

ADDENDUM ENVIRONMENTAL SCREENING FOR MODIFICATIONS TO THE CASCADE STREET GENERATING STATION

EXECUTIVE SUMMARY

1.0 THE PROJECT

The Cascade Street Generating Station is located at the Cascade Street crossing of the Seguin River in urban Parry Sound. This facility is now almost 100 years old and is at the end of its functional life. Major upgrading or reconstruction along with replacement of generating equipment is required.

Bracebridge Generation Ltd. (BGL) proposes to remove the existing intake, penstock and powerhouse and replace these with modern structures including a new tailrace. Generating equipment will be replaced to efficiently increase generating capacity from 1.2 MW at present to approximately 3.2 MW.

Major upgrades to the generating station were considered by the previous owner (Parry Sound PowerGen) in an environmental assessment (E.A.) dated 2003. That previous E.A. has been updated by BGL pursuant to “Addendum” procedures set out in the Ministry of the Environment’s (MOE) Regulation 116/01. Recognizing that over 10 years have passed since approval of the previous E.A., BGL has voluntarily completed tasks over and above Regulation 116/01 including but not limited to, additional project notification and public consultation.

The following Addendum describes the methods used and findings of the subject study. It recommends that reconstruction of the generating station is the preferred alternative and, finds that said reconstruction can be accomplished without serious long term harm to social or ecological systems, thereby confirming the conclusions of the earlier 2003 E.A.

More specifically, the reconstruction of the Cascade Street Generating Station would involve building a new intake, penstock and powerhouse sufficient to accommodate an increase (16 cms to 35 cms) in plant flow. The powerhouse would contain a single turbine with a Kaplan runner. In addition to excavation for the above components, a

new tailrace and intake entrance would be necessary. A new emergency generator and transformer would also be installed. Construction duration would be 12 – 14 months with an estimated cost of \$14 million.

All reasonable provisions for mitigation were included at the project design stage: excavations including those for the tailrace and intake would be completed in-the-dry or after being isolated, an erosion and sediment control plan would be implemented as well as a construction wastewater management plan, and environmental construction monitoring would carry through the construction period. Temporary closure of Cascade Street is required and would take place in accordance with Town of Parry Sound conditions. Water management of incoming flows and reservoir levels would remain unchanged and in compliance with the Seguin River Simplified Water Management Plan

2.0 SUPPORT STUDIES

Ecological work undertaken in support of the project was based on new aquatic and terrestrial field and literature studies. Aquatic studies determined that the headpond and Mill Pond supports resident warmwater populations of yellow perch, smallmouth and largemouth bass, and northern pike. The walleye present in both locations are thought to be recruited primarily from upstream since good spawning habitat is generally unavailable. The potential presence of spawning lake sturgeon (a Species at Risk) in the Mill Pond was investigated and is deemed unlikely. Due to the three sets of dams in the study area, fish migration does not occur. Terrestrial investigations of the site and site buildings indicate that common species of vegetation, birds and wildlife typical of urban areas are present. Potential Species at Risk such as bats, barn swallow, monarch butterfly and milksnake were not encountered.

Consultation efforts included approving agencies, the public and aboriginal communities. Additional public notification was provided by way of a voluntary Notice of Completion.

An open house was convened and one presentation to Parry Sound Town Council, as well as one to the Mill Lake Cottagers Association, were delivered by senior BGL staff. A local Aesthetics Advisory Committee was struck to provide input on the appearance of the powerhouse exterior and site landscaping. Aboriginal consultation involved ten (10) First Nation and Metis communities, and consisted of formal notification with special information enclosures, an open house invitation, follow-up procedures and final letter

offering further discussion. Concerns for land claims or, Treaty rights and interests were not expressed.

New sub-studies were completed involving archaeology (Cultural Heritage and Underwater Archaeology Studies), an acoustic (noise) assessment and geotechnical studies, the findings of which are reported herein.

3.0 CONCLUSION

Based on a comprehensive and detailed analysis of all the above, serious adverse effects on social, cultural and ecological systems were not identified. BGL concludes that adverse effects of the proposed project are decidedly minor, are temporary in nature and, can be mitigated by standard, known practices. Cumulative effects are not anticipated.

Approvals and permitting required to initiate construction will be obtained in due course, and as required, from the Ministry of Environment and Climate Change, the Ministry of Natural Resources and Forestry, the Town of Parry Sound and the Department of Fisheries and Oceans.

The Addendum concludes that the proposed project presents distinct social, economic and ecological advantages to the municipality, BGL and BGL's municipal shareholders/residents without significant adverse effects. Based the following report and receipt of required permits, BGL intends to begin construction in late 2014.