

Integrated Enhancement Program (IEP)

Participation Guide

for Eligible Organizations

Hydro-Québec

2011

Hydro-Québec's Integrated Enhancement Program has been extensively overhauled to streamline program participation procedures for eligible organizations. A reissue of this Participation Guide for Eligible Organizations was accordingly required in January 2009 and again in January 2011. The guide describes the responsibilities of each of the parties at every stage in the participation procedures.

We hope eligible organizations will appreciate the new, more relaxed IEP application rules and administrative procedures.

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1. What is the Integrated Enhancement Program?

Hydro-Québec believes that its power transmission facilities (lines and substations) should blend harmoniously with the environment and that their construction should be an opportunity to improve the quality of life and environment of host communities. Hydro-Québec selects sites for its facilities with great care and takes appropriate mitigation measures. Nonetheless, construction may have residual environmental impacts. The Integrated Enhancement Program (IEP) offers communities compensation for such impacts. Since 2001, the IEP has applied only to transmission facilities (lines and substations).

Through its Integrated Enhancement Program, Hydro-Québec grants eligible organizations funding when new transmission facilities are built. The funding is equivalent to 1% of the initially approved cost of the facilities.

Eligible organizations designated by Hydro-Québec are invited to participate in the program and to propose integrated enhancement initiatives. An integrated enhancement initiative is a project meeting specific requirements, which an eligible organization carries out within a given time period and agrees to then operate or maintain. In addition to improving the environment in the communities concerned, initiatives must meet general conditions and be in an eligible area of activity (see appendixes 1 and 2).

Once initiatives have been approved, eligible organizations must use the funding from Hydro-Québec to carry them out in accordance with the terms and conditions set out in this guide.

2. Transmission Facilities Covered by the Program

Hydro-Québec is responsible for determining which transmission facilities are covered by the IEP.

The following facilities are covered:

- New overhead transmission lines (≥ 69 kV)
- Overhead transmission lines whose initial operating voltage has been increased
- New aboveground substations or overhead-underground junction substations (overhead part only) and associated accesses

The following facilities or projects are NOT covered:

- Underground transmission lines and underground substations
- Substations or lines belonging to private proponents or to industrial or institutional customers
- Rebuilding of transmission lines, except when a section of an existing line must be built in a new right-of-way or diverted to a new right-of-way, in which case the line section is covered by the IEP
- Rebuilding of substations
- Repair or dismantling of overhead lines or substations or any maintenance project or activity involving them
- Telecommunications work
- Modification of a project at the request of a third party
- Addition of a second circuit on double-circuit towers
- Replacement, modification or addition of equipment to an existing substation on Hydro-Québec property
- Erection, within the same right-of-way, of a new double-circuit line to replace two parallel single-circuit lines

3. Eligible Organizations

Hydro-Québec is responsible for determining the organizations that are eligible for the IEP.

Organizations eligible for the IEP are public authorities directly affected by the construction of new Hydro-Québec transmission facilities. Hydro-Quebec considers the following organizations to be eligible:

- Regional county municipalities (RCMs) and cities, towns or urban agglomerations that exercise some of the jurisdiction of an RCM¹
- Municipalities
- City boroughs or urban agglomerations with RCM jurisdiction
- The Kativik Regional Government
- Any Aboriginal community affected by a project

Due to the scale of their operations, the metropolitan communities of Montréal and Québec are not recognized as eligible organizations for the purposes of the IEP.

For the sake of simplicity, the term RCM as used in this guide includes a city, town or urban agglomeration with RCM jurisdiction, a city or town that is not part of an RCM and the Kativik Regional Government.

¹ The Répertoire des municipalités du Québec currently lists 47 municipalities that are not in RCMs, 14 of which have RCM jurisdiction: Gatineau, La Tuque, Laval, Îles-de-la-Madeleine, Lévis, Longueuil, Mirabel, Montréal, Québec, Rouyn-Noranda, Saguenay, Shawinigan, Sherbrooke and Trois-Rivières. Agreements on the terms and conditions of the IEP will be reached directly with the other 33 municipalities that are not in RCMs (Boucherville, Brossard, Baie-d'Urfé, Longueuil and Saint-Lambert, for example). For more information on municipalities that are not in RCMs, cities, towns and urban agglomerations, go to www.mamrot.gouv.qc.ca/accueil.asp.

4. IEP Participation Procedure

There are seven stages in the IEP participation procedure. They are described below and are also summarized in Appendix 3.

4.1 Naming of eligible organizations and initial meeting

Prerequisites

- Hydro-Québec has confirmed that the power transmission project is covered by the IEP.
- The construction phase of the power transmission project has begun.

Activities

At the initial meeting, Hydro-Québec gives eligible organizations a letter confirming their eligibility for the IEP and does the following:

- Explains the IEP (content, responsibilities of each party, terms and conditions of sharing funding and completion deadlines)
- Informs RCMs of their share of the funding
- Informs eligible municipalities or boroughs in each RCM of the length of the line or the area of the substation and associated accesses in their territory without specifying the amount each is entitled to (municipalities or boroughs must reach an agreement with RCMs on sharing the IEP funding)
- When the funding is considerable, suggests that eligible organizations issue a request for proposals inviting the general public to submit initiatives (see model, Appendix 4)

4.2 Municipal resolution

Prerequisites

- An initial meeting has taken place confirming the eligibility of organizations for the IEP.
- Municipalities or boroughs have reached an agreement with the RCM on sharing the IEP funding.

Activities

The following activities must take place within 90 days of the initial meeting mentioned in section 4.1:

- Each eligible organization must send Hydro-Québec a municipal resolution confirming its participation in the IEP (see model, Appendix 5) and including these points:
 - The sharing of funding between RCMs and eligible municipalities or boroughs
 - The eligible organization's agreement to take part in the IEP
 - An undertaking to respect the general conditions of the IEP
 - The names of signing officers for the agreement
- For each initiative, an initiative form with section 1 duly completed must be submitted with the resolution (see Appendix 6)
 - Initiatives must meet the general conditions and be in an eligible area of activity (see appendixes 1 and 2)

4.3 Approval of initiatives and signing of agreements

Prerequisite

The eligible organization has sent Hydro-Québec a municipal resolution confirming its participation in the IEP together with a duly completed initiative form for each initiative proposed.

Activities

The following activities must take place within 30 days of receipt of the municipal resolution mentioned in section 4.2:

- Hydro-Québec informs eligible organizations of the integrated enhancement initiatives it has approved.
 - If a proposed initiative fails to respect the general conditions or does not fall into one of the areas of activity listed in appendixes 1 and 2, the Hydro-Québec representative may ask the eligible organization to modify its application, provide further details or submit a new initiative.
- When all initiatives have been approved, Hydro-Québec sends the eligible organization a draft IEP initiative agreement (see Appendix 7) and proposes a signing date.
 - The agreements are signed by Hydro-Québec’s authorized IEP representative and the signing officer authorized by a resolution of the eligible organization.

4.4 Payment of funding

Prerequisites

- Hydro-Québec has approved the initiatives submitted by the eligible organization.
- The eligible organization and Hydro-Québec have signed an agreement.

Activities

- The following activities must take place within 60 days of signing the agreement mentioned in section 4.3:
 - Eligible organizations receive funding.
 - Hydro-Québec reserves the right to pay out the funding in several installments when the amount is substantial.
- Initiatives to be completed **within 12 months**
 - Eligible organizations have up to 12 months from the time of receiving the funding to carry out initiatives. If an organization anticipates an initiative taking longer, the organization must explain why by submitting section 3 of the Hydro-Québec initiative form no later than the 10th month following receipt of the funding.
- Initiatives with approved completion periods **longer than 12 months**
 - In the 12th month following receipt of the funding and once a year after that for the term of the agreement, eligible organizations must file a report on the use of the funding, based on the model provided by Hydro-Québec.

4.5 Completion of work

Prerequisite

The eligible organization has completed an initiative as stipulated in the agreement.

Activity

Within 30 days of completion of the initiative mentioned in section 4.4, the eligible organization must notify Hydro-Québec that the work has been done and, for each initiative, submit the initiative form with section 2 duly completed, along with photographs (see Appendix 6).

4.6 Inauguration and visibility

Prerequisite

The eligible organization has submitted to Hydro-Québec the corresponding initiative form with section 2 duly completed.

Activities

- Within 60 days of submitting the initiative form mentioned in section 4.5 with section 2 duly completed, the eligible organization inaugurates the initiative with Hydro-Québec representatives and regional media in attendance in order to highlight Hydro-Québec's contribution to the initiative.
- If the parties have so agreed beforehand, one or more permanent plaques are put up to commemorate Hydro-Québec's contribution to the initiative. The Hydro-Québec representative decides on the number of plaques needed.
 - Hydro-Québec is responsible for designing and manufacturing the permanent plaques; the eligible organization is responsible for putting them up and maintaining them.

4.7 Evaluation

Prerequisite

The eligible organization has inaugurated the initiative.

Activity

Within 30 days of the inauguration mentioned in section 4.6, the eligible organization must complete the evaluation form provided by Hydro-Québec (see Appendix 8).

APPENDIX 1: General Conditions and Eligible Areas of Activity

General conditions

All integrated enhancement initiatives must meet the four conditions set out below.

Community interest

The proposed initiative must benefit the entire community and must be justified by community needs. It must not be for the sole benefit of an individual or group of individuals.

Public property

The proposed initiative must be carried out on land or with property belonging to the eligible organization, unless a special agreement is entered into with a third party. Nuisance abatement projects are eligible, provided the nuisance is caused by public equipment. Similarly, initiatives to restore heritage sites must involve public property.

Respect for the environment

The proposed initiative must respect the natural and cultural environment and must not cause a nuisance.

Permanence

The proposed initiative must be permanent and, as much as possible, provide visibility for Hydro-Québec. Consequently, purchase of consumable materials and execution of studies, inventories, plans and research unrelated to the proposed initiative are not eligible.

Only initiatives that meet all four general conditions will be considered.

*To be eligible,
an initiative must
fit into one of
these categories.*

Eligible areas of activity

Integrated enhancement initiatives must be carried out in one of the areas of activity listed below. A list of typical eligible initiatives in each area of activity is provided for information purposes. The list is neither exhaustive nor restrictive.

Environmental enhancement (natural environment, land use, landscape and quality of environment)

- Protecting the environment, wildlife and plants
- Implementing wildlife management measures for land animals, aquatic life or birds
- Conserving and/or presenting natural and cultural heritage
- Cleaning up land or water pollution
- Taking measures to abate nuisance caused by public equipment
- Creating green spaces and landscaping
- Improving accessibility of natural and historic sites
- Protecting against natural hazards

Upgrade or maintenance of municipal, community or recreational infrastructure

- Improving municipal firefighting infrastructure
- Improving municipal drinking-water infrastructure
- Improving municipal wastewater infrastructure
- Improving municipal waste management infrastructure
- Improving miscellaneous infrastructures (bike paths, nature trails, arenas, municipal swimming pools, libraries)
- Building or renovating community and recreation centres
- Undergrounding part of a distribution system or developing secondary or multipurpose use of existing facilities

Support for tourism, regional development or development of Aboriginal communities

- Building or developing reception and tourism infrastructures (access to special tourist sites)

APPENDIX 2: Examples of Integrated Enhancement Initiatives in Each Eligible Area of Activity

Integrated enhancement initiatives must be in one of the areas of activity listed below. Typical initiatives in each area are given as examples. This list is neither exhaustive nor restrictive.

Eligible areas of activity	Types of initiative	Examples
Environmental enhancement (natural environment, land use, landscape and quality of environment)	Protecting the environment, wildlife and plants Implementing wildlife management measures for land animals, aquatic life or birds	<ul style="list-style-type: none"> • Helping to build an aquaculture centre • Stocking streams with trout • Developing river habitats • Protecting habitats • Creating salmon spawning grounds • Creating a wildlife park with hill or pond
	Conserving and/or presenting natural and cultural heritage	<ul style="list-style-type: none"> • Restoring a park or historic square • Restoring a wayside Calvary or historic train station • Installing interpretation panels at an old paper mill • Conserving and/or presenting heritage museums, bridges, mills, presbyteries and churches • Landscaping around a heritage house • Promoting Innu heritage
	Cleaning up land or water pollution	<ul style="list-style-type: none"> • Cleaning up and restoring the site of a former military base • Remediating public orphan sites • Restoring rivers, lakes, streambanks or shores

Eligible areas of activity	Types of initiative	Examples
Environmental enhancement (natural environment, land use, landscape, and quality of environment) (Cont'd)	Taking measures to abate nuisance caused by public equipment	<ul style="list-style-type: none"> • Creating a vegetation screen • Creating an acoustic barrier
	Creating green spaces and landscaping	<ul style="list-style-type: none"> • Creating a park • Landscaping a playground
	Improving accessibility of natural and historic sites	<ul style="list-style-type: none"> • Building a lookout at a waterfall • Creating public access to a lake
	Protecting against natural hazards	<ul style="list-style-type: none"> • Stabilizing banks • Building dikes • Building impoundments
Upgrade or maintenance of municipal, community or recreational infrastructure	Improving municipal firefighting infrastructure (<i>fire trucks are excluded from the IEP because they are not permanent</i>)	<ul style="list-style-type: none"> • Building water intakes • Putting in dry fire hydrants
	Improving municipal drinking-water infrastructure	<ul style="list-style-type: none"> • Improving the quality of drinking-water intakes (spring) • Improving water treatment • Upgrading water distribution system
	Improving municipal wastewater infrastructure	<ul style="list-style-type: none"> • Building a sewage system • Building a water purification plant
	Improving municipal waste management infrastructure	<ul style="list-style-type: none"> • Improving separate waste collection (recycling bins, composters) • Building landfills
	Improving miscellaneous infrastructures (bike paths, nature trails, arenas, municipal swimming pools, libraries)	<ul style="list-style-type: none"> • Building or improving marinas, bike paths, industrial condos, golf courses, ski resorts, ferries, snowmobile trails, bridle paths, airfields, ports • Making major repairs to public arenas, municipal swimming pools, libraries, community halls

Eligible areas of activity	Types of initiative	Examples
<p>Upgrade or maintenance of municipal, community or recreational infrastructure (Cont'd)</p>	<p>Building or renovating community and recreation centres</p>	<ul style="list-style-type: none"> • Building or restoring community centres and libraries • Building swimming pools and outdoor skating rinks • Building accessible recreational buildings
	<p>Undergrounding part of a distribution system or developing secondary or multipurpose use of existing facilities</p>	<ul style="list-style-type: none"> • Undergrounding distribution lines • Putting existing facilities to various uses • Building walkways on dams
<p>Support for tourism, regional development or development of Aboriginal communities</p>	<p>Building or developing reception and tourism infrastructure (access to special tourist sites)</p>	<ul style="list-style-type: none"> • Building or renovating interpretation centres, campgrounds, museums, tourist information booths, linear parks, cross-country ski trails, hiking trails • Developing access to tourist sites of special interest • Organizing guided tours or regional festivals and creating theme villages • Supporting the development of Aboriginal communities

APPENDIX 3: Summary of Participation Procedures

Deliverables	To be done by	Deadline
1. Naming of eligible organizations and calling of initial meeting by Hydro-Québec		
<p>Initial meeting with eligible organizations during which Hydro-Québec does the following:</p> <ul style="list-style-type: none"> a. Gives a letter to each eligible organization confirming its eligibility for the IEP b. Explains the IEP and its criteria and conditions c. Informs RCMs of their share of the funding d. Suggests that eligible organizations issue a request for proposals (see Appendix 4) 	Hydro-Québec	When construction of the transmission facilities has begun
2. Adoption of municipal resolution by eligible organizations		
<p>Municipal resolution confirming participation in the IEP (see model, Appendix 5) and covering the following:</p> <ul style="list-style-type: none"> a. Sharing of funding between RCMs and eligible municipalities or boroughs b. Eligible organization's agreement to take part in the IEP c. Undertaking to respect IEP conditions d. Names of signing officers for the agreement 	Eligible organization	Within 90 days of initial meeting (step 1)
For each initiative, submission with the resolution of an initiative form (Appendix 6) with section 1 duly completed	Eligible organization	
3. Approval of initiatives and signing of agreement		
Letter of approval/rejection of initiatives from Hydro-Québec representative	Hydro-Québec	Within 30 days of receipt of municipal resolution (step 2)
Signed agreement between eligible organization and Hydro-Québec (see model, Appendix 7)	Hydro-Québec and eligible organization	

Deliverables	To be done by	Deadline
4. Payment of funding for initiatives		
Payment of funding allocated to each eligible organization to carry out approved initiatives	Hydro-Québec	Within 60 days of signing the agreement mentioned in step 3
<p>a. Initiatives to be completed within 12 months: The eligible organization has up to 12 months from the time of receiving the funding to carry out the initiative. If it anticipates taking longer, it must submit section 3 of the Hydro-Québec initiative form</p> <p>b. Initiatives with approved completion periods longer than 12 months: The eligible organization must file an annual report on use of the funding, based on the model provided by Hydro-Québec</p>	Eligible organization	By 10th month following receipt of funding
	Eligible organization	In 12th month following receipt of funding and once a year after that for the term stipulated by the agreement
5. Completion of work		
For each initiative, submission of the initiative form with section 2 duly completed, plus photographs (Appendix 6)	Eligible organization	Within 30 days of completion of the work mentioned in step 4
6. Inauguration of initiatives		
Inauguration with regional press in attendance	Hydro-Québec and eligible organization	Within 60 days of submitting the initiative form with section 2 duly completed (step 5)
Installation of one or more plaques	Eligible organization	
7. IEP evaluation		
Evaluation form (Appendix 8)	Eligible organization	Within 30 days of the initiative inauguration (step 6)

APPENDIX 4: Model Request for Proposals for Initiatives

Request for Proposals for Initiatives

Consultation of residents of _____ on integrated enhancement initiative proposals
 The Gouvernement du Québec has just authorized Hydro-Québec to build _____
 substation in the municipality of _____ and a power line from
 _____ substation to _____ substation.

Hydro-Québec administers an Integrated Enhancement Program for organizations on whose territory a new power transmission project is being built. Under the program, Hydro-Québec is giving the _____ RCM access to total funding of \$_____.

As the eligible organizations have agreed on sharing of the funding, Hydro-Québec is making a total of \$_____ available to the municipality of _____ to carry out one or more integrated enhancement initiatives.

Having agreed to take part in the program, the municipal council is inviting residents and interested groups to submit, by _____, initiatives in any of the following areas of activity that would improve the community environment:

- Environmental enhancement
- Upgrade or maintenance of municipal, community or recreational infrastructure
- Support for tourism, regional development or development of Aboriginal communities

A consultation meeting to discuss your proposals and those of the council will be held at _____ on _____, in Room _____.

The council will review the proposals and render its decision at a regular meeting.

The municipal officials of _____ are counting on everyone's cooperation to ensure that the proposed initiatives meet community needs as much as possible.

For more information on Hydro-Québec's Integrated Enhancement Program, visit www.hydroquebec.com/municipal/pmvi.html.

APPENDIX 5: Model Municipal Resolution on IEP Participation

Municipal resolution confirming participation in Hydro-Québec's Integrated Enhancement Program and agreement to share funding under the program

Extract from the minutes of the regular meeting of members of the council of **Name of eligible organization**, held on _____, attended by _____, Secretary-Treasurer _____ and the following councilors:
_____.

WHEREAS **Name of eligible organization** is eligible for Hydro-Québec's Integrated Enhancement Program owing to the construction of **Name of Hydro-Québec project** within its territory;

WHEREAS Hydro-Québec, as part of this program, has granted the amount of \$ _____ to **Name of the RCM**,¹ and the eligible organizations in **Name of the RCM** have agreed to share the funding as follows:

Indicate sharing arrangement agreed upon by eligible organizations

WHEREAS Hydro-Québec, at an official meeting held _____, informed **Name of eligible organization** of the objective, general conditions, eligible areas of activity and participation procedures of the Integrated Enhancement Program;

WHEREAS **Name of eligible organization** wishes to take part in the program and undertakes to use the funding to carry out initiatives that fall within the eligible areas of activity and that meet the general program conditions;

WHEREAS **Name of eligible organization** undertakes to submit to Hydro-Québec for approval a duly completed initiative form for each initiative proposed and to account to Hydro-Québec for the use of the funding granted to it;

Therefore, it is proposed by _____, seconded by _____ and resolved ***unanimously*** that **Name of eligible organization** take part in the Integrated Enhancement Program, authorize **Names of signing officers** to sign an agreement to this end with Hydro-Québec and apply to Hydro-Québec for its share of the funding.

Drawn up and executed at _____ this _____ day of _____, in the year _____

Certified true copy

Secretary-Treasurer

1. The term RCM includes a city, town or urban agglomeration with RCM jurisdiction, a city or town that is not part of an RCM, and the Kativik Regional Government.

APPENDIX 6: Initiative Form



Initiative Form
Integrated Enhancement Program (IEP)
(Sections 1 and 2)

Section 1. Description of initiative

Identification of eligible organization

Type of eligible organization

RCM or town/city/urban agglomeration with some of an RCM's jurisdiction

Municipality

City borough or urban agglomeration with RCM jurisdiction

Kativik Regional Government

Aboriginal community

General information

RCM (or city/town/urban agglomeration with RCM jurisdiction) to which eligible organization belongs

Contact name	Title/role
Telephone no.	E-mail address
Address of eligible organization	

Description of initiative (N.B. Fill in a form for each initiative)

Name of initiative (Used to identify project under the IEP. It should be descriptive, accurate and complete.)

Brief description of initiative (Attach any other useful information: site map, for instance.)

Explain how initiative respects general conditions listed below

Community interest

Public property

Respect for the environment

Permanence

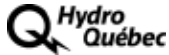
Check box indicating eligible area of activity

Environmental enhancement (natural environment, land use, landscaping and quality of environment)

Upgrade or maintenance of municipal, community or recreational infrastructure

Support for tourism, regional development or Aboriginal community development

963-2842 (10-12) E (2845)



Initiative Form
 Integrated Enhancement Program (IEP)
 (Sections 1 and 2)

Total estimated cost of initiative (excluding GST)

Total estimated cost (\$)	- Hydro-Québec's contribution (\$)
	- Additional funding (\$) (if applicable)

Planned timetable

Start date	YYYY-MM-DD	End date	YYYY-MM-DD
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I hereby declare that

- I have been duly authorized by council resolution to submit this application on behalf of the eligible organization.
- To my knowledge, the information provided in this form and supporting documents is true, accurate and complete.
- The eligible organization undertakes to abide by the terms and conditions set out in the Participation Guide for Eligible Organizations.

Name	Signature	Date	YYYY-MM-DD
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Within 90 days of the initial information meeting, submit section 1 of this form, duly signed and accompanied by a municipal resolution respecting participation in the IEP, by mail, fax or e-mail to Advisor – Community Relations for the IEP, Hydro-Québec regional office.

Reserved for Hydro-Québec			
File No.:	Initiative approved as is <input type="checkbox"/> Yes <input type="checkbox"/> No		
If not, indicate the reason:			
Form checked by			
Advisor – Community Relations	Signature	Date	YYYY-MM-DD
Form authorized by			
Manager – Community Relations	Signature	Date	YYYY-MM-DD
Form checked by			
Regional Manager	Signature	Date	YYYY-MM-DD

Section 2. End of initiative

Total actual cost of initiative (excluding GST)

Total actual cost	- Hydro-Québec's contribution	\$
\$	- Additional funding (if applicable)	\$

Final timetable

Start date	YYYY-MM-DD	End date	YYYY-MM-DD
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If the cost of completing an initiative turns out to be less than anticipated, the balance of the funding shall be used for new initiatives approved by Hydro-Québec. Please attach photographs of the completed initiative to this form.

I hereby declare that

- The completed initiative abides by the general conditions listed in section 1 of this initiative form.
- The completed initiative falls into the eligible area of activity specified in section 1 of this initiative form.
- The initiative was carried out in accordance with the terms and conditions of the agreement.

Name	Signature	Date	YYYY-MM-DD
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Submit this form, duly signed, by mail, fax or e-mail, to Advisor – Community Relations for the IEP, Hydro-Québec regional office.

APPENDIX 7: IEP Initiative Agreement

INTEGRATED ENHANCEMENT PROGRAM INITIATIVE AGREEMENT

BY AND BETWEEN Hydro-Québec, a public corporation constituted under the *Hydro-Québec Act* (R.S.Q., c. H-5), having a place of business at

address

AND

Name and address of eligible organization

WHEREAS _____ is eligible for Hydro-Québec's Integrated Enhancement Program owing to the construction of _____ within its territory;

WHEREAS Hydro-Québec, under its Integrated Enhancement Program, has allocated funding in the amount of \$_____ to _____;

WHEREAS _____ undertakes to carry out the initiatives meeting the general conditions and in the eligible areas of activity of the Integrated Enhancement Program that have received Hydro-Québec's prior approval;

THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1 DEFINITIONS

- Initiative Project carried out by an eligible organization and meeting the conditions of the Integrated Enhancement Program.

- Integrated Enhancement Program (the "**Program**") Program that compensates communities for the residual impacts of the installation of new Hydro-Québec power transmission facilities. An amount equivalent to 1% of the initially approved cost of the new power transmission facilities covered by the IEP is allocated to carry out integrated enhancement initiatives.

2 SUBJECT

- 2.1 This agreement sets out the obligations of _____ (the “eligible organization”) and includes, appended hereto and forming an integral part hereof, a completed form for each initiative approved by Hydro-Québec.

3 RESPONSIBILITIES OF ELIGIBLE ORGANIZATION

- 3.1 The eligible organization has confirmed to Hydro-Québec, by means of a municipal resolution, its share of the funding, as follows:

Indicate the sharing arrangement on which the eligible organizations have agreed

- 3.2 Initiatives must meet the general conditions and be in eligible areas of activity; the conditions and eligible areas of activity are more fully defined in the *Participation Guide for Eligible Organizations*.

- 3.3 The eligible organization shall be responsible for carrying out the initiatives approved by Hydro-Québec in keeping with the cost and timetable specified in the appended initiative form.

- 3.4 The eligible organization undertakes to provide Hydro-Québec with the following documents by the completion deadline approved by Hydro-Québec:

- Applicable*
 Not applicable

- a) Initiative approved for completion within 12 months, as described in the appended initiative form

The eligible organization has up to 12 months from the time of receiving the funding to carry out the initiative. If the eligible organization anticipates taking longer, it shall complete and submit section 3 of the Hydro-Québec initiative form no later than the 10th month following receipt of the funding.

- Applicable*
 Not applicable

- b) Initiative approved for completion within a period longer than 12 months, as described in the appended initiative form

The eligible organization undertakes to file a report on use of the funding, based on the model provided by Hydro-Québec, in the 12th month following receipt of the funding and annually after that.

- 3.5 The eligible organization shall be responsible for managing the funding received from Hydro-Québec and, if applicable, for obtaining additional funding.

- 3.6 If the cost of completing an initiative turns out to be less than anticipated, the balance of the funding shall be used for new initiatives approved by Hydro-Québec.

- 3.7 The eligible organization agrees to allow Hydro-Québec auditors to examine and audit all books of account and any other documents related to the funding, as required. An audit may take place upon reasonable notice and at appropriate times. Hydro-Québec reserves the right to perform such an audit within two years of completion of the initiative.

- 3.8 On request, the eligible organization shall provide Hydro-Québec with a progress report on the work and invoices for all expenses incurred.

- 3.9 The eligible organization undertakes to do the following :

- a) Involve local businesses to the extent permitted by law or regulation and encourage the employment of the greatest possible number of local workers;
 - b) Encourage the purchase of products made in Québec;
 - c) Comply with all laws and regulations, including the *Municipal Code of Québec*, the *Cities and Towns Act*, the *Municipal Powers Act* and legislation respecting the environment and land use, and hold all the necessary permits and insurance at the time of the implementation, operation and maintenance of initiatives;
 - d) Install and permanently maintain all Hydro-Québec plaques;
 - e) Return to Hydro-Québec the equivalent of the funding that was used to carry out the initiative in the event that the eligible organization sells the land on which or the property with which an initiative was carried out to an individual or a private enterprise.
- 3.10 The eligible organization shall be solely responsible to Hydro-Québec and any third party for any act or omission on the part of its agents, employees or representatives at the time of the implementation, operation or maintenance of its initiatives. In this regard, the eligible organization discharges Hydro-Québec of any liability and agrees to take up the defence of Hydro-Québec in any action, lawsuit, proceeding or claim to which it may be subject in connection with the implementation, operation or maintenance of the initiatives or that might directly or indirectly implicate Hydro-Québec.
- 3.11 The eligible organization shall be solely responsible to Hydro-Québec for any harm or damages arising from the implementation, operation or maintenance of its initiatives, provided that such harm or damages result from violation of a law, regulations or code or from any act, error, omission or negligence on the part of the eligible organization, its employees or its agents
- 3.12 The eligible organization shall also be liable to Hydro-Québec for failure to respect this agreement by any of its administrators, agents, employees, representatives or a third party with which it has signed an agreement respecting the implementation, operation or maintenance of its initiatives.
- 3.13 The eligible organization shall ensure that the terms and conditions of any potential agreement with a subcontractor allow fulfilment of all the eligible organization's undertakings arising herefrom.
- 3.14 In any case, the eligible organization shall remain the principal contractor and be responsible for total fulfilment of the agreement, especially compliance with the provisions of the *Civil Code of Québec* applicable to legal hypothecs.

4 HYDRO-QUÉBEC'S PARTICIPATION

- 4.1 When the conditions are fulfilled, Hydro-Québec shall pay the eligible organization the entire amount of the funding under the Program within 60 days of the signing of the agreement, or the first instalment if Hydro-Québec elects to pay the funding in several installments.
- 4.2 If the parties have so agreed beforehand, Hydro-Québec shall, at its expense, provide the eligible organization with a permanent plaque or plaques commemorating Hydro-Québec's contribution to the organization's initiatives.

- 4.3 Hydro-Québec shall assume no obligation or liability other than those agreed to herein. In cashing the funding cheque, the eligible organization discharges Hydro-Québec of any liability with respect to the initiatives or that might potentially arise therefrom.

5 REPORT ON INITIATIVES

Within 30 days of completion of the work, the eligible organization shall submit to Hydro-Québec section 2 of the initiative form for each initiative, along with photographs.

6 INAUGURATION AND VISIBILITY

- 6.1 Within 60 days of submitting section 2 of the initiative form, the eligible organization shall inaugurate the initiative with Hydro-Québec representatives and regional media in attendance.
- 6.2 Until the inauguration has taken place, any planned advertising or publication by the eligible organization or a subcontractor concerning the initiative shall be submitted to Hydro-Québec for approval. This applies to all advertising media and publications, including billboards, posters and hoardings or any other signs; radio, television and the Internet; and newspapers, magazines and other print media.
- 6.3 The location of the permanent plaque or plaques commemorating Hydro-Québec's contribution shall be determined by mutual agreement. Hydro-Québec shall determine the number of plaques.

7 ABANDONMENT OF PROJECT

- 7.1 Notwithstanding any provisions of this agreement, Hydro-Québec may reduce or cancel the funding if it must interrupt the installation of new power transmission facilities because a private proponent abandons a project. In this event, Hydro-Québec reserves the right to ask the eligible organization to refund the amount received prorated to reflect the difference between the total initially approved cost of the new power transmission facilities covered by the IEP and the value at that date of the uncompleted portion of the work required to install the power transmission facilities covered by the IEP. If necessary, the parties may agree to modify the initiatives in consideration of the reduction or cancellation of funding.

IN WITNESS WHEREOF, the parties hereto have signed this agreement on _____
day/month/year

HYDRO-QUÉBEC

Regional Manager

Witness

Direction régionale – _____


Eligible organization

Duly authorized signing officer

Witness

Encl.: Initiative Form approved by Hydro-Québec.

APPENDIX 8: Evaluation Form



Evaluation Form – Eligible Organization
Integrated Enhancement Program (IEP)

Identification of eligible organization

In the last year, your organization participated in Hydro-Québec’s Integrated Enhancement Program (IEP). We are interested in improving the program and would like to know how you feel about different aspects of your organization’s participation in the IEP

Please rate your satisfaction with the following aspects of the IEP on a scale of 1 to 4, where 1 means “not at all satisfied” and 4 means “completely satisfied.”

1. The quality of the information provided to eligible organizations <small>This includes information provided during information meetings, on the telephone and in the model documents in the <i>Participation Guide for Eligible Organizations</i>.</small>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> Don't know
2. The diversity of the fields of activity eligible for the program <small>Eligible fields of activity include the environment; municipal, community and recreational infrastructure; tourism, regional development and Aboriginal community development</small>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> Don't know
3. The deadlines eligible organizations must meet <small>These deadlines include the 90-day deadline (following the initial meeting) to submit initiatives and the municipal resolution on participation in the IEP, as well as the deadlines for carrying out approved initiatives.</small>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> Don't know
4. The obligation to report to Hydro-Québec on use of the funding for IEP initiatives.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> Don't know
5. The IEP as a whole.	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> Don't know

Generally speaking, do you totally agree, somewhat agree, somewhat disagree or totally disagree with the following statements?

The project(s) carried out as part of the IEP helped to improve quality of life in the community.

Totally agree
 Somewhat agree
 Somewhat disagree
 Totally disagree

The IEP facilitated the community’s acceptance of the Hydro-Québec project.

Totally agree
 Somewhat agree
 Somewhat disagree
 Totally disagree

From the community’s point of view, the residual environmental impacts of the construction of the power transmission facilities are compensated by the initiatives undertaken through the IEP.

Totally agree
 Somewhat agree
 Somewhat disagree
 Totally disagree

General comments

963-2858 (11-02) E FRM