

APPENDIX

B

CLASS EA CONSULTATION



APPENDIX

B-1

PROJECT DESCRIPTION AND LETTER OF DELEGATION



2022-05-10

Amy Gibson

Manager, Indigenous Energy Policy
Strategic, Network and Agency Policy Division
Ministry of Energy

VIA EMAIL – Amy.Gibson@ontario.ca

Subject: PUC Transmission LP, Minor Transmission Facilities Class EA, Category 'B'

Dear Ms. Gibson,

Further to your communications of May 3, 2022, indicating that a project applicant should provide the Ministry of Energy (the Ministry) with a description of a project, in the planning process, such that the Ministry can determine if there are any Duty to Consult requirements for the project.

The purpose of this letter is to inform the Ministry that PUC Transmission LP (PUC) has undertaken to construct a 230 kilovolt (kV) transmission line and station in the city of Sault Ste. Marie, in northern Ontario to serve the increased electrical needs of Algoma Steel Inc. associated with the addition of new electric arc furnaces (EAFs) to replace the existing blast furnaces. PUC has initiated work on development activities, including seeking relevant environmental approvals to construct a transmission line from the Hydro One Third Line Station to the future Algoma Steel EAF Station (the Project), as indicated below. The Project will require PUC to file a leave to construct application with the Ontario Energy Board. PUC is therefore contacting the Ministry to determine whether the Project triggers the Crown's Duty to Consult.

Attachment 1 contains a description of the Project's characteristics and its location for the Ministry's review and to assist it with its determination as to whether it will delegate the procedural aspects of the Duty to Consult to PUC. We would be pleased to discuss the Project with you should you have any questions.

A handwritten signature in black ink, appearing to read 'D. Parrella', is shown within a rectangular box.

Dominic Parrella
Executive Lead, Special Projects
PUC Services Inc.

cc: Tamara Skillen, Environmental Planning Lead, WSP Canada Inc.
Jeremiah Pariag, Consultation and Engagement Lead, WSP Canada Inc.
Lina ElSetouhy, Environmental Planner, WSP Canada Inc.

Attachment 1: PUC Transmission Project

1.0 PROJECT SUMMARY

In early 2021, PUC Transmission LP (PUC) was incorporated and in October 2021, it was approved for a transmission license by the Ontario Energy Board (OEB).

PUC identified the need for a 230 kilovolt (kV) transmission line and a new 230/115/34.5 kV station in the city of Sault Ste. Marie, in northern Ontario, to serve the immediate need for increased power supply to Algoma Steel Inc. for their new electric arc furnace (EAF) project. PUC has initiated work on development activities, including seeking relevant environmental approvals to construct the 230 kV line, which will be approximately 14 km long, from the Hydro One Third Line Station to the future Algoma Steel EAF Station on its property. This project requires undertaking a Class Environmental Assessment (Class EA), which began in January 2020.

PUC conducted an internal preliminary assessment to identify feasible routes (the “Route and Station Options”) for the new 230 kV transmission line and station. The project team researched and mapped technical, socio-economic, and natural environmental constraints to identify potential opportunities to parallel linear infrastructure, such as existing transmission lines and highways, where possible.

Based on the preliminary assessment, four feasible route options and two new station options were identified. In April 2022, after issuing the Notice of Commencement, PUC made one refinement to Route Option 4 based on advancement of preliminary engineering work, information acquired through the Class EA process, and consultation with stakeholders and the public. Specifically, input received from residents and property owners within the Study Area identified land use constraints/opportunities, which resulted in refinements to Route Option 4. The route refinement is detailed below, shown on Figure 1, and included in the GIS Shapefiles package provided with this letter.

The route options, including the route refinements as shown in Figure 1, were carried forward for the comparative evaluation.

No other viable alternatives were identified for the proposed 230 kV transmission line and station, due to the configuration of equipment within and around the future EAF station and Hydro One Third Line Station.

Where possible, the Project will be located within existing road allowances. Temporary working space and laydown areas may be required adjacent to these areas to facilitate the movement and storage of equipment necessary for construction. Permanent easements will be required as well. PUC will work with regulators and landowners to identify and secure appropriate working space and easements as required.

Work for preparation of an Environmental Study Report (ESR) for the Project has been initiated. The ESR will examine the alternative route and station options and determine, from an environmental and socio-economic perspective, the preferred route and station location for the Project.

2.0 LEGISLATIVE REQUIREMENTS

The Project Team has also confirmed with the Corporation of the City of Sault Ste. Marie (the City) that the project is exempt from municipal Zoning bylaws. No other regulatory pre-consultation has occurred to date.

Other authorizations, notifications, permits and/or approvals may be required in addition to those identified above.

3.0 Potential Environmental Effects and Mitigation Measures

The area in which the Project is to be constructed is within the city of Sault Ste. Marie in northwest Ontario. It is expected that the majority of adverse environmental and/or socio-economic effects will be construction related. These effects are expected to be temporary and transitory. All facilities to be constructed for the Project will also be above ground, no underground facilities are being proposed. Routing will avoid or minimize environmental effect to the extent feasible, and Project components will be constructed to minimize environmental or socio-economic impacts.

Mitigation measures that will be recommended in the ESR will be followed in conjunction with other provincial and municipal standards. In addition, PUC will use professional judgement, past experience, industry best practices and any additional feedback received through the consultation process when constructing the Project.

4.0 Project Benefits

The proposed line and station will supply Algoma Steel's new load of 300 MW with redundancy of supply for total of 600 MW capacity.

The new PUC 230 kV transmission line will convey electricity from Hydro One's Third Line Station in the city's north end to a new PUC 230 kV station in the west end, near Algoma Steel.

The new transmission facilities will support the steel plant and Algoma Steel's \$700 million project to build and operate two new state-of-the-art electric arc furnaces. Algoma Steel Inc. has indicated that its investment will lead to a 70 per cent reduction in carbon emissions.

The project will support the local economy and communities by creating new direct and spin off jobs, as well as training opportunities as one of the largest electricity infrastructure projects in the region.

5.0 Contact Information

PUC Transmission LP Project Lead:

Dominic Parrella, P. Eng.
Executive Lead, Special Projects
PUC Services Inc.
Tel.: (705) 941-8386
Email: dominic.parrella@ssmpuc.com

WSP Canada Inc. Project Team:

Tamara Skillen (MPA, BES, PMP)

Environmental Assessment Lead

Tel.: (613) 371-4659

Email: Tamara.Skillen@wsp.com

Jeremiah Pariag, MES, IAP2

Consultation and Engagement Lead

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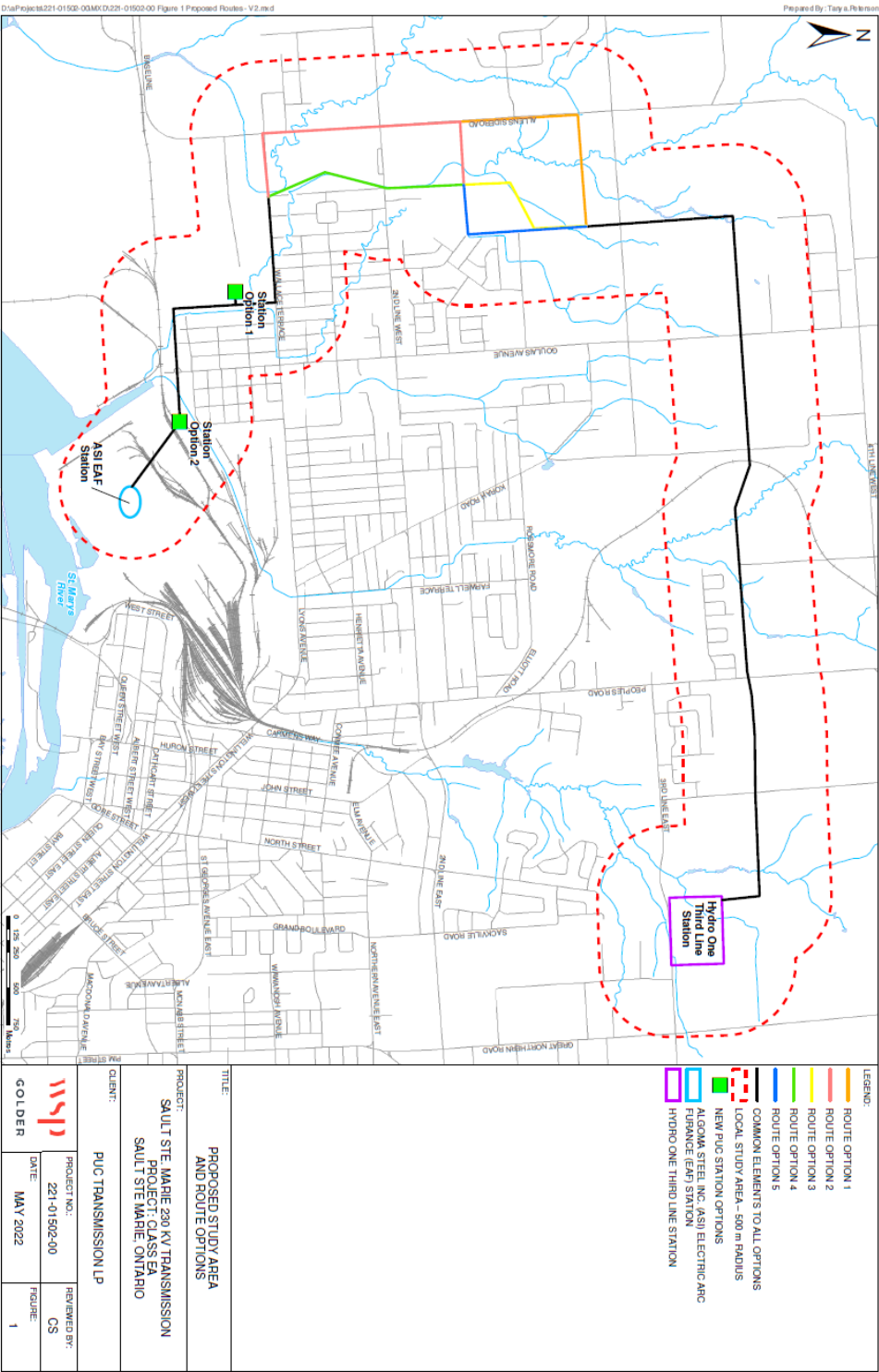
Lina ElSetouhy, MCIP, RPP, ENV SP

Environnemental Planner

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Figure 1: PUC Transmission Project Refined Alternative Routes and Station Options



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May 30, 2022

VIA EMAIL

Dominic Parrella
Executive Lead, Special Projects
PUC Transmission LP
500 Second Line East, PO Box 9000
Sault Ste. Marie, P6A 6P2

Re: SAULT STE. MARIE LINE AND SUBSTATION

Dear Dominic Parrella:

Thank you for your email dated April 28, 2022 notifying the Ministry of Energy (ENERGY) of PUC Transmission LP's intention to apply to the Ontario Energy Board (OEB) for Leave to Construct for the Sault Ste. Marie Line and Substation (the Project).

I understand that PUC Transmission LP is evaluating potential routing for a double circuit 230kV line and a 230/115/34.5kV substation in Sault Ste. Marie as part of an expansion of the electrical supply. The 230kV line will be approximately 14km long, will start at the Third Line Transformer Station, and will terminate in a new 230/115/34.5kV substation at or near the Algoma Steel Plant. I also understand that the project will respond to the increased electrical needs of Algoma Steel, which will be adding new electric arc furnaces to replace its current blast furnaces.

On behalf of the Government of Ontario (the Crown), ENERGY has reviewed the information provided by PUC Transmission LP with respect to the Project and assessed it against the Crown's current understanding of the interests and rights of Aboriginal communities who hold or claim Aboriginal or treaty rights protected under Section 35 of Canada's *Constitution Act 1982* in the area. In doing so, ENERGY has determined that the Project may have the potential to affect such Indigenous communities.

The Crown has a constitutional duty to consult and, where appropriate, accommodate Indigenous communities when the Crown contemplates conduct that might adversely impact established or asserted Aboriginal or Treaty rights. These consultations are in addition to consultation imposed by statute.

While the legal responsibility to meet the duty to consult lies with the Crown, the Crown may delegate the day-to-day, procedural aspects of consultation to project proponents. Such a delegation by the Crown to proponents is routine practice for ENERGY.

I am writing to advise you that on behalf of the Crown, ENERGY is delegating the procedural aspects of consultation in respect of the Project to PUC Transmission LP (Proponent) through this letter. ENERGY expects that the Proponent will undertake the procedural aspects of consultation with respect to any regulated requirements for the proposed Project. The Crown will fulfill the substantive aspects of consultation and retain oversight over all aspects of the process for fulfilling the Crown's duty.

Please see the appendix for information on the roles and responsibilities of both the Crown and the Proponent.

Based on the Crown's assessment of First Nation and Métis community rights and potential project impacts, the following Indigenous communities should be consulted on the basis that they have or may have constitutionally protected Aboriginal or Treaty rights that may be adversely affected by the Project.

Community	Mailing Address
Batchewana First Nation	236 Frontenac Street Sault Ste Marie, ON, P6A 5K9 https://batchewana.ca/
Garden River First Nation	7 Shingwauk Street, RR 4 Garden River, ON, P6A 6Z8 https://www.gardenriver.org/site/
Michipicoten First Nation	PO Box 1, Site 8, RR 1 Wawa, ON, P0S 1K0 https://michipicoten.com/

ENERGY's preliminary assessment has determined, based on currently available information about the nature of the project's anticipated impacts, that for Michipicoten First Nation, consultation is owed at the low end of the consultation spectrum. As such, ENERGY requires the proponent to at a minimum notify the community of the project; disclose information about the project; provide an opportunity for the community to comment; and fairly consider the community's views. Issues raised by the community should be discussed and considered in light of the potential to impact rights, with mitigation or other forms of accommodation identified where appropriate. The initial notice of the project could include a request to confirm whether or not the community believes the project will impact their rights and accordingly whether they are interested in being consulted. Should no response be received, the proponent should continue to provide high-level notifications in accordance with project stage milestones

For Batchewana First Nation and Garden River First Nation, ENERGY requires the proponent to undertake a deeper level of consultation, i.e. in the moderate range. In addition to the requirements for low consultation, the proponent should provide the communities meaningful and accessible information about the project; allow opportunities for the communities to share evidence or submissions about potential impacts should the communities so choose; and offer capacity funding to support meaningful participation by the communities in the consultation process, as appropriate. The proponent should be able to demonstrate how any concerns were considered and responded to, and what impact they had on project decisions moving forward.

Should any of the communities indicate they are not interested in being consulted, the proponent should inform ENERGY so that we can consider revisions to the consultation list. Should information become available throughout the consultation process to suggest that project impacts will be significant enough to warrant a deeper level of consultation, PUC Transmission LP must inform ENERGY so that updated guidance can be provided.

This rights-based consultation list is based on information that is subject to change. Consultation is ongoing throughout the duration of the project, including project development and design, consultation, approvals, construction, operation and decommissioning. First Nations and Métis communities may make new rights assertions at any time, and further project related developments can occur that may require additional First Nation and/or Métis communities to be notified and/or consulted.

If you become aware of potential rights impacts on Indigenous communities that are not listed above at any stage of project, please bring this to the attention of ENERGY with any supporting information regarding the claim at your earliest convenience.

Acknowledgement

By accepting this letter, the Proponent acknowledges this Crown delegation and the procedural consultation responsibilities enumerated in the appendix. If you have any questions about this request, you may contact Gillian Brown, Senior Advisor (gillian.brown2@ontario.ca).

I trust that this information provides clarity and direction regarding the respective roles of the Crown and PUC Transmission LP. If you have any questions about this letter or require any additional information, please contact me directly.

Sincerely,



Samir Adkar, Director
Energy Networks and Indigenous Policy Branch

APPENDIX: PROCEDURAL CONSULTATION

Roles and Responsibilities Delegated to the Proponent

Please refer to the letter above for specific guidance on this project. On behalf of the Crown, please be advised that your responsibilities as Project Proponent for this Project include:

- providing notice and information about the Project to Indigenous communities, with sufficient detail and at a stage in the process that allows the communities to prepare their views on the Project and, if appropriate, for changes to be made to the Project. This can include:
 - accurate, complete and plain language information including a detailed description of the nature and scope of the Project and translations into Aboriginal languages where appropriate;
 - maps of the Project location and any other affected area(s);
 - information about the potential negative effects of the Project on the environment, including their severity, geographic scope and likely duration. This can include, but is not limited to, effects on ecologically sensitive areas, water bodies, wetlands, forests or the habitat of species at risk and habitat corridors;
 - a description of other provincial or federal approvals that may be required for the Project to proceed;
 - whether the Project is on privately owned or Crown controlled land;
 - any information the Proponent may have on the potential effects of the Project, including particularly any likely adverse impacts on established or asserted Aboriginal or treaty rights;
 - a written request asking the Indigenous community to provide in writing or through a face-to-face meeting:
 - any information available to them that should be considered when preparing the Project documentation;
 - any information the community may have about any potential adverse impacts on their Aboriginal or treaty rights; and
 - any suggested measures for avoiding, minimizing or mitigating potential adverse impacts;
 - information about how information provided by the Indigenous community as part of the consultation process will be collected, stored, used, and shared for their approval;
 - identification of any mechanisms that will be applied to avoid, minimize or mitigate potential adverse impacts;
 - identification of a requested timeline for response from the community and the anticipated timeline for meeting Project milestones following each notification;
 - an indication of the Proponent's availability to discuss the process and provide further information about the Project;
 - the Proponent's contact information; and
 - any additional information that might be helpful to the community;

- following up, as necessary, with Indigenous communities to ensure they received Project notices and information and are aware of the opportunity to comment, raise questions or concerns and identify potential adverse impacts on their established or asserted rights;
- gathering information about how the Project may adversely affect Aboriginal or treaty rights;
- bearing the reasonable costs associated with the procedural aspects of consultation (paying for meeting costs, making technical support available, etc.) and considering reasonable requests by communities for capacity funding to assist in participating in the consultation process;
- considering and responding to comments and concerns raised by Indigenous communities and answering questions about the Project and its potential impacts on Aboriginal or treaty rights;
- as appropriate, discussing and implementing changes to the Project in response to concerns raised by Indigenous communities. This could include modifying the Project to avoid or minimize an impact on an Aboriginal or treaty right (e.g. altering the season when construction will occur to avoid interference with mating or migratory patterns of wildlife); and
- informing Indigenous communities about how their concerns were taken into consideration and whether the Project proposal was altered in response. It is considered a best practice to provide the Indigenous community with a copy of the consultation record as part of this step for verification.

If you are unclear about the nature of a concern raised by an Indigenous community, you should seek clarification and further details from the community, provide opportunities to listen to community concerns and discuss options, and clarify any issues that fall outside the scope of the consultation process. These steps should be taken to ensure that the consultation process is meaningful and that concerns are heard and, where possible, addressed.

You can also seek guidance from the Crown at any time. It is recommended that you contact the Crown if you are unsure about how to deal with a concern raised by an Indigenous community, particularly if the concern relates to a potential adverse impact on established or asserted Aboriginal or treaty rights.

The consultation process must maintain sufficient flexibility to respond to new information, and we request that you make all reasonable efforts to build positive relationships with all Indigenous communities potentially affected by the Project. If a community is unresponsive to efforts to notify and consult, you should nonetheless make attempts to update the community on the progress of the Project, the environmental assessment (if applicable) and other regulatory approvals.

If you reach a business arrangement with an Indigenous community that may affect or relate to the Crown's duty to consult, we ask that that Crown be advised of those aspects of such an arrangement that may relate to or affect the Crown's consultation obligations, and that the community itself be apprised of the Proponent's intent to so-apprise the Crown. Whether or not any such business arrangements may be reached with any community, the Crown expects the Proponent to fulfill all of its delegated procedural consultation responsibilities to the satisfaction of the Crown.

If the Crown considers that there are outstanding issues related to consultation, the Crown may directly undertake additional consultation with Indigenous communities, which could result in delays to the Project. The Crown reserves the right to provide further instructions or add communities throughout the consultation process.

Roles and responsibilities assumed directly by the Crown

The role of the Crown in fulfilling any duty to consult and accommodate in relation to this Project includes:

- identifying for the Proponent, and updating as appropriate, the Indigenous communities to consult for the purposes of fulfillment of the Crown duty;
- carrying out, from time to time, any necessary assessment of the extent of consultation or, where appropriate, accommodation, required for the project to proceed;
- supervising the aspects of the consultation process delegated to the Proponent;
- determining in the course of Project approvals whether the consultation of Indigenous communities was sufficient;
- determining in the course of Project approvals whether accommodation of Indigenous communities, if required, is appropriate and sufficient.

Consultation Record

It is important to ensure that all consultation activities undertaken with Indigenous communities are fully documented. This includes all attempts to notify or consult the community, all interactions with and feedback from the community, and all efforts to respond to community concerns. Crown regulators require a complete consultation record in order to assess whether Aboriginal consultation and any necessary accommodation is sufficient for the Project to receive Ontario government approvals. The consultation record should include, but not be limited to, the following:

- a list of the identified Indigenous communities that were contacted;
- evidence that notices and Project information were distributed to, and received by, the Indigenous communities (via courier slips, follow up phone calls, etc.). Where a community has been non-responsive to multiple efforts to contact the community, a record of such multiple attempts and the responses or lack thereof.
- a written summary of consultations with Indigenous communities and appended documentation such as copies of notices, any meeting summaries or notes including where the meeting took place and who attended, and any other correspondence (e.g., letters and electronic communications sent and received, dates and records of all phone calls);
- responses and information provided by Indigenous communities during the consultation process. This includes information on Aboriginal or treaty rights, traditional lands, claims, or cultural heritage features and information on potential adverse impacts on such Aboriginal or treaty rights and measures for avoiding, minimizing or mitigating potential adverse impacts to those rights; and

- a summary of the rights/concerns, and potential adverse impacts on Aboriginal or treaty rights or on sites of cultural significance (e.g. burial grounds, archaeological sites), identified by Indigenous communities; how comments or concerns were considered or addressed; and any changes to the Project as a result of consultation, such as:
 - changing the Project scope or design;
 - changing the timing of proposed activities;
 - minimizing or altering the site footprint or location of the proposed activity;
 - avoiding impacts to the Aboriginal interest;
 - environmental monitoring; and
 - other mitigation strategies.

As part of its oversight role, the Crown may, at any time during the consultation and approvals stage of the Project, request records from the Proponent relating to consultations with Indigenous communities. Any records provided to the Crown will be subject to the *Freedom of Information and Protection of Privacy Act*, however, may be exempted from disclosure under section 15.1 (Relations with Aboriginal communities) of the Act. Additionally, please note that the information provided to the Crown may also be subject to disclosure where required under any other applicable laws.

The contents of what will make up the consultation record should be shared at the onset with the Indigenous communities consulted with and their permission should be obtained. It is considered a best practice to share the record with the Indigenous community prior to finalizing it to ensure it is a robust and accurate record of the consultation process.