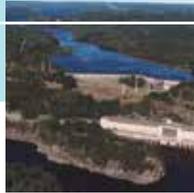


REPORT OF ACTIVITIES

2014

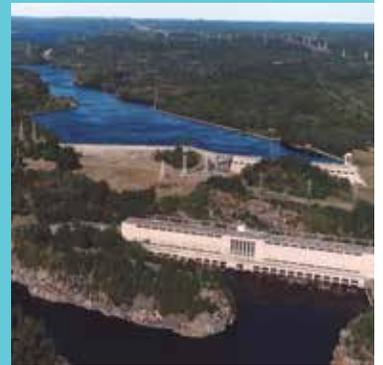




VISION AND MISSION STATEMENTS

HYDROPOWER LEADS THE WAY TO RELIABLE, RENEWABLE, CLEAN ENERGY.

We, the Canadian hydropower industry, promote the technical, economic, social and environmental advantages of hydropower. We advocate the responsible development and use of hydropower to meet present and future electricity needs in a sustainable manner.



canadahydro.ca | Twitter: [@CanadaHydro](https://twitter.com/CanadaHydro)

MESSAGE FROM THE CHAIR OF THE BOARD

As the new Chair of the Canadian Hydropower Association's Board of Directors I am pleased to reflect on another busy and successful year. Picking up on the momentum from 2013's expanded *Forum on Hydropower*, the CHA continues to move forward, delivering further on our *Strategic Action Plan*. The undeniable economic, social and environmental benefits of our existing and future generation capacity are becoming better understood by more stakeholders. Our industry is growing and so is our voice.

We recently welcomed the passage of *Bill C-38: The Jobs, Growth and Long-term Prosperity Act* and *Bill C-45: The Jobs and Growth Act*. Throughout 2013 and 2014 we have engaged diligently in tracking and providing comment on important regulations as they take shape under the new Acts. Through our ongoing collaboration with the Canadian Electricity Association (CEA) we have worked to ensure that changes benefit the electricity sector generally and hydropower, more specifically. We saw important modifications to regulations and policies under the new *Canadian Environmental Assessment Act* and *Fisheries Act* directly related to our efforts. Engaging in federal regulatory improvement remains the CHA's number one priority. We are committed to representing our Members' interests in this complex and fundamentally important area.

Also in alignment with the plan, we have expanded our outreach efforts to important audiences over the past year and built new relationships. Last summer, with the assistance of the *Pembina Institute*, the CHA convened a meeting of selected Environmental Non-Governmental Organizations (ENGOS) from across Canada. We shared perspectives and developed an improved appreciation for one another's positions. Hydro's large scale environmental benefits such as zero air pollution and near zero greenhouse gas emissions were understood. Its more localized environmental impacts were equally explored and discussed. While we recognized we might not always completely agree on all issues, we re-affirmed that we can talk about them and continue to seek common ground.

The more general advocacy and promotion of hydropower across Canada and the US remains an important focus for our activities. Our President continues to strategically participate in conferences and high level panel discussions to deliver our key economic and environmental messages. Last year, the CHA delivered more

keynote addresses than ever before. We also received greater media interest than previous years. The Canadian hydropower message is potent and positive at home and abroad. People want to hear what we have to say and we are being heard.

On a personal note, it is my privilege to work alongside CHA Members on the interests of Canadian hydropower with the support of a dedicated Board, productive Working Groups and an energetic staff. I wish to extend my sincere thanks to my fellow Board Members, the CHA office and the greater membership for their support and input into a wide range of regulatory, advocacy and research efforts.

Before concluding, I would be remiss if I did not single out the work of our previous Board Chair, Ed Wojczynski. Known for his boundless optimism, tireless commitment and a unique ability to bring people together, he has set the CHA down a positive path that I am excited to pursue. Though he has left the Chair's position, we are fortunate to retain him on the Board of Directors and I speak for everyone at the Canadian Hydropower Association when I say we look forward to his continued enthusiastic leadership and participation.

Thanks to our Members, staff and to the Canadian hydropower industry at large for another positive year of improvement, growth and progress. I look forward to serving your interests and promoting the growth of hydropower across Canada.



Edie Thome
CHA Board Chair
Director, Environmental Risk Management
BC Hydro



MESSAGE FROM THE PRESIDENT

Since our last *Report of Activities* the Canadian Hydropower Association has continued to focus its efforts on our four strategic priorities: 1. Regulatory Issues, 2. Advocacy and Promotion and Hydropower in Canada, 3. Service to Members and 4. Advocacy and Promotion of Hydropower in the United States. Our Board, Working Groups and Members have directed their time and effort toward ensuring our success in each of these important areas. It remains a privilege to work on these objectives with experts from across the country to secure the growing development of Canada's largest source of electricity: clean and renewable hydropower.

We have kept up the hard work of monitoring and commenting on the development of new regulations under the revised federal legislation for the environmental regulation of Canadian resource development. We have seen regulations and approaches change as a direct consequence of our efforts. We remain confident that hydropower will continue to be developed in the social, environmental and economic interest of Canada.

Political leaders from all over the country and across all parties are increasingly mentioning hydropower positively when they talk about Canadian energy. Canada plays a global leadership role in the development of clean and renewable electricity. We are the world's third largest hydropower generator and could still more than double our current generation capacity. Our industry has a positive story to tell and solutions to offer a world that demands affordable energy with lower greenhouse gas emissions and reduced air pollution. The CHA will continue to make sure the benefits of Canadian hydropower are consistently promoted and better understood.

American audiences have also become more interested in how Canadian hydropower can provide them with clean and renewable electricity while also helping the development of US renewables. Working with the Canadian Department of Foreign Affairs and International Trade, the government of Manitoba and the government of Québec, the CHA's Clean Energy Policy Working Group has carefully expanded its outreach efforts to our southern neighbours. Americans want to hear the Canadian hydropower story and we are ready to tell it.

Over the past year, we have been excited to welcome new Members and to see our annual Forum expand. To meet growing opportunities, we will refresh our *Strategic Action Plan* this year to ensure our efforts are properly aligned as we prepare for future elections and other important public policy influences. The CHA's new Government and Public Affairs Manager, Anne-Raphaëlle Audouin, will help organize our efforts to deliver increased value to our Members. I'm excited to welcome her to the CHA team and appreciate the support everyone will lend her in her new role.

As always, our key messaging and efforts will continue to focus on:

- Advocating more efficient regulatory policies that encourage the sustainable development of clean, renewable hydropower while maximizing environmental protection
- Promoting strong Canadian and North American climate, such as a price on carbon, that recognizes hydropower's benefits.



Jacob Irving, President,
Canadian Hydropower Association



A message from our new Government and Public Affairs Manager, Anne-Raphaëlle Audouin

After several years in the private sector working on a variety of national and international assignments, I am both happy and excited to start this new chapter of my career with the hydropower family! I hope to bring my environmental management, public relations and regulatory expertise to the Association and I look forward to sharing CHA's messages with the Government, the public and our Members.

Anne-Raphaëlle Audouin, Government and Public Affairs Manager, CHA



REGULATORY CHANGES

Throughout the year, the CHA continued its efforts monitoring regulatory changes and their impact on the hydropower sector, especially regarding the amendments made to the *Fisheries Act* and the *Canadian Environmental Assessment Act*. We also continued to encourage movement on changes to the *Species at Risk Act (SARA)* and we will closely monitor this Act's continued evolution. These activities reflect our objective to ensure that the federal regulatory regime better reflects the needs of our industry while also protecting the environment.

The CHA also supported other federal legislative changes that promote environmental management best practices and hydro-power development. As Canada's largest source of clean and renewable electricity, we remain strongly interested in carbon management initiatives that support the development of hydro-power. We continue to monitor and comment on the development of greenhouse gas emissions regulations in North America.

CANADIAN ENVIRONMENTAL ASSESSMENT ACT 2012 (CEAA 2012)

The *Canadian Environmental Assessment Act* was amended in 2012. Many of the substantial changes the CHA recommended at the time were taken into consideration in the review. Since the beginning of 2013, we have closely assessed the implementation of the amended Act and we participated in several information sessions regarding the development of its policies and regulations. In partnership with the Canadian Electricity Association, we will continue monitoring new developments as they arise to represent the hydropower industry's interests.

FISHERIES ACT

Our recommendations regarding necessary changes to the *Fisheries Act* were heard in 2012 when important amendments to the Act were made. More work needs to be done however to successfully implement the amended Act and to clarify some new concepts such as 'habitat banking'. Throughout the year, the CHA was actively involved in ensuring all amendments made to the Act and all changes to the associated policies and regulations moved toward a more streamlined and favorable environment for the hydropower industry. For example, the CHA participated in the *Department of Fisheries and Ocean's* consultation process regarding the development of new regulations and guidance documents. We also participated with other associations and Environmental Non-Governmental Organizations in the *Workshop to Develop Guidelines for Managing the Impacts of Impingement and Entrainment on Fish at Medium and Large Intakes*.

SPECIES AT RISK ACT (SARA)

The CHA remains involved with *SARA* and its associated policies and regulations. We maintain that changes need to be made in order to link stewardship with compliance and to better incorporate socio-economic considerations in applying the Act. We believe this will make the Act a more successful tool to protect species while allowing responsible development. While additional legislative change is not anticipated over the short term, we are well prepared to continue encouraging improvement over the medium and longer term. In the shorter term, we will continue to participate in policy development.



HYDROPOWER ADVOCACY

As Canadians, we are fortunate to live in a country where over 60 percent of our electricity comes from hydropower; a clean, renewable, reliable and affordable energy source. Our country is the third largest generator of hydropower in the world and we should celebrate our leadership. In fact, British Columbia, Manitoba, Québec and Newfoundland all generate more than 90 percent of their electricity from hydro and they enjoy some of the most affordable electricity rates in North America.

This year, the CHA represented the hydropower industry at several events where we shared our key messages and forecasted a positive future for Canadian hydropower. *The Electricity Sector Human Resources Council* conference was important as the *Renewable Energy Labour Market Study* was launched, an initiative that the CHA has participated in over the past two years. We were also invited to participate in the *Council of the Federation's Energy Strategy Workshop* and the *Energy Mines and Ministers Conference* in Yellowknife.

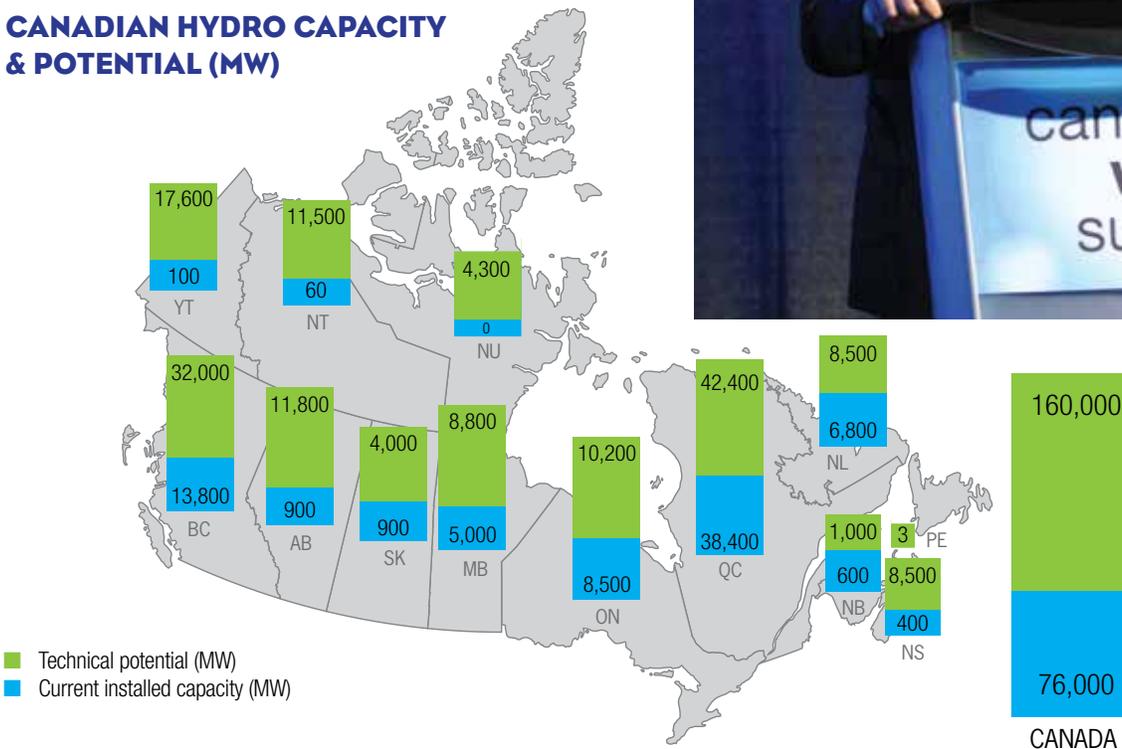
In addition to our advocacy efforts in Canada, the CHA continues to work with the *National Hydropower Association* in the United States and the *International Hydropower Association* globally. A strong effort was made during the fall of 2013 to finalize a submission from

the CHA to the *US Congress Waterpower Subcommittee*. The opportunity was established by our US Outreach Coalition and the CHA's Clean Energy Policy Working Group collaborated to draft our position statement. In it, we delivered key messages on Canada's existing and undeveloped hydropower potential while explaining the nature of Canadian environmental regulation.

To deepen our messaging with US audiences we also attended the *16th Annual Congressional Renewable Energy and Energy Efficiency EXPO and Forum* hosted by the *Environmental and Energy Study Institute (EESI)* in Washington DC where we presented on the mutually beneficial hydro relationship between Canada and the US to influential Capitol Hill staffers. Our Clean Energy Policy Working Group also coordinated with the Canadian Consulate in Denver to help us deliver our message to the *US National Association of Regulatory Utility Commissioners (NARUC)* commissioners during their 2013 conference.



CANADIAN HYDRO CAPACITY & POTENTIAL (MW)



HYDROPOWER POTENTIAL OVERVIEW

CLEAN AIR, RENEWABLE ENERGY, THE POWER OF WATER

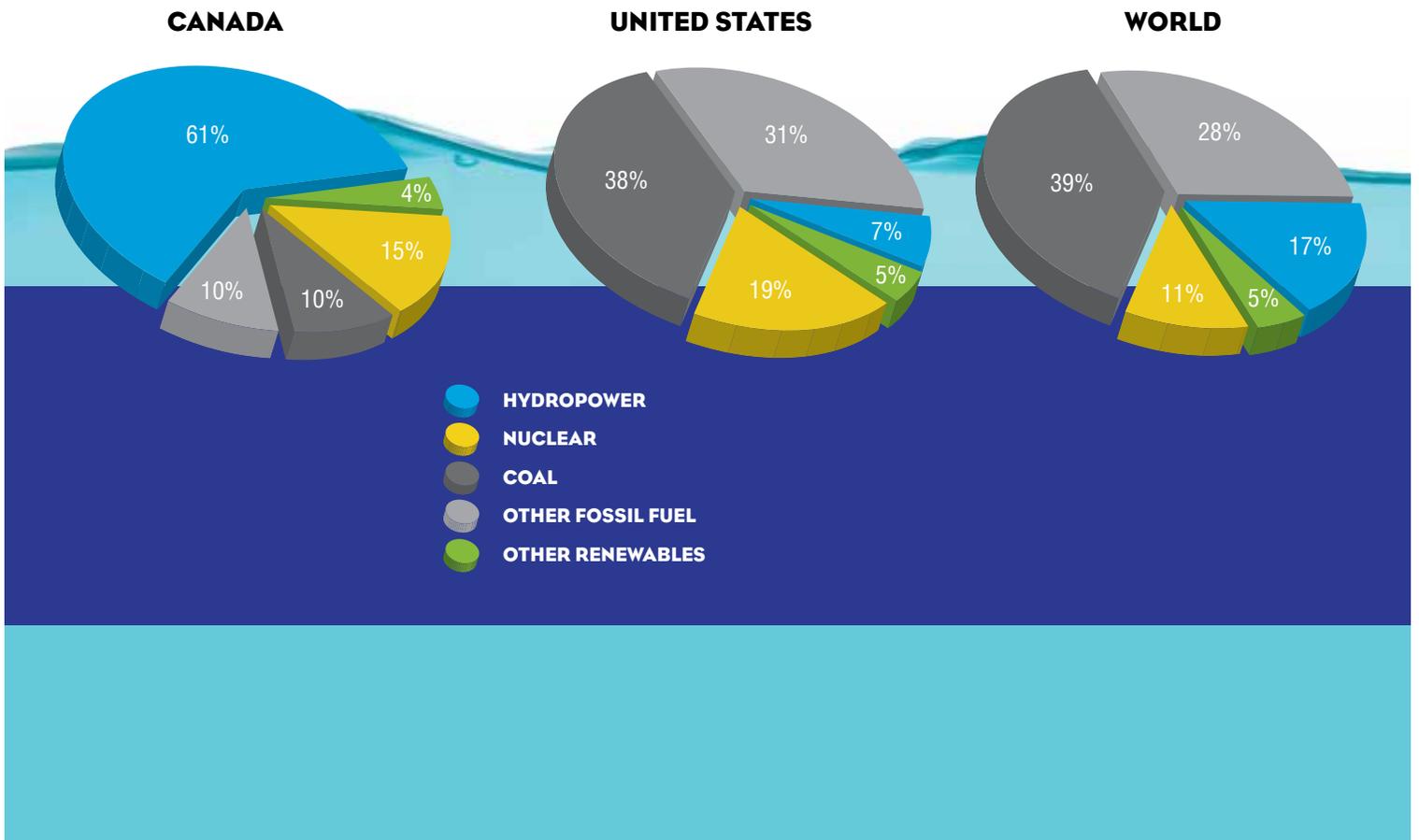
Canada is living through an exciting period of its hydropower history. In fact, Canada's current hydropower capacity (2013) is roughly 75,000 MW, supplied by more than 500 facilities across the country. Significant potential remains for additional hydropower production. Canada's remaining technical potential of 163 000 MW represents more than twice the current installed capacity. It is estimated that close to 25,000 MW of hydropower capacity is either being considered, planned, or under construction. With projects of all sizes currently in different phases of development across the country, the industry's future is promising.

2013 CHA FORUM

The 2013 CHA Forum on Hydropower entitled *Growing Hydropower, Canada's # 1 Renewable* was once again a great success. We thank all our sponsors and attendees for their continued support and participation. We successfully added a new focus area to the Forum that included workshops covering the engineering, procurement, construction and management challenges and opportunities associated with the Canadian hydropower industry. It was our largest Forum to date and we look forward to building on its accomplishment.



ELECTRICITY GENERATION



CHA WORKING GROUPS, PROVIDING SUPPORT FOR THE HYDROPOWER INDUSTRY IN CANADA

ABORIGINAL RELATIONS WORKING GROUP

The Aboriginal Relations Working Group continues to focus on key issues that are of national significance to members of the CHA. During the last year, the working group has provided provincial hydropower utility feedback on the *Consultation Guidelines* from the *Federal Major Projects Management Office* and has followed evolving Metis legal rights. The Working Group plans to develop success stories that would showcase the range of initiatives and partnerships that are underway with aboriginal communities across Canada related to hydropower facilities and projects.

CLEAN ENERGY POLICY WORKING GROUP

With the assistance of the Pembina Institute, the working group organized a successful one-day workshop with selected Environmental Non-Governmental Organizations (ENGOs) from across Canada. The purpose of the workshop was to share perspectives and develop an improved appreciation for one another's positions. The working group also continued to monitor and comment on the development greenhouse gas management and regulation as well as the Ecologo CCD-003 standard. It also continued to support the CHA's outreach efforts to the US.

FISHERIES ACT WORKING GROUP

The working group remained involved on the legislative front after *Bills C-38* and *C-45* were passed to interpret and comment on new regulations and guidance documents released by the Department of Fisheries and Oceans. The group also monitors development of studies and guidance on entrainment and impingement of fish and continues to provide appropriate input into the *Natural Sciences and Engineering Research Council of Canada (NSERC) HydroNet* research initiative.

PUBLIC AFFAIRS WORKING GROUP

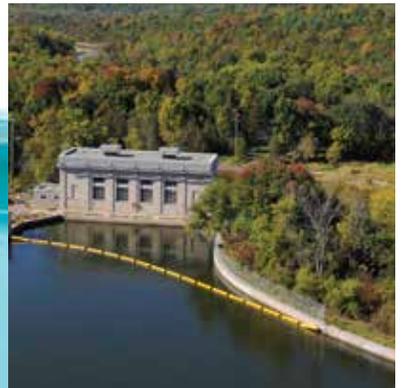
The working group has continued in its role supporting the other CHA working groups in developing key messages, website content, position papers and assisting with media outreach. With a new Government and Public Affairs Manager, the work will be enhanced into 2014 and will target new public relations objectives.

REGULATORY PROCESSES WORKING GROUP

The working group continued to monitor and influence regulatory change, particularly in the field of federal environmental assessment, providing comments to various government departments, such as the *Canadian Environmental Assessment Agency* and the *Major Projects Management Office (MPMO)*.

SPECIES AT RISK ACT (SARA) WORKING GROUP

The working group continues to coordinate with the Canadian Electricity Association on SARA. It collaborated with other industry associations to determine if a strategy for ensuring further action on SARA in the short term was feasible. As legislative change appears unlikely in the short term, the Working Group will continue to focus its efforts on improving application mechanisms in consultation with government officials, non-governmental organizations and other important stakeholders through the SARA committee process and other opportunities.



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BC Hydro

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Left to right bottom row: Gaëtan Thibault, CHA Treasurer, AECOM; Benoît Pepin, CHA Vice-Chair, Rio Tinto Alcan; Colin Clark, Past Chair, Brookfield Renewable Power; Ed Wojczynski, Past Chair, Manitoba Hydro; Claude Lambert, CHA Secretary, Alstom; Chantal Guimont, CHA Vice-Chair, Hydro Quebec
Left to right top row: Greg Scarborough, Working Group Chair, BCHydro; Jacob Irving, CHA President; Pierre Lundahl, CHA Chief Consultant; Paul Wearmouth, CHA Board Member, Kiewit; Lewellyn Matthews, CHA Board Member, Columbia Power; Edie Thome, CHA Board Chair, BCHydro; Gary Swanson, Working Group Chair, Manitoba Hydro; Bill Hamlin, CHA Working Group Chair, Manitoba Hydro; Lyle Viereck, CHA Working Group Chair, BCHydro

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CLEAN ENERGY POLICY WORKING GROUP

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Rick Boguski, ATCO

Brenda Goehring, BC Hydro

Alain Tremblay, Hydro Quebec

Nathalie Noel, Hydro Quebec

Jane McDonald, Manitoba Hydro

Kristel Arnold, Manitoba Hydro

Ann James, Nalcor Energy

Sonia Lacombe, Rio Tinto Alcan

Heather Brown, OPG

Gray Scott, Columbia Power

FISHERIES ACT WORKING GROUP

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Members:

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Chris Revell, BC Hydro

Dan Gibson, OPG

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