

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 2, 2026
Department/Agency	Indigenous Services Canada
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Review the Initial Project Description and answer the following questions:

- 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,

 - 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
 - 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
 - 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
 - Identify any associated project-specific guidance or issues of which the proponent should be aware, or information the proponent should provide
 - 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
- 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:

- Specify the key issue (e.g., specific species and location)
- Specify the project component or activity linked to the key issue
- Explain why it is a key issue based on:
 - biophysical effect pathway(s) from the specific project component or activity
 - concerns unique to the project or a priority within your mandate

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.

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

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- 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.

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

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.

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- 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
 - 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

Jan Triska, Environmental Management
Officer

Name and title of Departmental /
Agency Responder

April 2, 2026

Date

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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><i>Identify each comment by your organization's acronym and a sequential comment number.</i></p> <p>e.g.: IAAC-01</p>	<p><i>Specify each key issue (e.g., specific species and location).</i></p>	<p><i>Identify the project component or activity linked to the key issue.</i></p> <p><i>Be specific about the nature, scale, novelty and complexity of the component or activity.</i></p>	<p><i>Identify the specific effect pathway between the project component or activity and the affected environmental or human receptor (including Indigenous Peoples).</i></p>	<p><i>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.</i></p> <p><i>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).</i></p>	<p><i>Describe why the key issue is material to decision-making as either:</i></p> <ul style="list-style-type: none"> <i>an adverse effect within federal jurisdiction, or a direct or incidental adverse effect, that may be significant based on available evidence including:</i> <ul style="list-style-type: none"> <i>federal experts' knowledge and experience with past project assessments;</i> <i>presence of sensitive species, habitats or human receptors (including Indigenous Peoples);</i> <i>novel or complex project activities, components or technologies;</i> <i>high uncertainties in effects or in the effectiveness of mitigation measures;</i> <i>unknown or unproven mitigation; or</i> <i>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.</i> 	<p><i>Describe how the key issue could be resolved or addressed by:</i></p> <ul style="list-style-type: none"> <i>Any means, including powers, duties, functions, frameworks, policies or guidance for which your department or agency is responsible;</i> <i>Any means, including powers, duties, functions, frameworks, policies or guidance from another jurisdiction, including the province;</i> <i>Common, proven, well-understood or standard mitigation measures to mitigate the effect or effect pathway(s); or</i> <i>Commitments made by the proponent (e.g., in the Initial Project Description).</i> 	<p><i>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 Summary of Issues and response, or (potential) Tailored Impact Statement Guidelines).</i></p> <p><i>Consider whether information, studies, analyses or collaborative work with other authorities would be required to address the issue beyond existing means.</i></p>
ISC - 01	Economic conditions of Indigenous communities	Construction phase activities related to the main physical components of the project	Sourcing of labour and materials, mobilization and demobilization requirements associated with the construction tasks	Based on the IPD, the description and characterization of labour force and the kinds of direct and induced labour opportunities appear limited, as well as there is no apparent linkage or relation to the pre-existing economic environment in the potentially involved Indigenous communities. In order to be able to assess project effects (positive and negative) more fully with regards to Indigenous employment and/or training and procurement opportunities, there would have to be a more developed narrative, including existing employment statistics.	Areas of federal jurisdiction under section 2 of the <i>Impact Assessment Act</i> (e.g. Non negligible adverse changes to the health, social, or economic conditions of Indigenous peoples), and key areas of ISC mandate. This aspect of the project effects is also strongly related to the economic side of reconciliation with Canada's Indigenous Peoples.	Inclusion of information related to or describing the existing economic conditions in the Indigenous communities in the region. This should contain indicators such as employment rates, average/mean incomes, as well as characterization of the types of employment and/or existing business activities.	Information should be gathered and presented as far as economic and educational indicators that are available for the potentially impacts/involved Indigenous groups in the region (around the project area), preferably for groups that are confirmed to be on the consultation list. The final IPD

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							needs to include such information in order to represent the pre-existing economic and social conditions – and the labour market/labour availability – found in these Indigenous communities.
ISC -02	Access to Land and Waters for traditional use (Indigenous people)	Activities related to the construction and operations phases.	The construction, operation, and ongoing presence of the project on the site can affect current land use and potential future desired land use. This can have effects on health, social, and economic conditions.	In the IPD, there are documented concerns by Indigenous community members regarding the extent of restrictions on land access, due to project activities. Although there is an understanding that access to the surrounding land and water is already restricted by DND (as the custodian), it is important to fully illustrate the extent of such potential effects on access. Further, the existence of the project shapes what is possible in terms of future land use.	Effects to Indigenous peoples' access to lands and waters is material to decision-making as it relates to a potential adverse effect within federal jurisdiction, specifically, effects the current use of lands and resources for traditional purposes and effects to the health of Indigenous peoples as defined under section 2 of the <i>Impact Assessment Act</i> . Further, changes to land use can have effects on health, social, and economic conditions unique to each affected community.	Document all the concerns related to impacts on access/access restrictions that were received during engagement and consultation with all the First Nations (on the preliminary consultation list), not only the Saugeen Ojibway community. This information should be grounded in more of the historical context, including a description of how the Indigenous nations in the area had used to inhabit and use the lands prior to colonization. Based on these stated concerns and on the understanding of potential project effects, plus the more fulsome context, some preliminary conclusions can be drawn. This would need to be described in further project-related documentation.	Going forward, the assessment would be improved by including information that describes and document the Indigenous traditional land use (for any purposes), access and also potential barriers or limitations of access to these lands.
ISC- 03	Effects to fish used by Indigenous peoples for traditional or commercial purposes	Construction, operation	Impacts on the cultural practices of Indigenous people; Traditional use of fish; Fish consumption	IAAC states in the FAAR request letter that “ <i>use of fish for traditional or commercial purposes</i> ” is an unlikely key issue for the impact assessment because “ <i>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</i> ”. From an Indigenous health perspective, “use of fish” is not limited to the ecological or commercial viability of fish populations. For many First Nations and Métis communities in the Georgian Bay region, fish are a critical component of diet, culture, identity, and social well-being. Even small or localized declines in fish health, abundance, or perceived safety (e.g., contamination, taste, or appearance) can directly affect food security, nutrition, and mental wellness, as well as	The use of fish by Indigenous peoples is material to decision-making as it relates to a potential adverse effect within federal jurisdiction, specifically, effects on the health of Indigenous peoples as defined under section 2 of the <i>Impact Assessment Act</i> . Although IAAC’s preliminary screening was based on limited information available prior to receipt of the Initial Project Description, there remain high uncertainties regarding potential pathways of effects between project activities and fish health, quality, and availability. These uncertainties are linked to:		Engage and consult with Indigenous communities to determine whether the traditional or commercial use of fish should be explicitly included as a key issue in the Impact Assessment, and to identify community-specific concerns, knowledge, and cultural values associated with fish use.

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				<p>intergenerational transmission of traditional knowledge related to fishing practices.</p> <p>Even without changes to fish population-levels, changes to sediment dynamics, water quality, fish tissue contamination, or perceived risk could reduce fish consumption, leading to health impacts.</p> <p>Furthermore, the current diet of many First Nations adults is nutritionally inadequate, which is strongly tied to food insecurity and limited access to healthy food options. Generally preferred to store-bought food, traditional food is of superior nutritional quality, and its inclusion significantly improves diet quality. (First Nations Food, Nutrition and Environment Study, Key Findings and Recommendations for Decision-makers, October 2021).</p> <p>ISC suggests that dietary studies should be conducted throughout the lifecycle of the project to collect information on the use of traditional foods to monitor increases and decreases in use, and that monitoring of country foods should be implemented as necessary. With this information, the proponent could run predictive models to determine whether there are impacts to food security.</p>	<ul style="list-style-type: none"> - the level of historical and potential soil contamination on the 4 CDTC lands, which may be disturbed during excavation and construction; - the potential for mobilization of contaminants (e.g., heavy metals, hydrocarbons, PFAS) into surface water and sediments that support local fish populations; and - the cultural and dietary importance of fish for Indigenous communities, where any perceived or real changes in fish quality may directly influence country food use, nutrition, and mental well-being. <p>Given these factors, excluding “use of fish” from the assessment could underestimate health-related adverse effects within federal jurisdiction. The issue warrants further examination through both scientific and Indigenous knowledge to support evidence-based decision-making.</p> <p>Fish and fish health is also noted to be a major concern of Indigenous communities in the area, as reflected in media reports related to this project and other regional development projects. (https://stateofthebay.ca/2023-state-of-the-bay-report/fish-communities/)</p>		<ul style="list-style-type: none"> -Include “use of fish” within the Health Valued Component (VC) analysis, to ensure that effects on country food quality, availability, and access are assessed. -Assess potential changes in fish tissue contaminant levels and perceived contamination risk, integrating both scientific information and Indigenous knowledge related to local fish harvesting areas, species, and consumption practices. - Conduct dietary studies in Indigenous communities throughout the lifecycle of the project to collect information on the use of traditional foods to monitor increases and decreases in use; this information can then be used to run predictive models to determine whether there are impacts to food security. -Support Indigenous-led monitoring programs for fish
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							health and harvesting patterns through dedicated capacity funding, and ensure that the outcomes are incorporated into adaptive management and mitigation plans throughout project construction and operation.
ISC-04	Effects on traditional land use by Indigenous peoples	Construction, operation	Impacts of project activities on the environment causing changes to the health and social conditions of Indigenous people	In the IPD the proponent states that: <i>“While soil sampling results have not yet identified areas of contamination, given the current and historical use of 4 CDTC lands for military activity there is potential for contamination, which will be further evaluated as the Project progresses.”</i>	Effects to the health and social conditions of Indigenous peoples is material to decision-making as it relates to a potential adverse effect within federal jurisdiction, specifically, effects on the health of Indigenous peoples as defined under section 2 of the <i>Impact Assessment Act</i> . Given the current and historical use of 4th Canadian Division Training Centre (4 CDTC) lands for military activity, the proposed project site may be contaminated and contain unexploded ordnance. It is unclear how the proponent plans to assess existing site conditions or evaluate how disturbance of contaminated soil during construction could potentially impact the land and water used by Indigenous peoples for traditional purposes, and consequently, impact their health and wellbeing.		Include information on how the existing conditions of the project site will be assessed for potential soil contamination and unexploded ordnance, given the historical military use of the area. Describe in the IS the methods and criteria that will be applied to evaluate and manage contaminated soil and materials and explain how potential disturbance of existing contamination will be mitigated to prevent impacts to the land, water, fish, animals and traditional use areas of Indigenous peoples, as well as impacts on the health and wellbeing of Indigenous peoples.
ISC-05	Effects on groundwater impacting water used by Indigenous peoples	Construction, operation	Groundwater consumption by Indigenous people; Contact with surface water sources under the influence of groundwater for traditional or recreational purposes	In section 9.5.4.1 (“Potential Effects of the Project on the Environment”), the proponent notes that: <i>“Construction and operation of Project components, specifically those that are underground, will occur on and within groundwater-bearing soils and bedrock formations. Through Project activities, the Project could interact with groundwater flows and levels, groundwater connections with surface water resources, and groundwater quality.”</i> The proponent further states that preliminary groundwater quality results were compared to “Table 1: Full Depth Background Site Condition Standards for	Project activities could potentially mobilize existing contaminants into groundwater, potentially affecting water quality for Indigenous peoples. Such effects fall under section 2 of the Impact Assessment Act, as they may constitute adverse effects on the health of Indigenous peoples resulting from environmental changes.		Expand background groundwater testing to include all contaminants relevant to the site’s historic use for military and firefighting training activities (expand upon the contaminants identified in “Table 1 [MECP 2021]”).

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			<p><i>groundwater in all types of property uses, presented in the Soil, Ground Water and Sediment Standards for Use under Part XV.1 of the Environmental Protection Act (MECP 2021) to characterize existing conditions.”</i></p> <p>Table 1 standards (MECP 2021) represent a general baseline for background conditions; however, they do not capture the full suite of potential contaminants that may be present on a military training site, such as the 4th Canadian Division Training Centre (4 CDTC) where the Project will be located.</p> <p>This omission is significant because contamination on Department of National Defence (DND) lands may include munitions-related metals, explosive residues, and per- and polyfluoroalkyl substances (PFAS) from firefighting training areas, substances that are not listed in Table 1 (MECP 2021), but are identified as chemicals of potential concern in Table A2 of <i>Health Canada’s 2023 Preliminary Quantitative Risk Assessment (PQRA) Guidance</i>: https://publications.gc.ca/collections/collection_2024/sc-hc/H129-114-2023-eng.pdf).</p> <p>Given the past use of the site as a military training area, reliance on Table 1 (MECP 2021) may underrepresent risks to groundwater quality and, consequently, to surface water (used for traditional or recreational purposes), fish health, and the health of Indigenous peoples through country food pathways.</p>			<p>Refer to Health Canada for guidance on applicable screening and contaminant selection.</p>

Please insert additional rows as necessary.