



Subject WATERPOWER SITE RELEASE – CROWN LAND		Procedure PL 4.10.05	
Compiled by Renewable Energy Program		Date Issued April 16, 2010	
Replaces Directive Title Same	Number Same	Dated May 21, 2007	Page 1 of 34

1.0 SITE RELEASE PROCESSES

This document provides procedural direction to implement Policy PL 4.10.05 Waterpower Site Release on Crown land.

1.1 Direct Site Release

1.1.1 Application

Sites eligible for the Direct Site Release process will be released as follows:

- a) The Applicant submits a Waterpower Site Release Application to the Ministry's Renewable Energy Program (Business Process Officer) (BPO) together with the fee specified in Appendix A.

The following requirements must be met for Direct Site Release applications:

- If the Applicant is the riparian owner, the application must also be accompanied by proof of ownership of lands abutting the project.
- If the Applicant is not the riparian owner and if the lands abutting the project are not owned by the Applicant and are private, federal, municipal lands including road allowances or reserves or other lands not administered by the Ministry, the application must be accompanied by proof that the Applicant has an agreement or some form of legal understanding with the riparian (e.g. lease, partnership, etc.).
- If the Applicant is not the riparian owner and if the lands abutting the project are private, federal, provincial or municipal road allowances or reserves and there are backshore owners who utilize the allowance or reserve, written comments from these backshore owners must accompany the application and will be given consideration in the site release process.

- b) The BPO will upon receipt, date and time stamp all applications.

Where the waterpower project will inundate other lands, the Applicant must obtain written agreement(s) from the impacted private, federal or municipal landowners before they can get approval to construct and operate a facility. It is up to the Applicant to determine when to engage private landowners on agreements, so as to avoid delays or a refusal to issue permits and approvals.

1.1.2 Verification

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Applications will be reviewed in the following manner.

- a) The BPO will conduct an initial review to confirm basic administrative requirements are fulfilled (i.e. application forms and fees are submitted appropriately). Incomplete applications may be disqualified and returned to the Applicant. A notice of receipt will be issued to Applicants for each complete application received.
- b) The BPO will send the application and fees to the District Office and copies of the application to the Regional Renewable Energy Coordinator (REC), other relevant provincial ministries and agencies, and the Ontario Regions of the Department of Fisheries and Oceans, and Environment Canada. The BPO will retain a copy on file.
- c) The District will review the application to confirm that:
 - o all requirements have been completed. Incomplete applications may be disqualified and returned to the Applicant.
 - o the site is available for the site release as per Section 2.0 of the Policy
 - o the installed capacity of the proposed project will reasonably optimize the site potential and fall within the established direct site release thresholds. The District will engage the Regional Engineering Unit as required.
- c) If a site does not qualify for a direct site release, the District Manager will advise the Applicant of the reason for not releasing the site. The District Manager will notify the REC, BPO and any other agency previously informed of the application.
- d) Once the District confirms the application is complete and the site is both eligible and available for site release the District will:
 - process the application fee;
 - send a copy of the site application to the appropriate Provincial Mining Recorder to have the surface rights withdrawn from staking; and
 - notify Local Aboriginal community(ies) of a potential waterpower project and elicit their preliminary interests and/or concerns as they relate to the site. The Ministry will work with the Ministry of Environment and other ministries and/or agencies to determine the list of Local Aboriginal communities.

1.1.3 Site Information

- a) Within 60 days of the District Manager decision to proceed with the site release process, the Ministry will prepare a site information package (SIP) for the Applicant. The site information package will include any known information that the Ministry has related to the proposed waterpower project, the list of Local Aboriginal communities notified, and

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identification of other sources of information that the Applicant should review to assist in making their decision on proceeding with a proposal.

Within 30 days of the delivery of the site information package, the District will hold a site information meeting with the Applicant. The purpose of this meeting will be to review the SIP and other information that the Applicant has obtained relative to the site, as well as to outline the full scope of the process involved in developing a waterpower facility on Crown land.

- b) Within 30 days of the site information meeting, the Applicant must submit the Waterpower Applicant Declaration Form confirming in writing with the District that they wish to proceed. Should the Applicant decline to proceed, or fail to respond in 30 days, the site will be made available to other Applicants. The District will notify the REC, BPO, Local Aboriginal community(ies) and any other agency previously informed of the application.

1.1.4 Aboriginal Notification

Upon receipt of the Waterpower Applicant Declaration Form from the Applicant the District will notify Local Aboriginal communities to seek feedback about the application.

The information received by the Ministry from Local Aboriginal communities will be forwarded to the Applicant for consideration during the environmental assessment process and will be considered as the Ministry fulfills its duty to consult.

1.1.5 Public Notification

- a) Within 60 days of submitting the Waterpower Applicant Declaration Form, the Applicant will generally be required to undertake public notification.
- b) At a minimum, an advertisement must be placed in the local newspaper(s) (maximum of two newspapers) and include:
- contact information, including name of the Applicant and company name (if applicable);
 - full mailing address and telephone number;
 - Site name, Site ID#, name of river/lake and geographic township; and
 - estimated MW potential.
- c) The Applicant has the discretion to include additional information (e.g. descriptions, background or company information, maps, etc).
- d) The Applicant is responsible for notifying the District in advance, of the date the notification will appear in the newspaper(s). The District will inform BPO of this date.

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- e) Any submissions in response to the advertisement must be retained by the Applicant and addressed as part of the public consultation requirements during the environmental assessment.

Public notification requirements do not apply to small scale waterpower facilities.

1.1.6 Applicant of Record Status

Following Aboriginal and public notice, the District Manager will make a decision to either issue the Applicant of Record letter or deny the issuance of the Applicant of Record letter with explanation.

The Applicant of Record letter grants the Applicant the ability to pursue required approvals and permits for the development of a waterpower project, such as issuing a Notice of Commencement of an environmental assessment. There is no right, title, interest or tenure associated with Applicant of Record status.

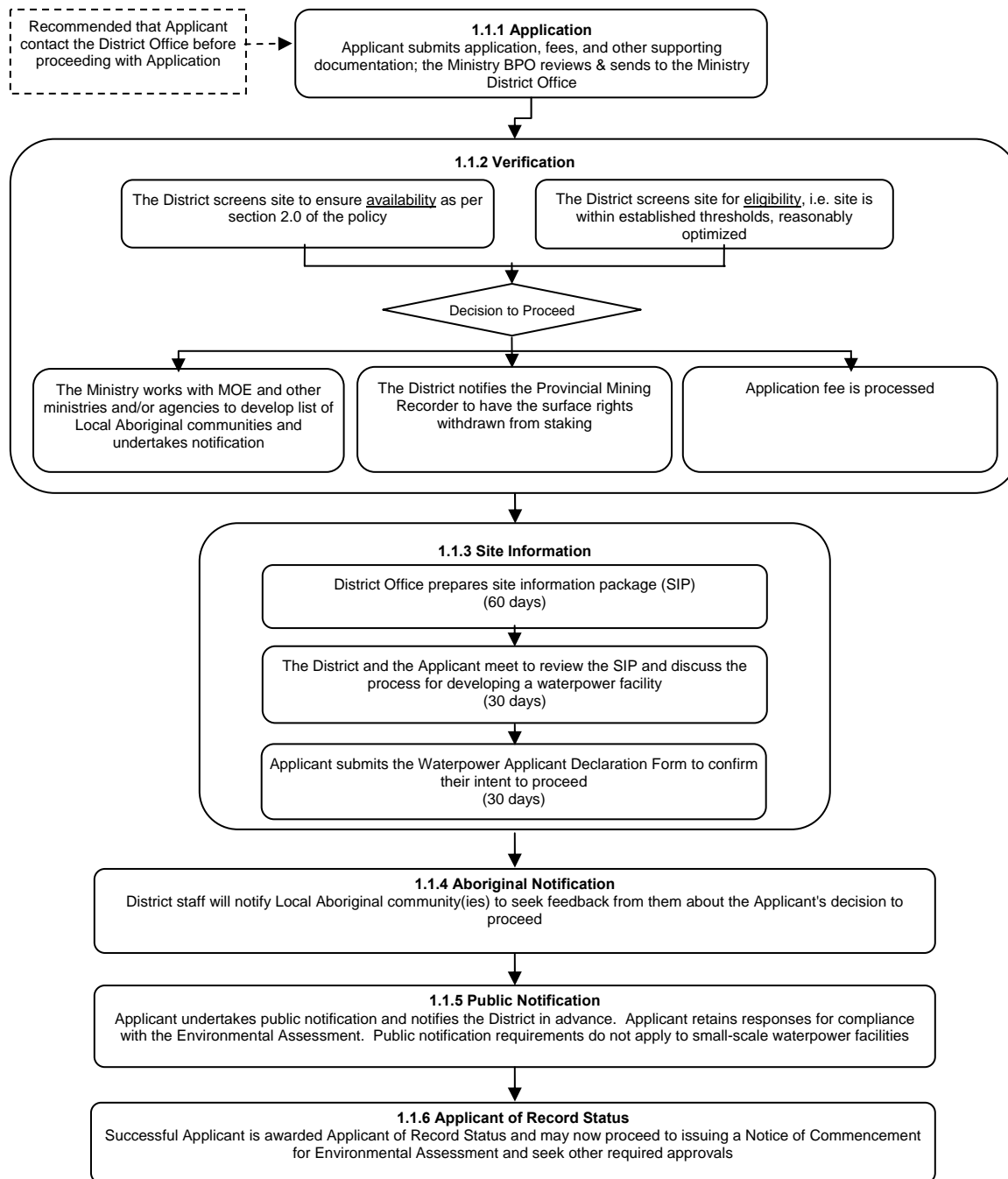
The Applicant of Record letter will include:

- a statement identifying the Applicant as the Applicant of Record;
- milestones that the Applicant is required to meet to maintain Applicant of Record status;
- the District staff contact to discuss the development and coordination opportunities; and
- the requirement for an Application for Crown land to be completed and submitted to the identified District contact.

The BPO will ensure the central records are updated.

Once an Applicant of Record letter has been issued, the formal site release process is finished.

Figure One: Direct Site Release Process



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1.2 Non-Competitive Site Release

1.2.1 Application

Sites eligible for the Non-Competitive Site Release will be released as follows.

- a) The Applicant submits a Waterpower Site Release Application to the Business Process Officer (BPO), with the application fee specified in Appendix A.
- b) If the abutting lands are provincial road allowances or reserves and there are backshore owners who utilize the allowance or reserve, written comments from these backshore owners must accompany the application and these comments will be given consideration in the site release process by the Ministry.
- c) The BPO will date and time stamp all applications upon receipt.

Where the waterpower project will inundate other lands, the Applicant must obtain written agreement(s) from the impacted private, federal or municipal landowners before they can get approval to construct and operate a facility. It is up to the Applicant to determine when to engage private landowners on agreements, so as to avoid delays or a refusal to issue permits and approvals.

1.2.2 Verification

Applications will be reviewed in the following manner:

- a) The BPO will conduct an initial review to confirm basic administrative requirements are fulfilled (i.e. application forms and fees are submitted appropriately). Incomplete applications may be disqualified and returned to the Applicant. A notice of receipt will be issued to Applicants for each complete application.
- b) The BPO will send the application and fees to the District Office and copies of the application to the Regional Renewable Energy Coordinator (REC), other relevant provincial ministries and agencies, and the Ontario Regions of the Department of Fisheries and Oceans, and Environment Canada. The BPO will retain a copy on file.
- c) The District will review the application to confirm that:
 - all requirements have been completed. Incomplete applications may be disqualified and returned to the Applicant.
 - the site is available for the site release as per Section 2.0 of the Policy.

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- the installed capacity of the proposed project will reasonably optimize the site potential and are within the established non-competitive site release thresholds. The District will engage the Regional Engineering Unit as required.
- d) If a site does not qualify for site release, the District Manager will advise the Applicant of the reason for not releasing the site. The District Manager will notify the REC, BPO and any other agency previously informed of the application.
- e) Once the District confirms that the application is complete, the site is eligible and available for site release, the District will:
- process the application fee;
 - send a copy of the site application to the appropriate Provincial Mining Recorder to have the surface rights withdrawn from staking;
 - notify the Local Aboriginal community(ies) of a potential waterpower project and seek their preliminary interests and/or concerns with the site. The Ministry will work with the Ministry of Environment and other ministries and/or agencies to determine the appropriate list of Local Aboriginal communities; and
 - designate the Identified Aboriginal community(ies) and notify them of the Ministry's contemplation to release the site for potential waterpower project.

1.2.3 Aboriginal Engagement

- a) The District will make reasonable attempts to meet with the Identified Aboriginal community(ies) to:
- advise the community(ies) that they are an Identified Aboriginal community for the site, explain the purposes of this designation and disclose information about all other Identified Aboriginal community(ies); and
 - discuss their preliminary interests and/or concerns with the site;
 - clarify next steps in the site release process and seek their interests and/or concerns as they relate to being the Identified Aboriginal community(ies).
- b) After meeting or after having made reasonable attempts to meet with the Identified Aboriginal community(ies,) the District Manager may:
- proceed with the site release process;
 - delay the site release process for an established and reasonable amount of time to provide the Identified Aboriginal community(ies) with additional time to prepare;
 - facilitate a meeting between the Identified Aboriginal community(ies) and the Applicant;
or
 - cancel the site release, with explanation.

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1.2.4 Site Information

- c) Within 60 days of the District Manager decision to proceed with the site release process, the Ministry will prepare a site information package (SIP) for the Applicant. The site information package will include any known information that the Ministry has related to the proposed waterpower project, the lists of Identified and Local Aboriginal communities notified, and the identification of other sources of information that the Applicant should review to assist in making their decision on proceeding with a proposal.

Within 30 days of the delivery of the site information package, the Ministry will hold a site information meeting with the Applicant. The purpose of this meeting is to review the SIP and other information that the Applicant has obtained relative to the site, as well as to outline the full scope of the process involved in developing a waterpower facility involving Crown land.

- c) Within 30 days of the site information meeting, the Applicant must submit the Waterpower Applicant Declaration Form to the District Manager to confirm in writing that they wish to proceed with the project, that they agree to engage the Identified Aboriginal communities, with the intent of establishing a business to business relationship and that they will report to the District on progress related to establishing this relationship.

Should the Applicant decline to proceed, or fail to respond in 30 days, the site will be made available to other Applicants and the District will notify the REC, BPO, Local Aboriginal communities and any other agency previously informed of the application.

- d) Following confirmation that the Applicant will proceed, the District will notify Local Aboriginal communities of the Applicant's decision to proceed and next steps in the process.

The information received by the Ministry from Local Aboriginal communities will be forwarded to the Applicant for consideration during the environmental assessment process, and will be considered as the Ministry fulfills its duty to consult.

- e) The Applicant will provide regular status reports to the District on the progress of the engagement with the Identified Aboriginal community(ies) and a final report at the end of the 180 day engagement period. The District may also independently communicate with the Identified Aboriginal community(ies) during this engagement period to track progress.
- f) At the end of the 180 day engagement period, the District Manager will assess the efforts made by both the Applicant and the Identified Aboriginal community(ies) to reach an agreement, based on the Applicant's report and feedback from the Identified Aboriginal community(ies). The District Manager may:

- allow the site release to proceed;

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- provide additional time, as specified by the District Manager, for the Applicant and the Identified Aboriginal communities to reach an agreement; or
- cancel the site release, with explanation.

1.2.5 Public Notification

- Within 60 days of submitting the Waterpower Applicant Declaration Form, the Applicant will undertake public notification.
- At a minimum, an advertisement must be placed in the local newspaper(s) (maximum of two newspapers) and include:
 - contact information, including name of the Applicant and company name (if applicable);
 - full mailing address and telephone number;
 - Site Name, Site ID#, name of river/lake and geographic township; and
 - estimated MW potential.
- The Applicant has the discretion to include additional information (e.g. descriptions, background or company information, maps, etc).
- The Applicant is responsible for notifying the District in advance, of the date the notification will appear in the newspaper(s). The District will inform BPO of this date.
- Any submissions in response to the advertisement must be retained by the Applicant and addressed as part of the public consultation requirements through the environmental assessment.

1.2.6 Applicant of Record Status

Following the 180 engagement period and the Aboriginal and public notification, the District Manager will either issue the Applicant of Record letter or deny the issuance of the Applicant of Record letter with explanation.

The Applicant of Record letter grants the Applicant the ability to pursue required approvals and permits for the development of a waterpower project, including issuing a Notice of Commencement of an environmental assessment. There is no right, title, interest or tenure associated with Applicant of Record status.

The Applicant of Record letter will include:

- a statement identifying the Applicant as the Applicant of Record;
- milestones that the Applicant is required to meet to maintain Applicant of Record status;
- District staff contact to discuss the project and coordination opportunities; and

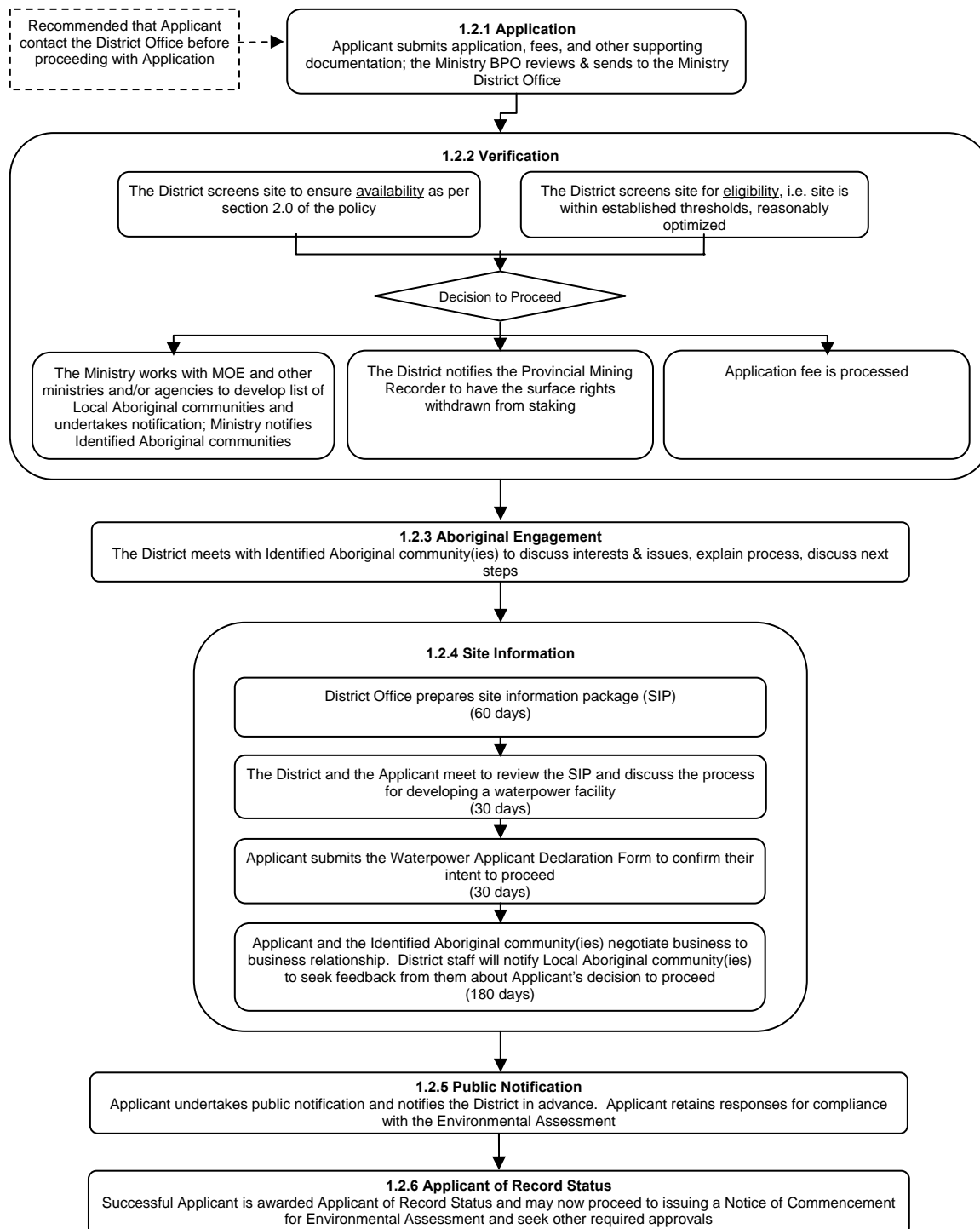
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- requirement for an Application for Crown land to be completed and submitted to the Identified District contact.

The BPO will ensure the central records are updated.

Once an Applicant of Record letter has been issued, the formal site release process is finished.

Figure Two: Non-Competitive Site Release Process



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1.3 Competitive Site Release

1.3.1 Expressions of Interest

- a) An Applicant will submit a completed Expression of Interest (EOI) Response Document to the Ministry in the prescribed manner.
- b) The BPO upon receipt, will date and time stamp all EOI documents.

1.3.2 Verification

EOIs will be reviewed in the following manner:

- a) The BPO will conduct an initial review to confirm basic administrative requirements are fulfilled (i.e. application forms are submitted appropriately). Incomplete applications may be disqualified and returned to the Applicant. A notice of receipt will be issued to Applicants for each complete EOI Document received.
- b) The BPO will send the EOI to the District Office and copies of the EOI to the Regional Renewable Energy Coordinator (REC). The BPO will retain a copy on file.
- c) The District will review the application to confirm that:
 - all requirements have been completed. Incomplete applications may be disqualified and returned to the Applicant.
 - the site is available for the site release as per Section 2.0 of the Policy.
 - the installed capacity of the proposed project will reasonably optimize the site potential and fall within the established competitive site release thresholds. The District will engage the Regional Engineering Unit as required.
- d) If a site does not qualify for the Competitive Release Process, the District will advise the Applicant of the reason for not releasing the site for competition. The District Manager will notify the REC and BPO of the decision.
- e) Once the District confirms the site is both eligible and available for Competitive Site Release the District will:
 - send a copy of the site application to the appropriate Provincial Mining Recorder to have the surface rights withdrawn from staking;
 - notify the Local Aboriginal community(ies) of a potential waterpower project and seek their preliminary interests and/or concerns with the site. The Ministry will work with the Ministry of Environment and other ministries and/or agencies to determine the list of Local Aboriginal communities; and

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- designate the Identified Aboriginal community(ies) and notify them of the District's contemplation to release the site for potential waterpower development.

1.3.3 Aboriginal Engagement

- a) The District will make reasonable attempts to meet with the Identified Aboriginal community(ies) to:
 - advise the community(ies) that they are an Identified Aboriginal community for this site release, explain the purposes of this designation and disclose information about all other Identified Aboriginal community(ies);
 - discuss their preliminary interests and/or concerns with the site; and
 - clarify next steps in the site release process and seek their interests and concerns as they relate to being the Identified Aboriginal community(ies).
- b) After meeting or having made reasonable efforts to meet with the Identified Aboriginal community(ies), the District Manager may:
 - proceed with the site release process;
 - delay the site release process for an established and reasonable amount of time to provide the Identified Aboriginal community(ies) with additional time to prepare;
 - facilitate a meeting between the Identified Aboriginal community(ies) and the Applicant; or
 - cancel the site release with explanation.
- c) The District Manager will notify REC and BPO that the site is proceeding for competition.

1.3.4 Competitive Process

- a) The District will be required to undertake public notification of the EOI process during preparation of the site information package.
- b) At a minimum, an advertisement must be placed in the local newspaper(s) (maximum of two newspapers) and include:
 - contact information for the District Office;
 - full mailing address and telephone number;
 - Site Name, Site ID#, name of river/lake and geographic township for the site under consideration; and
 - estimated MW potential.
- c) The District in consultation with the REC and/or the Renewable Energy Program, has the discretion to include additional information.

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- d) The District will inform BPO of the date the notification will appear in the newspaper(s).
- e) Any submissions in response to the advertisement must be retained by the District.
- f) Within 60 days of the District Manager decision to proceed with the site release process, the Ministry will prepare a site information package (SIP) for the Applicant. The site information package will include any known information that the Ministry has related to the proposed waterpower project, the lists Local and Identified Aboriginal communities notified, and the identification of other sources of information that the Applicant should review to assist in making their decision on proceeding with a proposal.
- g) Within 10 days of receiving the SIP, the BPO will prepare the Competitive Release Package (CRP) for the site to be released. The BPO will be responsible for posting the opportunities to be released and the associated CRP(s). Through out the Plan Of Development (POD) period, all updates, addenda to the CRP and other relevant material, will be made available.

1.3.5 Site Release Information Session

- a) The District, in conjunction with the REC, will identify the date and location, of any of Site Release Information Session(s). Holding of the session and the manner in which the sessions will be conducted is at the discretion of the District Manager.
- b) If Site Release Information Session(s) are to be held, this session(s) will occur as soon as possible after the CRP(s) has been made available. The purpose of the Site Release Information Session is to help potential Applicants understand the process, address any site specific issues or information gaps and have an opportunity to have questions answered, in an open forum, regarding the site, the CRP or the POD evaluation process.
- c) Other than through the Site Release Information Session, potential Applicants must submit questions to the Competitive Release Team (CRT). Relevant questions submitted to the Ministry and subsequent answers will be made available to ensure the same information is available to all Applicants.

1.3.6 Submission and Review of Plan of Development (POD)

- a) An Applicant has 120 days from the date the CRP was made available to submit a complete POD that responds to the CRP.
- b) Applicants must follow the POD template provided in the CRP, or the application will be deemed incomplete.

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- c) Applicants must submit four (4) copies of their completed POD, including one (1) original of the completed POD that must be clearly marked Original. An electronic copy must also be provided. This package must be delivered to the address identified in the CRP no later than the date and time stated in the CRP.
- d) All Applicants are required to submit the prescribed fee, as specified in Appendix A, however only the successful Applicant's fee will be processed.
- e) The BPO will review each POD for completeness. Incomplete PODs will not be evaluated.

1.3.7 Competitive Evaluation

- a) The CRT will evaluate each POD submitted through the Competitive Site Release process, in accordance with the process identified in the CRP.
- b) All PODs will be evaluated by the CRT to ensure they meet the specific minimum thresholds for eligibility. These minimum thresholds include Financial Capability and Technical Expertise. Only those applications that meet these minimum thresholds will move forward for more detailed evaluation.
- c) PODs that meet or exceed the minimum requirements for Financial Capability and Technical Expertise will be evaluated and scored on:
 - Identified Aboriginal communities participation;
 - response to the SIP; and
 - consultation, permitting and approvals planning.
- d) Evaluation of the Aboriginal participation component of each POD will occur as follows:
 - In situations where the Applicant has not included Proposal(s) in their POD for all of the Identified Aboriginal community(ies), the CRT will assign a score of zero (0) to the Aboriginal participation component.
 - In situations where the Applicant has included Proposal(s) in their POD for all of the Identified Aboriginal community(ies), the CRT will contact the Identified Aboriginal communities to invite them to evaluate only the Aboriginal participation component of each POD from the perspective of the benefits that will be forthcoming to their individual communities. Using a numeric score of one (1) to twenty-five (25), with one (1) reflecting virtually no benefits and twenty-five (25) reflecting a top score, they will assign a numeric score to the Aboriginal participation component of each POD.
 - In the event that an Identified Aboriginal community(ies) does not provide an evaluation, the CRT will evaluate the Aboriginal participation component on behalf of that

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community(ies). The evaluation will be based on the same numeric scoring system, with a score of one (1) reflecting virtually no benefits and a score of twenty-five (25) reflecting a top score.

- e) Based on the results of the evaluation process, the CRT will inform the District Manager of the outcome of the Competitive Release Process, identifying the Applicant with the highest overall score.
- f) The District Manager can, based on information from the CRT, choose to release the site to the successful Applicant to pursue development approval (assign Applicant as Applicant of Record), or deny the site release, with explanation.
- g) If the District Manager rejects all applications and declines to release a site, the basis for this decision will be provided to the Applicant(s). The BPO will then make available all sites that are declined.

1.3.8 Applicant of Record Status

Following the decision on the competitive site release process, the District Manager will either issue the Applicant of Record letter or deny the issuance of the Applicant of Record letter, based on legislative, regulatory or policy prohibitions.

The Applicant of Record letter grants the Applicant the ability to pursue required approvals and permits for the development of a waterpower project, including issuing a Notice of Commencement of an environmental assessment. There is no right, title, interest or tenure associated with Applicant of Record status.

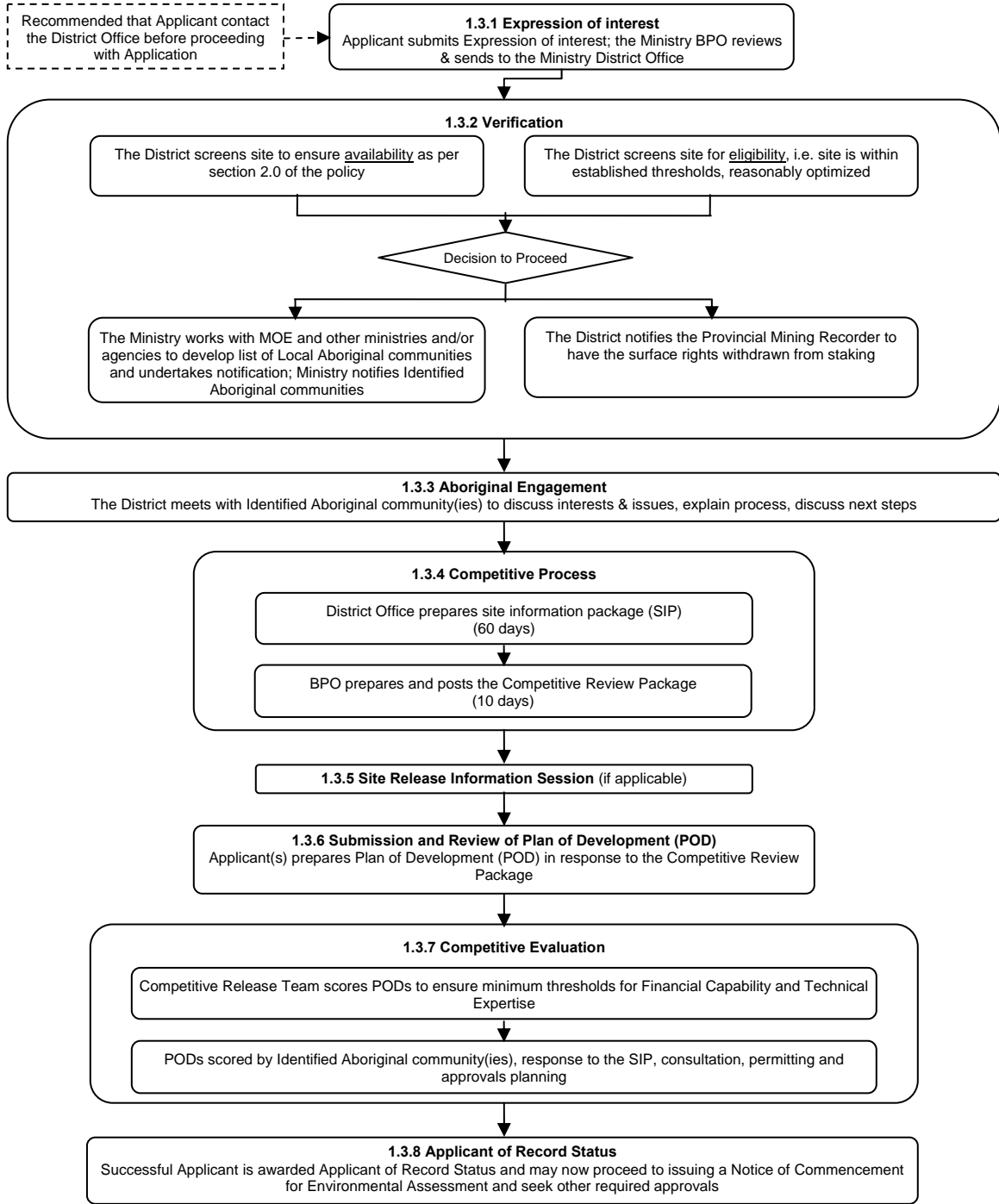
The Applicant of Record letter will include:

- a statement identifying the Applicant as the Applicant of Record;
- milestones that the Applicant is required to meet to maintain Applicant of Record status;
- District staff contact to discuss the development and coordination opportunities; and
- requirement for an Application for Crown land to be completed and submitted to the Identified District contact.

The BPO will ensure the central records are updated, post a notice on the Ministry renewable energy internet site identifying the Applicant of Record and process the application fee.

Once an Applicant of Record letter has been issued, the formal site release process is finished.

Figure Three: Competitive Site Release Process



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1.4 MNR Water Control Structure Site Release

1.4.1 Application

Structures eligible for the MNR Water Control Structure Site Release process will be released as follows.

- a) The Applicant will submit a Waterpower Site Release Application to the Business Process Officer (BPO), together with the fee specified in Appendix A.
 - If the Applicant is the riparian owner, the application must also be accompanied by proof of ownership of the lands abutting the project or include proof that the Applicant has some form of legal understanding with the riparian owner.
 - If the Applicant is not the riparian owner and if the lands abutting the project are not owned by the Applicant and are private, federal, municipal lands including road allowances or reserves or other lands not administered by the Ministry, the application must be accompanied by proof that the Applicant has an agreement or some form of legal understanding with the riparian (e.g. lease, partnership, etc.).
 - If the Applicant is not the riparian owner, and if the lands abutting the project are private, federal, provincial or municipal road allowances or reserves and there are backshore owners who utilize the allowance or reserve, the written comments from these backshore owners must accompany the application and will be given consideration in the site release process.
 - If the structure is under tenure, or other form of legal agreement, with a third party (e.g. conservation authority) the application must be accompanied by proof that the Applicant is the holder of the tenure, or other form of legal agreement, or has some form of legal understanding with the holder.
- b) The BPO upon receipt, will date and time stamp all applications.

Where the waterpower project will inundate other lands, the Applicant must obtain written agreement(s) from the impacted private, federal or municipal landowners before they can get approval to construct and operate a facility. It is up to the Applicant to determine when to engage private landowners on agreements, so as to avoid delays or a refusal to issue permits and approvals.

1.4.2 Verification

Applications will be reviewed in the following manner:

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- a) The BPO will conduct an initial review to confirm basic administrative requirements are fulfilled (i.e. application forms and fees are submitted appropriately). Incomplete applications may be disqualified and returned to the Applicant. A notice of receipt will be issued to Applicants for each complete application received.
- b) The BPO will send the application and fees to the District Office and copies of the application to the Regional Renewable Energy Coordinator (REC), other relevant provincial ministries and agencies, and the Ontario Regions of the Department of Fisheries and Oceans, and Environment Canada. The BPO will retain a copy on file.
- c) The District will review the application to confirm that:
 - all requirements have been completed. Incomplete applications may be disqualified and returned to the Applicant.
 - the site is available for the site release as per Section 2.0 of the Policy.

The installed capacity of the proposed project will reasonably optimize the site potential. The District will engage the Regional Engineering Unit as required. In addition, Regional Engineering will:

- confirm the integrity and stability of the water control structure and that it is in suitable condition for release;
 - prepare deficiencies report concerning structural liabilities that must be addressed to be in suitable condition for release for inclusion in the SIP;
 - determine the water control structure is not suitable for release for waterpower development; or
 - determine if there are other ministry operated water control structures on the reservoir that may be impacted by this development proposal and that should be considered relative to their operation and maintenance.
- d) If the water control structure does not qualify for site release, the District Manager will advise the Applicant of the reason for not releasing the water control structure. The District Manager will notify the REC, BPO and any other agency previously informed of the application.
 - e) Once the District confirms that the application is complete and the water control structure is eligible and available for site release, the District will process the application fee and notify the Local Aboriginal community(ies) of a potential waterpower project and seek their preliminary interests and/or concerns with the site. The Ministry will work with the Ministry of Environment and other ministries and/or agencies to determine the list Local Aboriginal communities.

1.4.3 Site Information

- a) Within 60 days of the District Manager decision to proceed with the site release process, the Ministry will prepare a site information package (SIP) for the Applicant. The site information

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package will include any known information that the Ministry has related to the proposed waterpower project, the list of Local Aboriginal communities notified, and the identification of other sources of information that the Applicant should review to assist in making their decision on proceeding with a proposal.

Within 30 days of the delivery of the site information package, the Ministry will hold a site information meeting with the Applicant. The purpose of this meeting will be to review the SIP and other information that the Applicant has obtained relative to the site as well as to outline the full scope of the process involved in developing a waterpower facility involving Crown land.

- c) Within 30 days of the site information meeting, the Applicant must submit the Waterpower Applicant Declaration Form to confirm in writing with the District that they wish to proceed. Should the Applicant decline to proceed, or fail to respond in 30 days, the water control structure will be returned to inventory to be made available to other Applicants and the District will notify the REC, BPO, Local Aboriginal communities and any other agency previously informed of the application, of the decision.

1.4.4 Aboriginal Notification

Upon receipt of the Waterpower Applicant Declaration Form from the Applicant to proceed with a waterpower project, District staff will notify Local Aboriginal communities to seek feedback about the Applicant's decision to proceed.

The information received by the Ministry from Local Aboriginal communities will be forwarded to the Applicant for consideration during the environmental assessment process, and will be considered as the Ministry fulfills its duty to consult.

1.4.5 Public Notification

- a) Within 60 days of submitting the Waterpower Applicant Declaration Form, the Applicant will undertake public notification.
- a) At a minimum, an advertisement must be placed in the local newspaper(s) (maximum of two newspapers) and include:
- contact information, including name of the Applicant and company name (if applicable);
 - full mailing address and telephone number;
 - water control structure name, Site ID#, name of river/lake and geographic township; and
 - estimated MW potential.

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- b) The Applicant has the discretion to include additional information (e.g. background or company information, maps, etc).
- c) The Applicant is responsible for notifying the District in advance, of the date the notification will appear in the newspaper(s). The District will inform BPO of this date.
- d) Any submissions in response to the advertisement must be retained by the Applicant and addressed as part of the public consultation requirements through the environmental assessment.

1.4.6 Applicant of Record Status

Following the Aboriginal and public notification, the District Manager will make a decision to either issue the Applicant of Record letter or deny the issuance of the Applicant of Record letter with explanation.

The Applicant of Record letter grants the Applicant the ability to pursue required approvals and permits for the development of a waterpower project, including issuing a Notice of Commencement of an environmental assessment. There is no right, title, interest or tenure associated with Applicant of Record status.

The Applicant of Record letter will include:

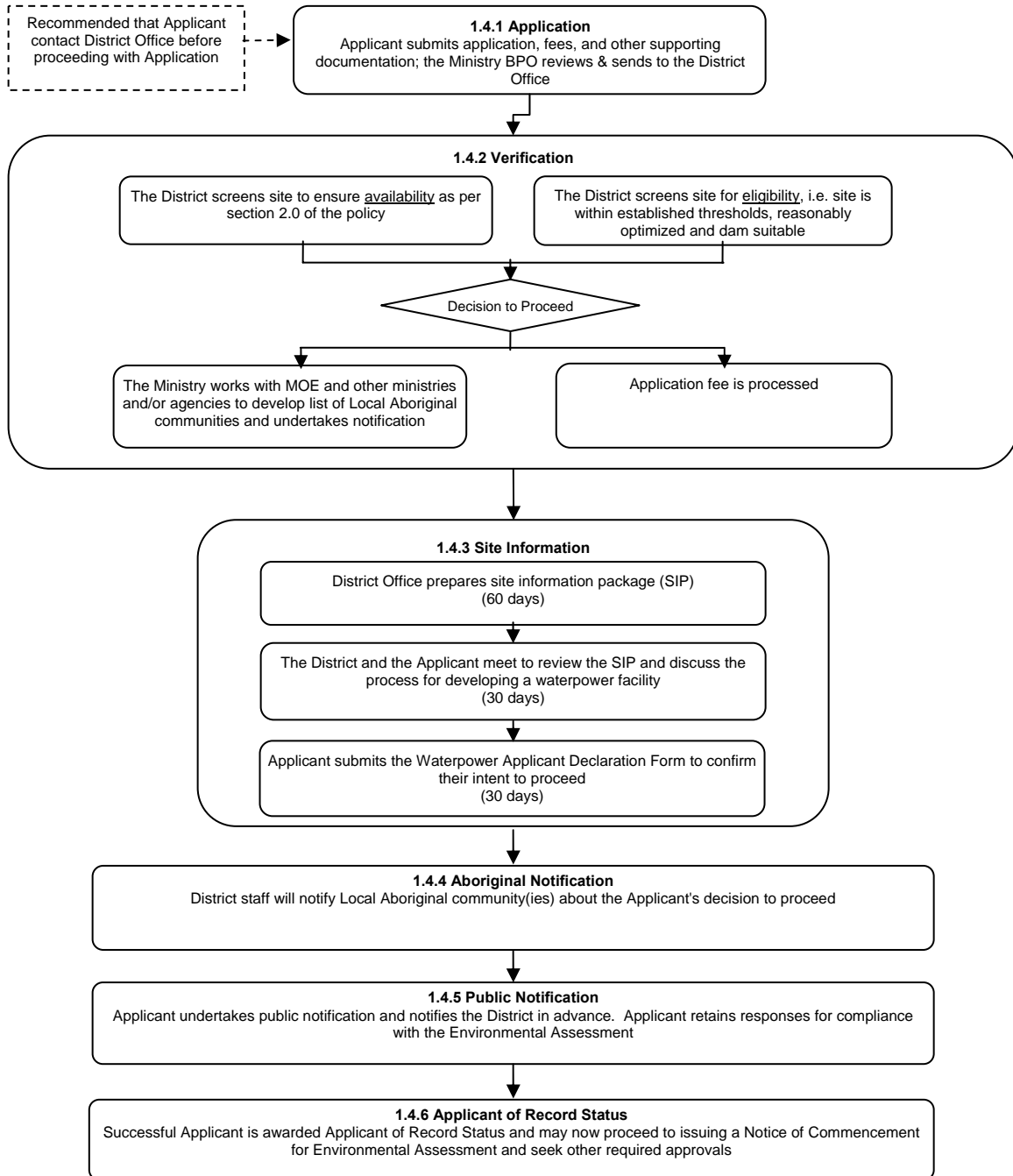
- a statement identifying the Applicant as the Applicant of Record;
- milestones that the Applicant is required to meet to maintain Applicant of Record status;
- the District contact to discuss the development and coordination opportunities; and
- the requirement for an Application for Crown land to be completed and submitted to the identified District contact, if applicable.

The BPO will ensure the central records are updated.

The Ministry will enter into an agreement with the Applicant for operation and maintenance requirements for the Ministry water control structure.

Once an Applicant of Record letter has been issued, the formal site release process is finished.

Figure Four: MNR Water Control Structure Site Release Process



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2.0 MAINTAINING APPLICANT OF RECORD STATUS

2.1 Applicant of Record Responsibilities

- a) The Applicant of Record is responsible for meeting all established milestones. Failure to meet milestones may result in Applicant of Record status being rescinded.
- b) The Applicant of Record shall provide updates as requested by the Ministry and shall meet with the Ministry upon request, to discuss progress toward established milestones.

2.2 Ministry Responsibilities

- a) The Regional Renewable Energy Coordinator (REC) shall track Applicant of Record project status and monitor the completion of required milestones.
- b) If the REC determines that an Applicant of Record is in danger of failing to meet a specific milestone, the following action will be taken:
 - the REC will discuss the issue with the District to determine what action should be taken; and,
 - the District will meet with the Applicant of Record to discuss the project and the potential delay in meeting the milestones.
- c) If in the opinion of the District Manager, the Applicant of Record has failed to meet any of the required milestones without sufficient reason, the District Manager may rescind the Applicant of Record status with 30 days notice.

3.0 ENVIRONMENTAL ASSESSMENT AND APPROVALS

The Class Environmental Assessment for Waterpower Projects (2008) (Class EA) details the framework for reviewing the environmental effects of waterpower projects in Ontario. It is a proponent led system to which regulatory agencies provide input and advice. Applicants undertaking greenfield site development or redevelopment of existing waterpower facilities on Crown or private land (including MNR water control structures) may need to obtain authorizations under the Ontario Water Resources Act, Lakes and Rivers Improvement Act, Endangered Species Act, Public Lands Act, Canadian Environmental Assessment Act, Species at Risk Act and Fisheries Act. As stated in the Class EA, a key objective is to coordinate and integrate environmental approvals and public involvement processes that are relevant to planning a waterpower project. Adhering to the Class EA will facilitate meeting the core planning requirements for this array of approvals.

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4.0 TENURE

4.1 Tenure during Construction

Sites on Crown land with an energy capacity of over 75kW will be authorized with a Crown lease during construction of the facility. Upon request by the Applicant of Record and upon completion of a Crown survey, a Crown lease will be provided to authorize the area that will encompass the footprint of the facility being constructed. Legal survey instructions are issued by the District Office. A land use permit may be issued as interim tenure, while survey requirements are being met.

In this instance, a Crown lease will serve as an interim form of tenure and will be replaced with a waterpower lease agreement once the facility is constructed. A modified version of a Crown lease has been developed specifically for authorization of a waterpower site in these circumstances. Insurance and other financial sureties required during construction will be similar for both types of tenure documents.

For sites on Crown land of 75 kW or less, the site will be authorized with a Land Use Permit during and after construction. No survey is required.

4.2 Tenure for Flooding

In general, Crown land required for flooding will be surveyed and authorized with an easement. Legal survey instructions are issued by the District Office. If there is any flooding of private lands, appropriate documents demonstrating the Applicant of Record's right to flood these lands must be provided to the District before an easement for the Crown land will be issued.

4.3 Other Ancillary Uses

Transmission lines, roads and land required for other approved uses will be authorized with the appropriate tenure or approval (i.e. work permit or land use permit). If requested by the Applicant of Record, an easement can generally be issued for transmission lines and roads. A Crown survey would be required. Legal survey instructions are issued by the District.

4.4 Tenure Post Construction - Issuance of a Waterpower Lease Agreement

Once the facility is constructed, a waterpower lease agreement (WPLA) under the authority of Section 42 of the Public Lands Act, will be used to authorize the footprint of the facility occupying Crown land.

4.4.1 Preparation of the Waterpower Lease Agreement

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- a) The District completes the requisition for issuance of a WPLA and forwards it to the District Manager for approval.
- b) The requisition and routing, once signed by the District Manager, are forwarded together with the accompanying documents to the Crown Land Registry Office, to prepare the document.
- c) Crown Land Registry produces the WPLA, in duplicate and sends them to the Applicant/Applicant of Record for execution.
- d) Both executed WPLA's are then returned to Crown Land Registry.
- e) Once received, both of the executed WPLA's are forwarded to the District for the District Manager's signature, who has the delegated authority under Section 42 of the PLA.
- f) The signed WPLA's are then returned to Crown Land Registry for registration in the appropriate Registry Office.
- g) The Land Registrar will send an executed copy of the WPLA, together with registration details to Crown Land Registry, who will then forward a copy showing registration details to the Applicant/Applicant of Record and District.

4.4.2 Renewal of a Waterpower Lease Agreement

The WPLA has a rolling term which can continue in perpetuity. In the case of a new facility on Crown land, the WPLA is issued for an initial term of thirty (30) years. After the first twenty (20) years, the leaseholder is eligible to request a ten (10) year extension. This extension will be granted provided that:

- all terms and conditions in the lease agreement have been complied with;
- the leaseholder provides at least six (6) months notice of the request for an extension; and
- the Ministry has no objections or concerns after conducting a review of the current situation.

If the extension is granted, the WPLA will have a term of twenty (20) years. The leaseholder becomes eligible to request another ten (10) year extension when only ten (10) years remain on the lease agreement. At all times, the WPLA has a term that varies between ten (10) and twenty (20) years and is never less than ten (10) years, unless an extension is refused. For existing facilities on Crown land, the initial term will be for twenty (20) years, with the extension provisions commencing after the first ten (10) years.

5.0 SURVEY REQUIREMENTS AND FORMS

Following the Ministry's decision to proceed with the necessary permits and approvals, the District will instruct the Applicant of Record to submit an application for Crown land and a current corporate profile from the jurisdiction in which they were incorporated. The Ministry will also provide survey instructions to the Applicant of Record.

The Applicant will be required to obtain an approved Crown land survey in accordance with PL 2.06.01 Survey Plan Approval.

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6.0 REQUISITIONS

When the routing and requisition package is prepared by the District, a cover page must be affixed stating: "THIS IS RELATED TO A RENEWABLE ENERGY PROJECT", to ensure that appropriate Renewable Energy Program staff are aware.

7.0 TAXES AND CHARGES ON GROSS REVENUE, AND LAND RENTS

7.1 Gross Revenue Charge

The Electricity Act, 1998 sets out taxes and charges which owners of waterpower facilities are liable to pay to the Ontario Government.

Each owner shall pay a graduated property tax, calculated on each station's gross revenue, derived from each station's annual generation of electricity. Each owner who also is the holder of a waterpower lease is also required to remit a water rental charge, which is calculated using the station's gross revenue. The taxes and charges, which together are referred to as the Gross Revenue Charge (GRC), are remitted to the Ministry of Revenue (MOR). Owners of waterpower facilities shall register with MOR for the purposes of reporting and remitting GRC.

As a financial incentive to encourage the construction of new waterpower facilities and to modify existing stations, the Act permits deductions to be made in determining the gross revenues of a waterpower facility based upon eligible capacity, for 120 months from the date when the eligible capacity came into service.

O. Reg. 124/02 (Taxes and Charges on Hydro-electric Generating Stations) specifies that for a new or redeveloped station, all of a waterpower facility's annual electricity generation is eligible for the tax and charges deduction. For an upgrade, the electricity generated by the facility attributable to the upgrade, is eligible for deduction. To be eligible, the upgrade must be projected to increase the average annual electricity generated by the station by at least two per cent.

Persons proposing to develop waterpower facilities, or to redevelop or upgrade existing facilities, may apply to the Ministry to obtain an "interim determination" of eligible capacity, as a basis for assessing the level of relief the project would provide from liability to pay the GRC. Once a project is constructed and in service, owners may apply to the Ministry to obtain a final determination – a statement issued by the Ministry which determines the project capacity eligible for relief from the liability to pay the GRC. This statement must be provided to MOR to commence permitted deductions to the calculation of the waterpower facility's gross revenues.

7.2 Land Rent

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While the water rental charge is the principal rent paid for use of Crown land to generate electricity, the holder of a waterpower lease agreement and other tenure documents (e.g. easements for flooding, land use permits for roads and transmission lines) is also required to pay land rent, the establishment of which are authorized under the Public Lands Act, with the amounts established in policy.

8.0 DEFINITIONS

“Abutting lands” means those foreshore lands of the lake and or river adjoining the waterpower site.

“Backshore owners” means any titleholder directly bounded by a municipal road allowance, or Crown reserve and who has exercised right of access to an adjoining body of water.

“Business to Business Relationship” means an existing or proposed financial arrangement and/or other relationship between two or more parties to a development proposal.

“Footprint” means the generating station, water control structures, ancillary building(s) and parking lot in close proximity (generally attached) to the station.

“Riparian rights” means the rights of a riparian owner including:

- access to the water;
- drainage;
- flow of water;
- quality of water (pollution);
- use of water; and
- accretion (or loss through erosion).

9.0 REFERENCES

9.1 Statutory

- Beds of Navigable Waters Act
- Class Environmental Assessment for Waterpower Projects, October, 2008
- Endangered Species Act
- Electricity Act
- Environmental Protection Act
- Freedom of Information and Protection of Privacy Act
- Lakes and Rivers Improvement Act

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- Mining Act
- Provincial Parks and Conservation Reserves Act
- Public Lands Act
- Wilderness Areas Act

9.2 Policies and Procedures

- PL 2.06.01 Survey Plan Approval Policy
- PL 4.10.03 Utility Corridor Management
- PL 4.10.05 Waterpower Site Release – Crown Land
- PL 4.11.04 Easements (Grants of)
- PL 4.11.03 Road Allowances and Crown reserves – Disposition
- PL 6.01.02 Crown Land Rental Policy
- WR 3.02.01 New, redeveloped and upgraded hydro-electric generating stations – Ministry of Natural Resources' (MNR) statements issued for the purpose of claiming deductions to the Gross Revenue Charge under the Electricity Act, 1998

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APPENDIX A

Waterpower Fees and Rents

Application Fees (non refundable once processed)

≤75 kW	Direct	Non-Competitive	Competitive	MNR water control structures
\$500 + tax	\$1000 + tax	\$2000 + tax	\$5000 + tax	\$2000 + tax

RENTAL TABLE

Tenure Type	<75kw	MNR water control structures - construction phase	Greenfield - Construction Phase	Facility Footprint (include water control structure + parking + buildings, etc. in close proximity)	Building, etc. not in close proximity to facility footprint	Flooding
LUP	Crown Land Rental Policy - Table B	Short-term while survey being completed if necessary \$1000/annually	Short-term while survey being completed if necessary \$1000/annually		Crown Land Rental Policy	
Crown Lease		\$1000/annually	\$1000/annually		Crown Land Rental Policy	
Easement					Roads (Crown Land Rental Policy) Transmission Lines (annual rent based on Utility Corridor Policy PL 4.10.03)	*Flooding formula to a maximum of \$1000 for the 1st 1000 ha. -Apply same formula for each succeeding 1000 ha.

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Existing WPLA or LO				- land rent according to document provisions -water rental charge of 9.5% of gross revenue paid to Min. of Finance. (Electricity Act reg.)		*Flooding formula - no max.
New WPLA				-\$1000/ annually -water rental charge of 9.5% of gross revenue paid to Min. of Finance (Electricity Act reg.)		

All fees and rents are subject to change without notice.

The waterpower zonal values applied to this policy are:

NW Zone = \$454.00 per hectare (\$184.00 per acre)
 NE Zone = \$294.00 per hectare (\$119.00 per acre)
 SC Zone = \$1,030.00 per hectare (\$417.00 per acre)
 SE Zone = \$986.00 per hectare (\$399.00 per acre)
 SW Zone = \$8,798.00 per hectare (\$3,562.00 per acre)

* Flooding formula to determine annual rent:

- Waterpower Zonal Value x area x 25% (impact on fee simple) x 10% (rate of return)
- Annual rent to be adjusted in each subsequent year by CPI (if tenure document permits annual adjustments)
- When the above formula results in a rental amount on a per document basis that is less than \$200.00, a minimum rent of \$200.00 shall be charged.

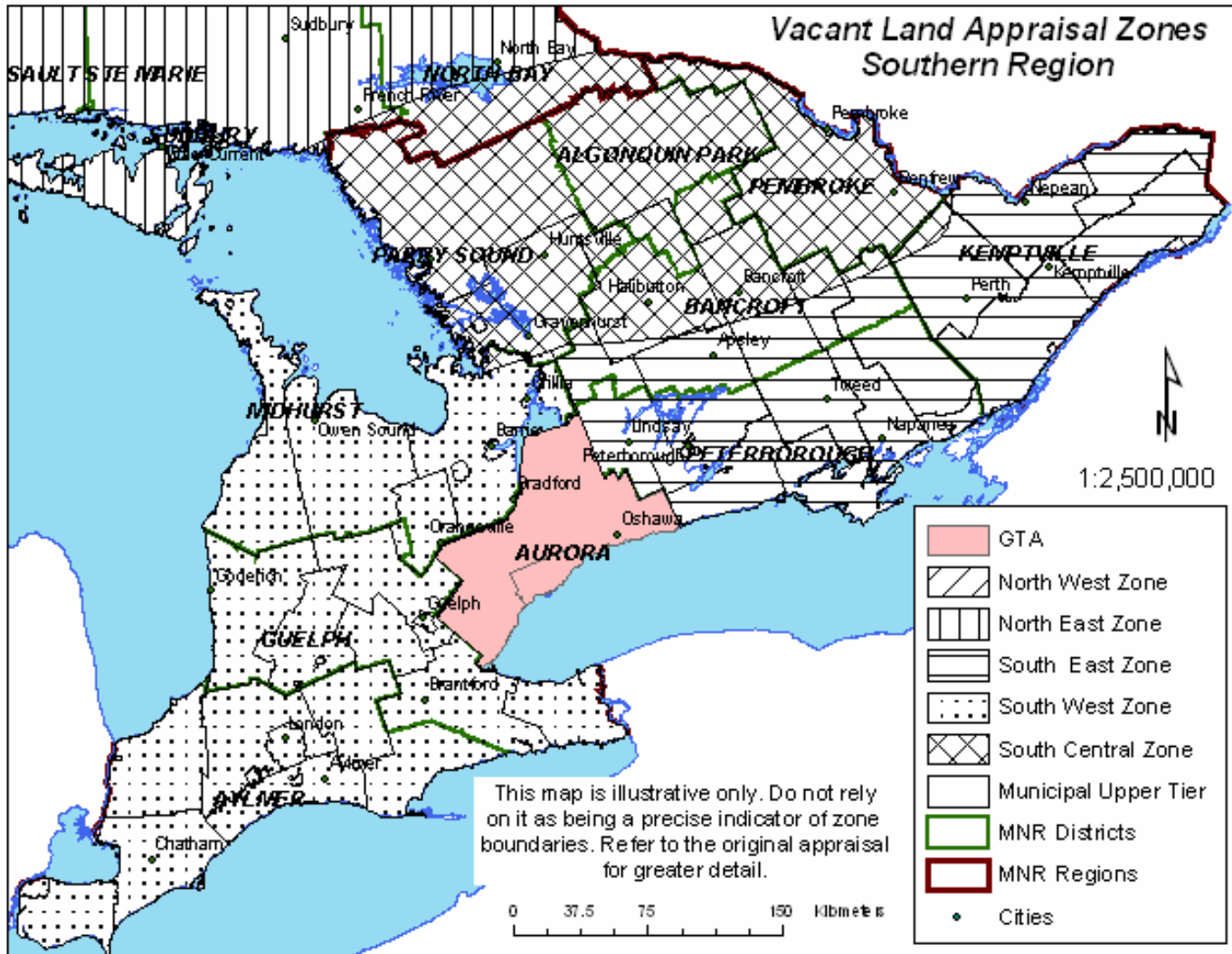
Notes:

- 1) Property taxes are paid on all waterpower facilities (including private land) based on a percentage of gross revenue from generation defined under regulation of the Electricity Act.
- 2) All fees and rents are subject to tax

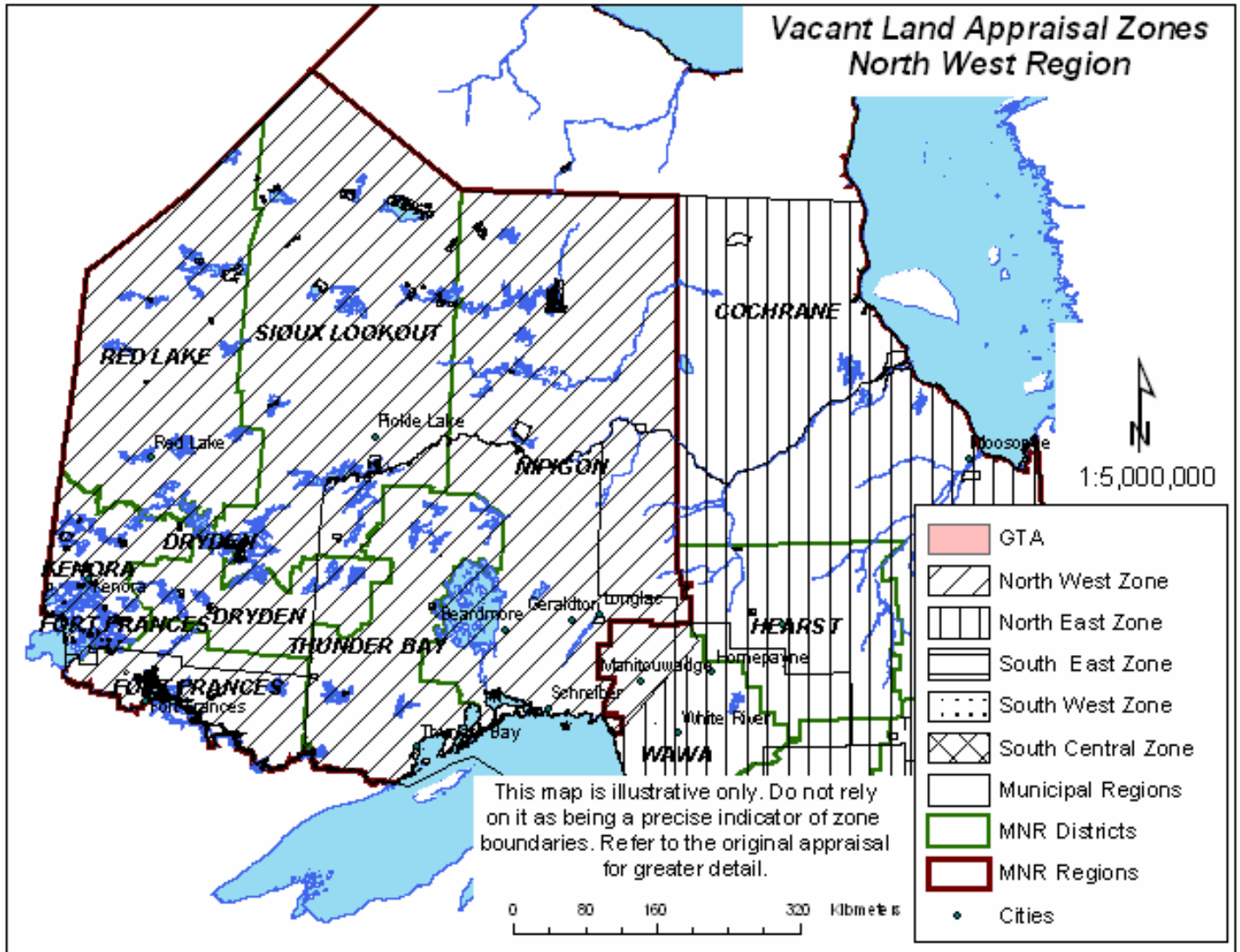
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- 3) The phase-in of large rent/fee increases is provided for in PL 6.01.02 Crown Land Rental Policy.
- 4) Refer to PL 6.01.02 Crown Land Rental Policy – Table B for the administrative fees apply to all dispositions, unless specified elsewhere in policy (e.g. PL 4.11.04 Easements (Granting of) or PL 6.02.01 Administrative Fees for Public Land Transactions).
- 5) Cheques for application and rent fees are to be made payable to the Minister of Finance.

Zonal Land Value Map – Southern Ontario



Zonal Land Value Map – Northwestern Ontario



Zonal Land Value Map – Northeastern Ontario

