in KHLP, “Final Argument” January 20 2014 at p 71.

74 Adams, “Keeyask Hearing” October 21 2013 at p 86.

75 Ouskun, “Keeyask Hearing” October 21 2013 at p 205.

76 Mayor, “Keeyask Hearing” January 9 2013 at p 6973-6974.

77 Zbigniewicz, “Keeyask Public Hearing” in Gillam September 24 2013 at p 38.

will endure as stewards and residents of this area, and at the same time we maximize the benefits we will derive and are deriving from the project<sup>78</sup>.

Mr. Adams more clearly named some of these benefits, explaining that “Through this partnership, the Cree have an opportunity to expand and strengthen their management capacity and workforce talent through business opportunities and training and employment”<sup>79</sup>. Ms. Rosenberg followed with this, asking the panel to:

Reflect on what it means, please, that four local communities used an environmental impact assessment process of their own design, based on Aboriginal traditional knowledge, to help them reach democratic decisions that protect the environment, develop their identity, promote justice, and encourage economic development<sup>80</sup>.

In light of these promising statements in regards to the partnership, collaboration, and benefits from participation that this new model promises, there are those who still refer to the agreement as a business deal. In the KHLP “Final Argument” it was stated that:

The KHLP is a business investment. It was not conceived as the ‘best’ or the ‘only’ way to bring prosperity to four First Nations. It was not intended to solve all of the social and economic challenges faced by those communities. But it is predicted that it will provide revenue in due course that will facilitate funding effective responses to those challenges. The choice as to how to use that revenue must be that of Chief and Council. They may choose to spend it on infrastructure, such as housing, or on further programming and/or community development, but that choice is theirs alone<sup>81</sup>.

Ms. Zbigniewicz also used this terminology, expressing that, “Manitoba Hydro made a business decision, in response to First Nation proposals, to negotiate partnership arrangements with these First Nations in part based on their proximity to the project and their historical relationship with Manitoba Hydro.”<sup>82</sup>

#### 4.2.3 Themes Flowing from Project Dissenters

Several interveners voiced dissenting views about the Keeyask Project. These dissenting views ranged from very strong objections to more qualified doubts. Because the scope of this report is to focus on northern and Indigenous people, attention was paid in this part of the content analysis on northern and Indigenous people voicing these issues. Project dissenters provided a very rich and textured presentation of the costs and some of the benefits of the Keeyask Project. The analysis of the data led to identification of four themes that characterize the dissenting interveners’ views that include: **the negative impact on local people; the negative impact on the environment; uncertainty about tangible benefits for local people; and recognition of past harms and concerns for future generations**. All of these themes were

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78 Councillor George Neepin, “Keeyask Public Hearing” in Gillam September 24 2013 at p 15.

79 Adams, “Keeyask Hearing” October 21 2013 at p 93.

80 Rosenberg, “Keeyask Hearing”, January 9 2013 at p 6934.

81 KHLP “Final Argument” January 1 2014 at p 9.

82 “Keeyask Public Hearing” in Gillam September 24 2013 at pp 31-32.

identified as important themes through the content analysis. When keywords associated with each theme were quantified the rank ordering of the themes, from highest to lowest, was as follows: negative impact on people; negative impact on the environment; uncertain benefits; and recognition of past harms and concern for future generations (Table 3).

Table 3. Proponent Themes Ranked by Number of Quotes on Select Days

Rank	Theme
1	Negative impact on people
2	Negative impact on the environment
3	Uncertainty about tangible benefits for local people
4	Recognition of past harms and concern for future generations

In addition to identifying important themes associated with project dissidents, the content analysis identified an important contextual issue associated with many project dissidents. This contextual point is that many project dissenters expressed, in a variety of ways, that northern and Indigenous Communities face the multifaceted reality of material poverty. Participants noted many communities have high unemployment rates, high rates of people reliant on social assistance, and inadequate social structures and institutions such as education systems, hospitals and stores.<sup>83</sup>

#### 4.2.3.1 *Negative impacts on people*

An important theme identified by project dissenters is the concern that the Keeyask Project could lead to negative impacts on local people. This section will focus on issues flowing from the following key words: people, fishing, hunting, trapping, and Aboriginal and Treaty rights. The key issues that were raised under this theme include,

- **Contested vision or meaning of development**
- **Potential harm to families and communities**
- **Negative impact on people's physical and psychological health**
- **Deep negative spiritual impact**
- **Challenge to Aboriginal and treaty rights**

Some project dissenters argued that the Keeyask Project represented a **contested vision or meaning of development**, one that was at odds with their own (see appendix Table A.3 for more quotes). Some participants noted that their livelihoods required access to land and water bodies that are unaffected by hydro projects. The Keeyask Project would harm the environment and their livelihoods and thus presented an inherent conflict with their understanding of development. One participant elegantly stated simply that "We still live here"<sup>84</sup> Another project dissenter noted,

Keeyask has and will affect us. We are a traditional Cree family carrying on our Cree culture as our inherent right to do so. From all our commotion from the so-called progress, we are from the land and live with the land and to care for it.<sup>85</sup>

<sup>83</sup> See Nepataypo, "Keeyask Hearing", December 9 2013 at p 5499.

<sup>84</sup> John Spence, Gillam, September 24 2013 at p 54.

<sup>85</sup> Mazurat, Keeyask Hearing, November 14 2013 at p 3348.

Some participants called for greater social and economic autonomy: "We want to be left alone, undisturbed and protected."<sup>86</sup> For some, the feeling of wanting greater autonomy was rooted in the feeling that Manitoba Hydro dictated their every move. It was described as the feeling of "constantly being watched."<sup>87</sup> This feeling combined with the sense that much of the Manitoba Hydro business deals are kept confidential seem to have an impact on the way Manitoba Hydro is perceived.<sup>88</sup> Ivan Moose stated, "You know, get business out of the head once in a while and start thinking about us. Give us something tangible before we start these projects."<sup>89</sup>

It was found that project dissenters shared views that demonstrated a tension between Keeyask Project-styled development and Cree world view and Cree Law. For instance Mr. Mazurat stated, "We think it goes against our Cree world view to allow such permanent and widespread damage and harm, especially when so little is being offered in return."<sup>90</sup> According to Elder Beardy, "when one part is changed or destroyed or damaged, Aski is off balance."<sup>91</sup> Ms. Beardy noted,

We do not take from Aski without giving back...It is called ochenewin, that's a Cree word, and it means that what you do to Aski will affect you, your family, your extended family, and your community, your nation, and the children yet unborn. And this way every person has an obligation to care for Aski and care for everything on Aski.<sup>92</sup>

Some participants were concerned about how the hydro project could cause harm to the social fabric of Indigenous communities. For instance some project dissenters were concerned with the **potential harm to families and communities**. Some participants stated that Manitoba Hydro activities had created division within First Nation communities: "Today as we speak, a lot of our people are being disconnected, and they are using our people to cause further division amongst our people. And, I know there is further division amongst our people, because some First Nations are proponents with, to Manitoba Hydro."<sup>93</sup> Another participant noted,

This is what the damage will be to our family and homeland alone, displacing our way of life, flooding us out, disconnecting the integrity of our connection of our past, ruining our relationship to our land. Destroying the way of the hunting and fishing, affecting what we harvest the land and waters to sustain life on this land, reducing mercury and affecting the fish, taking away our fishing, taking away our plants, waters and shorelines that severely affects the habits of different species that make it a beautiful sanctuary.<sup>94</sup>

One person noted that relations to the land are deeply rooted and have social links. One project dissident noted "But the connection that we had to the land, and it is hard to explain to other people what that connection is, unless you, you understand it, and the connection to the land, and these things that we

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86 Disbrowe, Keeyask Hearing November 14 2013 at p 3357.

87 John Spence, Gillam, September 24 2013 at p 45.

88 See John Spence, Gillam, September 24 2013 at p 45.

89 Moose, "Keeyask Hearing", December 9 2013 at p 5470.

90 Mazurat, Keeyask Hearing, November 14 2013 at p 3349.

91 Beardy, "Keeyask Hearing", December 12 2013 at p 6224.

92 Beardy, "Keeyask Hearing", December 12 2013 at p 6224.

93 Rita Monias, Cross Lake, October 9 2013 at p 20.

94 Mazurat, Keeyask Hearing, November 14 2013 at p 3349.

had begins with our identity, and that is one of the things that I would like to point out is our identity."<sup>95</sup> The significance of this point for Indigenous communities in the North cannot be understated. As stated by Mr. Disbrowe, "traditional land uses has been passed on from generation to generation in our culture." He continues by explaining, "[e]ach family has their own territory. And to impose this [flooding] on them will create conflict between families. That's what Hydro is trying to do to us, is to find another trapline for us. But every family member in our community has their own traditional land use. We can't go and impose on them..."<sup>96</sup> Another participant noted that,

...anyone who understands Cree culture would never say to a Cree person, just pack up and move on. That would degrade who we are because we are about the relation to our land. The land of the creator gave to us to live on and take care of it....we are about to lose everything, including use of our land, trees, rocks, shoreline. These are structures and infrastructures to us, yet Hydro refuses to accept this and say we only get bare bones compensation for our homes on the land.<sup>97</sup>

Another participant, Elder Andrina Blacksmith pointed out that Hydro development has had an **negative impact on people's physical and psychological health**.<sup>98</sup> "The way of life of hunting, fishing, and trapping was a rich way of life, and was healthy. It was all good, and now today with the development, the hunting, fishing, and trapping is gone, and deteriorated."<sup>99</sup> Another person noted, "it is sad our health has been compromised, our animals, our fish, and any aquatic life, plants, medicines have been compromised. Water quality is getting worse. Recreational areas are no more."<sup>100</sup> Edith Grace McKay from Cross Lake, a front line health service provider, said she has seen firsthand the negative health impacts of hydro-electric dams in her community. She stated "I see it every day people coming to the office they are depressed, there is poverty, they are depressed because of overcrowding issues."<sup>101</sup>

Some participants talked about a psychological impact on Indigenous and non-Indigenous people through hydro damming in the North. Many expressed a sense of conflict as they recognized the importance of the potential socio-economic benefits but also felt "heavy hearts" because of the impacts of hydro-electric development to the land:

Take a look around, see my community, see the roads, see who we are. We are stuck, have no place to go. There is no land that we loved. There is no land that we, that reflect us, who we are. We are beautiful people. But inside us we cry. We die. My people, our people live here because they love this land. And we are not going to go away. We are not going to surrender. We will stand by our land, and our waters."<sup>102</sup>

Some respondents shared about a **deep negative spiritual impact** from the hydro damming. For instance, Mr. Spence shared the following,

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95 Bobby Brightnote, Cross Lake, October 2013 at p 45.

96 Disbrowe, Keeyask Hearing November 14 2013 at p 3354-5.

97 Disbrowe, Keeyask Hearing November 14 2013 at p 3355-6.

98 Elder Andrina Blacksmith, Cross Lake, October 9 2013, at p 40.

99 Elder Andrina Blacksmith, Cross Lake, October 9 2013, at p 39.

100 Charlotte Wastesicoot, Split Lake, October 8 2013 at p 54.

101 Edith McKay Grace, Cross Lake, October 9 2013 at pp 60-1.

102 Tommy Monias, Cross Lake, October 9 2013 at p 25.

And I don't know if I can speak enough today, tonight on this occasion to tell you the hurt that I carry within me, that I carried all my life because of Manitoba Hydro. (Cree spoken) My soul hurts and is dying. I feel as though I'm mourning everyday while being on the lake and the land. You can't understand that because you don't want to go past that door. And you can't. I like to see you try. To live the life we live as First Nations people being as connected to the water and the land as we are. You killed the land. You killed the water. You killed the fish. You killed the Indian.<sup>103</sup>

Others expressed sadness because they will not be able to go learn or pass knowledge of the land to their children.<sup>104</sup> Ms. Nabiss indicated that she was concerned about the proposed programs which will encourage youth to go hunt, fish, and trap on the land as she will not be able to pass to her children the knowledge about the land which was held by her ancestors.<sup>105</sup> Ms. Wastesiocoot noted "This has an additional dimension when considering the responsibility of Cree people as keepers of Mother Earth which is described in Cree as *ochenewin*."<sup>106</sup>

Many project dissenters spoke about the impacts of hydro-electric development on **Aboriginal and treaty rights**. At the CEC hearing in Cross Lake, Charles Miller pointed out that certain people had indicated that "their rights haven't been affected, [but] that is a fiction."<sup>107</sup> The Vice Chief Councillor Muswaggon of Pimicikamak affirmed that it is "offensive and disrespectful for the Crown and its agents not to honour the sacred covenants of the treaty promises made."<sup>108</sup> Charlotte Wastesiocoot stated that "Native people of Canada were forced, or deceived to surrender title to their lands in return for guarantees that their traditional ways of life would be protected."<sup>109</sup> Others indicated that the government of Canada and Manitoba seem to want to "minimize" or even "do away with" Aboriginal title and rights in order to have access to more resource and land development.<sup>110</sup> Others commented on the connection between treaty rights and traditional livelihoods (see appendix Table A.3).

Elder Linklater stated: "As Treaty nations we must protect, assert and exercise our Treaty and human rights at every opportunity in order for our rights to be recognized and fulfill the Treaty relationship and for the honour of the Crown to be upheld."<sup>111</sup> He also said,

The Commissioner said that Treaty would bind our nations in peace and friendship for as long as the sun shines, the grass grows, and the waters flow. These are the sacred elements that our elders keep reminding us, those three sacred elements that our ancestors use. And these are powerful spiritual words that were spoken by the Commissioner that created a sacred bond between His Majesty and our people.<sup>112</sup>

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103 Spence, Keeyask Hearing November 14 2013 at p 3358.

104 Nabiss, Bird, September 25 2013 at p 21.

105 Nabiss, Bird, September 25 2013 at p 22.

106 Charlotte Wastesiocoot, Bird, September 25 2013 at p 13; Beardy, "Keeyask Hearing", December 12 2013 at p 6224.

107 Charles Miller, Cross Lake, October 9 2013 at pp 6-7.

108 Muswaggon, "Keeyask Hearing", December 4 2013 at p 5038.

109 Charlotte Wastesiocoot, Split Lake, October 8 2013 at p 48.

110 Charles Miller, Cross Lake, October 9 2013 at p 6-7.

111 Linklater, "Keeyask Hearing", December 12 2013 at p 6243.

112 Linklater, "Keeyask Hearing", December 12 2013 at pp 6237-8.

#### 4.2.3.2 *The negative impact on the environment*

Another central theme raised by project dissenters was the negative impact the Keeyask Project would have on the environment and the land. The key words used to describe this theme included land, water, environment, damage, and animals. When the quotes were analyzed the following themes emerged,

- **Keeyask Project represented a fundamental challenge to Indigenous notions of environmental stewardship**
- **Uncertain environmental impacts**
- **Damage to the physical landscape**
- **Negative impact on animals**

Some project dissenters claimed the **Keeyask Project represented a fundamental challenge to Indigenous notions of environmental stewardship**. Rita Monias from Cross Lake explained “our land is precious to us. We don’t really appreciate anybody coming and taking our way of life, and our survival because of a commodity.”<sup>113</sup> Tommy Monias who is also from Cross Lake expanded on the notion that “land is precious” by stating, “We are one with this land. We are one to this water. We are one to these animals. We are also one to the very life and fiber of such an ecological destruction that is happening, so we die inside....It is our land. It is our duty to protect our land. If we fail to protect our land, then we fail to protect who will come along, because we are simply borrowing from our children.”<sup>114</sup>

Some worried about the **uncertain environmental impacts** that could be greater than anticipated.<sup>115</sup> As Ramona Neckoway stated, “... it seems like we are getting into these agreements and I wonder, do we really know the full impact of what we are getting into?”<sup>116</sup> Citizens from Pimicikamak called for a full regional cumulative environmental assessment as this uncertainty concerns them.

Our people here that spoke today are very concerned about the effects on the land, and the water. We have went from this community end to end, talked to elders, and some young people, trappers, hunters, fishermen, and they have this concern that Manitoba Hydro does not understand what they are doing with the environment.<sup>117</sup>

Several project dissenters highlighted the **damage to the physical landscape**. Solange Garson of TCN reminisced about the beautiful beaches, the clear water, and edible fish in the community. She compares to the post-hydro-electric development era: “Now, ugly jagged rocks Hydro dumped on the shorelines, also the water is murky brown with manure and dead logs from the erosions from the fluctuating

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<sup>113</sup> Rita Monias, Cross Lake, October 9 2013 at p 16.

<sup>114</sup> Tommy Monias, Cross Lake, October 9 2013 at p 25.

<sup>115</sup> Dissenting voices also expressed concerns regarding the impact of the Keeyask Project on the environment in the future. As indicated by a grade six student from YFFN: “The way I see this is our water is just like a toilet bowl. When the toilet bowl gets plugged, it floods, and Hydro can flush it any time. When it floods it covers our land and everything that lives in it. This is going to impact us youth who are here today.”<sup>115</sup> A Grade 5 student also from YFFN said: “I’m worried that our land will be flooded, and worried about how it will affect our Nations, and our land, and how our children and our nephews and nieces and the youth of tomorrow, and what will Hydro do if we get flooded? How will it be in the future? (Pearce Beardy (Grade 5), York September 26 at p 23).”

<sup>116</sup> Neckoway, “Keeyask Hearing”, December 9 2013, at p 5519.

<sup>117</sup> Darwin Paupanikas, Cross Lake, October 9 2013 at p 70. See also Solange Garson, “Keeyask Hearing”, November 14 2013 at p 3295.

water level, and fish are likely with high level of mercury and some are rotten with sickness.”<sup>118</sup> Others noted how changing the landscape would affect people’s well-being (see appendix table A.3).

Project dissenters were also concerned about the **negative impact on animals**. Fox example, Noah Massan from Fox Lake expressed concern that the animals’ migratory patterns have also been affected by hydro-electric development. He explains that animals that had disappeared from Fox Lake and Gillam for approximately 40 years have finally started to come back.<sup>119</sup> Mr. Massan wonders about the future of animals in the face of continued hydro-electric construction: “Everything disappeared in the '60s. Now they are starting to come back. I got a couple of them already. I didn't want to catch them, but it is like catching a fox. They are starting to come back, slowly come back. The moose are starting to come back.”<sup>120</sup>

#### *4.2.3.3 Uncertainty about tangible benefits for local people*

The second theme identified from dissenting voices relates to tangible benefits of hydro-electric development. Some of the key words used to describe this theme included: community, government, benefits, money, jobs, and resources. Key issues that fit within this theme include,

- **Uncertainty of benefits**
- **Inequity of benefit distribution**
- **Who is benefiting from hydro development?**

For many Indigenous and non-Indigenous people in the North, the prospect of employment for the current and future generations was seen as a major selling feature of Keeyask. But this benefit was negated by the **uncertainty of the benefits**.<sup>121</sup> Many issues were raised ranging from a sense of broken promises, lack of benefits from past projects, and the ongoing challenges of poverty (see appendix table A.3). In reference to Wuskwatim, some dissenting people stated that it is too early to determine whether there will be tangible impacts and employment. Others spoke from personal experience, indicating that there were challenges associated with gaining meaningful employment for the construction phase of the Wuskwatim dam. Donald McKay Sr. explained:

Hydro promised them prosperity. Now, I'm hearing these contractors that received millions for the Keeyask dams, and these are hundreds, three digits, for the Keeyask dam, and they are not giving any jobs to the First Nations. They get laid off for months on end. No training is provided, or they take the training dollars away from the community. <sup>122</sup>

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118 Solange Garson, Keeyask Hearing, November 14 2013 at pp 3291-2.

119 Massan, “Keeyask Hearing”, December 11 2013 at p 6089.

120 Massan & Kulchyski, “Keeyask Hearing”, December 9 2013 at p 5429.

<sup>121</sup> This sense of inequity was compounded by the discussion of the sense of inevitability. One way this was expressed by Darwin Paupanikas from Pimicikamak was the concern that scientific knowledge was being used as a way to ensure Keeyask was granted a license without having a full understanding of the impacts of the dam.<sup>121</sup> Inevitability was also expressed as the lack of choice or options to Indigenous peoples and Northern communities. Some people felt that Manitoban energy consumers have no choice as Manitoba Hydro is the only provider. On the lack of choice, Ivan Moose said “we have been given very few choices and all very poor.”<sup>121</sup> One person commented: “We feel the First Nation got boxed in by all the pressure. There was the pressure from all the damage that hydro -- that the existing hydro projects have done to all of us, and the pressure that came from KGS itself. Many of us believe that KGS will get built regardless of what we want. The Manitoba Hydro has so much power that they will get what they want no matter what.”<sup>121</sup>

122 Solange Garson, Keeyask Hearing, November 14 2013 at p 3294.

An important issue that runs through this theme is that of **inequity in the benefit distribution**. On the one hand, it related to 'Southern' Hydro workers receiving benefits to which Indigenous and non-Indigenous people living in the North are not entitled. For example, several individuals mentioned the issue of high Hydro bills in the North. According to Donald McKay Sr., approximately 30 years ago, the Premier of Manitoba promised people in Cross Lake that they would not have to pay much for Hydro bills.<sup>123</sup> Mr. McKay continued by explaining that people currently pay anywhere from \$200 to \$500 per month for hydro, particularly in the wintertime. Eunice Beardy then states, "I was sitting there almost in tears, but mostly with anger because nobody ever really listens to us out there. We are hurting here. Hydro is not free. We pay for the brunt of the Hydro. The cost of Hydro in our communities is outrageous."<sup>124</sup>

The issue of unequal distributions of benefits was intimately understood by the members of Shamattawa First Nation who presented at the CEC hearing. Shamattawa was excluded from the scope of Keeyask however they argued that their lands and traditional livelihoods will be directly affected by Keeyask and Conawapa. Shamattawa First Nation does not receive hydro-electric power as they are still on diesel. One person noted,

...when we think about the estimated \$5 billion in export profits over the last decade, we have to wonder why citizens of Manitoba within a hundred miles of some of the largest generating facilities in the world must depend on diesel generated electricity, that every year becomes more problematic as the winter roads last for fewer and fewer weeks, the hundreds of truck loads of diesel fuel that have to be brought in for heating and generation. This is something that many people in Shamattawa find unacceptable. Not only do they get the dark side of environmental and social effect, but they get none of the benefits. And yet for the people in the United States, thousands of miles of transmission are not too much, and cheap power for them is our gift to them. But for the people of Shamattawa...nothing.

On an issue related to inequity, many dissenting people asked the question of **who is benefiting from hydro development**. Or, as stated by one person, "which side of that limited agreement is limited" and "who has the limited been applied to?"<sup>125</sup> Several references were made to resource imbalance between Manitoba Hydro and First Nations in the North: "We don't have the financial recourse or resources, human resources that the governments and Hydro have. We are at a fundamental disadvantage in that regard all of the time, every day. And it is being used against us very effectively."<sup>126</sup>

Many stated that people living in the North are the ones benefiting the least from hydro-electric projects, even though they are the ones whose livelihood are most significantly changed on multiple levels. In this vein, Tommy Monias states: "we pay the price for the price of down south to get cheap rates, and for the United States to get cheaper rates..."<sup>127</sup> And George Wastesicoot affirms : "[w]e are right smack dab in the middle of the dams and we have got nothing to show for it."<sup>128</sup> Further, Ivan Moose points out that 'Southern' Hydro employees have subsidized Hydro-electric bills.<sup>129</sup> Another component of inequity

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123 Donald McKay Sr., Cross Lake, October 9 2013 at p 10.

124 Eunice Beardy, Split Lake, October 8 2013 at p 44.

125 Nepataypo, "Keeyask Hearing", December 9 2013 at p 5495.

126 Charles Miller, Cross Lake, October 9 2013 at p 8.

127 Tommy Monias, Cross Lake, October 9 2013 at p 27.

128 George Wastesicoot, York Factory, September 26 2013 at p 26.

129 Moose, "Keeyask Hearing", December 11 2013 at p 6101.

mentioned particularly by Indigenous people was that some Hydro employees are hunting, fishing, and trapping in their communities with no regard to the land or animals.<sup>130</sup>

#### ***4.2.3.4 Recognition of past harms and concern for future generations***

This theme relates to past harms and impact on future generations. The key words used to describe this theme include: compensation, money, children and grandchildren, partnership, development, and loss. The key points that fit within this theme include,

- **Positive memories of the pre-hydro development period**
- **Past harms associated with previous hydro projects**
- **Inadequate compensation for past harms**
- **Hope for improved outcomes in the future from future hydro development**

Some project dissenters shared their **positive memories of the pre-hydro development period**. Stories were told about this era and it was often referred to as the way things used to be. One respondent noted,

As a child I remember being free, living with my parents who were -- they call them nomads, you know, they would go wherever on the land and water, travel by water. It was safe, there was no debris at that time. The water was clean. If we needed to drink water, we would just scoop it to drink. It was clean at that time I thought, and so were our beaches. We would land wherever, when we needed to have a rest. And it was easy to gather food. Like even the fish was clean, was fresh. It was easy to get because it was so abundant wherever we were.<sup>131</sup>

Other project dissenters talked about **past harms associated with previous hydro projects**. People noted issues associated with colonialism, environmental degradation, racism, and broken promises. Ms. Neckoway commented "I have heard accounts of racism, segregation, and other forms of abuses that I never would have imagined to be possible here in Canada."<sup>132</sup>

The sense of trauma and survival was a common thread throughout many of the project dissenters' discussion of past harms.<sup>133</sup> For instance Mr. Massan stated "They come here to work and think we are stupid, drunk Indians and are too lazy to work. They don't see the people cutting, hauling wood, fishing, hunting, trapping, and keeping a full-time job."<sup>134</sup> Mr. Moose noted "I didn't realize they were coming to destroy our land, our way of life, the destruction that followed later. I didn't know. So I was so proud to see big machines, so glad to see machines so big."<sup>135</sup>

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<sup>130</sup> John Spence, Gillam, September 24 2013 at p 54.

<sup>131</sup> Wasteticoot, Bird, September 25 2013 at p 14.

<sup>132</sup> Neckoway, "Keeyask Hearing", December 9 2013, at p 5515.

<sup>133</sup> For instance Elder D'Arcy Linklater shared, "I have survived so many things in our land, has been guided by collective knowledge of our ancestors, our elders and our citizens, passed on from generation to generation, growing and becoming more valuable with each new experience (Linklater, "Keeyask Hearing", December 12 2013 at p 6232)."

<sup>134</sup> C Massan, "Keeyask Hearing", December 9 2013 at p 5507.

<sup>135</sup> Moose, "Keeyask Hearing", December 9 2013 at p 5450.

The discussion on partnership also included the issue of **inadequate compensation for past harms** for present and in future generations.

Keeyask is coming, you talk about Keeyask, and Conawapa. And there is more. And what is the cost? Who is going to pay the cost, us. You guys? Who is going to pay the price, I am going to pay the price, grandchildren, the unborn, the future to come they are going to pay the price. The way of life of hunting, fishing, and trapping was a rich way of life, and was healthy. It was all good, and now today with the development, the hunting, fishing, and trapping is gone, and deteriorated.<sup>136</sup>

Eunice Beardy from Split Lake made it clear that certain past harms could not be compensated for by Manitoba Hydro: “who determines what damage, if there is real damage, large or small, in our community? It is people from outside. They don't live here. They don't know the damage. We should have our own people there.”<sup>137</sup> Some questioned whether compensation for past harms was possible at all: “All the money in the world is not going to replace the lost ways of our ancestral connection to the Gull Lake Trapline 15 that will forever change our relationship with the land runs deep. Our way of life on Gull Lake, as we have come to live, it will be wiped out when the Keeyask Generating Station is completed.”<sup>138</sup>

Some project dissenters also spoke about the **hope for improved outcomes in the future from future hydro development**. Project dissenters often touched upon Manitoba Hydro's ‘new era’ and ‘new model’ and the notion of involving Cree Nations as partners. Many spoke of what being ‘partners’ meant to them. A grade six student in YFFN said “[what] being partnership means to me is getting things for our community. I want good things for our community like buildings, recreation centre, more housing, more buildings, more people helping each other.”<sup>139</sup> One participant stated, “...I just want better things for my people, my grandchildren, my children.”<sup>140</sup>

#### 4.2.4 Discussion

The content analysis found four important themes associated with comments from project proponents and four key themes for project dissidents. These themes present two quite different, although not entirely conflicting perspectives about the Keeyask Project. At the level of interests and needs, project proponents are confident in the project's stated benefits and costs whereas the project dissidents have more doubts about them both. Arguably the apparent newness and progressiveness of the Keeyask Project at least partly explains the confidence while the troubled history of hydro development partly explains the doubt. One way to address project dissidents' doubts might be to increase the benefits, reduce the costs, reduce the risks, and expand the opportunities. This may help with the doubts regarding the benefits and costs and is consistent with international good practice.

At the deeper level of values and worldview, the challenges are more complex. The land is either flooded or not; traditional practices on that land either continue or not; flora and fauna continue to thrive on

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136 Tommy Monias, Cross Lake, October 9 2013 at p 30.

137 Eunice Beardy, Split Lake, October 8 2013 at p 45.

138 N Mclvor, Keeyask Hearing, November 14 2013 at p 3347.

139 Brandon Beardy, (grade 6), York Factory, September 26 2013 at p 22.

140 Moose, “Keeyask Hearing”, December 9 2013 at p 5474.

the land or not. These are more deeply rooted issues, not easily amenable to negotiation so that addressing deeper value and worldview conflicts is much more challenging. From the CEC hearings there is evidence that project dissidents are not satisfied that the adverse effects agreements sufficiently address these issues. Addressing these issues is outside the scope of this report.

However one important point comes into view. If northern and Indigenous People are making sacrifices for southern consumers of electricity (in south-western Canada and northern US) then the southern consumers should be educated about these sacrifices. They should understand the benefits, costs, risks and opportunities because they are benefiting by gaining access to greater electrical generation capacity.

## **5. Discussion: Assessment of the Manitoba Hydro PDP vis-à-vis the World Bank Best Practices Framework and Our Empirical Analysis**

### ***5.1 Assessment of the Manitoba Hydro PDP relative to the World Bank Framework***

The Keeyask model has elements of the World Bank Framework, but many notable limitations. These limitations entail that it does not achieve the win-win socio-economic result that hydropower projects such as the PDP have the potential to achieve. In particular, monetary benefit-sharing could be expanded, not only for those communities adjacent to the dams, but for all hydro-affected communities in the North.

#### ***Benefit-sharing Present in the Keeyask Model***

Referring back to Figure 2, on the face of it the Keeyask model fits into the post-2000 era of typical practice for treatment of dam-affected communities. It is based on a partnership approach and long-term benefit sharing with local communities<sup>141</sup>. The Keeyask model accords with the World Bank benefit-sharing framework in that it has stakeholder consultation prior to the hydropower project being initiated. It has involved community members from local First Nations participating in a range of processes ranging from joint management of environmental assessment processes to negotiation over the AEAs and representation on the project Board of Directors. The particular type of monetary benefit-sharing embodied by the Keeyask model is equity sharing.

The Keeyask model is most closely-aligned with the World Bank framework on non-monetary benefit-sharing. First, it includes training and employment opportunities for local people. The Hydro Northern Training & Employment Initiative (HNTEI) was a large-scale training initiative designed and managed by, for, and in Northern Manitoba First Nations. This is a significant achievement not only to the Keeyask Partnership's (KHLP's) credit but also to that of the Provincial and Federal government agencies and the First Nations communities that supported it. Such training was designed to prepare more KCN members for positions with the Keeyask project, but also for other northern Manitoba employment

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<sup>141</sup> Negotiation on the features of the Conawapa model has not progressed far enough for us to comment on it authoritatively. However, without an equity partnership or some other form of monetary benefit-sharing, the Conawapa model would fit into the 1980s/1990s era of typical practice. In other words, despite making progress according to the International Institute for Environment and Development (IIED) (2009), Manitoba Hydro would have receded in its progress towards ensuring inclusive sustainable hydroelectric development with Conawapa.

opportunities. This may bring significant wage increases to KCN members after Keeyask construction has ceased.<sup>142</sup> The presence of employment targets is also a significant improvement over the Wuskwatim project. The employment targets specified in the JKDA are welcome as the KHLP may be held accountable if such targets are not met.

Finally, the Keeyask model includes mitigation instruments as recommended by the World Bank framework. Manitoba Hydro and each of the four partner First Nations signed adverse effect agreements to potentially mitigate and compensate for negative impacts of the project. This aspect of the JKDA entails that revenue from the Keeyask project will flow to community-level initiatives such as Cree language support programs, resource access programs and oral history programs.

### *Limitations of Benefit-sharing in the Keeyask Model*

There are however many elements of the World Bank benefit-sharing framework that the Keeyask model makes inadequate provisions for. These elements are crucial to ensure the equitable distribution of benefits from hydroelectric development in the PDP - that local communities are left with a legacy rather than a scar from such development.

### Stakeholder consultation

As noted in the last section, there were a large number of information sessions for KCN and Northern communities and meetings between KCN leadership and Manitoba Hydro staff. However as noted in our report for the CEC hearings, stakeholder participation may have been insufficiently robust due to the large power asymmetry between Manitoba Hydro and smaller First Nations communities. Indeed, a number of our key informants indicated that some individuals in the KCNs may not have participated in information sessions or voted in the referendum because they felt that Keeyask will go ahead regardless of their views on it. We are not aware of any efforts on the part of Manitoba Hydro to address the sense of inevitability KCN members felt surrounding the Keeyask project.

### Monetary benefit-sharing

We have two main concerns related to monetary benefit-sharing in the Keeyask model. The first relates to the scope of monetary benefit-sharing. The World Bank framework stresses that the monetary benefits of hydropower development should be shared with all dam-affected communities. The Keeyask model only includes monetary benefit-sharing for the four First Nations adjacent to the Keeyask dam site. Communities that experience on-going disruption and harm from past hydro development – such as Pimicikamack Cree Nation or Norway House Cree Nation - will receive no direct benefits from Keeyask. However revenue from electricity sales or from water rental tax revenue could be shared with communities other than the KCNs to ensure that existing and future hydro-electric development leaves a positive economic legacy for these communities as well. In our Key Informant Interview with Shauna Pachal and Jane Kidd-Hantscher we learned that water rental revenue is already being shared with Nisichawayasihk Cree Nation. Broader sharing of water rental revenue was suggested by the Consumers' Association of Canada (Manitoba Branch) in its closing arguments for the CEC Hearings:

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<sup>142</sup> Reviews of the literature on the impact of training programs indicate that there are large wage returns to training, especially to apprenticeships (for example Lalonde (1995) and Cohn and Addison (1998)).

"The Province of Manitoba should take steps towards the equitable sharing of the resources flowing from Hydro development by dedicating a designated percentage of the water rental fees associated with hydro-electric activity to those communities who share the resources and whose treaty and aboriginal rights may be affected by the use of the Nelson River for hydro-electric development" (CAC Manitoba (2014), page 107).

Second, preferential electricity rates for hydro-affected communities is another World Bank recommendation that is absent from the Keeyask model. This was stressed by many of our Key Informants. In our interview with Shawna Pachal and Jane Kidd-Hantscher they noted that subsidizing electricity rates is problematic because of poor insulation of homes in the North. This only highlights the urgency of housing retrofit efforts and programs such as Power Smart<sup>143</sup>. Regardless, a prominent theme in our empirical analysis was the need for Manitoba Hydro to ensure that Northern customers not be disproportionately saddled with high electricity bills any longer.

### Non-monetary benefit-sharing

It is acknowledged by all partners to the Keeyask project that most employment resulting from the project will be during the construction phase. We expect that the same will hold for construction of the Conawapa project and transmission lines. The boom-bust nature of this employment is known to be damaging for individuals and communities: Individuals abandon traditional livelihoods to take up short-term jobs requiring specific skills, only to find that those skills are not rewarded in other areas of the local economy. Meanwhile, social and economic problems are long-term, given the disruption of traditional livelihoods. If the Keeyask model is to fit into international good practice, it must ensure that the dam-affected communities will benefit for the long-term, not just for the short-term construction phase.

A number of key informants stressed the need for greater funding for education and housing to ensure long term prosperity in the KCNs. As noted in our CEC report, in response to an information request suggesting the KHLP provide funds for housing or post-secondary education (CEC Rd 1 CAC-0081a and CEC Rd 1 CAC-0091a respectively in KHLP (2013)), the KHLP responded that these sectors are not their responsibility. These types of non-monetary benefit sharing have been cited by stakeholders of hydroelectric development as crucial to the long-term prosperity of the KCNs.<sup>144</sup> Consistency with international good practice would suggest a need to address the housing and education funding gaps.

The importance of access to fisheries and forests was cited many times in our empirical section above. The Adverse Effects Agreements (AEAs) associated with the Keeyask project include reference to related offset programs. Rather than moving the entire community, funds will be provided through the AEAs to ensure that individuals can travel to new hunting, fishing or trapping grounds. As noted in our content analysis (pages 52-53 above), the value to resource users from hunting, trapping and fishing goes beyond

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<sup>143</sup> During hearings for PUB Order No. 43/13 Philippe Dunsy, an expert retained jointly by the Consumers' Association of Canada (Manitoba) and the Green Action Centre, noted that the Power Smart program could be enhanced to ensure overall hydro bills are reduced due to decreased electricity consumption. Peter Miller also drew our attention to an innovative program called BUILD ( <http://buildinc.ca/>), which trains mainly Aboriginal males who have been in trouble with the law to do energy retrofits in low-income homes. This sort of model could be supported by the KHLP to achieve many simultaneous socio-economic benefits.

<sup>144</sup> Indeed, in a survey of 535 individuals in Tataskweyak Cree Nation in May 1999 "very high rankings were given to the need to improve training programs and having more young people attend university and college." (CEC Rd 1 CAC-0093b (KHLP (2013))).

the physical act of carrying out these activities. Such activities bring spiritual and psychological benefits, and it is not clear that such benefits will remain with the AEA offsets proposed by the Keeyask model<sup>145</sup>.

Although employment and training is a non-monetary benefit that will be provided by the Keeyask/Conawapa projects, we have five concerns regarding the quantity and quality of employment that will be created. First, construction support and service jobs are predicted to account for over half of KCN DNC employment from the construction phase (KHLP (2012), Figure 3-23). These jobs would be lower-paying relative to trades positions. Supervisory positions are also explicitly excluded from the BNA preferences (KHLP (2012), page 3-8). Second, much KCN construction employment will likely be short-term. In Article 12.6.3 of the JKDA it is noted that very short spells of employment on the Keeyask project will be counted towards the 630 person-years target, so that a consistent overestimation is built into the measurement of progress towards the employment target. Short spells such as this would barely indicate a gain of any sort for the employee – in terms of income or work experience. On the Wuskwatim project, each Aboriginal person worked on average only half a year (Wuskwatim Power Limited Partnership (2013), page 38). Third, as noted in Section 2, the Wuskwatim Generation project had a very high Northern Aboriginal turnover rate. It is not clear to us that the Keeyask model offers any significantly different features from the Wuskwatim model that will ensure turnover is reduced. Fourth, the large-scale training initiative for Keeyask – the Hydro Northern Training and Employment Initiative (HNTEI) has ended, thus reducing the chances that Northern Aboriginals will have a chance to obtain employment on the Keeyask/Conawapa projects. Finally, as noted by the Deloitte evaluation of the Wuskwatim training activities, HNTEI did not allow sufficient time to ensure workers were ‘employment ready’<sup>146</sup>.

The magnitude of employment predicted to be generated by the PDP should be viewed with caution given that:

- ★ Northern residents may obtain predominantly lower-wage positions
- ★ much employment will be short-term
- ★ a turnover rate for Northern workers could result on future projects as has occurred on past projects
- ★ large-scale training of Northern workers has now ceased
- ★ training that has already occurred did not include sufficient education upgrading and life skills training

### Proper implementation of benefit sharing programs

<sup>145</sup> In their review of the literature evaluating environmental offset programs, Bull et al. (2013) place environmental offset programs within a class of mitigation efforts that include such things as mitigation banks, habitat credit trading, and complementary remediation (p.370). A challenge for offset programs is that they exchange a certain environment today for an uncertain environment in future. Bull et al. (2013) conclude that factors that reduce the certainty of strong offset outcomes include ineffective monitoring and inconsistent compliance (p.369).

<sup>146</sup> The Deloitte report notes that KCN planners had estimated that workers destined for designated trades would need 52 weeks of education upgrading (and non-designated trades requiring 26 weeks) and 8 weeks of life skills training before starting their trade-related training (Deloitte (2013), page 36). HNTEI only included 20 weeks of combined educational upgrading and life skills training. The Deloitte evaluation also reported that KCN desired broader training relative to that provided by HNTEI – for example, child care training to support hydro workers (Deloitte (2013), page 37).

To date we have seen little evidence documenting efforts by the KHLF to inform project-affected individuals of monetary benefit-sharing arrangements. Capacity building for implementing the benefit-sharing programs may also be weak, as emphasized in our CEC report. This was also echoed by a number of our key informants. Generally for the Keeyask model, there is little evidence that the KHLF has or will invest in local capacity building to ensure less reliance on outside experts. The need for enhanced capacity is the same for any community or organization –Indigenous or non-Indigenous– that is setting out on a new direction. How the community builds its capacity is an internal decision.

## *5.2 Assessment of the PDP Relative to Views Expressed in the CEC Hearings*

The CEC hearings on the Keeyask model provide a rich data set to undertake a content analysis. From the analysis we can see that stakeholders have taken a variety of positions on the project, some of which are in concert with one another and some of which are in conflict with one another. Some project proponents' views on development and the Keeyask project focused on the importance of markets, training, and employment as a means to economic growth and social progress. Other proponents highlighted the role of the state or community to guide markets to achieve economic and social improvement. Dissident persons, on the other hand, voiced perspectives on development and dams that partly overlapped and partly deviated from these views. Some dissident voices presented a post-development perspective which rejects the possibility of development and some voiced a view of development that argued that community and Indigenous autonomy is necessary for development.

The themes identified for proponents and dissident people in the content analysis help to explain why people are in support or in opposition to the Keeyask project. Proponents primarily pick up on positive dimensions of the project but they too recognize challenges as they touch on issues we termed a moral challenge. Dissident people identify the many challenges associated with the project but at times reference positive aspects of the project. Clearly there is a level of polarization in this debate. And when a debate is polarized it is more difficult to find 'common ground.'

Views highlighted above from the CEC hearings generally referred to four different aspects of the PDP:

- Benefits – Individuals highlighted their opinions on who would benefit from the PDP, how and to what extent.
- Costs – Predicted costs – whether environmental, social or economic – borne by different types of stakeholders were noted.
- Risks – As the PDP involves the construction of two dams and transmission lines in the future, and the Keeyask model includes features not in the Wuskwatim model (e.g. the Adverse Effects Agreements), the PDP involves risks for all individuals and communities involved.
- Opportunities – All stakeholders recognize, in varying degrees, the opportunities, whether socio-economic or in terms of energy security, presented by the PDP.

The World Bank framework, and many voices in our empirical analysis, draws attention to the *distribution* of benefits, costs, risks and opportunities in the PDP. For example, what costs would Manitoba Hydro bear under an all gas plan? What benefits would Northern Manitobans receive if a home insulation plan

specifically targeted the North? What opportunities does the construction of Conawapa present in terms of export revenue? What risks to culture do the KCNs face if Conawapa goes forward?

As noted by the World Bank framework, the benefits, costs, risks and opportunities of the energy plan that Manitoba adopts for 2012-2048 should be fairly distributed among the main stakeholders of this plan (Manitoba Hydro, the province, Northern residents, hydro customers, First Nations communities surrounding the proposed dam sites as well as those upstream and downstream, and those living along the proposed transmission line). However given the polarization of views displayed during the CEC hearings, it is clear that a consensus on the distribution of benefits, costs, risks and opportunities is not close. Stakeholders are holding widely divergent positions so that negotiation has become dysfunctional.

As the classic work by Roger Fisher and William Ury, *Getting to Yes*, highlights, the type of positional negotiation that has characterized the discussion of the PDP so far will not result in an equitable distribution of benefits, costs, risks and opportunities. This type of positional negotiation entails that a discussion of Manitoba Hydro's PDP is a contest of wills between those that feel the PDP is severely flawed and those that feel it is the way forward. "As more attention is paid to positions, less attention is devoted to meeting the underlying concerns of the parties. Agreement becomes less likely. Any agreement reached may reflect a mechanical splitting of the difference between final positions rather than a solution carefully crafted to meet the legitimate interests of the parties" (Fisher and Ury (1981), page 5).

Fisher and Ury (1981) thus recommend Principled Negotiation for finding a mutually beneficial distribution of benefits, costs, risks and opportunities. If negotiating parties agree to negotiate a solution based on objective criteria, rather than pressure, the focus of the negotiation will be on how an agreement fits those principles rather than on a contest of wills. We argue that the appropriate objective criteria for negotiation among Manitoba Hydro's energy plans is the World Bank framework for benefit-sharing. This framework ensures that local communities experience the type of sustainable development that they desire, while stakeholders such as the government and hydropower company achieve their goals as well.

While there is evidence of a polarized debate on these aspects of the PDP, the content analysis has shown that there is a middle ground among northern and Indigenous people. These people have taken a pro or con position vis-à-vis the project but seem to hold a selection of common concerns, interests, and values. The prescription flowing from this assessment is then that a revised PDP which accounts for these common concerns, interests and values could entail that the plan for energy development in Manitoba can be a socio-economic win-win for all stakeholders.

## 6. Conclusion and Recommendations

Our analysis suggests that there is a 'middle ground' among the proponents and opponents of the PDP that sees the PDP as innovative but in need of significant improvements. The World Bank benefit-sharing guidelines may be followed so that the PDP ensures equitable benefit-sharing for current and future generations in the North. This gives rise to 7 suggestions for the PUB to in turn recommend to the Province of Manitoba/Manitoba Hydro concerning socio-economic development stemming from hydroelectric development in the North:

**1. Establish a vision and long term development plan for Northern Manitoba**

The World Bank framework suggests that monetary benefit-sharing is especially beneficial when it finances activities under a pre-existing local development plan (Wang (2012), page 20). A long-term development plan would provide a meaningful goal for hydro development in northern Manitoba for the next ten to thirty years. This would be guided by the provincial government in concert with Northern and Indigenous communities, the federal government, businesses, and civil society.

**2. Regarding resource extraction industries such hydro dams, the approach must move from a compensation-for-harm model to an international good practices developmental model**

The history of dams in Manitoba has a poor track record regarding including in decision-making and benefiting the dam's local residents. Compensating local people for harm caused is insufficient, from an ethical standpoint, given the benefits of relatively cheap electricity that will accrue to southern Manitobans and Americans. This is the essence of the World Bank benefit-sharing framework and was echoed by voices in the content analysis. If Manitoba Hydro's plan benefits southern Manitobans then it must also benefit residents near and affected by the dams.

**3. Monetary benefit-sharing should be extended to all dam-affected communities in the North**

Revenue from electricity sales or from water rental tax revenue could be shared with communities other than the KCNs. This would ensure that the PDP leaves a positive legacy for all communities that have been harmed by the ongoing effects of past hydroelectric development in the North.

**4. Enhance non-monetary benefit-sharing in the PDP**

Given the boom-bust nature of employment, the employment benefits of the PDP will likely be short-term. As recommended by the World Bank guidelines, funds should be set aside for education, housing or other non-monetary benefits that Northern communities deem to be important for long-term prosperity. Funds could also assist with local capacity building so that communities achieve the developmental goals they desire.

**5. Details of benefit-sharing arrangements must be transparent to all stakeholders.**

Local community members should be aware of who is responsible for implementing the benefit-sharing program and the amounts, timing and source of all benefits. Internal and external monitoring and evaluation of the benefit-sharing program should occur on a regular basis.

**6. Rate mitigation and demand-side management should be concentrated in Manitoba's North**

The PDP will see further hydroelectric development in the backyards only of those in Manitoba's North. To ensure greater equity in this plan, we agree with the recommendations made by Desiderata Energy Consulting Inc. (2014) that the PDP: "Establish objectives for the widespread inclusion of and delivery to all First Nation customers of the home insulation program, refrigerator retirement program, water and energy saver program, First Nations program, and the on-going residential loan and Affordable Energy Program, particularly to those First Nation communities affected by the PDP; Establish objectives for the widespread inclusion of and delivery of commercial programs to all First Nation facility and commercial General Service customers; Establish, monitor and measure the effective capture of these programs by First Nation customers; and Design and implement appropriate rate mitigation measures for local communities adversely affected by the PDP (Desiderata Energy Consulting Inc. and Chymko Consulting Ltd. (2014), page 5).

## **7. Establish an ongoing community development department within Manitoba Hydro**

Whether Manitoba Hydro is to expand its projects in the North or simply to maintain its present operations, it should create a community development department<sup>147</sup>. The department would be staffed by professional community and Indigenous development workers. Their mandate would be to maintain an ongoing relationship with communities affected by hydro dams and transmission. The department staff would be available to work with interested communities to undertake visioning, planning, monitoring, and evaluation activities that are necessary to ensure that the community's socio-economic development outcomes are achieved.

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<sup>147</sup> We are aware that Manitoba Hydro has a large Aboriginal Relations department. The point here is that staff should have background in the community development skills we highlight.

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## Appendix 1: Economic Benefits of the Keeyask Model<sup>148</sup>

In this section, potential economic benefits for the KCNs from the Keeyask project are estimated. The Keeyask project is expected to bring a wide range of economic benefits for the KCNs. In this section we present scenarios for the construction and operational periods of the Keeyask project, to illustrate the potential magnitude of benefits arising from the Keeyask project for KCN Members. We begin by first discussing increased employment and business opportunities during the construction period.<sup>149</sup>

### *Employment Benefits*

This section summarizes labour income to Keeyask communities flowing from the project. The job target for KCN Members for the construction phase of the Keeyask project is 630 person years of employment. Given an estimated total person years of employment of 4,225, KCN members would hold 15% of total projected construction jobs on the Keeyask project if the target is met.<sup>150</sup>

KHLP (2012) provides an estimate of the total economic benefit to job creation resulting from the construction phase of the Keeyask project (page 3-105 to 3-106). The low estimate corresponds to the total wage bill if the lowest wage within a job category (construction support, non-designated and designated trades) applied, while the high estimate corresponds to the total wage bill if the highest wage within a job category applied. The Partnership notes that most of the labour income stemming from the construction phase of the project will come from employment on the DNCs (KHLP (2012), page 3-105)<sup>151</sup>.

### *Business Opportunities*

Construction of the Keeyask project will bring opportunities for businesses owned by KCN individuals through Direct Negotiated Contracts (DNCs). A value of \$203.1 million in DNCs has been reserved for KCN contractors which amounts to 9.2% of the overall value of construction (estimated at \$2.2 billion (KHLP (2012), page 3-123)).<sup>152</sup>

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<sup>148</sup> Please note that this section was written prior to the increase in capital costs for the Keeyask project that was reported by Manitoba Hydro at the NFAT hearings on March 10, 2014.

<sup>149</sup> While recognizing the economic flows resulting from the Keeyask project will be reflective of the ebbs and flows of the construction schedule, for the purposes of the illustrative scenarios below we take averages of economic benefits flowing from each phase of the project.

<sup>150</sup> There is risk that the KHLP will not meet that target. The BNA notes that "regardless of the hiring preferences in place, all employment will be conditional on each applicant having the required qualifications for the job." (<http://keeyask.com/wp/the-project/employment>) As noted above, 1,876 individuals were trained through the HNTEI, however this statistic includes those that have only taken one course (WKTC (2010)). After taking one course through the HNTEI, a person could still be deemed 'unqualified'.

<sup>151</sup> Please note that relative to our report for the CEC hearings, we have not included an estimate of income from Operations Jobs in the Keeyask model in our calculations above. This is because we are not aware of information that has been provided by the KHLP on estimated wages for these positions.

<sup>152</sup> Assuming that profits account for 10% of business income --the rate of profit is used by InterGroup Consultants Inc. on page 3-106 of KHLP (2012)-- business profits would be \$15.23 million if KCN Members owned 75% of businesses undertaking DNCs. We take this as our high estimate of business profits from DNCs. However if KCN Members owned only 50% of DNCs, then half of the \$20.31 million profit from DNCs would accrue to KCN members (\$10.16 million). We take this as our low estimate of business profits from DNCs.

Summing annual labour and business income during the construction, the KCNs as a whole could earn approximately \$6.8 million per year during the construction period.

### *Investment Income*

The KCNs have two options for investment in the Keeyask project. The first option is for KCNs to hold their investment in the form of Common Units. As the KCNs would receive investment income proportionate to the Partnership's financial performance with this option, investment income stemming from this option would be highly uncertain. In times of low financial performance, the KCNs could receive no distributions from the project but will still be repaying loans from Manitoba Hydro, which means there is the potential for significant losses with this option. A hypothetical return for this option is very difficult to calculate given that it would depend on many factors whose expected value we are not aware of.<sup>153</sup> The second option for investment in the Keeyask project is the Preferred Unit option. A KCN Investment Entity that decides to hold its investment in the form of Preferred Units will not have to repay its loans provided by Manitoba Hydro Credit Facilities. This option guarantees a return on KCN investment. In particular, this return will be the higher of the Preferred Minimum Distribution and the Preferred Participating Distribution<sup>154</sup>.

The Preferred Minimum Distribution is an annual payment equal to a KCN's own cash invested multiplied by the Thirty Year Rate minus 1.5%. Hence as long as the Thirty Year Rate is greater than 1.5%, the KCNs will see a stable stream of investment income with this option<sup>155</sup>. To illustrate the magnitude of investment income for the Preferred Unit option, we assume the Thirty Year Rate is equal to 5.73%, the average of the Thirty Year rate using average long-term Government of Canada bond rates as a proxy for the 30 year Government of Canada bond rate, and average long-term Provincial bond rates as a proxy for the Manitoba 30 year bond rate, both for the period 1983-2012<sup>156</sup>. Then assuming that aggregate KCN own cash invested is \$29,450,000 (in the case of 1.9% equity ownership), the Preferred Minimum Distribution would be \$1.25 million per year. If KCN cash invested were instead \$38,750,000 (in the case of 2.5% equity ownership), the Preferred Minimum Distribution would be \$1.64 million per year<sup>157</sup>.

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153 The assumption that the KCNs opt for Preferred Shares is also made in Information Request response CAC/MH 1-022 a) (Manitoba Hydro (2013b)).

<sup>154</sup> In its NFAT submission Manitoba Hydro assumed the Preferred Unit Option – this is explained in Information Request response CAC/MH II-006 a).

155 The Thirty Year Rate minus 1.5% would also have to remain above the rate of inflation, which is expected to be 2% given the Bank of Canada's 2% inflation target. Hence to maintain a positive real rate of return on the KCN investment, the Thirty Year Rate would have to remain higher than roughly 3.5%.

156 The Thirty Year Rate is "for any particular day, the rate of interest per annum equal to the sum of: (a) the Thirty Year Canada Bond Rate, as at 10:00 a.m. (Winnipeg time), for such day; and (b) the difference between the Thirty Year Canada Bond Rate in effect on that date and the rate of interest, expressed as a percentage rate per annum, for Thirty Year Manitoba Bonds had Thirty Year Manitoba Bonds been issued by Manitoba on that day, at 10:00 a.m. (Winnipeg time), including commission costs, with the rate of interest being determined by Hydro obtaining three (3) rate quotations for Thirty Year Manitoba Bonds and using the median of the three (3) rate quotations obtained." (KHLP (2009b)). To calculate expected income in the low estimate case, we took the Government of Canada thirty year bond rate as the 1983-2012 average long term Government of Canada bond yield (Bank of Canada (2013)), which was 7.09%. We then used the average long-term yield for Provincial bonds from 1983-2012 (which was 8.46%) as a proxy for the Manitoba 30 year bond rate. This gave a difference between the yields of Federal and Provincial bonds as -1.36%. Adding the average long term Government of Canada bond yield to this difference gave an estimate of the Thirty Year Rate of 5.73%.

157 These illustrations of the potential returns arising from the Preferred Unit equity option assume that the KCNs indeed raise the \$29.45 million (in the case of 1.9% equity ownership) and \$38.75 million (in the case of 2.5% equity ownership) to achieve these returns. We are not aware of how likely these scenarios are. Note however that the calculations above provide extremes to the \$30-\$32 million investment assumed by Manitoba Hydro in CAC/MH II-006 a).

If however revenue of the Keeyask project were very high, the Preferred Participating Distribution would be the higher distribution for the Preferred Unit Option. This distribution provides an annual payment equal to the following proportions of Adjusted Gross Revenue (AGR) for each 1% share of KCN equity:

- 0.8% of AGR for AGR < \$250 million
- 1.2% of AGR for \$250 million < AGR < \$1 billion
- 1.6% of AGR for AGR > \$1 billion

We illustrate investment income for the KCNs if their combined investment in the project were 1.9% (Table 1) and 2.5% (Table 2)<sup>158</sup>. For the low estimate of investment income in each table, we assume the Partnership experiences zero AGR, and the KCNs receive the Preferred Minimum Distribution. For the high estimate in each table, we assume AGR of \$250 million and the KCNs receive the Preferred Participating Distribution<sup>159</sup>. This information provided is for illustrative purposes and any distribution will naturally be a function of the magnitude of KCN investment and of the AGR in any particular year.

Table 1: An Illustration of the Economic Benefits for the KCNs from the Operational period of the Keeyask Project – 1.9% Preferred Equity Holding

Item	Estimated Range of Benefit	
	Low estimate	High estimate
Estimate of annual investment income (during operational period of the project)	Preferred Units – Assuming AGR of \$0: \$1.25 million/year	Preferred Units – Assuming AGR of \$250 million: \$5.7 million/year

Table 2: An Illustration of the Economic Benefits for the KCNs from the Operational period of the Keeyask Project – 2.5% Preferred Equity Holding

Item	Estimated Range of Benefit	
	Low estimate	High estimate
Estimate of annual investment income (during operational period of the project)	Preferred Units: Assuming AGR of \$0: \$1.64 million/year	Preferred Units: Assuming AGR of \$250 million: \$7.5 million/year

### *Multiplier effects*

As more KCN Members who have been hired to work on the Keeyask project have incomes to spend, demand for goods and services in other (non-Hydro) sectors will increase in the KCNs. That is, if workers spend their incomes in the KCN communities, they will create increased demand for all goods and services in the KCNs which will lead to further employment in the KCNs, further spending, and so on. We refer to this as the multiplier effect for the Keeyask project.

<sup>158</sup> This is the range of KCN equity investment assumed by Manitoba Hydro in the response to Information Request MIPUG/MH 1-017a) (Manitoba Hydro (2013b), page 59).

<sup>159</sup> We note that in the response to CAC/MH II-18, Manitoba Hydro indicates an AGR for 2022/23 of almost \$250 million. Further, we note that in the response to PUB/MH I-78 b), Manitoba Hydro estimated preferred distributions declared based upon its 'most likely' economic assumptions, capital costs and export/energy prices. Distributions from 2022 through 2039 ranged from \$5 million to \$8 million annually. While the question asked Manitoba Hydro to assume a full equity interest subscribed by the partners, Manitoba Hydro's response does not identify the assumptions in terms of subscription.

The within-province total multiplier for Manitoba for 2009 was 1.4 (Statistics Canada (2009)). We decrease this multiplier to 1.2 to account for the fact that a large portion of income stemming from the Keeyask project will be spent in Gillam, Thompson and even Winnipeg . Using this multiplier, if aggregate wages and business income stemming from the Keeyask project were \$55 million, an additional \$11 million of economic activity would be generated through the multiplier effect. The extent to which this happens will depend on how broadly the benefits are spread. If many KCN Members obtain employment, this multiplier effect would be greater.

Investment income may be used to build housing, local roads or water infrastructure in the KCNs. It is appropriate then to calculate a multiplier effect for infrastructure spending as well. Infrastructure multipliers are used to calculate the increase in output that results from a given increase in infrastructure spending in a given geographic region. Estache (2010) notes that infrastructure multipliers may range from 1.2 – 2.0. We assume that the infrastructure multiplier equals the lower bound of this range (1.2) in the calculations below.

Funds provided to KCN leadership to spend on the programs listed in the AEAs above could also be re-invested in the community and therefore contribute to economic development. Funds for AEA programs will allow Members to revitalize their Cree language ability, to carry out traditional activities in other areas, to preserve cultural artifacts and oral history or to support wellness and transition programs.

#### *An illustration of total economic benefits*

We tally the illustrative direct and indirect benefits (annually) for the Keeyask project below (Table 3). It is evident that there is a great deal of variance in the expected economic benefits resulting from the Keeyask project. However even if the high estimate of Keeyask benefits were realized, total economic benefits per KCN member would depend on how such benefits were distributed between all KCN Members. Also, a uniform distribution of the economic benefits from Keeyask is not assured by the JKDA in its present form. We acknowledge that if the Common Unit option were chosen, results would be significantly different.

Table 3: Illustrative Total Annual Economic Benefits (Direct and Indirect Benefits) for KCNs from the Keeyask Project, Assuming Preferred Unit Equity Option

Period	Estimated Range of Benefit	
	Low estimate	High estimate
During construction phase	\$4.76 million/year	\$11.64 million/year
After construction phase – 1.9% equity ownership	\$1.49 million/year	\$1.97 million/year
After construction phase – 2.5% equity ownership	\$6.44 million/year	\$9 million/year

## Appendix 2: Consent Form and Questionnaire for Key Informant Interviews

### Key informant Interview

We invite you to participate in a research study 'A critical analysis of the socio-economic impacts and benefits of Manitoba Hydro's Preferred Development Plan and Alternative Plans,' conducted by Dr. Jerry Buckland (Menno Simons College), Inez Vystrcil-Spence (Master of Social Work student at the University of Manitoba and independent consultant) and Melanie O'Gorman (University of Winnipeg). The study will investigate key informants views about Manitoba Hydro's Preferred Development Plan. We are asking you to participate in an interview (or meeting) involving questions (or group discussion) that will take between 30 minutes and 1 hour to complete during which time we will take notes and, optionally, record the conversation.

If you have any concerns about the way this study is conducted, you may contact Jerry at (204)988-7101 or [j.buckland@uwinnipeg.ca](mailto:j.buckland@uwinnipeg.ca), Melanie at (204)786 9966, or [m.ogorman@uwinnipeg.ca](mailto:m.ogorman@uwinnipeg.ca) or Inez at [inezvs12@shaw.ca](mailto:inezvs12@shaw.ca) or (204)797-5761. If you have further questions about the research project please contact Gloria Desorcy, Director of the Consumers Association of Canada – Manitoba, at [cacmb@mts.net](mailto:cacmb@mts.net) or 204-452-2572 or Byron Williams Director of the Public Interest Law Centre, at [bywil@legalaid.mb.ca](mailto:bywil@legalaid.mb.ca) 204-985-8540. Please note that your participation is voluntary and you may refuse to answer any question(s) and are free to stop participating in the study at any time before we complete our draft report, without consequence. If you have any questions about the research and/or wish to receive a summary of the study's results please contact Jerry, Melanie or Inez.

CONSENT: We ask you read the consent statement below and then give your consent to the interview by indicating below (check box #1, #2, & #3):

I understand that the information I provide during the interview will be held in strict confidence. Only the interviewers and the research supervisors (Jerry, Melanie and Inez) will have access to the information. Confidentiality and anonymity will be maintained at every stage of the research and in the publication of the results, unless I indicate below (check box #2). Your responses will be recorded through note taking, and with your permission, audio recording (check box #3). These materials will be kept in strict confidence in the offices of the researchers and locked in a secure place at the University of Winnipeg. Your responses will be kept for one year after which they will be shredded and disposed of. Data, which will be anonymous, will be kept for 5 years.

**Please check one of each of these:**

**Check box 1.**

I **do** agree to participate in the study described above.

I **do not** agree to participate in the study described above.

**Check box #2.**

I do agree to the interview **keeping my name confidential and information I provide anonymous**

I do agree to the interview **not keeping my name confidential and associating my name with my comments**

**Check box #3.**

I do agree to the interview being audio recorded

I do **not** agree to the interview being audio recorded

Name (please print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Researcher's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

A copy of this consent form will be provided to you. Thank you for your consideration.

## Questions for Key Informants for Research Project

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### *A critical analysis of the socio-economic impacts and benefits of Manitoba Hydro's Preferred Development Plan and Alternative Plans*

#### Introduction

- We are undertaking research on behalf of the Consumer's Association of Canada (Manitoba Branch) which is being done for the PUB Hearings of MH's Preferred Development Plan
- Please read and sign the consent form.

#### Name & Personal Information

1. Name:

2. Do you know about the Manitoba Hydro's plans to develop the Keeyask and Conawapa Hydroelectric projects?

3. We understand the MH-PDP as the following: Construction and implementation of two hydro dams (Keeyask & Conawapa), and increased transmission to southern Manitoba and US. When I refer to MH-PDP below, these are the projects I am referring to.

#### Overall

Do you wish to provide any general comments on the MH-PDP?

#### Questions

1. If you had full power over development in Northern Manitoba, what would that development look like?

2. What aspects of the MH-PDP do you support and why?

3. What aspects of the MH-PDP do you not support and why?

4. What do you think the main social and economic impacts of the MH-PDP would be?

5. These projects will entail costs - in particular, they may destroy the traditional livelihoods of some Northern residents, create social upheaval, etc. - do you think the benefits of the proposed projects outweigh the costs?

6. Do you think Northern Manitoba residents would be better off with or without the Keeyask project? With or without the Conawapa project? Why or why not?

7. In your view, are the Keeyask and Conawapa dams broadly supported by Northern Manitoba residents?

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8. What do you think about the Keeyask Hydro partnership between MH and the First Nation communities in the region (Fox Lake First Nation, York Factory First Nation, Tataskweyak Cree Nation and War Lake Cree Nation) and why?

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9. What do you think about the plan to increase transmission capacity (Bipole 3 is a recent example) from northern Manitoba to southern Manitoba and the US and why?

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10. What do you think about exporting electricity to the US and why?

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#### Consequences of MH-PDP

11. What do you think about the consequences of the MH-PDP on your community/northern Indigenous communities' economy (labour, training, business growth and spillovers to other parts of the economy)?

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12. What do you think about the consequences of the MH-PDP on your community/northern Indigenous communities your socio-economy (for example, economic compensation to partner First Nations, disruption of traditional livelihoods that the dams may bring, participation of First Nations communities in the approval of the dams and in their management, capacity building included in the dam projects and the size of the proposed dams?)

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13. What do you think about the consequences of the MH-PDP on your community / northern Indigenous communities' health (diet, exercise, mental health, wellness, spirituality, access to health care, etc.)?

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#### Alternatives to the MH-PDP?

14. Alternatives being considered to the MH-PDP include demand-side management (reducing demand for electricity in the province and ensuring energy efficiency), increased use of natural gas and wind energy generation. Do you have any opinions on these alternatives and how they would compare to the MH-PDP in terms of impacts on Northern residents?

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#### Needs and Assets of your Community

15. Can you rank for me the key needs that you and your community currently faces (rank/put in order of importance/list from 1 to 5, 5 being the most important)?

Need	Rank
a. Health care	
b. Education	

c. Employment	
d. Control over community resources	
e. Other	

Please feel free to comment on your ranking above.

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16. Can you rank for me the key assets (i.e., a strength or benefit) that you and your community currently has (rank/put in order of importance/list from 1 to 5, 5 being the most important)?

Asset	Rank
a. Health	
b. Education	
c. Employment	
d. Natural resources	
e. Other	

Please feel free to comment on your ranking above.

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### Appendix 3: Content Analysis Tables

Table A.1

Date	Location of hearing	Speakers quoted	Total number of quotes
24/09/13	<i>Gillam</i>	Samson Dick, John Spence, Chief Walter Spence, George Neepin, Halina Zbigniewicz,	16, 18
25/09/13	<i>Bird Reserve</i>	Charlotte Wastesicoot, Sandra Nabiss, Elizabeth Beardy, Chief Walter Spence	8, 1
26/09/13	York Factory	Andrew Moose, Jeff Beardy, Cheryl Flett, Brandon Beardy, Pearce Beardy, Dawson Flett, George Wastesicoot, Roy Beardy, Flora Beardy, Frank Wastesicoot, Joe Sinclair, Georgina Beardy,	16
September 30, 2013 and October 1 2013	<i>Thompson</i>	Tommy Nepitabo, Shawna Pachal, Victor Spence, Robert Flett	1, 3
08/10/13	<i>Split Lake</i>	Eunice Beardy, Charlotte Wastesicoot,	6
09/10/13	Cross Lake	Charles Miller, Donald McKay Sr., Rita Monias, Tommy Monias, Elder Andrina Blacksmith, Bobby Brightnote, Edith Grace McKay, Elder Eleanos Scott, Darwin Paupanikas	27
21/10/13	Winnipeg	Ted Bland, George Neepin, Victor Spence, Chief Betsy Kennedy, Robert Flett, Chief Walter Spence, Chief Louisa Constant, Roy Ouskun,	36
23/10/13	Winnipeg	Vicky Cole,	2
24/10/13	Winnipeg	Vicky Cole	3

Date	Location of hearing	Speakers quoted	Total number of quotes
07/11/13	Winnipeg	Thomas Henley, Paddy Massan, Chief William Miles,	11
14/11/13	Winnipeg	Solange Garson, Cheryl Kennedy Courcelles, Al Ciekiewicz, Will Braun, Selena Saunders, Norma McIvor, Marilyn Mazurat, Illa Disbrowe, Robert Spence,	20
27/11/13	Winnipeg	Victor Spence, Ms. Saunders,	2
03/12/13	Winnipeg	Anita Campbell	12
04/12/13	Winnipeg	Vice Chief Shirley Robinson, David Muswagon, Darwin Paupanakis, Darrell Settee	15
09/12/13	Winnipeg	Noah Massan, Ivan Moose, Tommy Nepataypo, Christine Massan	45
10/12/13	Winnipeg	Aavory Wilke	3
11/12/13	Winnipeg	Noah Massan, Chief Hudson, Ivan Moose,	3
12/12/13	Winnipeg	Elder D'Arcy Linklater, Elder Flora Beady	12
09/01/14	Winnipeg	Sheryl Rosenberg, Janet Mayor, Brad Regher, Jack London, Roddick	24
<b>KHLP CLOSING ARGUMENTS</b>			<b>14</b>
<b>Total</b>			<b>79 + 219 = 298</b>

Legend: Bold font = Research for the KHLP only; Regular font = Researcher for the traditional land users, Cree community members only; Italicized font = Both researchers.

Table A.2a: Proponent's Quotes

	Identified Key Words (Oct. 21 <sup>st</sup> & Jan. 9 <sup>th</sup> )	Number of Times Key Words Were Identified
<b>1</b>	<b>A NEW ERA</b>	
	Partner(s)(ship)	520
	Involve(d)(s)(ing)(ment)	91
	Past	55
	Change(s)(ed)	50
	New Era	4
	Total	720
	<b>Other Common Words:</b> history, appropriate, disappointed, paternalistic, lessons, understood, responsible, integrated, different, stewards, benefit, impact, consultation, opportunity, income, independence, future, rights, reject, responsible, way forward, judgmental, understand	
<b>2</b>	<b>BENEFITS</b>	
	Opportunity(ies)	89
	Benefit	80
	Sustainable(ility)	43
	Employment	35
	Future Generation(s)	9
	Total	256
	<b>Other Common Words:</b> social, economic, environmental, socio-economic, training, income, profit, revenue, capacity, investment, prosperity, future generations, hope, effective, monitoring, ownership	
<b>3</b>	<b>A MORAL DILEMMA</b>	
	Decision(s)	80
	Experience(d)(s)	48
	Uncertainty(ies)	37
	Difficult(y)	24
	Skeptic(al)(ism)	1
	Total	190
	<b>Other Common Words:</b> mixed feelings, dilemma, distrust, past, voice, influence, change, rights, future, consultation, views, culture, understand, benefit, implement, circumstances, diversity, best option, scars, question why	
<b>4</b>	<b>A NEW MODEL</b>	

	Identified Key Words (Oct. 21 <sup>st</sup> & Jan. 9 <sup>th</sup> )	Number of Times Key Words Were Identified
	Participate(ion)(ory)	89
	New	54
	Steward(s)(ship)	17
	Collaborate(d)(tive)(tion)	7
	Two(-)track	4
	Total	171
	<b>Other Common Words:</b> voice, inside, influence, sustainable, innovative, unprecedented, benefits, best practice, mitigation, profitable, partnership, opportunity, progress, impact, ATK, western, science, worldview	

Table A.2b: Project Dissenters Quotes

Rank	Identified Key Words (Oct. 9 <sup>th</sup> & Dec. 9 <sup>th</sup> )	Number of Times Key Words Were Identified
<b>1</b>	<b>NEGATIVE IMPACTS ON PEOPLE</b>	
	People	398
	Fish(ing) (er) (erman)	80
	Trap(ping)	53
	Hunt(ing)(er.s)	36
	Aboriginal and Treaty Rights	25
	Total	592
	<b>Other Common Words:</b> RCMP, racism & segregation, concern, heart, confidential, bias, alcohol, drugs, sad, suffering, division, protect, compromise, trapline	
<b>2</b>	<b>THE IMPACT TO THE ENVIRONMENT</b>	
	Water(s)	150
	Land(s)	114
	Impact(s)	43
	Environment(al)	32
	Damage(s)(d)(ing)	17
	Total	356
	<b>Other Common Words:</b> plants, medicine, destroyed, homeland, connection, clean, connected, caribou, moose, river, animals, earth	
<b>3</b>	<b>QUESTIONS ON TANGIBLE BENEFITS</b>	
	Community(ies)	167
	Benefit(s)	33
	Money	13
	Resources	16
	Job(s)	11
	Total	240
	<b>Other Common Words:</b> Cost of living, opportunity, service, future generations, cheap (power), welfare, food, business, hydro bills, houses, revenue, (un)employment, education, limited partner/limited resources, progress, hospital, improve, sustainable, flooding, income, government, tangible, agreement, school, buildings, poor/poverty, training, (high) cost, crowding	
<b>4</b>	<b>PAST HARMS &amp; FUTURE GENERATIONS</b>	
	Children & grandchildren	51

Rank	Identified Key Words (Oct. 9 <sup>th</sup> & Dec. 9 <sup>th</sup> )	Number of Times Key Words Were Identified
	Development	48
	Family	15
	Compensate(tion)(ed)	13
	Partners(hip)	8
	Total	135
	<b>Other Common Words:</b> loss/lose, past, harm, money, progress, regional cumulative environmental assessment, hurting, power, debt & deficit, displacing, together, history, future, remember	
<b>5</b>	<b>CREE WORLDVIEW &amp; CREE LAW</b>	
	Elder(s)	52
	Tradition(s)(al)(ally)	31
	Culture(s)	21
	Way of life	14
	Customary law/Cree law or sacred law/natural law	11
	Total	129
	<b>Other Common Words:</b> Spiritual, Cree worldview, Aski, keepers	

**Table A.3 Additional Quotes**

<b>Questions on tangible benefits: uncertainty of benefits</b>
For many of the project dissenters, the potential for broken promises regarding employment and training was very real. Eunice Beardy of Split Lake points out that much of the employment is temporary in nature: "[s]ure, Hydro creates jobs, but once that Hydro is built, those jobs, are gone. What then? You have to look at the long-term." <sup>160</sup>
Ivan Moose stated that he has been conducting interviews with Elders about the potential benefits of hydro-electric development projects. But, according to Mr. Moose, "these elders that were interviewed are still waiting for tangible results and they have started to ask "why do we keep telling the stories, nobody is hearing them". <sup>161</sup> Mr. Moose added, "...when are we going to see the benefits? The only people benefiting are the consultants and the lawyers and the town and whoever works for Hydro. Fox Lake has never benefited since I have been there." <sup>162</sup>
Chief Hudson of Peguis First Nation indicated "Today we face so many cutbacks in terms of government transfers to our First Nations, and our population is growing and surpassing the funding that we receive today. And we want to have the ability to stand and do things for ourselves, as we have always done." <sup>163</sup>
According to Vice Chief Councillor Muswaggon, "this is how benefits should flow. Reverse the cycle of poverty to prosperity. Get my people working as promised." <sup>164</sup>
Moreover, tangible benefits have not been felt by Northern communities despite the existing six hydro-electric projects on the Nelson River. <sup>165</sup>
A grade seven student from York Factory noted "I want good things in this community like a [recreation] centre, a bigger school and a bigger gym and a cleaner community. And I want things to be better here in York Factory First Nation and other communities." <sup>166</sup> Some explained that they wanted to see their children graduate which was something they did not do." <sup>167</sup> Others are more worried overall about the types of resources and services that will be available to the youth in their community. <sup>168</sup> As reported by Anita Campbell, a long-time resident of Thompson: "To some people who ever go home with a conscience, when they go to bed at night, those poor people that suffer out there, the misery, they have to bear that burden, the anger that builds up inside of them because of broken promises." <sup>169</sup>
For one young person the uncertainty of future benefits was compared with the certainty of current environmental harm. A grade 5 student from YFFN expressed: "what I think about the good and bad partnership is the good -- the good is the benefits which will happen when I'm an adult. And when I think about the bad part is when the animals and the fish and caribou, berries and plants, will it be good or will it be destroyed?" <sup>170</sup>

<sup>160</sup> Eunice Beardy, Split Lake, October 8 2013 at p 45; Nepataypo, "Keeyask Hearing", December 9 2013 at p 5484.

<sup>161</sup> Moose, "Keeyask Hearing", December 9 2013 at p 5467.

<sup>162</sup> Moose, "Keeyask Hearing", December 9 2013 at p 5455-6.

<sup>163</sup> Chief Hudson, "Keeyask Hearing", 2013 at Pp 5891-2.

<sup>164</sup> Muswaggon, Keeyask Hearing, December 4 2013 at p 5048.

<sup>165</sup> For instance, Edith Grace McKay of Cross Lake stated, "It saddens me that our people have to live in poverty, go through health issues, when they can't afford, the majority of them are on welfare. Take a drive around our community, go look around, you will see the houses, the overcrowding houses (Edith Grace McKay, Cross Lake, October 9 2013 at p 62)." Ivan Moose of Fox Lake commented, "If you are going to do any more projects, please, come and talk to us and give us some tangible benefits that we can say, yes, we are partners, we will gladly work with you, we will stand side by side, but don't put us behind you. That's all I'm asking (Moose, "Keeyask Hearing", December 9 2013 at p 5474).

<sup>166</sup> Cheryl Flett (grade 7), York, September 26 2013 at p 21.

<sup>167</sup> John Spence Gillam, September 24 2013 at p 51.

<sup>168</sup> Anita Campbell, Keeyask Hearing, December 3 2013 at 4664.

<sup>169</sup> Muswaggon, Keeyask Hearing, December 4 2013 at p 5042.

<sup>170</sup> Pearce Beardy, York Factory, September 26 2013 at p 23.

<b>Damage to the Physical Landscape</b>
Members of Fox Lake and Pimicikamak Cree Nations expressed concerns about the dangers from some of these physical changes: "Before we didn't have hanging ice. After Kelsey was built, because they control the water over there up and down, like what they are doing right now in Kettle, we lost some Tataskweyak people right by the Kettle there. Like they were using the road, our road I guess, the trappers. The whole family fell through the ice, they had dog teams and all that they lost." <sup>171</sup>
Many blame Manitoba Hydro for the negative impacts on the environment and the land. As Mr. Dick affirmed "[t]hey killed the fish and they killed the birds, they even killed the animals. In fact they even killed people." <sup>172</sup> Along the same lines, Donald McKay Sr. from Cross Lake said "I blame Hydro for damaging the water. Damaging our life. Damaging our livelihood." <sup>173</sup> This sense was also described by a grade six student from YFFN who said: "you know what they call Hydro here? Hand your dam resources over." <sup>174</sup>
Along the similar lines, Vice-Chief Councillor Muswaggon stated: "The truth of the matter is this: Our homeland has been turned upside down, the environment has been destroyed, our traditional economies have been destroyed, our social fabric is no longer stable, our waters are no longer healthy to consume, navigable waterways are no longer safe, our animals and fish are no longer healthy, our traditional food chain is affected and it affects our physical and mental health. This dampens our spirit to hopelessness." <sup>175</sup>
Some project dissenters were concerned that the Keeyask Project would cause damage to the land: "Keeyask has and will affect us. We are a traditional Cree family carrying on our Cree culture as our inherent right to do so. From all our commotion from the so-called progress, we are from the land and live with the land and to care for it." <sup>176</sup>
Another participant noted, "Our environment is being affected by these dams and these developments. We all know that." <sup>177</sup>
Project dissenters reflected this view were not limited to the immediate geographic location of the Keeyask Project. One participant noted that "History shows that the project has and will continue to adversely affect Pimicikamak. The impacts will continue to accumulate. Pimicikamak suffers the costs and burdens of this." <sup>178</sup>
<b>Negative impacts on people: Aboriginal treaty rights</b>
Project dissenters also talked about the relationship between treaty rights and their traditional livelihoods. On person noted, "Hunting and fishing and trapping has become extremely difficult since the inception of the projects. And that has a direct effect on the aboriginal and treaty rights of the citizens here as well as the other people up in the North that are part of so called TCN partnerships." <sup>179</sup>
Another participated pointed out that "Hydro is damaging Treaty rights by denying us to hunt and trap and fish, due to the future flooding on the land of Gull Lake..." <sup>180</sup>
Another person noted that "You used to be able to go trapping all around here in Gillam, there used to be a lot of people trapping. They didn't have to go far. So the dam comes up, everything went dry, no more creeks." <sup>181</sup>

<sup>171</sup> Massan, "Keeyask Hearing", December 9 2013 at p 5427.

<sup>172</sup> Samson Dick, September 24 2013 at p 59.

<sup>173</sup> Donald McKay Sr., Cross Lake, October 9 2013 at p 12.

<sup>174</sup> Brandon Beady, York, September 26 2013 at p 23.

<sup>175</sup> Muswaggon, Keeyask Hearing, December 4 2013 at pp 5044-5.

<sup>176</sup> Mazurat, "Keeyask Hearing", November 14 2013 at p 3348.

<sup>177</sup> Charlotte Wastesicoot, Bird, September 25 2013 at p 13.

<sup>178</sup> Muswaggon, "Keeyask Hearing", December 4 2013 at p 5047.

<sup>179</sup> Charles Miller, Cross Lake, October 9 2013 at p 6.

<sup>180</sup> Selena Saunders, Keeyask Hearing, November 14 2013 at p 3287- 8.

<sup>181</sup> Samson Dick, Gillam, September 24 2013 at p 64.

Another important comment was "Hunting, trapping, fishing and gathering were not discussed as merely practices of the past. Many Indigenous peoples in Northern communities continue living off the land as traditional land users." Finally, one person noted that "We still have a lot of animals that we depend on. That is why we can live \$370 each month from welfare."<sup>182</sup>

#### **Negative impacts of people: contested vision or meaning of development**

"Our actions are guided by the customary law *Aski Kanache Pumenikiwin*, which means that the contact of a person must be in accordance to protect *N'tuskenan*, our land, being the waters, land, all life, all creation, our home and our spiritual shelter entrusted to us by *kiche'manitou* for our children for time immemorial. ... Our customary laws also apply to the consideration of proposals of new major developments within our ancestral lands and territories, including to the planning, approval and development and monitoring of hydroelectric projects."<sup>183</sup>

Elder Linklater indicated clearly that many practices in the name of 'development' violated Cree Law: "Stated plainly it is contrary to our customary law to intentionally obstruct the flow of a river and knowingly alter water, fish, animals and habitat, and to knowingly create hardships for human beings that make a living from that land and that water. In accordance with our customary law, we must acknowledge the obligation we all hold to carefully identify and to reconcile the irreversible adverse effects of the diversion and control and damming of our rivers and lakes to produce hydropower. This sacred obligation is expressed in our customary law, *Kwayaskonikiwin*, meaning the duty to restore balance."<sup>184</sup>

Several project dissenters argued that the changing nature of traditional livelihood practises is a direct result of hydro-electric development to the land. Indigenous people in Northern Manitoba must go further and further for hunting, trapping, fishing and gathering.<sup>185</sup>

A group of youth from Fox Lake gave a presentation during the Keeyask hearing and were asked by Chairperson Terry Sargeant "how far do you have to go to get brook trout nowadays?" As a response, the youth indicated that they have to take a six or seven hour train ride and a four or five day canoe ride as it has become very rare to catch brook trout in the Limestone River.<sup>186</sup>

Some project dissenters described the 'way things used to be' as a time in which the land, the animals and people were healthier. At the Gillam Hearing, Samson Dick spoke about gathering berries and medicines, hunting and trapping animals all around Gillam. Put simply, he said: "we used to have everything."<sup>187</sup>

Charlotte Wastesicoot of Bird Reserve said: "And the animals, and the plants, medicines, these were also, we were rich in that area also, abundance of all of these things that Mother Earth had provided for us, for our people wherever they were."<sup>188</sup>

One commentator stated, "We live in a prison of Manitoba Hydro dykes."<sup>189</sup>

<sup>182</sup> Chief Miles, Keeyask Hearing, November 7 2013 at p 2476.

<sup>183</sup> Linklater, "Keeyask Hearing", December 12 2013 at p 6247.

<sup>184</sup> Linklater, "Keeyask Hearing", December 12 2013 at p 6247.

<sup>185</sup> Chair and Wilke, "Keeyask Hearing" December 10 2013 at p 5607.

<sup>186</sup> Chair and Wilke, "Keeyask Hearing" December 10 2013 at p 5607.

<sup>187</sup> Samson Dick, Gillam, September 24 2013 at p 56.

<sup>188</sup> Wastesicoot, Bird, September 25 2013 at p 14.

<sup>189</sup> Disbrowe, Keeyask Hearing November 14 2013 at p 3352.