

From: Scarr, Matthew EAO:EX <Matthew.Scarr@gov.bc.ca>

Sent: Friday, March 28, 2025 1:48 PM

Subject: Response to PRRD March 20, 2025 Letter Regarding BC Hydro's Amendment Application EAC#E14-2

Dear Leonard Hiebert, Chair, Peace River Regional District:

Thank you for your March 20, 2025, letter regarding BC Hydro's Amendment Application for the Site C project. I am writing to share the attached response from BC Hydro and to respond to your request on behalf of the Environmental Assessment Office (EAO).

I understand that the PRRD Board passed a resolution regarding BC Hydro's proposed amendment to the Environmental Assessment Certificate of the Site C project, regarding increased generating capacity. The resolution requests that the EAO require BC Hydro to increase their funding under the Site C Regional Legacy Benefit Agreement (RLBA) in proportion to the increased generating capacity of the Site C generating station.

The EAO reviewed your request to include this condition in the EAC and, based on the factors outlined below, considers the matter to be beyond the scope of the EAO's amendment review process. The Site C Environmental Assessment Certificate does not include a condition requiring the proponent to financially compensate for population and service impacts through agreements with local governments. Additionally, the proposed amendment does not alter the project's impacts, valued components, or assessment matters previously considered by the EAO. Therefore, the EAO does not find this condition warranted and is unable to require it as part of the amendment process.

I encourage the PRRD to engage directly with BC Hydro should you wish to further discuss this issue.

Thank you for your attention to this matter. Please feel free to reach out if you have any further questions or require additional information.

Best regards,

Matt Scarr

Project Assessment Director
Environmental Assessment Office
Government of British Columbia
Mobile: 250-812-5897

[Twitter.com/BC_EAO](https://twitter.com/BC_EAO)



The EAO respectfully acknowledges that it carries out its work on the territories of First Nations throughout British Columbia.

March 27, 2025

BC Environmental Assessment Office
2nd Floor, 836 Yates Street
P.O. Box 9426 Stn Prov Govt
Victoria, BC V8W 9V1
Attention: Matthew Scarr, Project Assessment Director

Dear Matthew Scarr:

Response to Peace River Regional District March 20, 2025 Letter, regarding BC Hydro's Increased Installed Capacity Amendment Application

Thank you for sharing the Peace River Regional District's (PRRD) March 20, 2025 letter, submitted to the Environmental Assessment Office (EAO) in response to our application to amend the installed capacity of the Site C generating station. In the letter, the PRRD requests that the EAO add a condition to the Project's Environmental Assessment Certificate (EAC) that would require BC Hydro to increase their payment of the Site C Regional Legacy Benefit Agreement (RLBA) in equal proportion to the increased generating unit capacity. We have reviewed the PRRD's letter and do not support their request for the reasons set out below.

Signed in 2013, the RLBA is a 70-year agreement between the PRRD and BC Hydro which recognizes the PRRD's contribution to hosting the Site C Project (the Project). The agreement provides stable, predictable long-term benefits that will leave the region better-off after construction of the Project has been completed (see attached). The RLBA was signed outside of the environmental assessment process and is not a condition of the Project's EAC. The amount set out in the RLBA is not based on the capacity of the Site C generating station or BC Hydro revenue.

Per the terms of the RLBA, BC Hydro will pay \$2.4M annually to the PRRD once the Site C generating station is operational. BC Hydro's payment will be adjusted annually, averaged for the preceding 12 months by the BC Consumer Price Index as published by Stats Can, beginning in the second year of payment. BC Hydro will make its first RLBA payment to the PRRD by April 15, 2025. The PRRD is responsible for the annual disbursement of BC Hydro's annual payment to member communities.

In addition to the RLBA, BC Hydro has paid \$1.4M to the PRRD in accordance with our signed community agreement dated May 8, 2024. The purpose of this agreement is to mitigate the Site C Project's impacts on the community (referred to as the "population and service impacts" in the PRRD's March 20 letter). In the community agreement, the PRRD acknowledges and agrees that all community issues, concerns, and actual or potential impacts of the Project on the PRRD have been fully addressed and compensated by BC Hydro, and that the PRRD will not seek other or further payments. A copy of this agreement is attached for reference. BC Hydro also holds community agreements with the District of Chetwynd, District of Hudson's Hope, District of Taylor, and the City of Fort St. John.

Finally, we note that BC Hydro makes other payments for the Project through taxes and payments in lieu of taxes. The value of these payments is determined by the Province. The Ministry of Finance may consider the increased capacity of the Site C generating station in their

calculation of BC Hydro's annual grants to the PRRD in lieu of tax (GILT) payments. We recommend the PRRD contact the Ministry of Finance if they have questions regarding the determination of the GILT payment based on capacity.

I trust you find the above information helpful. Please don't hesitate to contact me if you have any questions.

Regards,



Karen von Muehldorfer
Regulatory Manager, Site C

Cc: Shanna Mason, Environment, Regulatory, Community & Properties Director, Site C
Greg Scarborough, Environmental Mitigation and Monitoring Manager, Site C

TERM SHEET
REGARDING A SITE C REGIONAL LEGACY BENEFITS AGREEMENT

BETWEEN

BC HYDRO AND POWER AUTHORITY
(“BC Hydro”)

AND

PEACE RIVER REGIONAL DISTRICT

AND

District of Chetwynd

AND

City of Dawson Creek

AND

City of Fort St. John

AND

District of Hudson’s Hope

AND

Village of Pouce Coupe

AND

District of Taylor

AND

District of Tumbler Ridge

(the “Region”)

Background

BC Hydro is proposing to develop and construct the Site C Clean Energy Project (the “Project”). The Project is currently undergoing a federal and provincial environmental assessment process, including a review by an independent Joint Review Panel. The project has the opportunity to provide benefits to local communities, the Peace Region and the Province as a whole.

BC Hydro has committed to meaningful engagement of communities in addition to consultation throughout the environmental assessment process. In addition, BC Hydro is committed to constructing the project to meet international and Canadian industry standards for quality and safety.

BC Hydro is engaged in discussions regarding individual agreements with communities for the identification and mitigation of potential effects of the Project. While these mitigation initiatives and other related commitments may proceed immediately and/or through the construction period, BC Hydro and the Region (the “Parties”) have agreed to take a regional perspective regarding additional ongoing legacy benefits once the Project is in operation. These discussions have been informed by a Peace River Energy Benefit Position Paper, developed by the Region and presented to BC Hydro on October 17, 2012 in addition to a request by the Region for BC Hydro to negotiate legacy benefits collectively through the PRRD.

A Site C Regional Legacy Benefits Agreement is intended to recognize the Region's contribution to hosting the Project, contribute to the longer-term self-sufficiency of the communities and the region, and to provide stable, predictable long-term benefits to the region and to leave the region better-off after construction.

Objective

The objective of this Term Sheet is to set out the substantive terms developed through discussions between representatives of the Parties regarding a Regional Site C Legacy Benefits Agreement.

It is agreed that these terms will be presented for review and approval by the Board of BC Hydro and the Board of the Peace River Regional District.

Legacy Benefits

BC Hydro will pay \$2,400,000 by April 15 of each year once the Project is operational. This amount will be adjusted annually, averaged for the preceding 12 months by the BC Consumer Price Index as published by Stats Can, effective beginning in the second year of payment.

The first payment will be calculated from the first month of power generation and prorated to the end of the calendar year, with the full CPI indexing to apply for the second year of the benefit and funded as per this agreement.

All payments will be made by BC Hydro to the PRRD.

Payments will be made annually over 70 years once the Project is operational (anticipated to be 2022 to 2092).

These benefits are in addition to any taxes and payments-in-lieu of taxes that may be paid by BC Hydro in relation to the Project. These benefits are also in addition to community specific agreements that may be entered into related to mitigation measures for specific effects of the project as determined by the Environmental Assessment Process.

Regional Allocation of Benefits

Benefits will be administered by the PRRD. The benefits will be allocated to the member jurisdictions, according to a formula established by the PRRD and its member communities, and to be set out in an Appendix to the Agreement. The funds allocated to each jurisdiction may be utilized for purposes determined by each jurisdiction at its sole discretion.

Certainty of Agreement

Both parties recognize that, through the proposed Site C Regional Legacy Benefits Agreement, BC Hydro and the Province of BC can be assured that the regional shared benefit issues of the Region are resolved.

Dated this day of , 2013.

[Redacted]

PEACE RIVER REGIONAL DISTRICT
Karen Goodings, Chair

[Redacted]

BC HYDRO AND POWER AUTHORITY
Susan Yurkovich
Executive Vice-President, Site C Clean Energy
Project

[Redacted]

District of Chetwynd
Merlin Nichols, Mayor

[Redacted]

Village of Pouce Coupe
Larry Fynn, Mayor

[Redacted]

City of Dawson Creek
Mike Bernier, Mayor

[Redacted]

District of Taylor
Fred Jarvis, Mayor

[Redacted]

City of Fort St. John
Lori Ackerman, Mayor

[Redacted]

District of Tumbler Ridge
Darwin Wren, Mayor

District of Hudson's Hope
Gwen Johansson, Mayor

APPENDIX A

Regional Allocation Formula

Site C Benefit Agreement Legacy Allocation Model

BC Hydro Legacy Benefit Allocation 60% population - 40% impact	100	to be adjusted annually			
	Population	Population Legacy	Services Impact Legacy	Total Legacy %	
Column 1	Column 2	Column 3	Column 4	Column 5	
District of Chetwynd	2,635	\$ 2.69	\$ 2.80	5.49	
City of Dawson Creek	11,583	\$ 11.82	\$ 1.20	13.02	
City of Fort St. John	18,609	\$ 18.99	\$ 15.60	34.59	
District of Hudson's Hope	970	\$ 0.99	\$ 10.00	10.99	
Village of Pouce Coupe	738	\$ 0.75	\$ 1.20	1.95	
Peace River Regional District – Regional Services Impact	20,193		\$ 12.36	12.36	
Peace River Regional District – Rural Population	20,193	\$ 8.24		8.24	
District of Taylor	1,373	\$ 1.40	\$ 8.00	9.40	
District of Tumbler Ridge	2,710	\$ 2.76	\$ 1.20	3.96	
TOTALS	58,811	\$ 47.64	\$ 52.36	100.00	

Column 1 = Peace Region Legacy Benefit Agreement partners.

Column 2 = Population stats adjusted annually using BC Stats annual projections for current year of allocation.

Column 3 = The regional percentage of the local government's population weighted at 60% of the benefit allocation.

Column 4 = Projected service impact associated with long-term effect of the Site C project. Impact associated to servicing is calculated at 40% of the benefit allocation. Impact weighting is calculated and based upon the following impact table:

Service providers impacted:

Chetwynd	7
Dawson Creek	3
Fort St. John	39
Hudson's Hope	25
Pouce Coupe	3
Taylor	20
Tumbler Ridge	3
	100

Column 5 = The total Legacy Benefit calculation resulting from the combined 60% population weighting and 40% services impact weighting.

NOTE 1 - The Peace River Regional District only participates in population legacy benefit of which 60% is allocated for impacted regional servicing and 40% for unincorporated population allocation.

Note 2 - This funding allocation model is an example of the calculations considering annually the BC Hydro legacy benefit allocation dollar value and the current year's local government population. As these two variables change yearly, so too will the local government share of legacy funding.

Note 3 - Annual funds received through the legacy benefit agreement shall be allocated and spent at the sole discretion of each municipal council. Annual funds received by the Regional District allocated to regional servicing shall be proportionally applied to all region wide service functions, those funds allocated to rural population allocation shall spent through Rural Budgets Administration Committee allocation policy.

Note 4 - Regional District population does not include on reserve statistics

SITE C CLEAN ENERGY PROJECT COMMUNITY AGREEMENT

This Community Agreement (the "Agreement") has an effective date of 8th day of May, 2024.

BETWEEN:

BC HYDRO AND POWER AUTHORITY, a
Crown Corporation, with an office at 333
Dunsmuir Street, Vancouver, BC.
("BC Hydro")

AND:

PEACE RIVER REGIONAL DISTRICT, with an
office at Dawson Creek, BC.
("PRRD")

Background

- A. BC Hydro is constructing the Site C Clean Energy Project (the "Project") within the Peace River Regional District (PRRD). The Project has undergone a joint federal and provincial environmental assessment (EA).
- B. BC Hydro and PRRD have engaged in extensive consultations in respect of the potential impacts of the Project on the PRRD as set out in the Environmental Impact Statement (EIS), and with respect to other community issues and concerns with the Project.
- C. The community measures and corresponding payments identified in this Community Agreement are in addition to those identified in the Regional Legacy Benefit Agreement, the Solid Waste Agreement, and the Charlie Lake Wastewater Treatment System Memorandum of Understanding (MOU), all as between BC Hydro and PRRD, and from any payments in lieu of taxes that may be paid during the operations phase of the Project by BC Hydro as directed by the Province of British Columbia.

Terms of Agreement

- 1. The community measures and the corresponding funding amounts to be paid by BC Hydro to PRRD in respect of those community measures are set out in the table below:

Community Measures	Funding Amount payable by BC Hydro
Change in Land Use payment	\$277,156
Fire/Emergency Services	\$50,000
Emergency Preparedness Funding	\$75,000
Regional Community Liaison Committee and Project Engagement	\$700,000
Old Fort Community Amenity	\$250,000
Old Fort Emergency Preparedness and Resiliency Measures	\$50,000
85th Avenue Lands / Community Planning	\$50,000
Total Funding Amount for Community Measures	\$1,452,156

2. The PRRD acknowledges and agrees that except for (1) the Solid Waste Agreement; (2) the Charlie Lake Wastewater Treatment System MOU; and (3) the Regional Legacy Benefit Agreement; effective on payment of the Total Funding Amount by BC Hydro to the PRRD, all community issues, concerns, and actual or potential impacts of the Project on the PRRD (collectively the "Project Impacts"), have been fully addressed and compensated by BC Hydro, and the PRRD will not seek any other or further payments arising from the Project Impacts, whether identified now or in the future.
3. The PRRD confirms that the Project Impacts have been addressed in accordance with the EIS, and other authorizations and applicable law and through implementation of the community measures and other measures.

GENERAL PROVISIONS

4.1 This Agreement is not confidential.

4.2 BC Hydro's payment obligations under this Agreement are subject to the PRRD first issuing an invoice to BC Hydro in respect of the Total Funding Amount. The PRRD must issue an invoice within 365 days of execution of this Agreement. BC Hydro will pay the Total Funding Amount to the PRRD within 90 days of invoice receipt.

4.3 Any notice, document, payment or communication to be given under this Agreement will be in writing and delivered by hand, faxed or emailed to the Party to which it is to be given as follows, and will be deemed received on the date sent:

If to BC Hydro:

13th Floor, 333 Dunsmuir Street, Vancouver, BC, Vancouver, BC. V6B 5R3
Attention: Jerry Muir
Telephone: 604 623-3986

Email: jerry.muir@bchydro.com

If to the PRRD:

1981 Alaska Avenue, Dawson Creek, BC
Attention: Shawn Dahlen, Chief Administrative Officer
Telephone: (250) 784-3200

Email: Shawn.Dahlen@prrd.bc.ca

4.4 Any provision of this Agreement which is prohibited or unenforceable in whole or in part shall be ineffective to the extent of such prohibition and unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement.

4.5 This Agreement may only be amended by written agreement of the Parties.

4.6 Each Party represents and warrants to the other that it has received independent legal advice regarding this Agreement.

4.7 This Agreement constitutes the entire agreement between the Parties and supersedes and cancels any prior agreements, undertakings, declarations and representations, written or oral, regarding the subject matter of this Agreement.

4.8 This Agreement enures to the benefit of and is binding on the Parties and their successors and assigns.

4.9 No waiver will be inferred from anything done or omitted to be done by a Party and any waiver by a Party of a breach or obligation of this Agreement must be made by that Party in writing and shall extend only to the particular breach or obligation identified in such written waiver.

4.10 Nothing in this Agreement creates any legal partnership, co-venture, or principal and agent relationship between the Parties.

4.11 Each of the Parties will do all such further acts and execute and deliver all such further documents in a timely fashion as are reasonably required from time to time in order to fully perform and carry out the terms and intent of this Agreement.

4.12 This Agreement is governed by the laws in force in the Province of British Columbia and the laws of Canada applicable therein.

4.13 This Agreement may be executed in counterparts and be returned by fax or email with a PDF attachment, each of which when executed and delivered shall constitute an original, and all of which together shall constitute one and the same Agreement.

Agreed by the Parties as of the Effective Date.

PEACE RIVER REGIONAL DISTRICT

By:  _____
Brad Sperling, Chair

By:  _____
Shawn Dahlen, Chief Administrative Officer

**BRITISH COLUMBIA HYDRO AND POWER
AUTHORITY**

By:  _____
Shanna Mason, Director,
Regulatory and Environment, Site C



PEACE RIVER REGIONAL DISTRICT

March 20, 2025

File: 5500.20

BC Environmental Assessment Office
2nd Floor, 836 Yates Street
PO Box 9426 Stn Prov Govt
Victoria, BC V8W 9V1

Via Email: elise.matzanke@gov.bc.ca

Dear Elise,

Re: Site C Clean Energy Project – Increase Installed Capacity Amendment Application

At the March 20, 2025 Regional Board meeting, the Peace River Regional District (PRRD) Board discussed their concerns regarding the Environmental Assessment Certificate (EAC) #E14-02 – Request to Amend Section 4.3.1.4, Schedule A Project Description, regarding Generating Unit Capacity. The Regional Board subsequently passed the following resolution:

MOVED, SECONDED and CARRIED,

“That the Regional Board requests that a condition of the approval for Environmental Assessment Certificate (EAC) #E14-01 – Request to Amend Section 4.3.1.4, Schedule A Project Description, regarding Generating Unit Capacity be a review and amendment to the annual amount of the Site C Regional Legacy Benefit Agreement. Specifically, that the annual amount of the Site C Regional Legacy Benefit Agreement payment be increased in equal proportion to the increased Generating Unit Capacity.”

The Site C Regional Legacy Benefits Agreement mitigates the population and service impacts of the Site C Project on the Peace Region. An increase in the Generating Unit Capacity, and thus an increase in revenue generating ability, should be reflected in an increase to the Site C Regional Legacy Benefits Agreement annual amount.

Sincerely,

Leonard Hiebert

Leonard Hiebert
Chair

diverse. vast. abundant.