

Needs For and Alternatives To

**APPENDIX 2.2**

**Joint Keeyask Development Agreement - Benefits  
Summary**

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## **Joint Keeyask Development Agreement – Benefits Summary**

The following is a summary of the various benefits to the Keeyask Cree Nations (KCNs) as per the Joint Keeyask Development Agreement (JKDA).

### **Adverse Effects**

Adverse Effects Agreements have been negotiated with the KCNs. These agreements provide for mitigation measures, community based programming and cash compensation to avoid, offset or compensate for anticipated project effects. Compensation agreements are also negotiated in advance of project construction for any potential commercial losses.

Community specific Adverse Effects Agreements are filed on the Keeyask Hydropower Limited Partnership website<sup>1</sup>.

### **Pre-Project Training**

To prepare Northern Aboriginal people for jobs on the proposed Wuskwatim and Keeyask hydroelectric projects, Manitoba Hydro along with the Provincial and Federal Governments, funded a \$60 million pre-project training initiative. During the period 2001 to 2010, the KCNs received \$33.75 million of these funds to train their members. Various training activities were undertaken, including designated and non-designated trades, construction support and non-occupational programs.

### **On-the-job Training**

On-the-job training (OJT) opportunities have been identified for contracts throughout the project. As the KCN reside within the first hiring tier of the BNA hiring preferences, the first preference for OJT opportunities is given to KCN members. Currently, there are eight OJT programs with 87 trainee opportunities for Keeyask Infrastructure Construction

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<sup>1</sup> <http://keeyask.com/wp/the-partnership>

### **Business Opportunities during Construction**

The KCNs have the opportunity to negotiate up to \$203.1 million of direct negotiated contracts (DNC) related to the Keeyask project. Currently, Manitoba Hydro has identified DNC opportunities for the following areas of work, including: Catering; Camp Maintenance Services; Security Services; Employee Retention and Support Services; First-Aid Services; Start-Up Camp – Site Preparation & Development; Main Camp – Decommissioning; North Access Road Construction (Part A); North Access Road Construction (Part B); South Access Road Construction; Forebay Clearing; Painting and Architectural Finish; Rock and Unclassified Excavation; Crushing; Septic; Material; Worksite Area Site Development; Bridge Install; and, KIP Construction Power Clearing. In addition, to these identified work packages, as the planning for the project progresses, where reasonable, Manitoba Hydro will continue to assess the feasibility of further work packages.

Open competitive tenders include the provision of a bid depository mechanism that permits each KCN and/or KCN Business to submit a subcontract bid for consideration by interested Proponents; providing additional opportunity to participate in the work related to the planning or construction of the Keeyask Project.

All successful proponents of open competitive tender work packages are provided a listing of Keeyask Cree Nations and KCN Businesses available to do sub-contract work on the Keeyask project within 10 days of the award of a contract.

### **Employment during Construction**

Preference measures are included in the Burntwood-Nelson Collective Agreement for employing qualified KCN members. KCN members will have opportunities to work for Manitoba Hydro directly, for contractors on the project site and within the communities in various capacities. The construction target agreed to in the JKDA is 630 person years of employment.

Individual job seeker Managers, in each of the KCN communities, assists in facilitating with the registration and recruitment of their community members under the Job Referral System (JRS). The JRS is funded by Manitoba Hydro and managed by the Government of Manitoba Entrepreneurship, Training and Trade.

An Advisory Group on Employment, with participation from each of the KCN communities, to monitor and address concerns about the referral and hiring process for jobs on the work site, will be established.

### **Employment in Manitoba Hydro Operations**

Manitoba Hydro and the KCNs have agreed to a 20 year target for the employment of 182 members of the KCNs in Manitoba Hydro's ongoing operations. The funding quantum agreed to in the JKDA for this initiative is \$20 million and the 20 year period is 2009 – 2029.

### **Transition and Implementation Funding**

Process funding is provided to the KCNs to enable them to participate in the planning and construction phases (design and development) of the projects. It is a benefit to the communities as it funds salaries for KCN members, participation costs for members serving on project and partnership committees and communication activities that help keep members apprised of project progress, activities and issues.

Transition funding commenced upon the signing of the JKDA (2009) and continues until construction of the Keeyask Generating Station begins (anticipated to be mid-2014). Transition funding amounts are determined based upon the project schedule and associated activities. Implementation funding commences when construction of the Keeyask Generating Station begins (anticipated to be mid-2014) and concludes when the project is complete. The Implementation funding quantum negotiated as part of the JKDA is \$11.23 million, adjusted annually for inflation.

### **Project Revenue**

The KCNs have the opportunity to own up to 25% of the Keeyask Partnership, either as common or preferred equity owners. Project revenue will be based upon the type and percentage of ownership and a number of other factors, including project capital costs and energy export prices.

### **Keeyask Governance**

The Keeyask HydroPower Limited Partnership (KHLP) has been established to carry on the business of the Partnership. Decisions of the KHLP are decisions taken by the Board of Directors (the Board) of a wholly-owned Hydro subsidiary General Partner corporation. The General Partner enters into various agreements and contracts with Hydro on behalf of the KHLP. Each KCN will be entitled to have the following number of representatives appointed to the Board: Tataskweyak Cree Nation(2), War Lake First Nation (1), York Factory First Nation (1) and Fox Lake Cree Nation (1). For so long as a KCN has representation on the Board, Hydro agrees to cause meetings of the Board to be called at least quarterly during the construction period and at least twice every year at all other times, unless the KCNs and Hydro otherwise agree.

Several committees will be established for the Keeyask Project, all of which include representatives of the KCNs. The committees are the Construction Advisory Committee (CAC), Monitoring Advisory Committee (MAC) and Advisory Group on Employment (AGE). The MAC and CAC report to the KHLP and the AGE reports to Hydro acting as Project Manager. Through these committees the KCNs will be kept apprised of Project construction and monitoring activities as well as employment related matters. They will also have opportunities to provide input into Project related activities, including adaptive management and public and regulatory reporting materials. The meeting frequency for the committees will range from monthly to quarterly.