

Subject	Preamble	Question	Reference	IEC
<p>Consideration of emerging international sustainability criteria, good practice and best practice regarding hydropower projects and specifically, consideration of the criteria applied through the Hydropower Sustainability Assessment Protocol as developed by the Hydropower Sustainability Assessment Council to Typlan's consideration of the socio-economic impacts of the PDP. http://www.hydrosustainability.org/Protocol/Documents.aspx</p>		<p>Did Typlan consider the sustainability criteria, good practice and best practice as set out by the Hydropower Sustainability Assessment Protocol to the consideration of the socio-economic impacts of the PDP.</p> <p>If so, please explain in detail how such consideration of such sustainability criteria, good practice and best practice is reflected in Typlan's report.</p>	<p>Our review identified ten (10) provincial utility criteria/measurers, specific to optimizing economic benefits for First Nations and northern communities." (Typlan, p. iii) Non Manitoba Hydro References. C. 8, p. 81, Appendix A, p. 83</p>	<p>The Hydropower Sustainability Assessment Protocol confirmed that the Keeyask Project meets or exceeds basic good practice in all of 22 categories studied. Further Keeyask meets proven best practice on 16 categories, except with proven best practice for Public Health (2 gaps), and one gap identified for hydrological , infrastructure safety, economic viability, procurement, labour and working conditions. We note that a number of concerns are resultant from the differences associated in "timing" associated with responding to such gaps technically, for example we are currently working on a public safety and dam safety plan (infrastructure gap) post EA hearing on another project in Canada .</p>
<p>Consideration of emerging international sustainability criteria, good practice and best practice regarding hydropower projects and specifically, consideration of the potential significant potential adverse health implications of the Hydro preferred plan as identified and discussed in the document Official Assessment: Keeyask Hydropower Limited Partnership; Prepared for Keeyask Hydropower Limited Partnership, Rydgren, B., Khalil, A., Smith, D., and Hartmann, J. (2012). http://www.hydrosustainability.org/IHAHydro4Life/media/ProtocolAssessments/PDF%20Reports/KeeyaskOfficial-Assessment-18-July-2013.pdf?ext=.pdf</p>	<p>Throughout the short/medium term the Keeyask Generating Project would generate significant socio-economic benefits for the people of Manitoba, First Nations and northern communities and if not pursued such benefits would be forgone, inclusive of the sunk costs already allocated to the Keeyask Generating Project. (Typlan, vii)</p> <p>In their preliminary assessment of the health implications of Keeyask, Rydgren <i>et al</i> (IHA) stated:</p> <p>KHLP has assessed the public health impacts of Keeyask comprehensively through the EIS and a peer-reviewed assessment of impacts on raised levels of methyl mercury, and the assessment has taken broad considerations into account through a broad definition of public health and assessment in KCN Environmental Evaluation reports. Plans to manage public-health impacts concern the management of worker interaction, natural-foods access and emotional support programmes as part of KCN AEAs, and the provision of improved services and communications materials related to health. Stakeholder engagement in the identification of issues and management plans has been extensive, with both affected communities and health- services professionals. However, owing to the seriousness and intractability of the public- health issues facing KCN communities, there remain significant risks of adverse impacts or at least a failure to enhance pre-project health conditions. KHLP is yet to develop processes to respond to an increased severity of health conditions arising from Keeyask's development, or plans to support health services to seek an improvement to significant pre-project health issues.</p> <p>There are two significant gaps against proven best practice, resulting in a score of 3. Topic Score: 3 (emphasis added)</p> <p>Analysis against proven best practice</p> <p>... There is a risk that the incidence of non-communicable diseases – especially alcohol and drug abuse and related physical and sexual violence, and mental health problems – rises as a result of Keeyask, despite the prevention measures outlined above. In this event, it will be the responsibility of the statutory health service providers to respond with appropriate health services. Manitoba Hydro works with the Northern Health Region (NHR), through meetings, assistance to recruitment and retention, flying in specialist services, and a new Wellness Centre in Gillam. In addition MH has stated that they plan to have ongoing communication with local service providers (e.g</p>	<p>What consideration was given by Typlan to the discussion and findings regarding potential adverse impacts to public under the Assessment conducted by Rydgren, B., Khalil, A., Smith, D., and Hartmann, in accordance with the Hydropower Sustainability Assessment Protocol?</p> <p>If so, please explain how the health conclusions of the Assessment results were incorporated into and reflected in Typlans report.</p>	<p>Rydgren, B., Khalil, A., Smith, D., and Hartmann, J. (2012). Official Assessment: Keeyask Hydropower Limited Partnership. Prepared for Keeyask Hydropower Limited Partnership. http://www.hydrosustainability.org/IHAHydro4Life/media/ProtocolAssessments/PDF%20Reports/KeeyaskOfficial-Assessment-18-July-2013.pdf?ext=.pdf</p>	<p>Our review considered regulatory requirements as defined by, and in context to, the Canadian Environmental Assessment Act (CEAA) and current best practices observed in Canada as per the scope of work. While the best practices in the Hydro Assessment Sustainability Assessment Protocol are prudent, we note extensive monitoring proposed in the EIS, as part of the construction management plans and ongoing socio-economic management plan (SEMP), other monitoring Manitoba Hydro has committed to, and adverse effects agreements (AEA) are set in place to deal with such issues. We also note as does the Sustainability Report that in Manitoba "a strong regulatory environment in which both federal and provincial authorities have requirements for multiple socio-economic assessment and investigations" such as the Northern Health Region for example, regarding delivery of helath services to address identified residual effects.</p>
<p>Consideration of emerging international sustainability criteria, good practice and best practice regarding hydropower projects and specifically, consideration of the benefit sharing framework for hydropower projects as developed by the World Bank as expressed in the World Bank document, <i>A guide for local benefit sharing in hydropower projects</i>, Wang, Chaogang. 2012, and related supporting materials. http://documents.worldbank.org/curated/en/2012/06/16465910/guide-local-benefit-sharing-hydropower-projects</p>		<p>In preparing its report on the PDP, please confirm whether Typlan considered the following World Bank documents:</p> <p>World Bank. 2009. <i>Enhancing development benefits to local communities from hydropower projects : a literature review</i>. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/2009/05/16461317/enhancing-development-benefits-local-http://documents.worldbank.org/curated/en/2009/05/16461317/enhancing-development-benefits-local-communities-hydropower-projects-literature-reviewcommunities-hydropower-projects-literature-review</p> <p>World Bank. 2009. <i>Enhancing development benefits to local communities from hydropower projects : technical workshop</i>. Washington, DC: World Bank. http://documents.worldbank.org/curated/en/2009/05/16461385/enhancing-development-benefits-local-http://documents.worldbank.org/curated/en/2009/05/16461385/enhancing-development-benefits-local-communities-hydropower-projects-technical-workshopcommunities-hydropower-projects-technical-workshop</p> <p>Wang, Chaogang. 2012. <i>A guide for local benefit sharing in hydropower projects. Social development papers : no. 128. Social sustainability and safeguard</i>. Washington, DC: World Bank Please provide a quantitative estimate of the potential materiality of the above referenced issue. In particular, does TyPlan consider this issue to be of such importance that it might affect the conclusions or recommendations of TyPlan's analysis? If not, why not and on what basis?</p>	<p>Our review identified ten (10) provincial utility criteria/measurers, specific to optimizing economic benefits for First Nations and northern communities." (Typlan, p. iii)</p> <p>Non Manitoba Hydro References. C. 8, p. 81, Appendix A, p. 83,</p>	<p>Firstly, a point of clarification the document is specific to Bank financed projects. The term benefit sharing refers to systematic effort to enhance development benefits, particularly to local communities. EIS defines local study area in which project effects are anticipated, other agencies in Manitoba are responsible for infrastructure and the JKDA took 8 years to establish.</p>
<p>Socio-Economic Impact Review</p>	<p>While the information used to calculate economic impacts was available at a detailed level for the PDP, the data used to calculate the economic impact of the gas turbine projects was only available in summary form."</p>	<p>Please provide a quantitative estimate of the potential materiality of the above referenced issue. In Section 3.2.2, page 16 particular, does TyPlan consider this issue to be of such importance that it might affect the conclusions or recommendations of TyPlan's analysis? If not, why not and on what basis?</p>		<p>41 expenditure categories were provided for the PDP only 6 for the gas plans. The level of costs provided has an impact on the accuracy of the results of the economic modeling. The costs provided for gas were done in enough detail to undertake a high level comparison</p>
<p>Socio-Economic Impact Review</p>	<p>Proper categorization of expenditures to IO commodities can have a significant impact on the modeling results. The allocation of cost input data into the IO expenditure categories is dependent upon MH's and the modellers' understanding of how construction costs are allocated to the expenditure categories... A review of the allocations indicates that a number of capital cost allocations may have been miscoded, and clarification from MH would be required."</p>	<p>Please provide a quantitative estimate of the potential materiality of the above referenced issue. In Section 3.2.3.2, page 19 particular, does TyPlan consider this issue to be of such importance that it might affect the conclusions or recommendations of TyPlan's analysis? If not, why not and on what basis?</p>		
		<p>TyPlan recommends that further clarification from MH is required. Please recommend the exact regulatory process and timing by which MH would provide this clarification. For instance, should this information be filed as soon as possible as an errors and omissions addendum to the MH application? Should it be filed as part of some future process, and if so, what would that process be?</p>		

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Socio-Economic Impact Review	While such programs are prudent, continued effort and focus should be considered to ensure such programs, and related benefits are optimized	<p>In making the above recommendation, please clarify TyPlan's view as to the roles and responsibilities – particularly over the life of the proposed project – of both MH and the PUB in ensuring "continued effort and focus" on energy efficiency and reduction initiatives for low income and fixed income households.</p> <p>Please describe the method by which TyPlan would calculate and define "rate shock" for low income and fixed income customers.</p>	Section 4.3, page 47	Please define "Rate Shock". The TyPlan report acknowledged that low income and those on fixed income would be most affected. Mitigation via programs as part of energy efficiency programs (Power Smart) for low incomes is how rate impacts can be managed. It will also be dependent upon Manitoba Hydro's ability to make such programs accessible, understood and utilized as well as the public's ability to implement.
Socio-Economic Impact Review	As noted the net present value of any project with future costs and benefits crucially depends on the discount rate chosen ... (s)upporting references suggest that the social cost of capital can range from 5-7.3 % (as outlined in Chapter 13 Page 5 of 74), 6% is used as the mid-point between such variations."	<p>Has TyPlan itself conducted any studies on the subject of socio-economic impacts of electric rate increases, particularly the impacts on low and fixed income households and the effectiveness of mitigation strategies for these households. If so, please summarize TyPlan's findings and provide a copy of those studies.</p> <p>Please discuss whether the conclusions and recommendations of the TyPlan report are materially affected by a discount rate of either 5.0% or 7.3%.</p> <p>If the response to part (a) is affirmative, then please fully discuss how TyPlan's conclusions and recommendations would change.</p> <p>If the response to part (a) is affirmative, then please provide TyPlan's own complete and fulsome analysis to confirm the reasonableness of a 6.0% discount rate.</p>	Section 5.2.1, page 51	<p>The discount rate chosen has a significant impact: higher the rate less attractive the project</p> <p>Regarding MA-BCA overall change would affect all options considered pending rate used. This would further analysis. In the NFAT Burgess and Zerbe calculated a discount rate range between 6.6% to 7.3% real based on their estimates of the social opportunity cost of capital in US markets. Moore et al. suggests that the rate is to high and estimate the social opportunity cost of capital to be 5% real. The 6% rate is roughly mid-point between these estimates. The 6% rate is more consistent with a provincial Ministry perspective than the somewhat higher rate than Burgess and Zerbe might suggest. Site C based on a real discount rate of 5.5 to 6%</p>
Socio-Economic Impact Review	As the current PDP has greatest impacts on customers in the short term, one possible means of addressing this issue with rate payers would be to consider changing the 75:25 debt/equity ratio within 20 years. Rate impacts should not only be discussed, but also fully understood by Manitobans regardless of which plan is considered."	<p>In making the above recommendation, please clarify TyPlan's view as to the roles and responsibilities – particularly over the life of the proposed project – of both MH and the PUB in ensuring rate impacts are discussed and "fully understood by Manitobans."</p> <p>In making the above recommendation, please clarify TyPlan's view as to the urgency which the PUB should review the appropriateness MH's debt/equity ratio, particularly as it relates to the effect on rates and the socio-economic impact of this project.</p> <p>Is TyPlan aware of any other options, methods or strategies for levelizing rate impacts over the life of the project so as to improve intergenerational equity? If so, please describe these options and indicate possible regulatory processes and timing by which the PUB could further investigate the merits of these options.</p>	Section 5.2.2, page 53	Any flexibility to alleviate proposed rate increases on rate payers, especially those on low income and fixed income should be considered by the PUB. I cannot comment on the feasibility from a financial perspective.