



Conservation

Environmental Stewardship Division
Environmental Assessment and Licensing Branch
123 Main Street, Suite 160, Winnipeg, Manitoba R3C 1A5
T 204 945-7100 F 204 945-5229
www.gov.mb.ca/conservation/eal

FAXED

CLIENT FILE NO.: 5176.00

July 16, 2009

Bob Spensley
Sequoia Energy Inc.
210-259 Portage Avenue
Winnipeg, MB. R3B 2A9

Dear Mr. Spensley:

I have enclosed Environment Act Licence No. 2730 R which replaces Environment Act Licence 2730, issued on July 5, 2006. Licence No. 2730 R rescinds Licence 2730 under item A of the Review and Revocation section of the Licence.

Revised Environment Act Licence No. 2730 R allows the Dacotah wind energy facility to generate an annual average electrical output equal to or less than 99 megawatts. The wording in a number of definitions and clauses of the licence has been updated to reflect current standards. Clauses 12, 17, and 24 are new to the revised licence. In addition, the revised licence deletes reference to noise nuisance. Specifically, reference to noise nuisance has been deleted from the Definition section and within the Respecting Operation section of previous Environment Act Licence No. 2730. Eliminating the reference to noise nuisance in revised Environment Act Licence No. 2730 R is consistent with current environmental requirements and practices applied to wind farm developments licensed under The Manitoba Environment Act.

All other applicable federal, provincial and municipal regulations and by-laws must be complied with in addition to the Revised Licence requirements.

For further information on the administration and application of Environment Licence No. 2730 R, please feel free to contact Mr. Randy Webber, Regional Supervisor, Central Region at 204-945-7053.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.

c: Don Labossiere, Director, Environmental Operations
Randy Webber, Regional Supervisor, Central Region
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2730 R (*by the Licensee only*) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by July 30, 2009.

On behalf of Sequoia Energy Inc.

Date

****A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

LICENCE

Licence No. / Licence n° 2730 R

Issue Date / Date de délivrance July 16, 2009

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 11(1) / Conformément au Paragraphe 11(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À :

Sequoia Energy Inc.: "the Licencee"

for the construction, operation and maintenance of the Development known as the Dacotah Wind Energy Project being a commercial wind-powered electricity generation facility with an annual average electrical output equal to or less than 99 megawatts and with ancillary facilities, located on 30 sections of privately owned land across a 25,000 acre area within the Rural Municipality of Cartier in the Dacotah area near Elie, Manitoba. The Development involves the installation of between 35 and 70 wind-turbine generators, access roads, an underground electrical collector system, a collector substation, approximately 0.5 km transmission line interconnection, and an operations and maintenance building, in accordance with the Proposal and Environmental Impact Assessment filed under The Environment Act, dated February 20, 2006, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“**Director**” means an employee of the department appointed as such by the Minister;

“**Environment Officer**” means an employee of the department appointed as such by the Minister;

“**noise**” means unwanted or undesirable sound;

“**point of reception**” means any point on the premises of a person where sound originating from other than those premises is received;

“**wetland or wetlands**” means swamps, marshes and shallow waters as described by the Canadian Wetlands Classification System; and

****A COPY OF THIS LICENCE AND THE DACOTAH WIND ENERGY PROJECT ENVIRONMENTAL PROTECTION PLAN MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

“ WTG” means wind turbine generator.

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall site wind turbine generators throughout the Development in consideration of the ***Provincial Guidelines for Sound Pollution, Environmental Sound Objectives, Schedule A*** and any local by-law respecting the siting of wind turbine generators.
2. The Licencee shall locate fuel storage and equipment servicing areas established for the construction and operation of the Development:
 - a) a minimum distance of 100 metres away from any waterbody; and
 - b) operate the fuel storage areas in compliance with the requirements of ***Manitoba Regulation 188/2001*** or any future amendment thereof, respecting ***Storage and Handling of Petroleum Products and Allied Products***.
3. The Licencee shall, at all times during the construction of the Development, have materials available at the construction sites to contain and recover spills of fuel and other fluids associated with construction machinery.
4. The Licencee shall dispose of non-reusable demolition and construction debris from the Development at a waste disposal ground operating under the authority of a permit pursuant to the ***Waste Disposal Ground Regulation, MR 150/91***, or any future amendment thereof, or a Licence pursuant to The Environment Act.
5. The Licencee shall, during construction, dispose of all wastewater from on-site sanitary facilities in accordance with ***Manitoba Regulation 83/2003***, or any future amendment thereof, respecting ***Onsite Wastewater Management Systems***.
6. The Licencee shall during construction and operation of the Development:
 - a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888 pursuant to ***Manitoba Regulation 439/87*** or any future amendment thereof, respecting ***Environmental Accident Reporting***; and
 - b) at the request of the Director, provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and propose corrective action to prevent reoccurrence.

7. The Licencee shall, during construction, adhere to the general recommendations on design, construction, and maintenance of stream crossings as specified in the Manitoba Natural Resources and Fisheries and Oceans Canada guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996*.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Pre-Construction

8. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.
9. The Licencee shall not locate WTG's near wetlands, woodlands, and natural grasslands. Setback distances between WTG structures and the LaSalle River, large permanent wetlands, woodlands and grasslands shall be determined in consultation with the Manitoba Conservation Wildlife and Ecosystem Protection Branch. Electrical underground power cables associated with the electrical collection system shall avoid wetlands.
10. The Licencee shall, once specific locations of the wind generator structures are identified and prior to the construction, consult with the Historic Resources Branch, Manitoba Department of Culture, Heritage and Tourism to arrange for a Heritage Resource Impact Assessment of the Development area.
11. The Licencee shall, prior to the commencement of construction activities related to the Development, file a Dacotah Wind Energy Project Environmental Protection Plan (EPP) with the Director. The EPP shall describe the integrated approach to be used by the Licencee to undertake pre-construction plant and wildlife surveys and monitor the effects of construction activities and related environmental conditions both during and after construction to ensure that mitigative measures are applied systematically and in a manner consistent with the commitments made in the *Dacotah Wind Energy Project Environmental Impact Assessment, February, 2006*. Specifically, the Plan shall also describe:
 - a) methods to be used to undertake a baseline study of bird use and bird habitat, within the Development area, including short-eared owls;
 - b) methods used to identify and survey any areas where rare and native plants may be present and affected by the Development;
 - c) methods used to implement a two year post construction migratory bird and bat mortality study to monitor bird and bat mortality from strikes WTG structures;
 - d) methods used to evaluate birds and bird habitat during development operation;

- e) proposed environmental management practices to be implemented to mitigate adverse effects on groundwater and local wells in the event of contamination during construction, and
 - f) methods used to collect baseline data to assess changes to water quality during operation.
12. The Licencee shall undertake the activities approved pursuant to Clause 11 of this Licence.
13. The Licencee shall, prior to construction, provide information requested by the Federal Departments responsible for administering the Fisheries Act and the Migratory Birds Convention Act.
14. The Licencee shall, prior to construction start-up, retain a qualified on-site field biologist to ensure that impacts to wildlife and vegetation are avoided or minimized during construction.
15. The Licencee shall, prior to construction, consult with staff of the Manitoba Conservation Wildlife and Ecosystem Protection Branch, Manitoba Water Stewardship, the Department of Fisheries and Oceans, and the field biologist to determine:
- a) site specific impact management practices;
 - b) buffer zones for water bodies and sensitive habitat; and
 - c) the locations, preferred methods and construction timing for access road waterway crossings.
16. The Licencee shall, prior to construction, obtain a Water Rights Act Licence for any water control works and dewatering required during construction.

Respecting Construction

17. The Licencee shall, on a daily basis throughout construction and operation of the Development, monitor the work activity to ensure that all the environmental practices outlined in the Environmental Impact Statement and Environmental Protection Plan are carried out.
18. The Licencee shall separate and replace topsoil from backhoe and trenching operations in accordance with the methodology described in Figures 1, 2 and 3 attached to this Licence. This requirement is not applicable where the topsoil has been previously disturbed due to the construction of roads or drains.
19. The Licencee shall, during construction, avoid clearing, compacting, grading or filling any agricultural lands, yard sites and natural habitat areas which are not required for the Development. All construction related traffic shall be restricted to the access roads and marshalling yards throughout the Development.

20. The Licencee shall, during construction activities near wetland areas and surface waters throughout the Development:
 - a) locate any temporary marshalling yards and storage sites required for the Development a minimum distance of 100 meters from any wetland or watercourse;
 - b) avoid construction activities on native grasslands, wetlands and river edges between April 15 and July 30;
 - c) avoid instream construction between April 1 and June 15;
 - d) avoid altering surface drainage patterns and wetland water levels; and
 - e) maintain adequate setback distance between transmission line structures and wetlands.
21. The Licencee shall, during construction, undertake temporary erosion control measures to reduce siltation from erosion prone areas. Erosion prone areas shall be monitored following construction to ensure stabilization procedures are effective.
22. The Licencee shall obtain water required for dust control during construction from a source other than waste water treatment facilities.
23. The Licencee shall, at the completion of the construction of the Development:
 - a) landscape and vegetate erosion prone areas disturbed during the construction; and
 - b) fill and seal any boreholes and test pits to prevent groundwater contamination.

Respecting Operation


24. The Licencee shall, in accordance with Clause 11 (c) of this Licence, file a copy of the two year post construction migratory bird and bat mortality study report with the Director.
25. The Licencee shall maintain a buffer near wetlands and waterbodies along the transmission line right-of-way of 30 meters for application of herbicides. Any herbicide application shall be carried out in accordance with applicable regulatory requirements.
26. The Licencee shall carry out any noise monitoring required by an Environment Officer at the point of reception.

Respecting Alterations to the Development

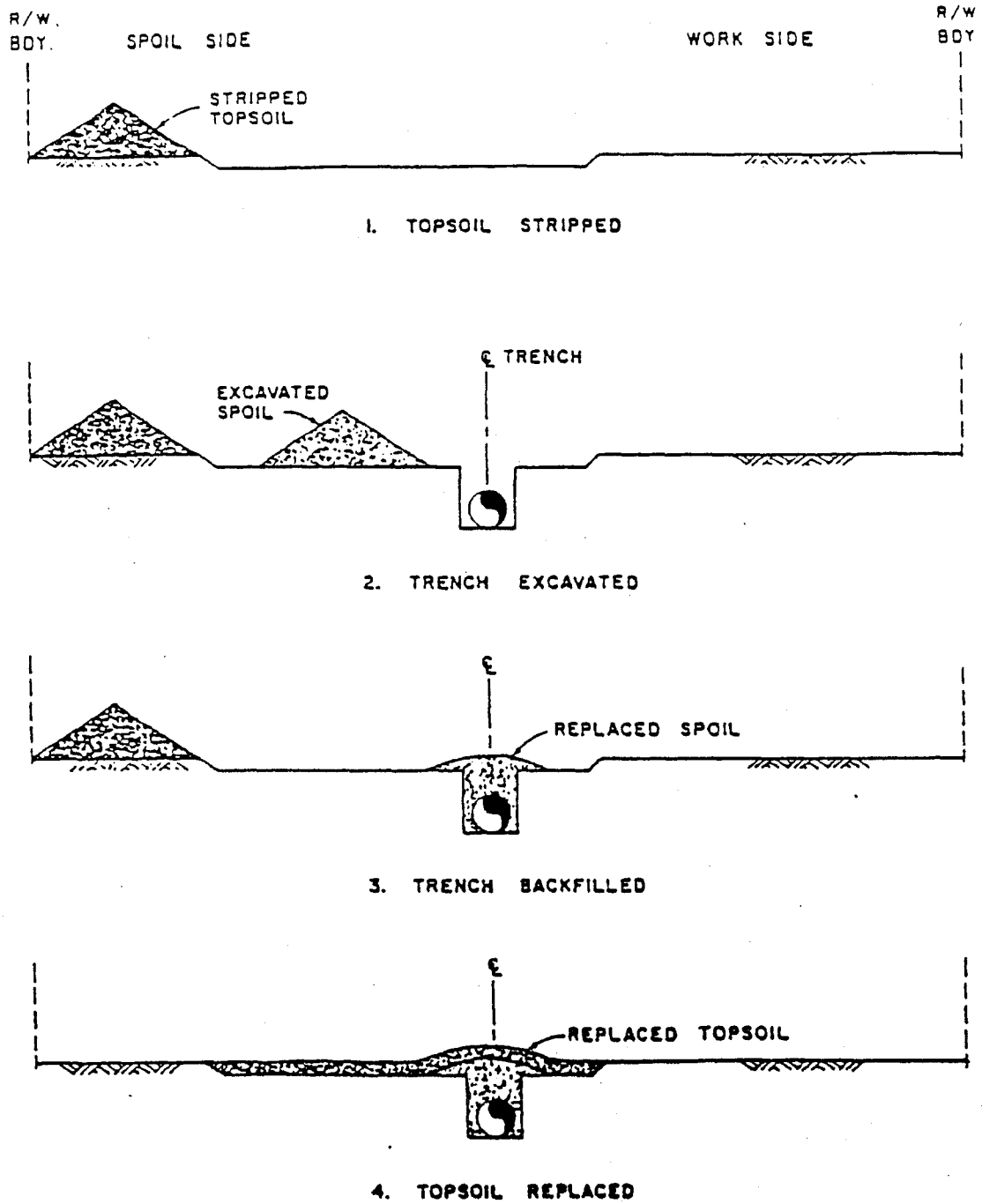
27. The Licencee shall obtain approval from the Director for any proposed alteration to the Development before proceeding with the alteration.

REVIEW AND REVOCATION

- A. Environment Act Licence No. 2730 is hereby rescinded.
- B. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.
- C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.
- D. If the construction of the Development has not commenced within three years of the date of this Licence, the Licence is revoked.

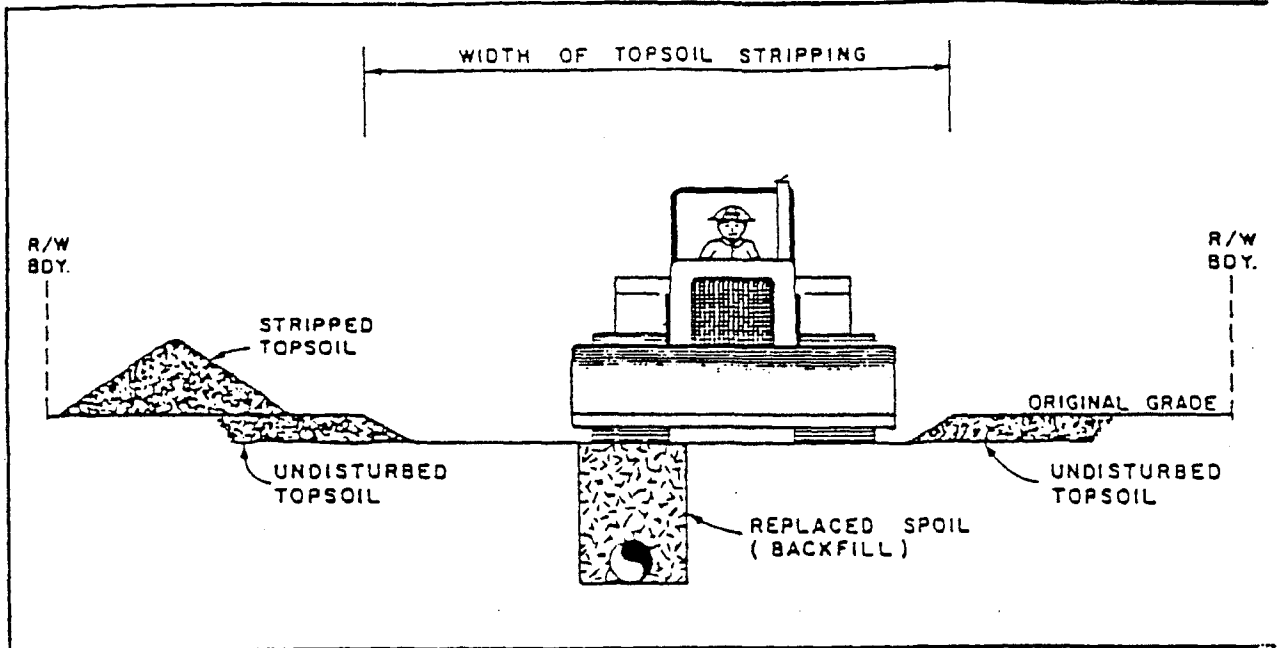


Tracey Braun, M.Sc.
Director
Environment Act



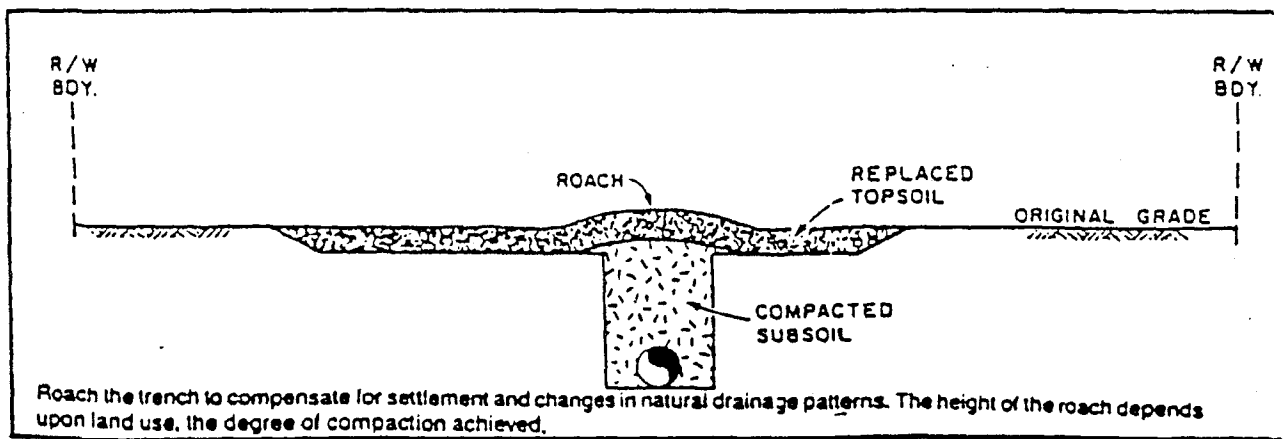
SEQUENCE OF TOPSOIL HANDLING

Figure 1



COMPACTION OF BACKFILL

Figure 2



ROACHING THE TRENCH

Figure 3