

An aerial photograph of a river valley. A river flows through the center, surrounded by dense forests with autumn foliage in shades of yellow and green. A small town with several houses and a baseball field is visible on the left bank. In the background, rolling hills and mountains are visible under a clear sky. A large, stylized circular graphic with concentric white and blue rings is positioned on the left side of the image, partially overlapping the town and the river.

PIC RIVER ENERGY

We are here for the long term.

www.picriverenergy.com

YUKON FIRST NATIONS ENERGY FORUM

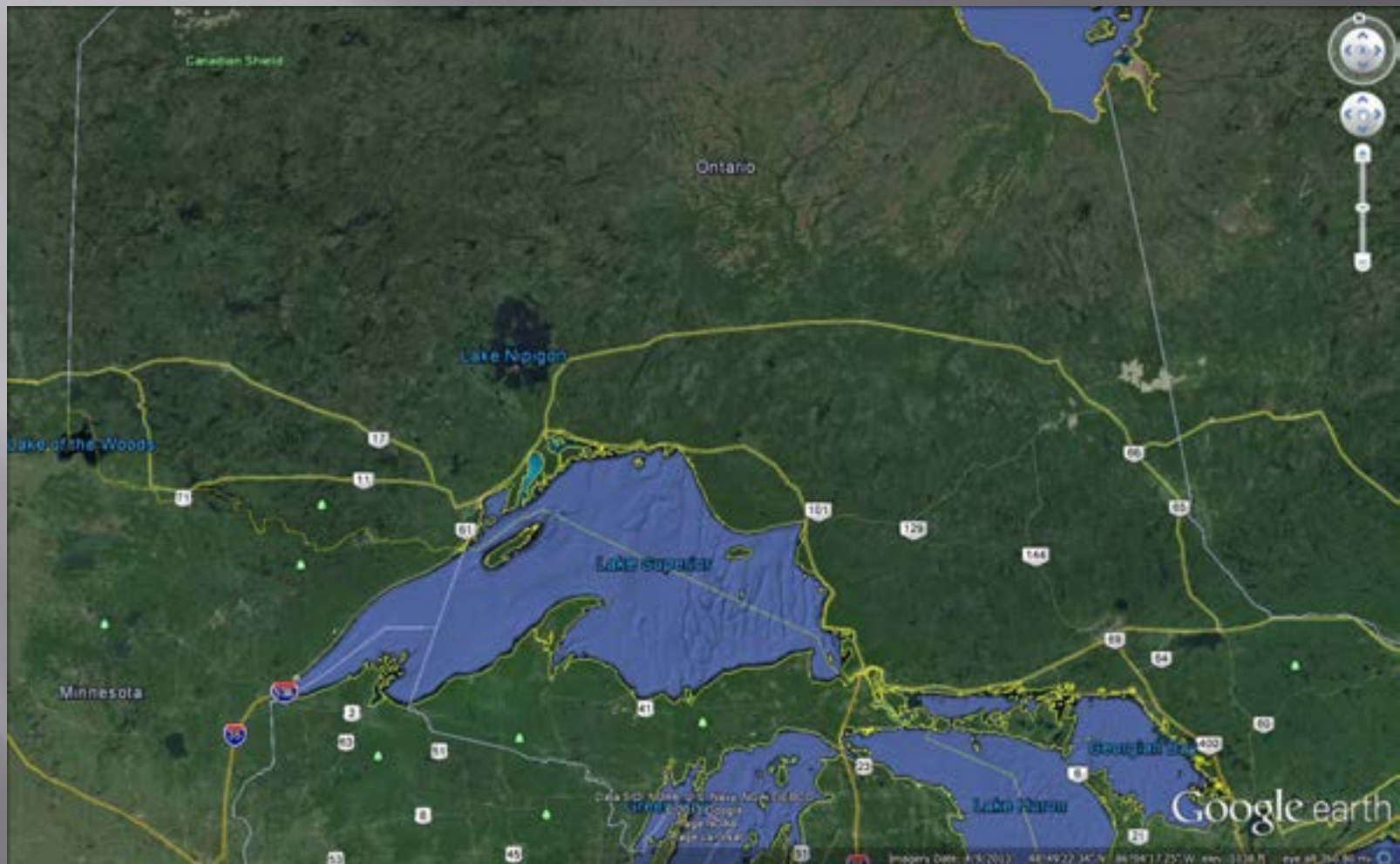
First Nation Energy Development
A Pic River First Nation Perspective
Whitehorse, Yukon, May 28th, 2015



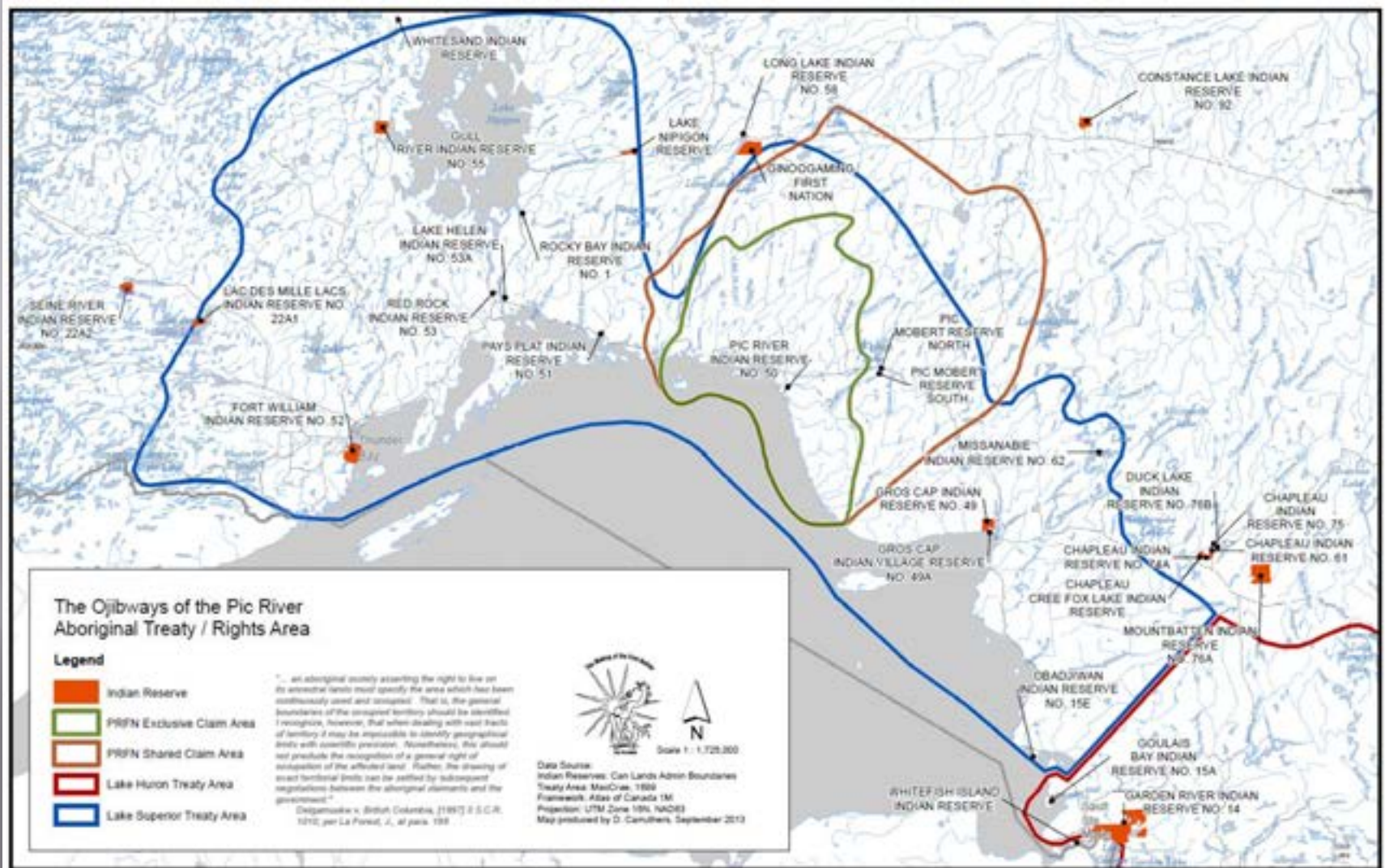
Agenda

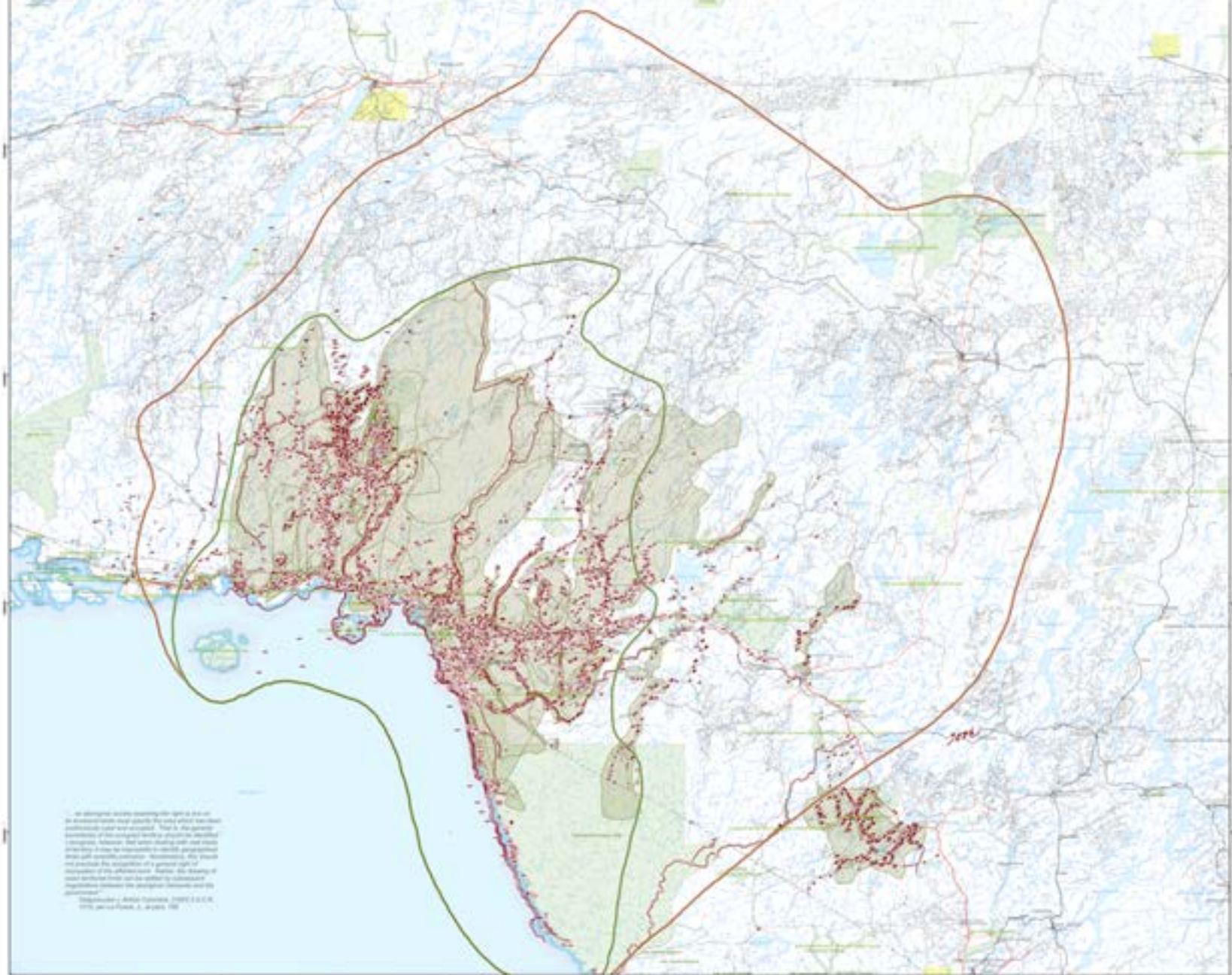
- i. Introduction
- ii. Who are the People of the Pic River First Nation
- iii. What have we done?
- iv. What are we going to do?
- v. Why are we doing this? An aboriginal perspective.
- vi. First Nations Policy Priorities
- vii. Policy Issues and Recommendations

Where is Pic River?



Who are we?





Pic River Aboriginal Treaty / Rights Area



HEAVY
EQUIPMENT

AUTHORIZED
PERSONNEL
ONLY



VILLENEUVE
CONSTRUCTION
CO. LTD.

705-372-1838

PIC PIT

NO TRESPASSING

UNAUTHORIZED REMOVAL
OF MATERIAL IS PROHIBITED
THIS SITE IS PERMITTED UNDER
THE AGGREGATE RESOURCES ACT

ENTRÉE INTERDITE

L'APPROPRIATION DES MATÉRIAUX
SANS AUTORISATION EST INTERDITE

CE LIEU EST PERMI
CONFORMÉMENT À LA LOI SUR LES
RESSOURCES EN AGRÉGATS

HAZARD

**PHIL'S PUMPING
MARATHON
SEWAGE DISPOSAL**



NO
TRESPASSING
DÉFENSE
DE PASSER

NAV CANADA

DVOR/DME #N315

In case of emergency: En cas d'urgence:
1-800-268-4986

IN CASE OF
EMERGENCY
EN CAS D'URGENCE
TELEPHONE SIGNALER

This is site
C 306
In case of emergency, call
1-800-268-4788

Il s'agit du site
C 306
En cas d'urgence, appelez
1-800-268-4788

NO
TRESPASSING
DÉFENSE
DE PASSER

This site is
Permitted under
the Aggregate
Resources Act
Permit No. 6022

No Trespassing
DANGER
OPEN
EXCAVATION





1980 Alienations



1981 Alienations



1982 Alienations



1983 Alienations



1984 Alienations



1985 Alienations



1986 Alienations



1987 Alienations



1988 Alienations



1989 Alienations



1990 Alienations



1991 Alienations



1992 Alienations



1993 Alienations



1994 Alienations



1995 Alienations



1996 Alienations



1997 Alienations



1998 Alienations



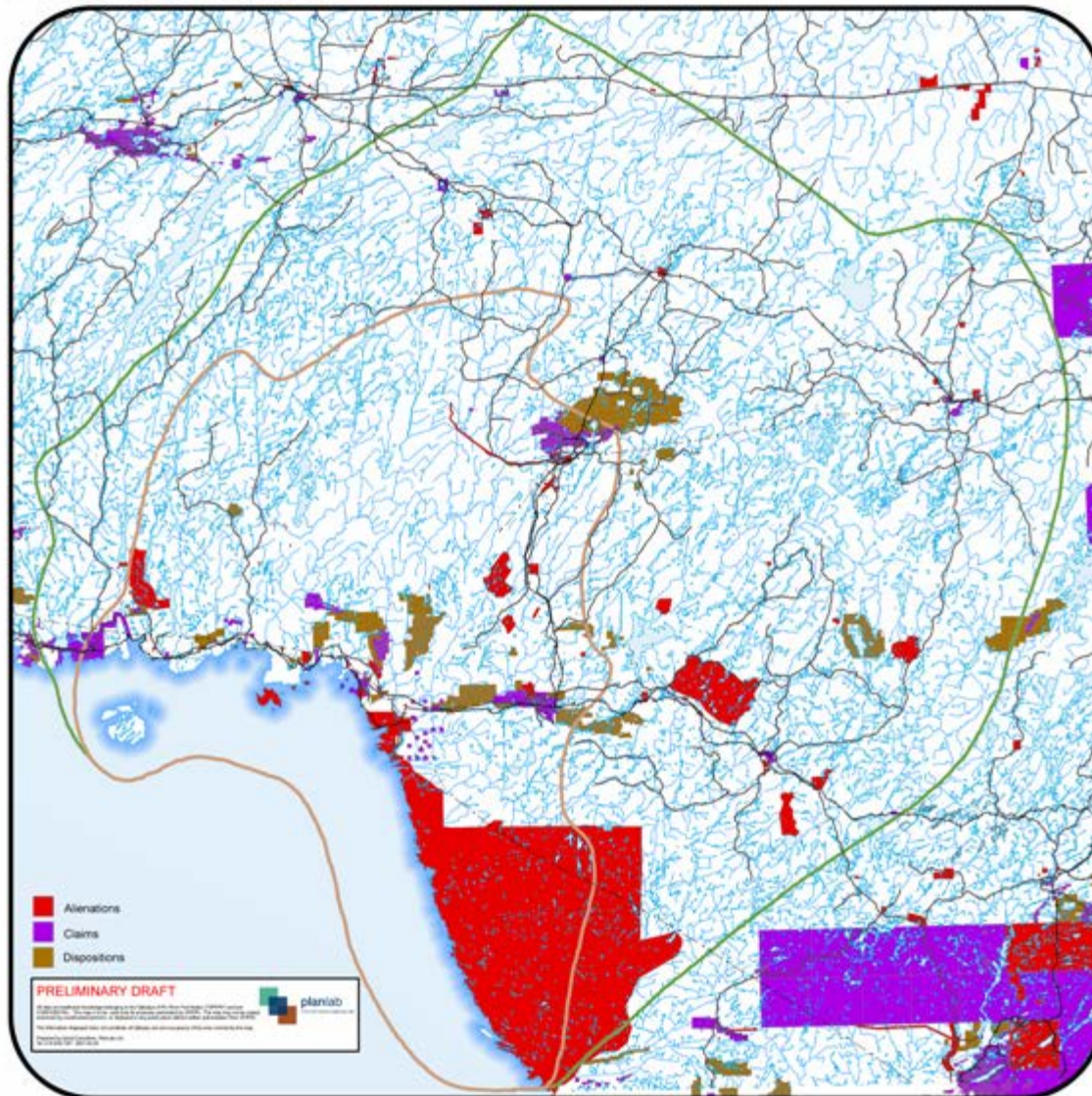
1999 Alienations



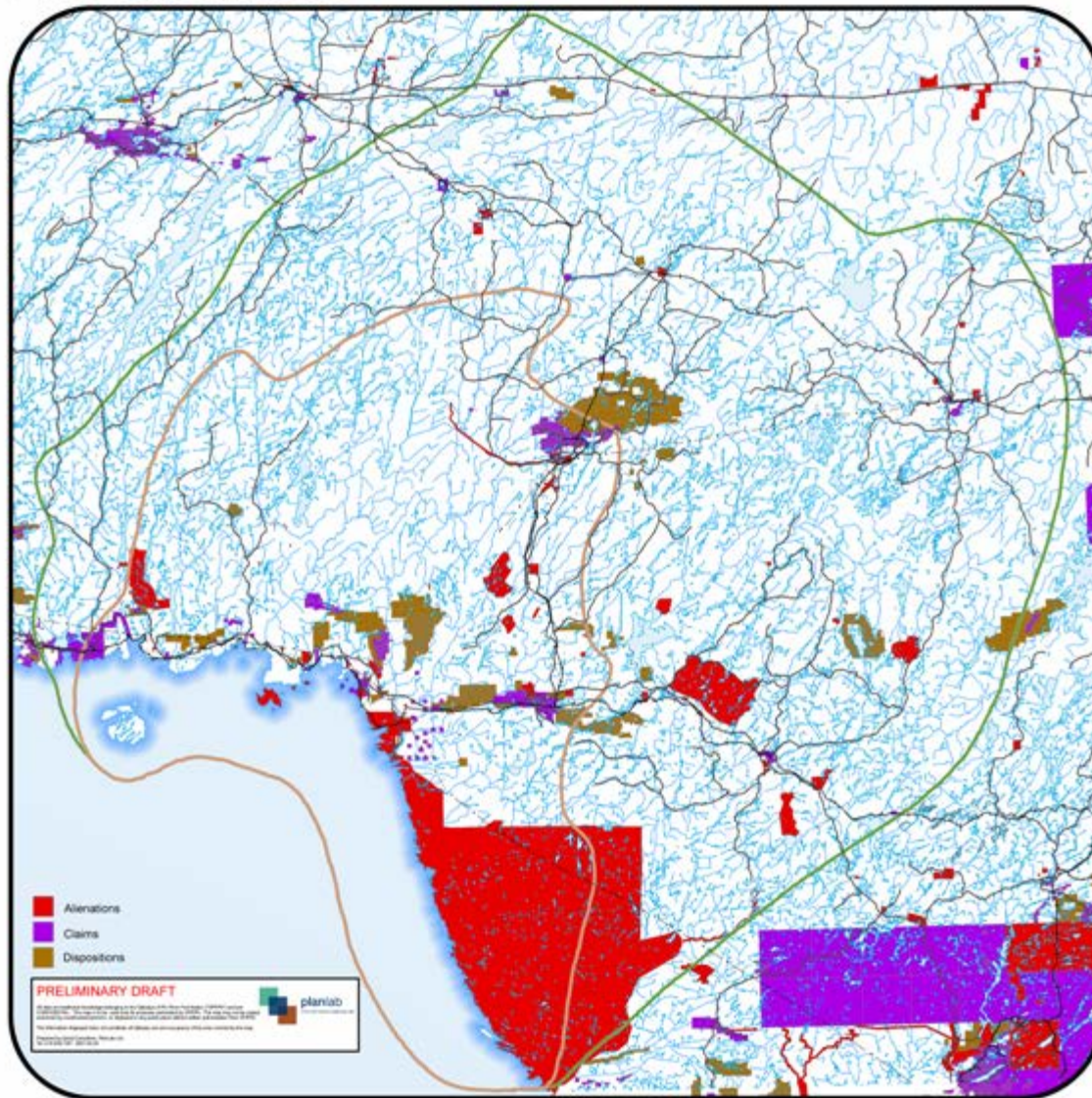
2000 Alienations



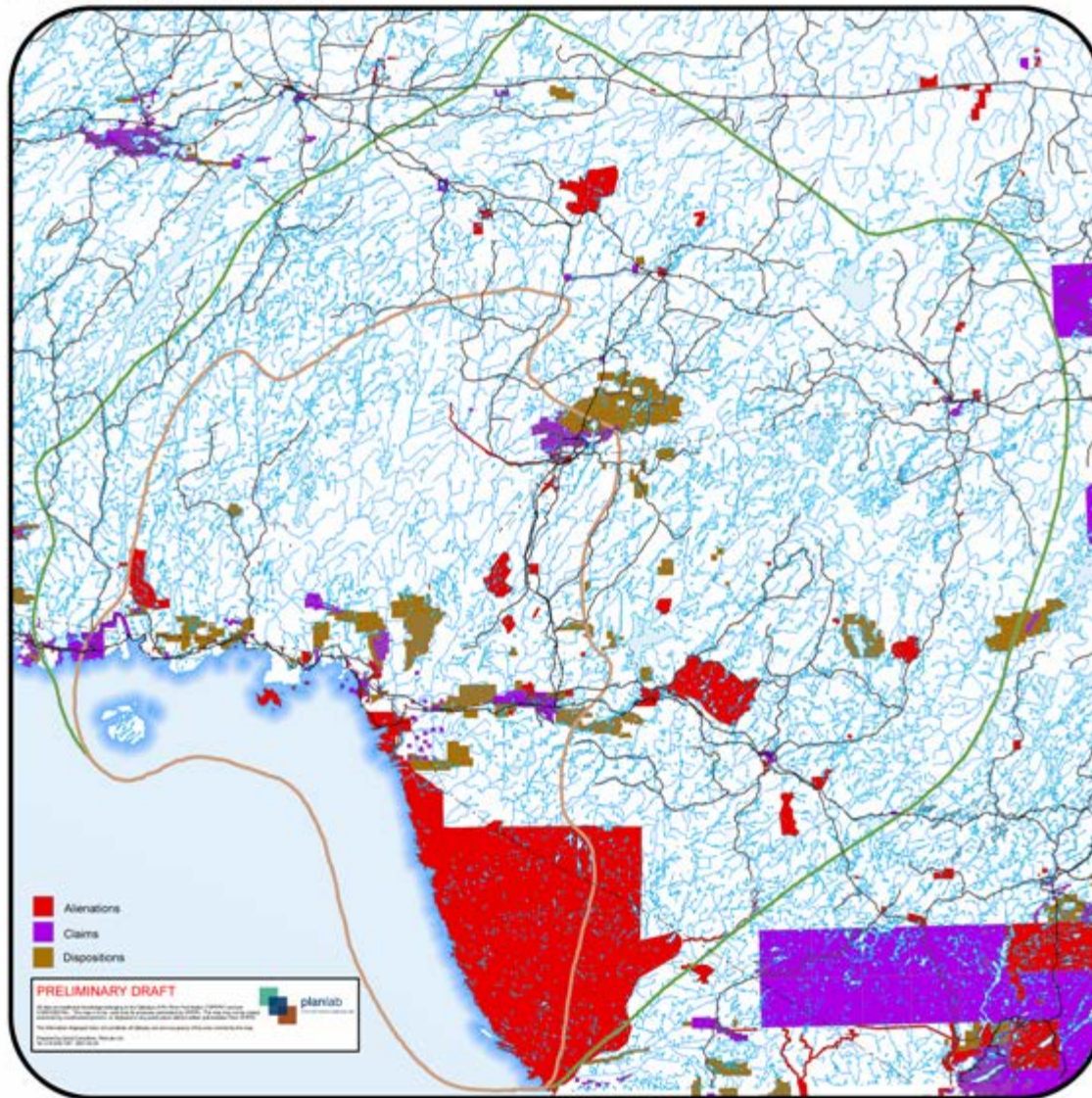
2001 Alienations



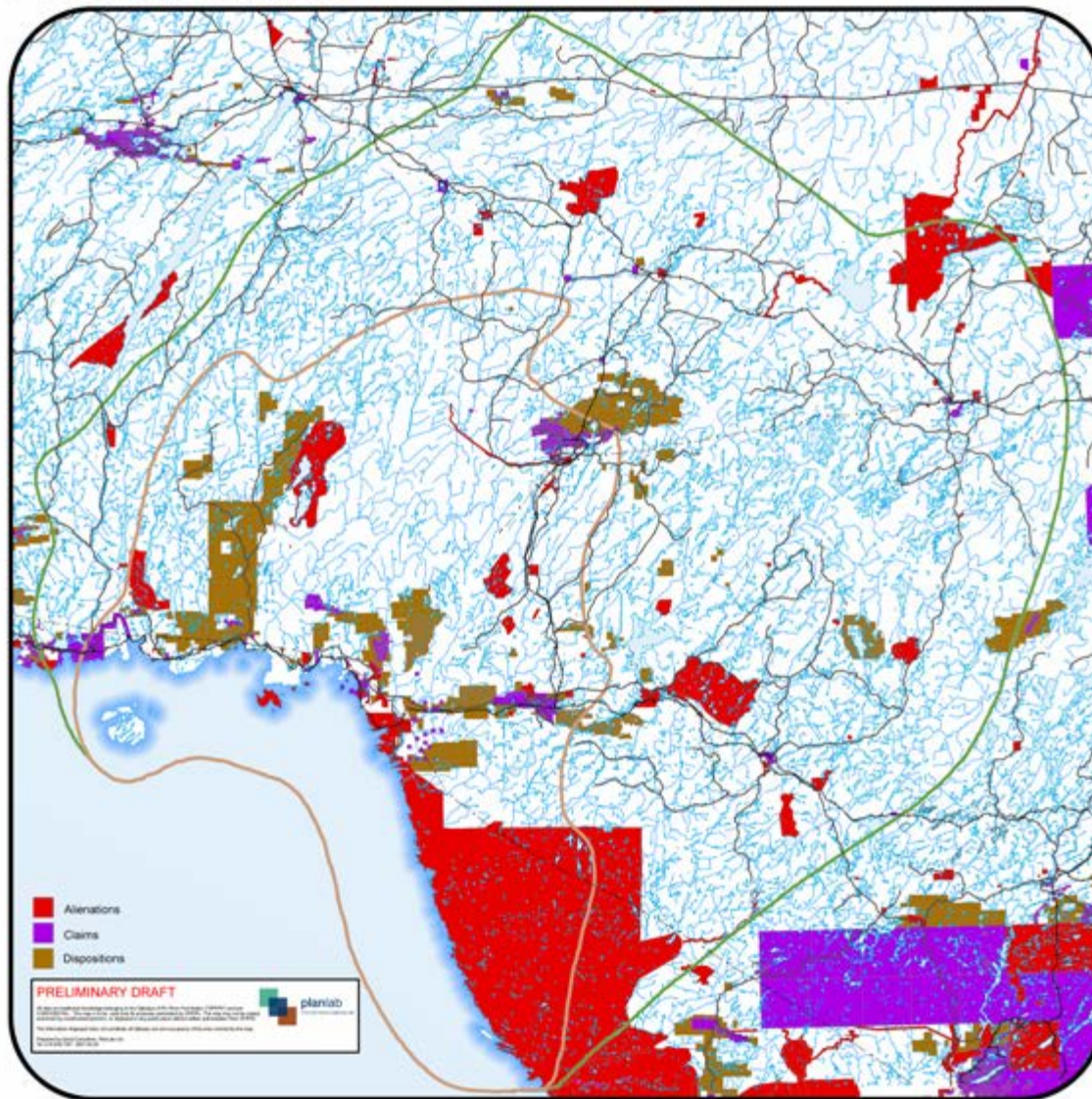
2002 Alienations



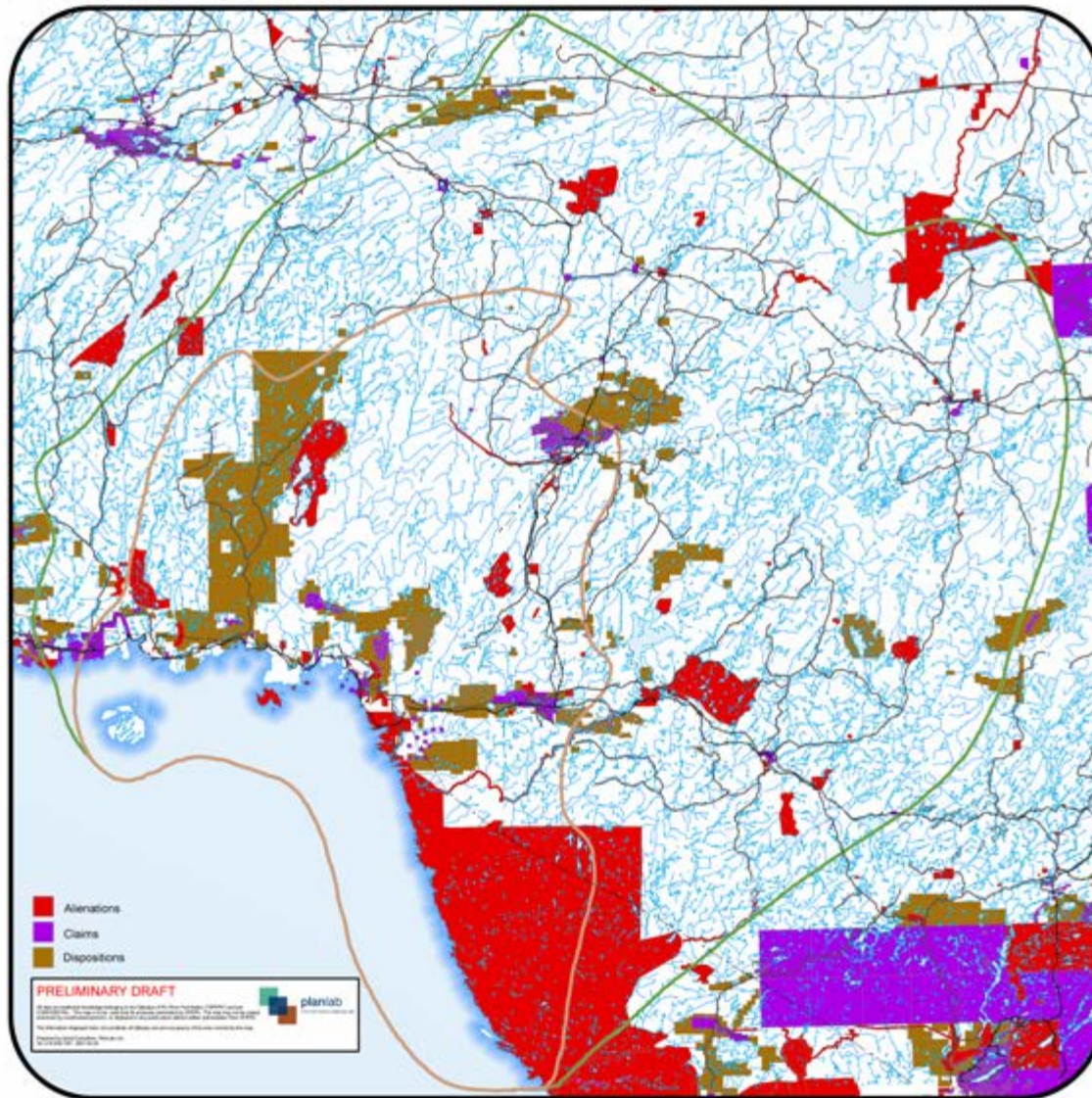
2003 Alienations



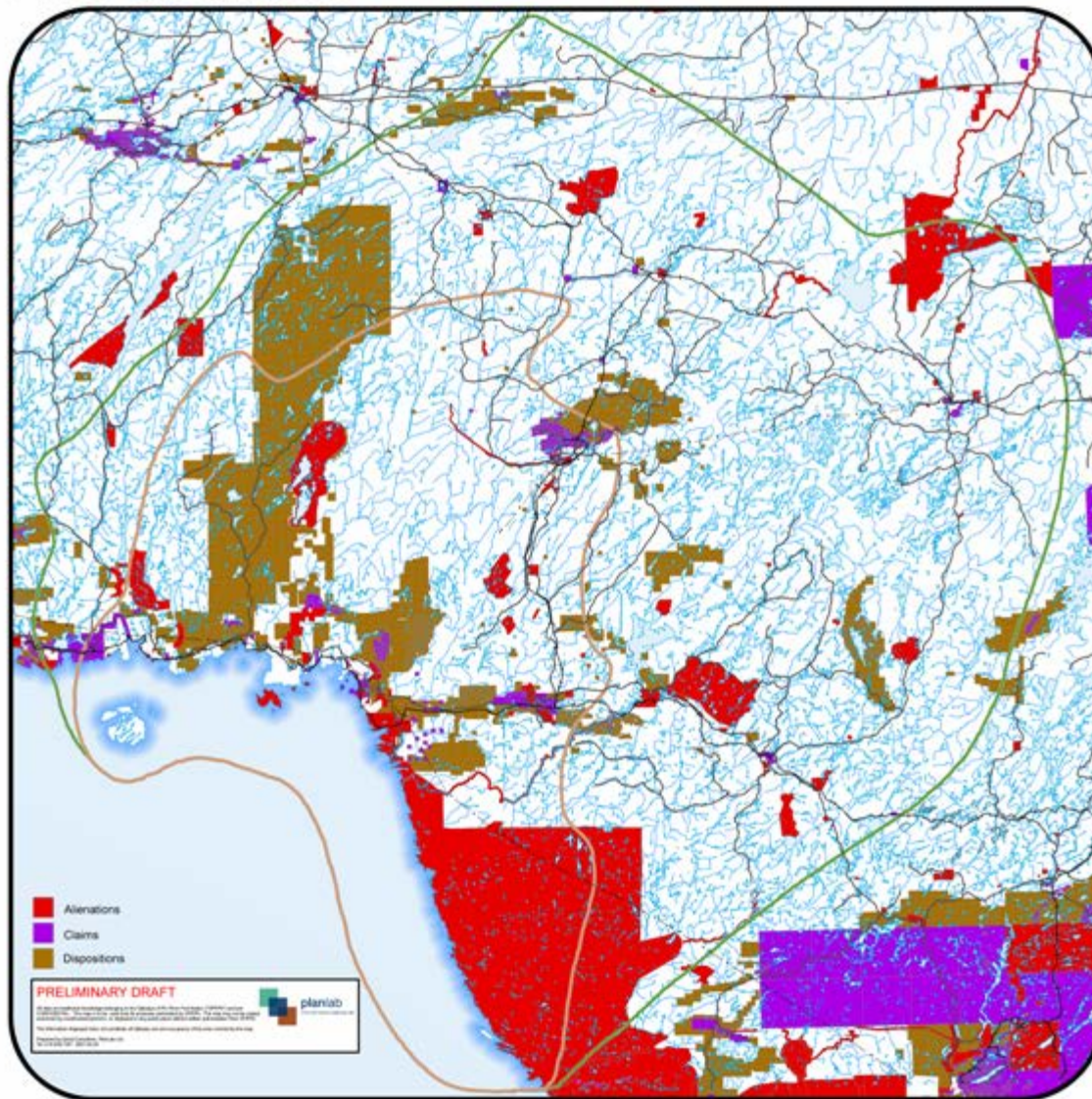
2004 Alienations



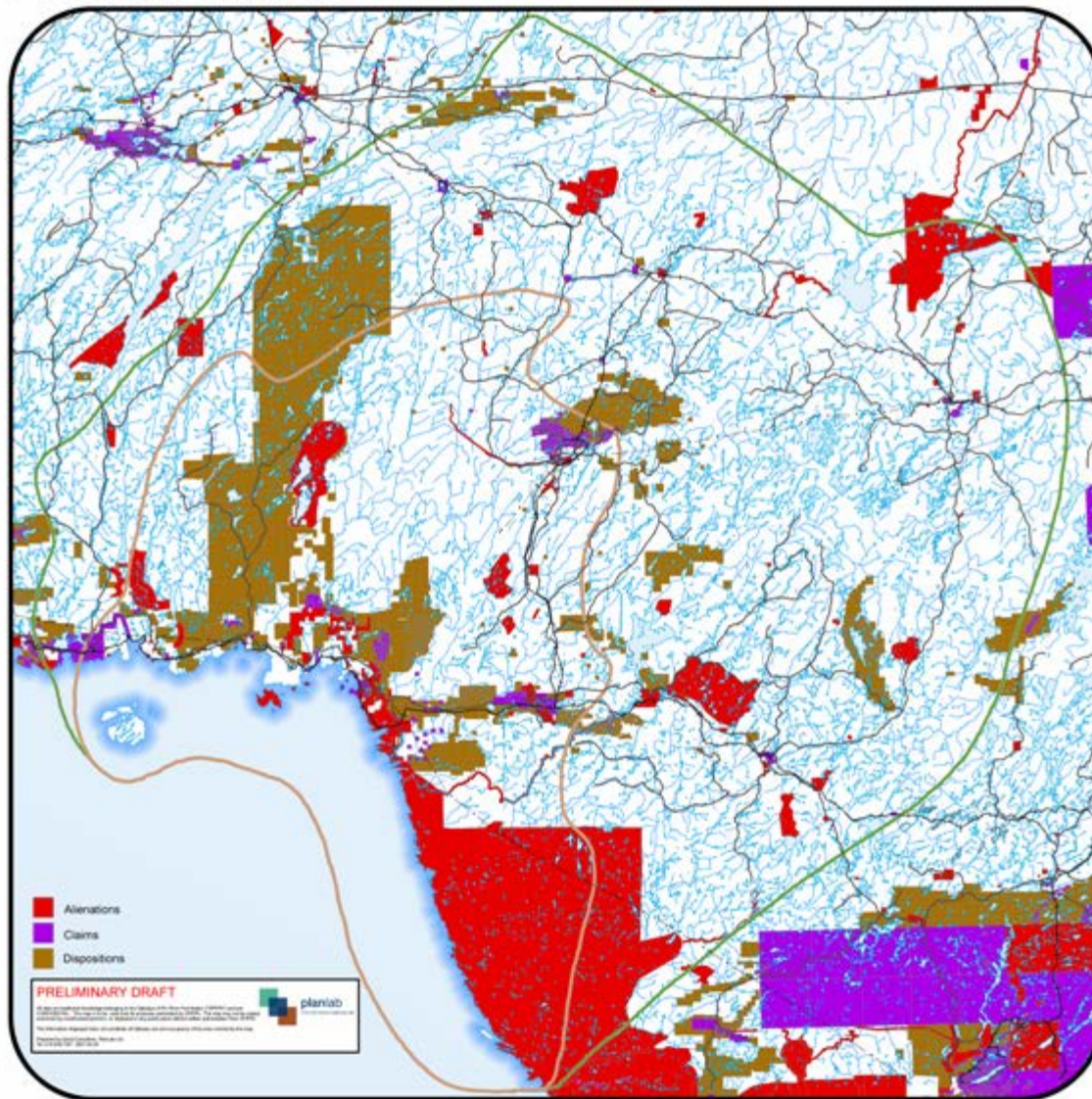
2005 Alienations



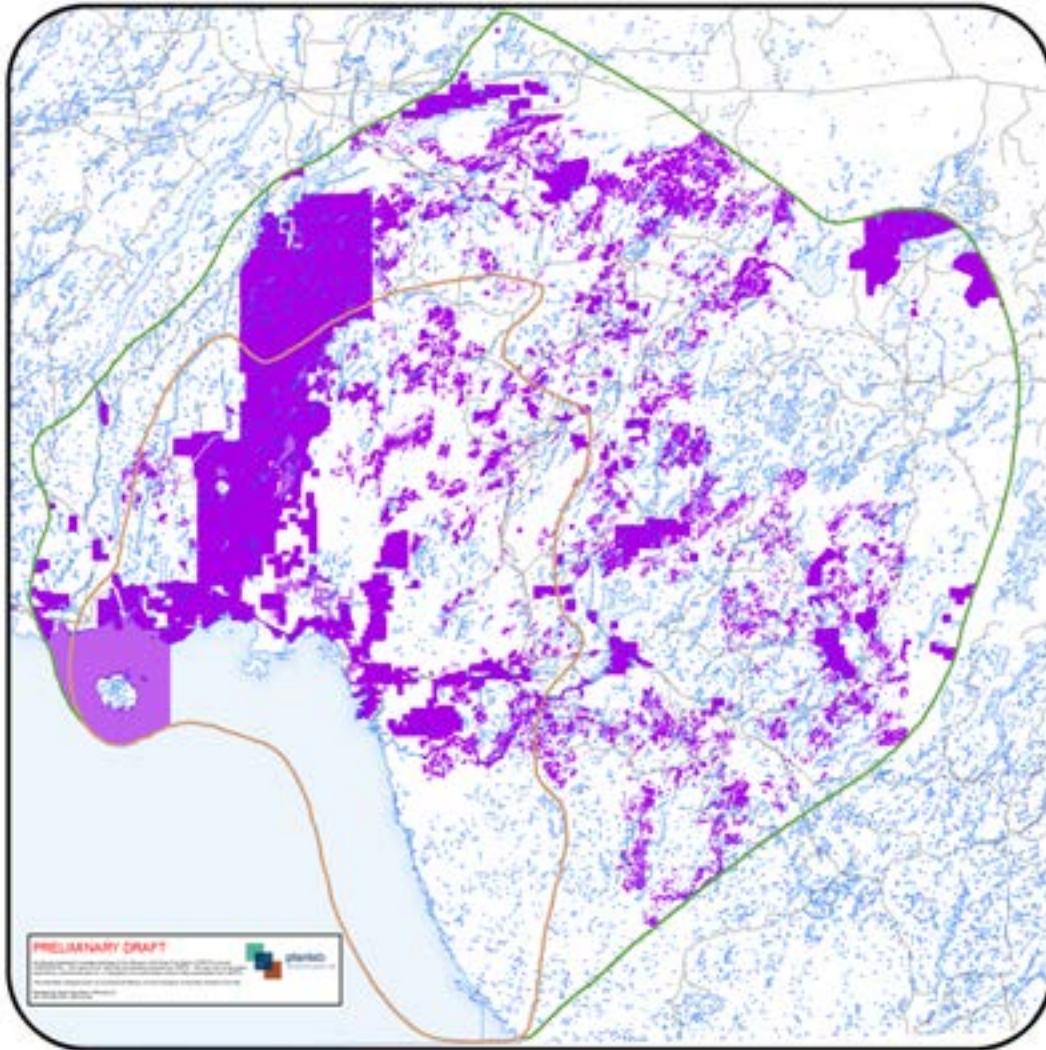
2006 Alienations



2007 Alienations



Combined Impacts:
Wind Power Dispositions
Forest Depletions / Planned Harvest
New Provincial and Federal Protected Areas
Mining Claims and Dispositions



Since the Claim was filed (2001):

4 wind power licenses (7,770 ha) ;

8 forest management planning processes allocating 243,470 ha;

12 new parks created (46,560ha);

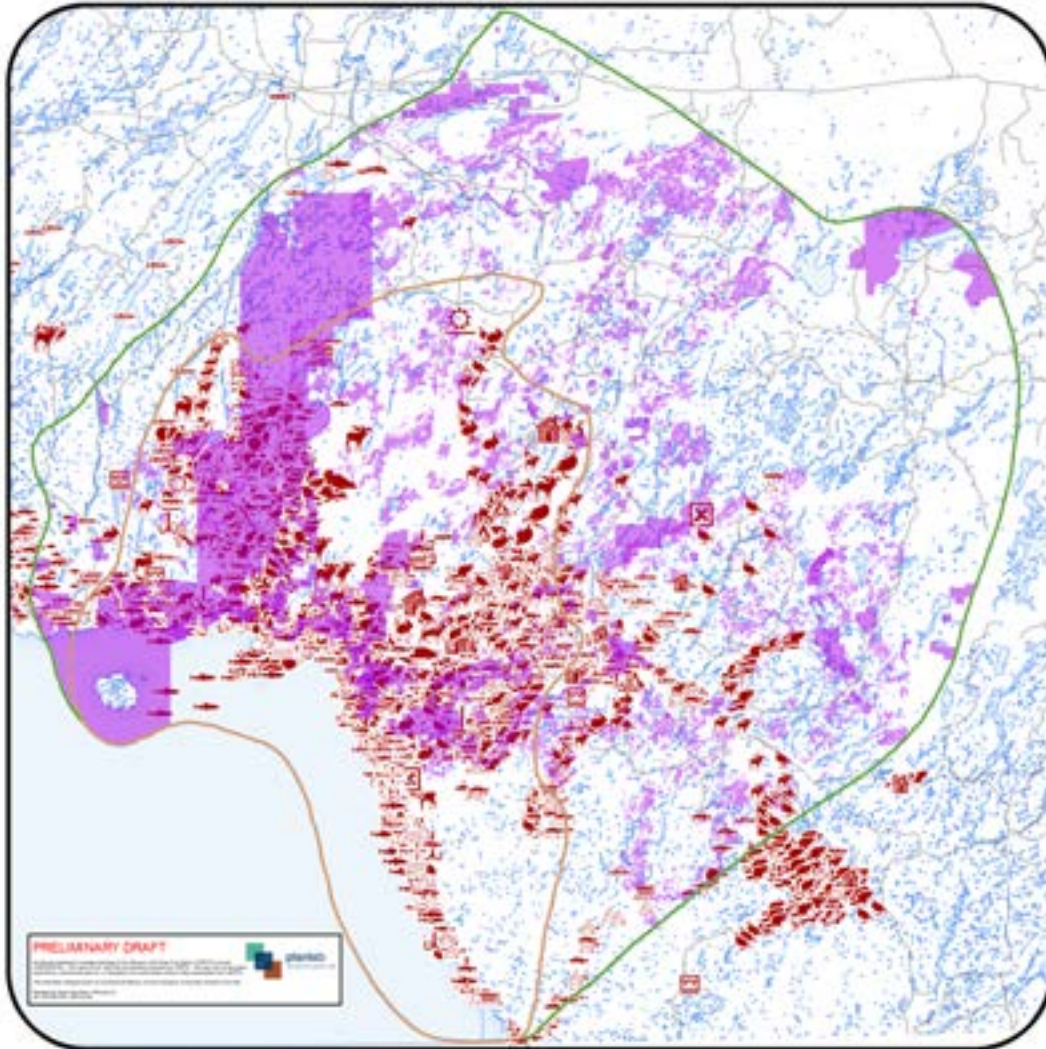
1 new national park (40,284ha);

1625 mining blocks licensed for exploration;

13 long-term mining leases of 21 years granted;

CLUAH; SFL amalgamation

Pic River 1993 & 2005 Use and Occupancy, overlaid with:
Wind Power Dispositions
Forest Depletions / Planned Harvest
New Provincial and Federal Protected Areas
Mining Claims and Dispositions



Since the Claim was filed (2001):

Roughly 43% of the Pic River exclusive claim has been alienated.

Of the 12,398 recorded cultural features, 8,596 (69%) fall within these alienated lands.



Ontario's Evolving Energy Policy

- Early 80's, characterized by a single monopoly player, Ontario Hydro
- Ontario Hydro emphasis on large scale projects creates niche opportunities
- Ontario supports small scale independent hydro development through the development and implementation of the "Non-Utility Generation" program
- Ontario Hydro adopts policy of focussing on projects larger than 25 MW

Wawatay Generating Station



- ❑ Commissioned in 1991
- ❑ Installed capacity: 13.5 MW, 48 meters of head
- ❑ Configuration: Run of River
- ❑ Annual Production: 69,000 MWh

Twin Falls Generating Station



- ▣ Commissioned in 2001
- ▣ Installed capacity: 5 MW, 50 meters of head
- ▣ Configuration: Run of River
- ▣ Annual Production: 17,000 MWh

New Approach to Procurement

DEVELOPMENT OF SITE RELEASE POLICIES

- Effective control of rights to development include aboriginal participation

DEVELOPMENT OF ABORIGINAL PROCUREMENT MODELS

- contracts prioritized based on aboriginal participation
- Provincial economic policies include aboriginal adder, lending programs, development and capacity support

Umbata Falls Generating Station



- ▣ Commissioned in 2008
- ▣ Installed capacity: 23 MW, 35 meters of head
- ▣ Configuration: Run of River
- ▣ Annual Production: 109,000 MWh

Green Energy At Work

Highlights

- ▣ Generating Summary
- ▣ Total Output: 195,000 MWh Annually
- ▣ Total Offsets: 168,000 tonnes of CO2 per year
- ▣ Total Investment: \$124.0 million dollars

Future Development

Continued growth and
commitment to the environment

- ▣ High Falls, Manitou Falls – 6.0 MW
- ▣ Auguasabon Hydro – 10 MW
- ▣ Superior Shores Wind – 24 MW
- ▣ Coldwell Wind – 100 MW
- ▣ New Investment: \$567.0 million dollars

Future Outlook

- ▣ Transmission - Wawa to Thunder Bay Project
 - Partnership 6 First Nations, First Nations ownership
 - Ontario policies include evaluation of aboriginal participation
- ▣ New Renewable Potential
 - Pave the way for future renewable power projects on the north shore ~ 1,000 MW of wind energy potential
 - ~500 towers to be installed by various developers
- ▣ Manufacturing and servicing, turbine and maintenance

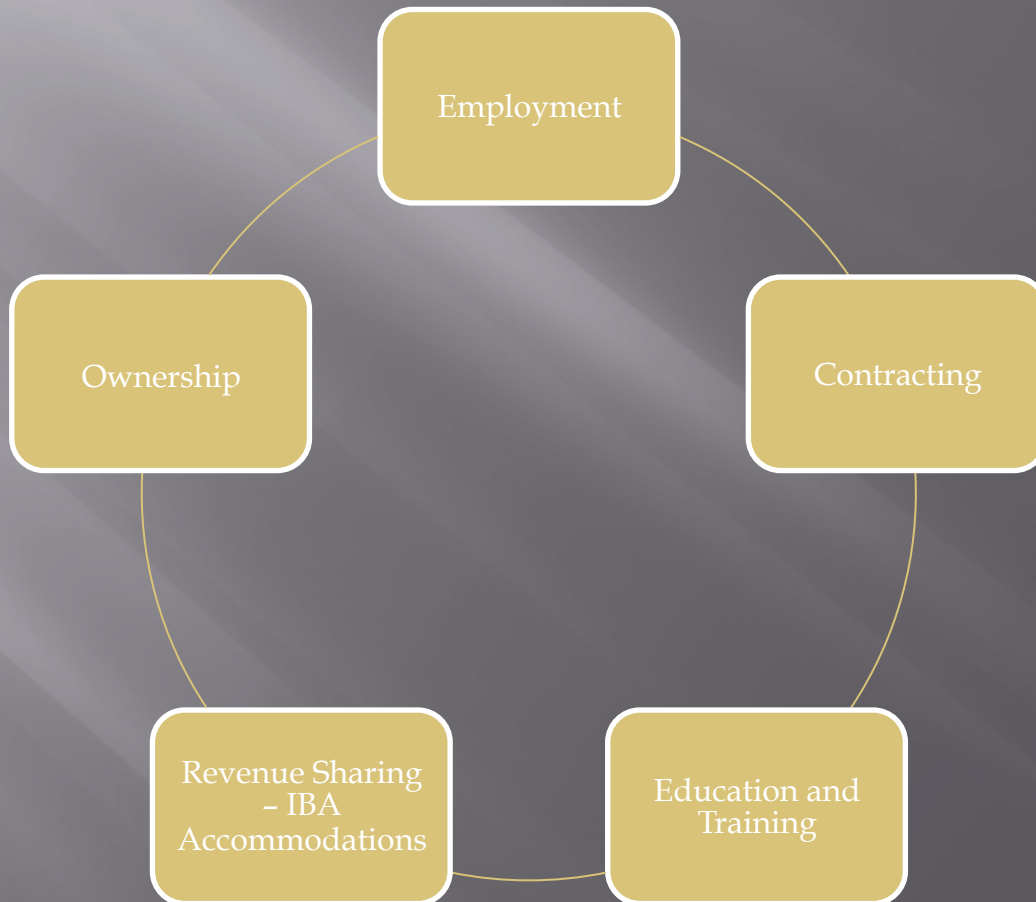
Harmonizing Core Elder Tenets with Renewable Energy Development

- ▣ Water is Sacred
- ▣ We are People of the Land
- ▣ Voice
- ▣ Our People, Our Purpose
- ▣ We must recognize the importance of future generations and the need to support those who follow in our footsteps. We must grow our ability to develop our projects on our own by investing in the education of our youth.

An Aboriginal Perspective

- ▣ We respect the land and pursue projects that meet the sustainability triple bottom line, Planet, People, Profit.
- ▣ We ensure the highest standards of accountability.
- ▣ We focus on inclusion by respecting the rights of our community of origin and ensuring that profits are directed to helping Pic River realize economic, social, and environmental self-sufficiency.
- ▣ We practice flexibility and openness in our daily operations and seek to engage on a meaningful level with any individuals affected by our business.

Advocating for Policy Priorities



Policy Priorities and Best Practices

Business/ Finance

- Equity
- B2B

Human Capacity

- Education
- Training
- Leadership

Compensation

- Impact Identification
- Accommodation Agreement
- Compensation Strategies

Equity

- ▣ Transformative
- ▣ Non governmental source of revenue
- ▣ Standard approach for energy generation projects
- ▣ EcoEnergy, provincial adder programs support First Nations financing activities

Equity...con't

- ▣ Purpose is to align interests of Pic River with energy projects, either transmission or generation and government policy
- ▣ Seek equal partnerships in project complete with management and control
- ▣ In certain cases, partners asked to backstop financing requirement for FN participation
- ▣ For transmission, committed to developing government policy to support first nation ownership using aboriginal adders

Equity... con't

- ▣ Proposing First Nations partnerships that include multiple communities each maintaining equal share and interest in projects, no overlap issues to resolve

Contracting

- ▣ Business to Business between first nations development corporations and subcontractors
 - Opportunities could include heavy equipment, janitorial, administrative support, forestry services, material handling, etc.
- ▣ Assess what services we can offer currently, identify future services we would like to offer
- ▣ Identify capital requirements for business startups, negotiate this as part of Agreement

Employment

- ▣ Establish target based on current capacity, allow room for growth based on training interventions
- ▣ All levels at the development, construction and operation phases of the project including supervisory positions
- ▣ Contracted through the FNs or specific purpose development corporations
- ▣ Obligations to carry forward to any subcontractors on site
- ▣ Process for measuring employment activity

Education and training

- ▣ Set target to match funds for post secondary and federal training budgets
- ▣ To be administered by Band post secondary program and skills and training program
- ▣ Focused on energy technology, line operator/ construction and environmental services

Revenue Sharing/IBA

- ▣ Flows from consultation
- ▣ Intended to compensate for impacts to traditional activities in territory
- ▣ Consider construction and operational impacts
- ▣ Methodology... cash equivalent value payments
- ▣ Part of the annual operational budget

Policy Issues/Recommendations

- ▣ Future of the industry, TransCanada transmission strategy
- ▣ Financial support programs, development and equity financing tools
- ▣ Human capacity, investment in education and trades, scholarship programs
- ▣ Development of national and provincial policies enabling renewable energy transactions
- ▣ Policy development governing Aboriginal territorial overlap and competing claims
- ▣ Policy vs s.35, who will prevail?

Thank you!!!

- ▣ For more information on our projects, please visit www.picriverenergy.com