

February 7, 2002

Agreements between Hydro-Québec, the Société d'énergie de la Baie James and the Crees of Québec

Summaries

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Summary of the *Nadoshtin Agreement*

Signatories

Hydro-Québec	Eastmain Band
Société d'énergie de la Baie James	Cree Nation of Mistissini
Cree Regional Authority	Nemaska Band
Grand Council of the Crees (Eeyou Istchee)	Waskaganish Band

Objects

This agreement allows Hydro-Québec to build and operate the Eastmain-1 Project, as contemplated in the *James Bay and Northern Québec Agreement* (JBNQA). The necessary authorizations for this project have already been obtained.

The agreement provides for the implementation of various environmental measures, including remedial and mitigating initiatives, with a view to reducing the impacts of the project on concerned Crees.

Context

The EM-1 Project is contemplated in paragraph 8.1.2 of the JBNQA and is part of Le Complexe

La Grande (1975). The project is located in the southern part of the James Bay territory, north of the Abitibi region of Québec. The Crees of Eastmain, Mistissini, Nemaska and Waskaganish are chiefly involved in the project.

Application

Funds for the benefit of the Crees

• Remedial Measures Fund	\$18M
• Archaeology and Cultural Heritage Fund	\$2.5M
• Eenou Indohoun Fund	\$3.9M
• Wildlife Management Fund (Weh-Sees Indohoun Corporation)	\$0.75M
• Training Fund	\$1.5M
• EM-1 Mercury Fund	\$3.0M

Contracts established by negotiation, subject to Hydro-Québec's scheduling, cost, quality and guarantee requirements

• Contracts totaling	\$300M
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Project features

• Total cost	\$2 billion
• 3 generating units for an installed capacity of	480 MW
• Average annual output	2.7 TWh/year
• Construction work to commence	2002
• Commissioning to commence in	mid-2008

Summary of the *Boumhounan Agreement*

Signatories

Hydro-Québec	Eastmain Band
Société d'énergie de la Baie James	Cree Nation of Mistissini
Cree Regional Authority	Nemaska Band
Grand Council of the Crees (Eeyou Istchee)	Waskaganish Band

Objects

This agreement provides a framework for the Eastmain 1-A/Rupert Project, which is a new project within the meaning of the *James Bay and Northern Québec Agreement* (JBNQA).

The project is located in the southern part of the James Bay territory, north of the Abitibi region of Québec. The Crees of Eastmain, Mistissini, Nemaska and Waskaganish are chiefly involved in the project.

The Crees consent to the construction and operation of this project, in accordance with the terms set forth in the *Boumhounan Agreement* and subject to government authorizations, including those in conformity with the environmental and social protection regime prescribed by Section 22 of the JBNQA.

The Crees will participate directly, with Hydro-Québec, in studies and work related to the project and will be involved throughout the feasibility phase, during which the necessary permits must be obtained.

The agreement provides for the implementation of various environmental, mitigating and remedial works, measures and programs aimed at reducing the impacts of the project on concerned Crees.

Context

The corporations and committees established under the *Nadoshtin Agreement*, signed at the same time as this agreement for the Eastmain-1 Project, will see their mandate broadened with respect to the Eastmain 1-A/Rupert Project.

Application

Funds for the benefit of the Crees

- Remedial Works Fund \$32M
- Boumhounan Archaeological and Burial Sites Fund \$2.5M
- Eenou Indohoun Fund \$3.9M
- Wildlife Management Fund (Weh-Sees Indohoun Corporation) \$0.75M
- Training Fund \$1.5M
- Eastmain 1-A/Rupert Mercury Fund \$3.0M

Contracts established by negotiation, subject to Hydro-Québec's scheduling, cost, quality and guarantee requirements

- During the feasibility phase, contracts totaling \$5M
- During the construction phase, contracts totaling \$240M
- During the operating phase, contracts totaling \$45M

Project features

- Total cost \$2 billion
- Powerhouse with a maximum installed capacity of 770 MW
- Average annual output at Eastmain-1 and Eastmain 1-A up to 5.6 TWh/year
- Increase in output at Robert-Bourassa, La Grande-2-A and La Grande-1 up to 7.0 TWh/year
- Feasibility phase 2002 to July 2005
- Construction phase July 2005 to end 2010
- Commissioning end 2007 to end 2010

Potential additional project

- A powerhouse with an installed capacity of approximately 125 MW, located at the La Sarcelle control structure. Output of about 0.9 TWh/year at an estimated cost of \$500 million, with a possible transfer of Cree community distribution systems to the Crees. If the powerhouse is built, the Crees could pay a sum equivalent to 20% of the project's total cost, in return for a quantity of electric power corresponding to 20% of the annual output from the La Sarcelle generating facility.
- The alternative to this project would be to add a fourth gate in the vicinity of the existing La Sarcelle control structure.

Summary of the Cree Employment Agreement

Signatories

Hydro-Québec	Eastmain Band
Société d'énergie de la Baie James	Mistissini Band
Administration régionale crie	Nemaska Band
Grand Council of the Crees (Eeyou Istchee)	Waskaganish Band
Whapmagoostui Band	Chisasibi Band
Wemindji Band	Waswanipi Band
Crees of Oujé-Bougoumou	

Objects

- To fulfill Hydro-Québec's contractual obligations under the *La Grande (1986) Agreement*, namely, to have 150 Crees employed in permanent Hydro-Québec positions within the La Grande complex.
- To provide for more effective mechanisms to ensure that this undertaking is attained.

Duration

Until the objective has been achieved or March 31, 2017.

Under this agreement, Hydro-Québec reiterates its commitment to employ by March 31, 2017, 150 Crees who meet Hydro-Québec's hiring requirements and whose permanent position is located within the James Bay region. In return, to meet the objective, the Cree parties acknowledge their leadership role and their responsibility in providing to Hydro-Québec Cree candidates who meet the company's hiring requirements.

Furthermore, in order to assist the Crees in obtaining temporary jobs in the James Bay region, the agreement provides for the implementation of incentives and temporary employment programs designed to alleviate the negative impacts of the La Grande complex on traditional Cree activities and to improve the Crees' use of affected areas.

The Apatisiiwin Corporation, a joint non-profit company, will be established under the agreement, among others, to facilitate and foster the employment of James Bay Crees, to reduce barriers to employment, to create employment opportunities, to provide employment training and to create economic opportunities and jobs for the Crees, thereby creating a framework for improved relations between the James Bay Crees and Hydro-Québec in this area. To these ends, the Corporation has an annual budget of approximately \$7 million.

The employment disciplines for the hiring of Crees are as follows: automation electronics technician, telecommunications technician, apparatus electrician and apparatus mechanic. Moreover, Hydro-Québec guarantees permanent positions to the first 150 James Bay Crees who meet its hiring requirements.

Summary of the *Mercury Agreement (2001)*

Signatories

Hydro-Québec

Cree Regional Authority

Société d'énergie de la Baie James

Grand Council of the Crees (Eeyou
Istchee)

Objects

- To support public health authorities in the development and delivery of programs designed to manage the risks associated with human exposure to mercury.
- To restore and strengthen the Cree fisheries.
- To provide a more effective framework of cooperation between the Crees and Hydro-Québec in respect to the presence of mercury in the James Bay region.

The *Mercury Agreement (2001)* follows the first agreement concerning mercury, signed by Hydro-Québec, the Québec government and the Crees in 1986.

Under the terms of the present agreement, the Eeyou Nameess Corporation, a joint non-profit company, will be established, among others, to carry out studies, monitoring and research programs on health and the environment, as well as fishery restoration and development programs for the Crees.

The Corporation will have \$24 million at its disposal, as well as additional amounts of \$3 million under the *Nadoshtin Agreement* and \$3 million under the *Boumhounan Agreement*.

Up to \$8 million from these funds may be allocated to monitoring and research programs on health and the environment.

The Eeyou Nameess Corporation will develop and implement projects designed to restore and strengthen the Cree fisheries. In particular, such projects will focus on assessment of fish populations, operating infrastructure, enhancement of fishing camps, etc.

Summary of the Agreement on the Decommissioning of Hydro-Québec/SEBJ “work sites” or installations no longer in service

Signatories

Cree Regional Authority

Hydro-Québec

Société d'énergie de la Baie James

Objects

- To ensure the decommissioning of Hydro-Québec or SEBJ sites and installations that are no longer in service in the James Bay region.
- To agree upon a mechanism for the resolution of disputes with respect to decommissioning procedures.

Duration

As long as there are sites or installations to be decommissioned.

The parties have agreed to decommission Hydro-Québec or SEBJ sites and installations that are no longer in service in the James Bay region. Decommissioning is carried out according to procedures that are approved by all parties. A neutral third party will be asked to resolve any dispute concerning decommissioning procedures.

On the one hand, Hydro-Québec can count on the Crees' cooperation with respect to research and the identification of work sites and installations that are no longer in service. On the other hand, the Crees are assured that Hydro-Québec or SEBJ sites and installations no longer in service will be decommissioned.

Summary of the *Waskaganish Transmission Line Agreement*

Signatories

Waskaganish Band
Grand Council of the Crees (Eeyou Istchee)
Cree Regional Authority
Hydro-Québec
Société d'énergie de la Baie James

Objects

- To connect the community of Waskaganish to Hydro-Québec's main power grid, by means of a transmission line.
- To allow Hydro-Québec to take over the operation and maintenance of the Waskaganish electricity distribution system.

Time frame

Commissioning by December 31, 2006, at the latest.

Under the *La Grande Agreement (1986)*, the village of Waskaganish was to be connected to Hydro-Québec's power system. The current agreement establishes a new time frame and reiterates Hydro-Québec's commitment to award a significant portion of construction work to Cree companies, provided that the terms of such contracts are consistent with Hydro-Québec's scheduling, cost and quality requirements. Furthermore, the agreement provides that Hydro-Québec will take over the operation and maintenance of the Waskaganish distribution system.

The village of Waskaganish is currently supplied with electricity by a thermal generating facility operated by Indian and Northern Affairs Canada. Connection to Hydro-Québec's main grid will provide the community of Waskaganish with economic and reliable electric

power, in sufficient quantity for heating and the establishment of businesses and small-scale industry.

Summary of the *Whapmagoostui Transmission Line Agreement*

Signatories

Whapmagoostui First Nation
Grand Council of the Crees (Eeyou Istchee)
Cree Regional Authority
Hydro-Québec
Société d'énergie de la Baie James

Object

- To connect the village of Whapmagoostui to Hydro-Québec's main power grid, by means of a transmission line.

Time frame

Construction of the transmission line will begin:

- When the parties determine that it is appropriate to proceed with it, *or*
- When a road is built to link Whapmagoostui with the Québec road network.

Under the *La Grande Agreement (1986)*, the village of Whapmagoostui was to be connected to Hydro-Québec's power system. However, there was no implementation schedule. The current agreement establishes a time frame and reiterates Hydro-Québec's commitment to award a significant portion of construction work to Cree companies, provided that the terms of such contracts are consistent with Hydro-Québec's scheduling, cost and quality requirements.

The village of Whapmagoostui is currently supplied with electricity by a thermal generating facility operated by Hydro-Québec. Connection to Hydro-Québec's main grid will provide the community of Whapmagoostui with economic and reliable electric power, in sufficient quantity for heating and the establishment of businesses and small-scale industry.

Summary of the **Complementary Agreement No. 13**

Signatories

Cree Regional Authority

Hydro-Québec

Société d'énergie de la Baie James (SEBJ)

Objects

- To confirm that Complementary Agreement No. 9 concluded with Makivik Corporation does not affect the rights, benefits and undertakings in favor of the James Bay Crees as set out in Section 8 of the *James Bay and Northern Québec Agreement (JBNQA)*.
- To repeal the provisions set out in Section 8 of the JBNQA with respect to the NBR complex (Nottaway-Rupert-Broadback).
- To repeal sub-section 8.7 of the JBNQA, as amended by Complementary Agreement No. 4 concerning a water supply system for the community of Eastmain.

The parties agree that Complementary Agreement No. 9 signed by Hydro-Québec, the SEBJ and Makivik Corporation does not affect the rights, benefits and undertakings in favor of the James Bay Crees as set out in Section 8 of the JBNQA.

The parties agree that the provisions contained in Section 8 of the JBNQA, with respect to the NBR complex, will be repealed when construction begins on the Eastmain-1-A/Rupert Project.

The parties agree to repeal sub-section 8.7 of the JBNQA, as amended by Complementary Agreement No. 4 concerning a water supply system for Eastmain. Two special agreements between the parties now govern Eastmain's water supply.

Summary of the Agreement Respecting Disputes and a Dispute Resolution Committee

Signatories

Grand Council of the Crees (Eeyou Istchee)

Cree Regional Authority

Hydro-Québec

Société d'énergie de la Baie James

Objects

- To establish a Dispute Resolution Committee.
- Through this committee, to resolve all outstanding disputes between the parties.
- To suspend pending legal proceedings.

Duration

Until March 31, 2005.

The parties agree to establish a Dispute Resolution Committee consisting of seven (7) members. Three (3) members are to be selected by the Cree parties and three (3) will be chosen by Hydro-Québec/SEBJ. The parties must agree on the appointment of the seventh person, who will act as a mediator between them. The parties may direct the seventh member to arbitrate in their disputes.

The mandate of the Committee is to resolve all the outstanding disputes between the Cree parties, Cree communities and Hydro-Québec/SEBJ. Pending legal proceedings opposing the Cree parties, Hydro-Québec and the SEBJ are suspended until March 31, 2005, or upon notice of six months by one party to the other that the suspension of legal proceedings is to be lifted, whichever is the earlier.