Virtual Open House Q & A Document

Milltown Generating Station Decommissioning Project

Énergie NB Power | the power of possibility
débordant d'énergie

LA CENTRALE DE
MILLTOWN
GENERATING STATION

The following is a summary of the questions received during the Milltown Generating Station Decommissioning Project virtual open house held on January 26, 2021 and corresponding responses.

GENERAL PROJECT

1. What evaluation was carried out to reach the decision to decommission?

   When looking at our generating facilities and infrastructure, we must consider our mandate to provide safe, reliable energy to our customers at stable rates. Making the decision to decommission any of our facilities takes serious consideration. We retain third-party experts to help us assess and evaluate what is required and look at all the possible options available to us. We have to look at several different factors – costs, environmental requirements, risk, to name a few. Our decision to proceed with decommissioning the Milltown Generating Station and allowing the restoration of the St. Croix River is the least-cost option for all New Brunswickers while resulting in no impact to our operations.

2. Were third party proposals for refurbishment considered? Why not consider an option that will not cost taxpayers, continues to generate local power, provides jobs and improves fish passage?

   Yes, NB Power received third-party proposals for refurbishment, which were considered. The details of these proposals were shared under non-disclosure agreements and are not available to the public. However, we can confirm that the third-party proposals were thoroughly evaluated. We relied on specialists to assist with the evaluation to ensure we understood all aspects of the proposals. The third-parties were not able to provide a solution that was financially more beneficial to New Brunswickers.

   The proposals all included the cost of decommissioning the station, plus the costs of operations and refurbishment which were built into a power purchase agreement whereby NB Power would purchase the power produced by the station. If this proposal was acceptable, these costs would then become part of NB Power's rate structure which requires approval by the Energy and Utilities Board. It is important to note that decommissioning costs will always be the responsibility of New Brunswick ratepayers.

   Although there is interest in having the Milltown Generating Station provide power directly to the St. Stephen community, it is not possible to deliver power to the community directly from the Station. The power generated by the Station is directed to our provincial grid, which in turn is distributed within the province. In addition, the Milltown station alone, would not be sufficient to meet the energy needs of St. Stephen. Removing the Milltown Generating Station will have no effect on the reliability of service for St. Stephen, Milltown or the surrounding area.

   Addressing the question regarding jobs, currently there are two NB Power employees working at the Milltown Generating Station who will transfer their skills to other areas of NB Power. In addition, the two employees may continue to live in the St. Stephen community if they choose to.

   NB Power has evaluated all options and engaged extensively with the local community and the third-party developers related to the future of the station and these discussions concluded with our recommendation to proceed with decommissioning. Decommissioning is the least cost option to New Brunswickers.

3. Why remove the Milltown Generating Station, it is a renewable resource providing green energy?

At NB Power, we understand the importance of transitioning to a low-carbon economy. We continue to actively engage with First Nations (Rightsholders), stakeholders and communities to pursue a mix of sustainable energy solutions that reduce our carbon footprint and do so in a cost-effective way for our customers. Currently, we are serving our customers with 80 per cent carbon free electricity. The Milltown Decommissioning project does not impact our goal to transition to a low-carbon economy.

4. What percentage of the power in and around the community is supplied by the Milltown Generating Station and how will it be replaced after decommissioning?

The Milltown Generating Station currently supplies less than 3MW which represents 0.8% of NB Power's hydro generation and 0.07% of NB Power's overall total generation capacity. St. Stephen and the community surrounding the Milltown Generating Station receives power from the NB Power grid and not directly from the Milltown Station. When the Station is retired from service the St. Stephen community will continue to receive the same affordable, reliable and safe electricity, like all New Brunswickers supplied from the NB Power grid. NB Power also has local Distribution resources which will continue to maintain power when storms occur.

Removing the Milltown Generating Station will have no effect on the reliability of service for St. Stephen, Milltown or the surrounding area.

5. Has decommissioning already started? The public were informed that nothing would happen until the public had an opportunity to comment.

Decommissioning, such as removal of the structures and river restoration has not already started. In order to prepare for the filing of the Environmental Impact Assessment and the United States permits, work such as, various environmental studies and preliminary engineering plans had to be carried out.

Before NB Power can proceed with decommissioning, the project will go through an Environmental Impact Assessment (EIA) review process with the provincial Department of Environment and Local Government, and a number of provincial and federal permits and approvals will be required following that EIA review. In addition, because the Station sits on an international boundary formed by the St. Croix River, NB Power will be submitting applications with the Maine Department of Environmental Protection and the United States Army Corps of Engineers to obtain the required United States permits.

In December 2020 we filed the Environmental Impact Assessment registration document which outlines the early plans for decommissioning. This marked the beginning of the formal public consultation period on the Environmental Impact Assessment. General public consultation began in June 2019 and will continue throughout the entire project.

6. What level of consultation has taken place?

NB Power is committed to engaging and consulting with First Nation communities, the general public, stakeholders and interested parties. Engagement commenced in the summer of 2019 and will continue throughout the project.

Summary of Stakeholder Engagement from June 19, 2019 to January 31, 2021

General Communications	
Over 160	Written communications (reaching hundreds of stakeholders)
Over 25	Stakeholder meetings (one-on-one and groups up to 135 participants)
10	Community Liaison Committee Meetings (including a site tour)

Events	
11-Jul-19	NB Power public Open House (64 participants)
10-Dec-19	Lessons Learned Workshop with Peskotomuhkati First Nations (24 participants)
14-Jan-20	NB Power Rightsholder and stakeholder workshop (42 participants)
26-Jan-21	NB Power public virtual Open House (106 participants)

Media Articles	
27-Jun-19	News release to seek approval to remove the Milltown Generating Station
05-Jan-21	News release and notification of the Environmental Impact Assessment (EIA) registration
17	Articles mentioning the Milltown Generating Station
5	Advertisements about the EIA registration and virtual open house

Website Statistics (July 8, 2019 to January 31, 2021)	
2,689	Visitors to the Milltown Decommissioning webpage

7. What happens to the land once decommissioning is complete?

The ultimate decision of the lands at Milltown will be determined by NB Power in consultation with rightsholders and key stakeholders.

8. What impact will the Milltown Decommissioning project have on building plans for properties close to the border bridges?

The scope of the Milltown Decommissioning project does not extend to the international border bridges and should have no impact on properties.

9. Has there been a study carried out to assess the tourism potential and economic benefits or impact to St. Stephen when the Milltown Generating Station is removed and the river becomes free-flowing?

We are not aware of any study conducted to assess the future tourism potential and economic benefits or impact to the community following the Milltown Generating Station decommissioning project.

When we look at making a decision to decommission one of our assets, we have to take into consideration that we are a utility serving the province of New Brunswick. We have to look at this from the perspective of what is the best decision for overall power production for all rate payers in New Brunswick. NB Power cannot just look at the benefits that accrue to just one community when it looks at a decision of this nature. A good decision for one community can have a detrimental impact on other rate payers.

10. What is the cost of decommissioning the Milltown Generating Station and how does this compare to refurbishing?

The latest estimate for the Milltown Decommissioning project, with activities on both sides of the international border, including; management, engineering, environmental requirements, project permitting, dismantling of structures and shaping the river bed to allow for fish passage is expected to be approximately $20 million.

With the third-party proposals the total cost of refurbishment included: refurbishment of the station, refurbishment of the fish passage, continued operation and decommissioning. This proposal was in the form of a power purchase agreement whereby NB Power would purchase the power produced by the station.

The total cost for decommissioning included decommissioning and replacement power. When comparing the two options, the proposal to refurbish was at least $14 million more than the cost of decommissioning.

Therefore, the cost of decommissioning is the least cost option to all New Brunswickers.

11. If the local municipality has plans to utilize the Milltown Generating Station for energy, tourism and local employment, how can NB Power not transfer ownership to the town and relieve the public taxpayers of another $20 million in taxes?

NB Power owns the Milltown Generating Station and this asset has reached the end of its life. Transferring ownership would require the municipality to spend 10s of millions of dollars to upgrade the station and fish passage. In addition, the town would have to obtain all the necessary international regulatory permits to operate the station and plan for decommissioning in the sum of $20 million at a later date. The output would have to be sold to NB Power and there was no scenario where there was a cost-effective business case to buy the power versus decommissioning the station. We ran many scenarios to evaluate this and the answer remained the same, decommissioning was the least cost option.

Decommissioning the Milltown Generating Station has no impact on municipal or personal taxes. Decommissioning costs are built into NB Power's rates which are evaluated and approved by the Energy and Utilities Board and apply only to NB Power rate payers. This would have no impact on taxes.

12. How much has already been spent on the project?

The spending estimate for the Milltown Generating Station decommissioning as of January 2021 is approximately $1.8 million. This includes activities on both sides of the international border, such as: management; development of preliminary engineering plans; identification and development of environmental requirements and project permitting; and river restoration plans to allow for fish passage. Information required for the cost analysis and filing the Environmental Impact Assessment.

13. Is there cost sharing with the United States?

No, the Milltown Generating Station is owned and operated by NB Power. The Milltown Decommissioning project will be funded by NB Power. At this time, there is no financial support from any federal or provincial/state government department or agency.

14. Has NB Power explored the opportunity to preserve some of the legacy infrastructure? If so, what projects, monuments or exhibits are being considered to acknowledge the heritage of the Milltown Generating Station?

NB power has begun and will continue to engage and consult with First Nations, stakeholders and the public to find a way to recognize the Station's history within the community. We invite anyone who may have ideas on how the Station's history could be recognized to submit their ideas via email to MilltownProject@NBPower.com

ENGINEERING AND THE RIVER RESTORATION PROCESS

15. Does NB Power have a good idea of what the river looked like before the dam was built?

There is no definitive documentation of what the area looked like before development. However, based on the available evidence, we anticipate that at the Salmon Falls area the river flowed over, around and through a dispersed series of bedrock outcroppings that resulted in diverse flow patterns similar to a river cascade.

16. Can the rock that was removed to build the dam and powerhouses be replaced to restore the river to what it was?

The fish passage enhancement entails supplementing the existing river bottom with river bed materials to result in flow conditions that emulate the type of flow conditions present at the site prior to development. The supplemental river bed materials will include very large boulders, smaller boulders, cobbles and gravel.

17. How will the change in the water levels and flows impact or facilitate recreational canoeing, kayaking or boating?

The impoundment area (the area above the dam) will transition from a flatwater paddling area with relatively swift currents to a riverine flow condition with swifter currents and additional turbulence, and in some areas cascade-like or rip-like flow patterns. The design is not being prepared with specific boating objectives in mind, however, it is expected that experienced paddlers may navigate the project reach after the project is complete.

18. What materials will be used for the fill in the river?

The supplemental river bed materials will include very large boulders, smaller boulders, cobbles (rounded shaped rocks) and gravel.

19. Why will the bedrock be altered in the river?

The need to consider supplemental shaping of the bedrock is due to the legacy of modification of the site as it was developed, particularly in the powerhouse and tailrace area. This modification leads to a condition that will not support effective fish passage once the powerhouses and spillways are removed. It is not possible to go back to the exact condition that existed pre-settlement. Selective removal of bedrock is planned to work in tandem with the addition of supplemental river bed materials to mitigate the past modifications of the site. The intent in doing so is to optimize volitional, or sea-run fish passage opportunities for the native fish population.

20. How long will it take before the river and fish populations return to their natural state?

After construction, the river channel will have a period of "settling-in" or natural adjustment as the restoration features are introduced to the range of river flows. It is anticipated, the river channel will have adjusted within the first couple of years following construction. However, the timing of the long-term recovery of the native fish population which the project supports has more uncertainty due to factors that the project cannot control, such as ocean conditions, and upstream fish passage opportunity. The river herring/gaspereau population has rebounded quickly over the years, and the trend suggests a potentially rapid recovery to a viable and healthy population, supported by efforts such as the Milltown decommissioning project.

21. What data was used to complete the river flow models?

The river flow models utilize a combination of river bed and shoreline elevation, river flow, and river elevation data. The river bed and shoreline data were surveyed using bathymetric and ground survey techniques. This data was augmented by selected information from archival drawings for the area beneath the powerhouses. The flow data came from the United States Geological Survey gauge 01021000 St. Croix River at Baring, Maine. River level data came from NB Power records, supplemented by water level measurements at the time of the surveys.

22. Will new flood plain maps be re-drawn following the removal of the Milltown Generating Station as a consequence of changes of river water levels?

It is typical for regulatory floodplains in the United States to be adjusted following construction of a major project that will influence river levels, such as the Milltown Generating Station decommissioning. This is accomplished through the 'letter or map revision' process.

23. If coffer dams direct water to the other side of the river, how will the fish passage operate during decommissioning?

The cofferdams will not be placed in the river during the upstream fish migration season. Instead, the existing fishway system will be used for upstream fish migration until the fish run has passed (approximately mid-July). Once the migration season is over, the impoundment will be lowered to typical flow conditions and the cofferdams will then be constructed to isolate the powerhouses.

24. What are the flows that gaspereau cannot navigate?

The project design uses an approach that includes a combination of flow velocity and distance to develop a gradient of passage potential for gaspereau. Within this, water velocity less than 1.8 m/s are considered well within the capacity for gaspereau to navigate. Velocities above this become more stressful, with velocities above 2.5 m/s considered challenging for gaspereau to swim against. Over the range of fish passage design conditions from lower flow levels to higher flow levels, the design includes a range of opportunities and areas for gaspereau to ascend past the project area. At lower flow events, these areas are more abundant. At higher flow events, these areas become less abundant but are still available along the margins of the river channel.

25. Will there be blasting during decommissioning?

At this time blasting is not anticipated. If the demolition contractor proposes blasting, or unforeseen circumstances arise that limited blasting is required (specifically for concrete structure removal or bedrock removals), a detailed blasting plan that includes specific mitigation measures to protect human health, marine life and the environment will be developed for submission to applicable regulators for approval.

26. Will the materials removed during decommissioning be recycled?

Yes. To the extent possible, all metal building materials (structural steel, copper wiring, etc.) and equipment will be removed from the buildings and segregated for salvage as scrap metal. In addition, it is estimated that approximately 75% of the concrete and brick building materials associated with the powerhouse structures will be crushed on-site and used for filling void areas on the NB Power owned property. In addition, regulated wastes such as light ballast, fluorescent tubes, mercury switches, waste oil, etc. will also be segregated and transported to approved facilities for disposal and recycling as part of the decommissioning activities.

ENVIRONMENTAL IMPACT ASSESSMENT AND PERMITTING PROCESS

27. What research has been conducted on the sediment located in the water and will this information be available to the public?

As detailed in Section 5.5.2.3 of the Environmental Impact Assessment registration document, surveys were conducted in November 2019 and identified that sediment is mostly limited to four small deposition areas in the impoundment. The estimated amount of accumulated sediment in those four deposition areas ranged between 15 and 2,700 m^3 of sediment, for a total of up to 3,730 m^3. Those sediments cover an approximate total area of 4,250 m^2 of the impoundment, a relatively small area (about 8.5% of the 6-hectare total area of the impoundment). Testing of the sediment has revealed few contaminants of concern except for some heavy metals, which we attribute to the local geology.

28. Will the sediment be removed from the river?

The sediment will not be physically removed from the river because with the limited amount present, it would not be practical to do so; however, it is expected that some sediment in the four main deposition areas within the impoundment would mobilize with the water, and some sediment would remain in place. Monitoring of turbidity (a measure of total suspended sediments) will be conducted during dewatering and demolition activities in order to ensure that released sediment does not impair downstream water quality or affect fish health.

29. What will happen to the debris in the river which will be exposed once the water level goes down?

As part of the project, debris, legacy structures, or other trash of human origin that is impeding river flow and fish passage within the Project footprint will be removed and properly disposed of.

30. What will be done about erosion of the river bank?

Considerable restoration of the shoreline on the Canadian side is planned to be conducted as part of the Project activities to mitigate the risk of future shoreline erosion. In addition, newly emergent areas along the shoreline in the impoundment area will be seeded with native riparian species. Other areas include bedrock or armoring, which is not expected to be susceptible to erosion following project construction.

31. When will the archaeological assessment be conducted?

The initial archaeological walkover on the Canadian side was conducted in December 2019, and on the United States side in June 2020. Those walkovers identified the need to conduct further archaeological testing in the form of shovel testing of areas planned to be disturbed by the Project prior to initiating demolition activities. At this time, this work is planned to be conducted over the summer of 2021, subject to appropriate permits being obtained and assuming that COVID-19 restrictions allow for such work to be carried out safely. Regardless, no physical activity associated with the Project can take place until such time as the archaeological work has been completed.

32. What federal authorizations are required for decommissioning the Milltown Generating Station?

In Canada, an authorization under Section 35(2) of the federal *Fisheries Act* is required for temporary or permanent alterations if fish habitat is adversely affected by project activities. Additionally, an approval under the *Canadian Navigable Water Ac*t may be required to authorize temporary impediments to navigation during the demolition and restoration activities. In the United States, an authorization under Section 404 of the federal *Clean Water Act* and Authorization under Section 10 of the federal *Rivers and Harbors Act* will be required from the United States Army Corps of Engineers. The United States Army Corps of Engineers will be the lead United States federal agency throughout the permitting process.

33. Who can comment on the United States applications?

Any United States citizen can comment on the United States permit applications. Canadian citizens may also comment and their commentary will be considered and included in the consultation record. It is important to note that the Maine Department of Environmental Protection and the United States Army Corps of Engineers can only address and consider comments specifically related to the portion of the Project that is located in the United States.

34. When will the Maine Department of Environmental Protection application be available for comment?

The Maine Department of Environmental Protection application will be available for comments once NB Power files the application – likely within the month of February 2021. Public notice advertising the approximate application filing date will be distributed prior to NB Power's filing of the Maine Department of Environmental Protection application. This public notice will be distributed via certified mailing to the project area abutters and via a public notice published in the local newspaper.

35. What contingency plans are in place if NB Power is unsuccessful in obtaining United States regulatory permits?

NB Power is confident that it will obtain authorization to proceed with decommissioning the Milltown Generating Station. In the event there are issues identified with the United States permitting, adjustments will be made to advance the project. It is not uncommon for permitting bodies to require additional information. NB Power will not proceed with any physical works or undertakings until all applicable permits have been applied for and received.

36. What is the approval process for the Canadian Environmental Impact Assessment (EIA)? What are the options if the Minister rejects NB Power's EIA?

There is no requirement for a federal Impact Assessment under the *Impact Assessment Act* for the Project; however, the Project requires an Environmental Impact Assessment (EIA) registration and review under the New Brunswick Environmental Impact Assessment Regulation. During this review, a team of subject matter experts from various provincial and federal government departments reviews the EIA registration document and other documentation submitted by the proponent of the Project and asks questions, provides comments, or requests further information on the submitted documentation. The review is conducted in an iterative process until the review committee no longer has any questions, and a recommendation is then made to the Minister of Environment and Climate Change. The Minister, in his/her sole discretion, either approves the project with or without conditions, or requires a more detailed EIA (comprehensive review), or refers the matter to the Lieutenant-Governor-in-Council (i.e., the provincial Cabinet). In the unlikely event that the EIA submitted is not acceptable to the Minister, the Minister may request the Proponent to modify their submission to address specific issues, or rarely, may call for a more detailed EIA to be conducted in the form of a comprehensive review.

37. What research has been carried out on the contaminates in the upstream riverbed above the impoundment area?

The surveys conducted specifically for the Milltown project have been limited to the impoundment itself (up to about 500 m upstream of the Station, to the base of rapids/cascades located above the impoundment) as well as an area approximately 500 m downstream of the Station. A sounding survey was conducted in the impoundment in November 2019 to identify areas of potential sediment deposition; this survey resulted in the conclusion that there is little sediment accumulated in the impoundment other than in four small deposition areas. Sediment sampling conducted in summer 2020 for those deposition areas indicated few contaminants of concern in the sediment except for a few metals that are likely due to the geology of the area. Water quality was found to be typical of a large fast-flowing river system. Although not conducted for the Milltown project per se, the St. Croix International Waterway Commission has been monitoring water quality in the St. Croix River for many years.

38. Does the Environmental Impact Assessment (EIA) address the removal of the Milltown Generating Station as a green energy provider?

No. The EIA guidance documents from the NB Department of Environment and Local Government are specific to the particular project and do not require an evaluation of the implications to other facilities from conducting the specific project. That does not preclude the potential for the review committee to request additional information in this regard.

39. If the permitting process is already moving ahead, does this mean the decision has already been made to decommission the Milltown Generating Station?

In June 2019 NB Power communicated that it would seek approval to decommission the Milltown Generating Station. Decommissioning has not yet started. Before NB Power can proceed with decommissioning, the project will go through an Environmental Impact Assessment (EIA) review process with the provincial Department of Environment and Local Government, and a number of provincial and federal permits and approvals will be required following that EIA review. In addition, because the Station sits on an international boundary formed by the St. Croix River, NB Power will be submitting applications with the Maine Department of Environmental Protection and the United States Army Corps of Engineers to obtain the required United States permits.

40. Is the American eel the only fish species at risk?

The American eel was the only fish species at risk that was captured during the fish surveys conducted in late August and early September 2020. That is not to say that other species might not be present—but rather simply that it was the only species at risk that was captured when these surveys were conducted.

41 . Has or will habitat mapping be completed for each native river fish species?

Fish habitat characteristics in the river within 500 m upstream and 500 m downstream of the Station were collected during the fish surveys conducted in late August and early September 2020. The results are documented at a high level in Section 5.6 of the EIA Registration document and in more detail in the Fish and Fish Habitat Technical Report contained in Appendix E of the EIA Registration document. However, habitat mapping for each type of fish is not normally required unless critical habitat is identified for such species in the Species at Risk Act.

42. What is the estimated number of fish that currently do not navigate the dam?

It is not possible to determine how many fish show up at the upstream fishway that are not successful at ascending the area upstream of the Station. However, what we do know is that the number and types of fish that are able to successfully ascend the upstream fishway at the Station varies from year to year and that those numbers have been increasing in recent years. In 2020, unofficial counts identified that over 600,000 fish were able to successfully ascend the fish ladder.

43. What species of fish would gain access to a larger spawning area?

The river restoration is being developed so that the weakest swimming fish (gaspereau) are able to ascend the project area. In this light, the Project will be designed so that any species of fish that are better swimmers are also able to ascend the project area as needed and desired to carry out their lifecycle processes can do so, unimpeded.

44. How long does the public have to comment on the United States applications?

The Maine Department of Environmental Protection (Maine DEO) has up to 570 days to process the permit application. The Maine DEP allows the public to comment throughout the entire permit processing period. In addition, the United States Army Corps of Engineers will publish notice of the Milltown Generating Station permit application online and communicate with area abutters to provide a 30-day public comment period.

45. How long does the public have to submit questions and comments on the EIA?

Public, stakeholder, and Indigenous engagement are key elements of a successful environmental impact assessment (EIA). Under the New Brunswick EIA process, the public, stakeholders, and First Nations are encouraged to participate in the EIA review and to provide their input, comments and questions in relation to the proposed project for as long as the EIA review is ongoing. The proponent is expected to provide meaningful opportunities for the public to participate in the EIA process, including making project information available for comment, the hosting of meetings and open houses if appropriate, responding to written questions and comments, and other means as early as possible during the EIA review period so as to identify key issues and concerns that might be relevant to the Minister's eventual decision.

Though the proponent must document the input it has received within 60 days of registration through a summary report on public consultation activities, comments are welcomed throughout the EIA process until the Minister makes a decision regarding the Project.