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TSX Venture Exchange: AKH

May 31, 2022

Attn: Andrea Raska, Project Manager
Pacific and Yukon Region
Impact Assessment Agency of Canada
210A – 757 West Hastings Street
Vancouver, BC, V6C 3M2
By email only to: Andrea.raska@canada.ca

Dear Andrea Raska,

Re: Request for Extension to the three-year time limit to submit required information and studies under the *Canadian Environmental Assessment Act, 2012* for the More Creek Hydroelectric Project

Thank you for your letters dated March 15 and May 24, 2022, reminding Alaska Hydro Corporation (“AHC”) of the August 28, 2022, deadline (the “**Deadline**”) for AHC to submit the information and studies required under the Environmental Impact Statement Guidelines for the proposed More Creek Hydroelectric Project (the “**Project**”) to the Impact Assessment Agency of Canada (“IAAC”). AHC understands that failure to submit the required information and studies to the IAAC by the Deadline will result in the Project environmental assessment (“EA”), initiated under the *Canadian Environmental Assessment Act, 2012*, being transitioned to the *Impact Assessment Act, 2019*. AHC writes to request an extension of the Deadline to **August 28, 2025**. The following information is provided in response to your letter dated June 18, 2021, which outlined the information required by IAAC to assess such extension requests.

AHC’s reasons for requesting an extension of the Deadline

AHC requests an extension of the Deadline to **August 28, 2025** to account for time lost due to the inactivity of the British Columbia Environmental Assessment Office (the “EAO”) since early 2020.

As you are aware, the Project is subject to a provincial EA administered by the EAO in addition to the federal EA being administered by the IAAC. The EAO and IAAC are taking a coordinated approach, with the provincial EAO leading the Project EA. The provincial Project EA was initiated under the former BC *Environmental Assessment Act* of 2002 (the “**Old BC Act**”), and a process order (the “**Process Order**”) was issued under section 11 of the Old BC Act on December 9th, 2019, which outlined the scope, procedures, and methods for the provincial Project EA. The EAO gave AHC until December 16th, 2022 (the “**December 2022 BC Transition Deadline**”), to

complete the provincial EA under the Old BC Act in accordance with the Process Order. The EAO instructed AHC that failure to complete the provincial Project EA by the December 2022 BC Transition Deadline would result in the Project EA being transitioned to the new BC *Environmental Assessment Act* of 2018 (the “**New BC Act**”), entailing procedural setbacks to AHC and regressing the Project EA.

Despite AHC’s attempts to progress the Project EA in advance of the December 2022 BC Transition Deadline, the Project EA has been at a standstill since early 2020 due to the EAO’s inactivity. The EAO imposed a \$75,000 application fee and refused to process any of AHC’s EA application materials until its payment, which AHC has not done to date. The EAO has been accruing interest on AHC’s account for failure to pay the outstanding \$75,000 balance. AHC also abstained from travelling to Tahltan traditional territory for EA studies during the COVID-19 pandemic, which was consistent with the Tahltan Central Government (the “**TCG**”) advisory against non-essential travel to the area. The EAO has not provided AHC with an adequate remedy for these delays, and AHC disputes the legitimacy of the EAO’s accrual of interest to AHC’s account without providing AHC with any service or material benefits in return.

AHC has requested that the EAO extend the December 2022 BC Transition Deadline by an amount of time equal to the length of EAO’s inactivity on the file. AHC is committed to paying the \$75,000 fee to the EAO upon receipt of such an extension. Further, AHC is now requesting that the IAAC extend the federal EA Deadline to **August 28, 2025** to reflect the extra time sought in the provincial EA. AHC believes that the EAO’s inaction on the Project EA constitutes exceptional circumstances justifying the extension of federal and provincial statutory EA timelines.

Changes to the Project or the Project location’s environment that may affect the EA

Since finalization of the federal EA Project Description in 2016, the anticipated dam structure for the Project has been revised to follow the recommendations of a technical study completed by Golder Associates. Instead of the roller compacted concrete gravity structure dam originally proposed, AHC is now proposing to advance the Project with a concrete arch dam spanning the width of the More Creek canyon. The Project is now proposed to store water at the head of the More Creek canyon using a concrete arch dam with a dam crest height of 500 m AMSL (revised from a roller compacted concrete gravity structure dam of the same crest height). The anticipated size of the water storage reservoir will be approximately 2690 ha (revised from 2680 ha) at full operating level with a live storage (usable) volume of approximately 870 million m³. The revised dam location is now proposed to be 400 m downstream from the originally proposed location. The following is a summary of the Project as it is currently proposed:

Power Output	75MW
Energy Output	306 GW-hr/yr
Max Diverted Flow	80 m ³ /s
Gross Head	118 m
Reservoir Elevation	498 m AMSL

Powerhouse (tailwater elevation)	~380 m AMSL
Power Tunnel/Penstock Length	1000 m
Powerline Length / Voltage	13 km / 138 kV
Intake Structures	Dam / Spillway / Integral Chute / Intake

AHC knows of no material changes to the environment at the Project location which may affect the EA.

Indigenous and public engagement

AHC is keen to understand the interests and concerns of the Tahltan Nation, as represented by the TCG, and seeks to discuss the Project in more detail with the TCG. AHC tried to engage the TCG regarding the Project with letters dated June 18, 2018, January 5, 2019, January 30, 2019, and May 16, 2019. These letters, along with a May 31, 2019, email to TCG Lands Director Nalaine Morin and a July 5, 2019, email to TCG President Chad Day have mostly been unanswered and have not resulted in meaningful discussions about the Project. AHC's most recent communication with the TCG was a letter dated September 17, 2019, which affirmed AHC's commitment to collaboration with the TCG and outlined AHC's then-current estimation of Project timelines. This letter went unanswered.

In light of AHC's difficulty establishing communications with the TCG, AHC hoped that the EAO would support and assist AHC's Indigenous engagement efforts upon the initiation of the provincial EA and the issuance of the Process Order in December 2019. Unfortunately, the EAO's refusal to process any of AHC's EA materials, including AHC's proposed Indigenous consultation plan, exacerbated AHC's difficulty establishing communications with the TCG. As a result, AHC has not had meaningful Project discussions with the TCG since before 2019.

AHC hopes to strengthen its relationship with the Tahltan Nation by seeking to reach consensus on Project matters. Understanding the Tahltan Nation's concerns with respect to the Project and developing equitable solutions with the Tahltan Nation is a top priority for AHC. AHC has proposed a resumption of Project discussions with the TCG with the aim of outlining a framework and set of principles by which Project dialogue and collaborative decision-making can proceed. AHC's request to extend the Deadline to **August 28, 2025** is informed by AHC's desire to dedicate the time needed to build a strong, collaborative relationship with the TCG guided by shared prosperity.

No material public engagement has occurred to date.

Documentation demonstrating the advancement of the EA since 2016

The Process Order (attached to the same email as this letter) was issued by the EAO on December 9, 2019. AHC's work towards reaching this statutory milestone demonstrates AHC's commitment to progressing the Project EA. As described above, however, the Project EA has been in abeyance since then owing to the EAO's inactivity and is now at risk of being regressed.

Work plan

As discussed above, progress has halted since the Process Order was issued. However, Table 1 (attached to the same email as this letter) provides a detailed proposed timeline for AHC's advancement of the Project EA, pending receipt of the requested extension to the Deadline by the end of August 2022. AHC expects to provide a detailed work plan following receipt of the requested extension.

Impact of COVID-19 on the advancement of the EA

AHC has faced multiple hurdles posed by the COVID-19 pandemic which have stunted efforts towards participation in the environmental assessment process. Chief among them have been the significant added difficulty of conducting *in-situ* studies and investigations over the past two years at the Project site, a remote area typically requiring air travel and long-distance driving to access, due to the strong urgings of provincial and federal health authorities to reduce domestic travel and suspend travel between provincial health regions. The TCG, publicly opposed to non-essential travel within their traditional territory during the pandemic, also issued a travel advisory (available [here](#)) discouraging travel to the Project site. Moreover, when coupled with policies discouraging international travel over the past two years, this reduced site access has affected AHC's ability to attract investment necessary to fund environmental assessment activities and capitalize the Project because of the preference of potential investors to conduct on-site due diligence before committing funds.

The date of **August 28, 2025** is proposed as a new Deadline to compensate for time lost between the outbreak of the COVID-19 pandemic in March 2020 and the time required for the public health emergency posed by COVID-19 to subside. This proposed new date includes contingency planning to account for unpredictable future COVID-19 related delays. This proposed new date also compensates for work started in 2020 which was suspended before completion and must now be re-done, including solicitation of proposals from consultants for environmental studies.

Additional relevant information

Despite impediments to the advancement of the Project EA, AHC remains committed to securing regulatory approval for the Project. In light of the BC Government's CleanBC renewable energy and electrification strategy (available [here](#)), recent development trends in the mining and natural gas industries in northern BC showcase the need for reliable and localized clean energy generation capacity of the type to be offered by the Project. This is vital for both energy supply and grid stabilization in northern BC, factors expected by AHC to become increasingly relevant as the decade progresses. The Canadian Government's recently released Hydrogen Strategy for Canada (available [here](#)) further highlights the urgent need for Canadian jurisdictions to reduce their carbon emissions. Particular attention is paid in the Hydrogen Strategy for Canada to the vast potential to harness the low-carbon generation capacity of BC's hydroelectric resources of the type contemplated for development by AHC through the Project.

AHC firmly adheres to the belief that the Project is in the public interest of both Canada and the province of BC. AHC is of the opinion that the Project ranks highly on numerous social, economic,

and physical criteria and is truly among the best proposed projects of its kind in BC. AHC remains committed to the regulatory approval and development of the Project and looks forward to a continued and constructive relationship with the IAAC.

AHC kindly requests that the IAAC provide a detailed written response to this letter. Please do not hesitate to direct any questions, communications, or requests for further discussion to the undersigned. Thank you for your consideration.

Sincerely,

A black rectangular redaction box covering the signature of Cliff Grandison.

Cliff Grandison

President, Alaska Hydro Corporation

Phone: (604) 929-3961

Email: cgrandison@telus.net

cc: Kim Walters, Executive Project Director, EAO (kimberly.walters@gov.bc.ca)

Wildlife and wildlife habitat studies require a minimum of two years of seasonal investigations prior to the submission of the EIS. Seasonal investigations will ensure that vegetation and wildlife that may use the area during specific times of the year are documented. Studies of wildlife and wildlife habitat will include riparian, wetland, and terrestrial environments.

Geology and Geomorphology Studies

Preliminary geology and geomorphology studies will be conducted early in the Project's EA studies. More in depth geomorphology studies will be scheduled following the recommendation of the preliminary site visits and assessments.

Community Consultation

Indigenous, public, and other stakeholder consultation and engagement is integral to the Project. Therefore, the first year of EA studies will put a primary focus on informing the local Indigenous groups, communities, agencies, and other stakeholders about the Project and soliciting their feedback.