

Enclosure 1: Federal Authority Advice Record – Ontario Pumped Storage Hydropower Project

Please submit the completed form by April 6, 2026, via email to Nottawasaga@iaac-aeic.gc.ca.¹

Department/Agency Contact Information

Submission Date	April 8, 2026
Department/Agency	Transport Canada
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Review the Initial Project Description and answer the following questions:

1. Will your department or agency exercise a **power, perform a duty or function**, or provide **financial assistance**, related to the project to enable it to be carried out in whole or in part?

As relevant,

- a) Specify the power, duty or function, or financial assistance, and the likelihood that it will be required to construct the project, as either Required, Potential, Likely, Unlikely or Not Required
- b) Describe any associated Indigenous or public consultation, including timelines, and elaborate on any potential opportunities for consultation coordination with the impact assessment process, if an impact assessment is required
- c) Describe any associated information requirements (e.g., alternative means assessment, habitat offsetting), and specify those that may be coordinated with the impact assessment process, if an impact assessment is required
- d) Identify any associated project-specific guidance or issues of which the proponent should be aware, or information the proponent should provide
- e) Indicate whether your department or agency has identified any power that it will be unable, or may be unable, to exercise to allow the project to proceed, in whole or in part as currently planned, with reasons; if unsure, explain what must be resolved to increase confidence

Transport Canada's Response:

- a) As no project design specifics have been provided, the proposed in-water works would **Likely** require approval under the *Canadian Navigable Waters Act* (CNWA). If the works meet the criteria for minor works, the project may proceed without review by Transport Canada.

The applicable section of the CNWA is Section 5(1) – Application for Approval:

An owner proposing to construct, place, alter, rebuild, remove, or decommission a work must apply for approval from the Minister, in the form and manner specified, if the work may interfere with navigation. This applies to:

- (a) any major work in, on, over, under, through, or across navigable waters; or
- (b) any work, other than a minor work, located in navigable waters listed in the schedule.**

¹ Please note that advice provided to IAAC may be posted on the Canadian Impact Assessment Registry Internet Site or otherwise made available to the public.

Ontario Pumped Storage Hydropower Project

- b) Should Transport Canada have a role in this project under the CNWA or other regulatory process, the department will conduct a pre-consultation assessment to determine if there will be the potential for adverse impacts to Section 35 Aboriginal and/or Treaty rights and/or Title as a result of the project and TC's Crown Conduct. In TC's pre-consultation assessment, TC may use existing consultation and/or regulatory processes to assist in its duty to consult assessment. Should TC determine that consultation is required, the department prefers to coordinate with other departments/ministries where possible to streamline the consultation process. If coordination is not feasible, TC will consult independently with Indigenous communities to address questions or concerns related to TC's role in the project.

The *Canadian Navigable Waters Act* includes a public comment period as a standard part of the approval process for projects that could affect navigation. When approval is required, the owner must post a public notice outlining the proposed works, which starts a minimum 30-day comment period. During this time, Transport Canada reviews any navigation-related feedback to ensure impacts are minimal or can be appropriately mitigated.

- c) The proponent must publish a notice about the proposed works and interested parties are invited to provide comments within 30 days (see TC-01 in Table 1). TC will consider any public comments relating to navigation in their application review and approval process.
- d) See TC-01 in Table 1.
- e) None.
2. **Using Table 1**, identify project- and context-specific **key issues** based on the expertise within your mandate² and the information in your possession. Available information may include your access to databases and corporate knowledge, the Initial Project Description, any exchanges with the proponent or others related to the project and known means to address the effects.

For each key issue:

- a) Specify the key issue (e.g., specific species and location)
- b) Specify the project component or activity linked to the key issue
- c) Explain why it is a key issue based on:
- i. biophysical effect pathway(s) from the specific project component or activity
 - ii. concerns unique to the project or a priority within your mandate
 - iii. the issue being material³ to decision-making under the *Impact Assessment Act*
- d) Identify how the issue could be resolved, including through other means than an impact assessment (e.g., other regulatory oversight)
- e) Identify additional information the proponent could provide to build confidence about how the issue could be addressed through other means

IAAC has prepared a preliminary list of potential effects that are either likely or unlikely to be key issues for the impact assessment.⁴ While completing **Table 1**, IAAC requests that, as appropriate based on your department or agency's mandate and expertise, you validate this list, add precision or rationale where appropriate, and recommend any additional key issues for consideration. For project activities on federal lands (e.g., reservoir, powerhouse, water conveyance structures, switchyard, etc.), per section 2 of the IAA, a broader range of effects are within federal jurisdiction, including socio-economic effects.

² Refer to the [Memoranda of Understanding with IAAC](#).

³ An issue is material to decision making if its analysis is anticipated to affect the conclusions on (1) whether adverse effects within federal jurisdiction or direct and incidental adverse effects (collectively adverse federal effects) are likely not significant, or of low, medium or high significance; (2) appropriate mitigation measures for significant adverse federal effects; or (3) justification in the public interest.

⁴ IAAC has prepared this list based on limited information prior to receipt of the Initial Project Description. It may change based on input received from federal and provincial authorities, Indigenous communities, and the public.

Ontario Pumped Storage Hydropower Project

IAAC has identified the following topics as **potential key issues** for the impact assessment:

- Effects to fish and fish habitat
 - during operations from interactions with the inlet/outlet structure such as impingement and entrainment, changes in lake flow patterns, and turbidity, which may require special attention in ongoing project design
 - during construction of the inlet/outlet structure from lake-bed disturbance and turbidity, unless this is easily managed with well understood mitigation
- Effects to the environment on federal lands
 - including federally listed species at risk, wetlands, and riparian environments that provide special habitat or functions, from construction activities and footprint location, some of which could require offsetting and special attention in ongoing project design
 - if soil contaminants are identified in overburden materials to be disturbed and/or relocated, potential changes to groundwater and surface runoff quality, to inform site specific stormwater management strategies
- Impacts to the physical and cultural heritage of Indigenous peoples and sites of archaeological importance, with a focus on potential archaeological resources on land or water, and species of cultural importance (e.g., black bear)
- Impacts to the economic conditions of Indigenous Peoples
- Effects to people from activities on federal lands, such as dust and noise interactions with base personnel, to help DND identify suitable mitigation and monitoring for any conditions it may place on a land use decision
- Positive effects of the project, including
 - economic benefits for Indigenous groups
 - contributions to Canada's ability to meet its climate change commitments for long-term targets (i.e., 2050) and displace greenhouse gas emissions in the energy sector
 - contributions to sustainability including local socio-economic benefits and Indigenous economic reconciliation

IAAC has identified the following topics as **unlikely key issues** for the impact assessment because the effects are either immaterial to decision-making, effectively managed by other regulatory mechanisms, or have well understood mitigation measures:

- Effects to fish and fish habitat from
 - loss of habitat from lake-bed footprint, which is expected to be routinely managed through an authorization under the *Fisheries Act*, if needed
 - changes to water levels in the Georgian Bay, which are anticipated to be negligible based on the volume of water taken relative to the volume in the lake
 - changes to water quality in the Georgian Bay from reservoir outflow, because the reservoir will be lined with an impermeable layer and water will not be held in the reservoir for prolonged periods
- Effects to migratory birds from construction activities due to well-understood mitigations measures, and regulations under the *Migratory Birds Convention Act*
- Effects to the environment on federal lands, including wildlife and vegetation that are not federally listed species at risk, as population-level effects are unlikely
- Effects on Indigenous peoples':
 - ability to access lands and resources for traditional purposes (harvesting, navigation), as IAAC understands that access to the surrounding land and water is already restricted by DND (apart from any land use near the potential transmission lines outside of the restricted use areas)
 - use of fish for traditional or commercial purposes because population-level changes to fish in the Georgian Bay are not anticipated; should fish population changes be a concern, effects to fishing would be considered
- Effects to the health, social and economic conditions of non-Indigenous peoples resulting from activities carried out on federal lands, including
 - changes to commercial and recreational use of water in the Georgian Bay as public access to the surrounding water is already restricted
 - changes to the visual environment as the project is primarily obscured from view
 - changes to drinking water quality from reservoir outflow because bay water will move in and out without alteration and an impermeable layer in the reservoir will prevent seepage

Ontario Pumped Storage Hydropower Project

- non-Indigenous cultural heritage resources due to well established protocols set by provincial standards, and regulatory oversight off-federal lands
- impacts to the operations of the Canadian Armed Forces from construction and operation logistics, as DND can manage these in parallel through its Operational Impact Assessment
- changes to socio-economic conditions in Meaford from the construction workforce as the proponent will focus on local and regional workers, where possible, and is working closely with the municipal government and community service providers
- changes in energy pricing as this will be managed by Ontario's energy contracting policies and decisions
- Contributions to Canada's ability to meet its climate change commitments for short-term targets (i.e., 2035) because the project will cause greenhouse gas emissions during construction and no further information is required to conclude the project does not contribute to Canada's short-term targets
- Contributions to Canada's ability to meet its environmental obligations as no further information is required to conclude the project does not contribute to Canada's ability to meet its environmental obligations

Linda Beaulieu,
Regional Environmental Advisor

Name and title of Departmental /
Agency Responder

April 8, 2026

Date

Ontario Pumped Storage Hydropower Project

Table 1: Key Issues to inform the impact assessment process

This table should outline key issues to inform the impact assessment process, including whether an impact assessment is required and, if so, the scope of the assessment and tailoring of the Tailored Impact Statement Guidelines.

Key issues are the major concerns directly related to a project component or activity, the analysis of which is anticipated to be material to decision-making under the *Impact Assessment Act*.

Federal authorities' advice should be guided by the identification and resolution of key issues. If an impact assessment is required, it will be focused on key issues.

Comment ID	a) Key issue	b) Project component or activity	c)(i) Biophysical effect pathway(s)	c)(ii) Concern unique to the project or a priority within your mandate	c)(iii) Material to federal decision-making	d) Means for issue resolution	e) Additional information from the proponent
<p>Identify each comment by your organization's acronym and a sequential comment number.</p> <p>e.g.: IAAC-01</p>	<p>Specify each key issue (e.g., specific species and location).</p>	<p>Identify the project component or activity linked to the key issue.</p> <p>Be specific about the nature, scale, novelty and complexity of the component or activity.</p>	<p>Identify the specific effect pathway between the project component or activity and the affected environmental or human receptor (including Indigenous Peoples).</p>	<p>Describe why it's a key issue within the mandate of your department or agency, including in terms of priorities of the federal government and in terms of anticipated likelihood, severity or uncertainty of effects.</p> <p>Identify if the key issue is common for project activities of this nature or in this sector, or whether it is unique to this project due to the project's complexity, size or novelty; a sensitive or rare receiving environment; and/or proximity of sensitive environmental or human receptors (including Indigenous Peoples).</p>	<p>Describe why the key issue is material to decision-making as either:</p> <ul style="list-style-type: none"> an adverse effect within federal jurisdiction, or a direct or incidental adverse effect, that may be significant based on available evidence including: <ul style="list-style-type: none"> federal experts' knowledge and experience with past project assessments; presence of sensitive species, habitats or human receptors (including Indigenous Peoples); novel or complex project activities, components or technologies; high uncertainties in effects or in the effectiveness of mitigation measures; unknown or unproven mitigation; or a factor for the justification in the public interest anticipated to be material to decision-making such as a likely positive effect contributing to sustainability, to Canada's environmental obligations or climate change commitments or in supporting governmental priorities, such as reconciliation with Indigenous Peoples. 	<p>Describe how the key issue could be resolved or addressed by:</p> <ul style="list-style-type: none"> Any means, including powers, duties, functions, frameworks, policies or guidance for which your department or agency is responsible; Any means, including powers, duties, functions, frameworks, policies or guidance from another jurisdiction, including the province; Common, proven, well-understood or standard mitigation measures to mitigate the effect or effect pathway(s); or Commitments made by the proponent (e.g., in the Initial Project Description). 	<p>Describe information the proponent could provide, or commitments the proponent could make, that would provide confidence that the issue can be resolved by existing means (to be considered for the final Initial Project Description, future Summary of Issues and response, or (potential) Tailored Impact Statement Guidelines.</p> <p>Consider whether information, studies, analyses or collaborative work with other authorities would be required to address the issue beyond existing means.</p>
TC – 01	In-water Works	<ol style="list-style-type: none"> In-water Ring Dyke or Dam (hybrid closed loop) Intake Dock - proposed north of the Lower Inlet/Outlet Structure 	<p>Transport Canada (TC) understands that the in-water works are located within the Military Practice Area, however this is not an exclusion/no boat zone. As TC's mandate is navigation, TC would need to ensure that the project will not impact navigation and</p>	<p>Georgian Bay – which is identified as part of the project - is listed on the Schedule to the <i>Canadian Navigable Waters Act</i> (CNWA) and therefore is a navigable waterway that is subject to the</p>	<p>Impacts to navigation are within the federal jurisdiction of TC, and navigation impacts are a direct adverse effect resulting from the proposed in-water works.</p>	<p>Applications for CNWA approval are typically processed within 90 business days. However, the timeline may be extended if Indigenous consultation or environmental assessments are required. Each CNWA Application for Approval Process includes:</p>	<p>CNWA applications for approval must be completed as required and submitted via TC's External Submission Site (ESS).</p> <p>An application must include:</p> <ul style="list-style-type: none"> Completed and signed "application" form (with all mandatory fields filled in)

Ontario Pumped Storage Hydropower Project

			<p>access to s. 35 rights, e.g. access to fishing grounds for Saugeen Ojibway Nation (SON).</p>	<p>regulatory requirements under the CNWA.</p>		<ul style="list-style-type: none"> • Proponent submits an application through TC's External Submission Site (ESS) • First assessment and invoicing (TC) • Invoice payment (proponent) • Analysis of the application (TC) • Indigenous Consultation for Application Initiates (TC) • Public Notice for a comment period (proponent) • Additional Stakeholder Engagement (as required) (TC) • Final analysis (TC) • Decision (TC) 	<ul style="list-style-type: none"> • Map showing the location of the project and the works • Plan view drawings (top down) with dimensions • Profile view drawings (side view) with dimensions, • General arrangement drawing(s), and • Additional supporting documents including Indigenous engagement records. Ideally the information will document Indigenous uses of the waterway, such as past use, present use and future uses to practice their rights. <p>The proponent must publish a notice about a proposed work for review. Interested parties are invited to provide comments within 30 days after the publication of the notice or within any other period specified by the Minister of Transport. The proponent will be directed by Transport Canada as to when and where the notice shall be published. Coordination is possible to utilize open houses and joint publication requirements.</p> <p>Note: Transport Canada has introduced new fees for services, under the Canadian Navigable Waters Act.</p>
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