

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	March 24th 2026
Department/Agency	Employment and Social Development Canada (ESDC)
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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?

No.

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
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

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

Please refer to ESDC's comments in table 1 below.

Eva Lazar Executive Director - ESDC

Name and title of Departmental /
Agency Responder

March 24th, 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><i>e.g.: IAAC-01</i></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>
<p>ESDC - 01</p>	<p>Economic Impacts</p>	<p>Section 12.2 Economic Context pp. 12-3,12-4.</p>			<p>This section of the Initial Project Description (IPD) does not make a direct correlation between the economic context of the proposed project and the project itself.</p>	<p>It is recommended that proponent tie in how the enclosed information in this section of the IPD is directly relevant to the proposed project with respect to the following:</p> <ul style="list-style-type: none"> • accessibility to both skilled and unskilled labour; • availability of appropriate social services for the proposed project's workforce, both during 	<p>- How the project would economically benefit the community as a whole and equity -deserving groups in the community's labour market at the local, regional, and national levels.</p> <p>- Explicit indication of the anticipated time frame for the construction and completion of the project and its anticipated lifespan - including consideration of</p>

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						<p>construction and operation;</p> <ul style="list-style-type: none"> • access to required training and apprenticeship for the proposed project's workforce; and • the economic impact the proposed project will have on the surrounding population with respect to employment, both in the short, medium and long term. 	<p>potential risks and mitigation measures related to boom-bust economic cycles.</p> <p>- Project's approximate budget and how much will be spent locally on construction and operation phases including the contracting that will be made to local businesses and the labour force.</p>
ESDC - 02	Employment	12.4.1 Potential Effects of the Project on the Environment p. 12-6.		"The Project is expected to create in the order of 20 to 30 permanent full-time operations jobs.", p.12-6.	The assertion made by the proponent in this section of the IPD regarding the anticipated levels of employment generated by the proposed project is not substantiated with any empirical evidence or economic forecasting. Furthermore, no detailed information is provided regarding the categories of employment the proposed project is anticipated to generate.	<p>It is recommended that the proponent be asked to provide empirical evidence that supports its employment forecast for the proposed project and to specify the job categories that would be associated with the anticipated levels of employment generated by the proposed project.</p>	<p>- Forecast of the number of jobs to be created, their job categories (i.e. contractual, part-time, or full-time), and the timeframe of these jobs during the construction phase and operation phases of the project.</p> <p>- Labour force characteristics of the community and local workforce (i.e., employment rate, participation rate, income distribution, level of education), broken down by gender, age, equity deserving groups (ie. Indigenous Peoples, racialized groups, persons with disabilities, newcomers) and any other relevant socioeconomic characteristics.</p> <p>- Adverse effects to local employment - how would they be managed or mitigated (mitigation measures); what employment related programs will be made accessible to those negatively affected by the project (e.g. ESDC employment and training</p>

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							<p>programs), such as job skills and employment training or re-training.</p> <ul style="list-style-type: none"> - Comprehensive inclusive workforce strategies that outline plans to hire and retain local residents and identify and reduce employment barriers to improve the labour market outcomes of Indigenous Peoples and equity deserving groups. - Assistance to be provided to former employees when the project's facility will permanently shut down (ie. severance pay, retraining/skilling, an offer of another job, or an early retirement package).
ESDC - 03	Employment	12.4.1 Potential Effects of the Project on the Environment p. 12-6.		<p>"Positive economic effects from the Project include direct hiring as well as expenditures on goods and services and spin off activities generated in the regional economy during both the construction and operations phases. TC Energy, through its "Hire & Buy Local" program aims to prioritize local employment, materials and vendors to create direct and local benefits and increases downstream spending at local businesses.", p.12-6.</p>	<p>The assertion made by the proponent in this section of the IPD regarding the anticipated levels of employment generated by the proposed project is not substantiated with any empirical evidence or economic forecasting. Furthermore, no detailed information is provided regarding the categories of employment the proposed project is anticipated to generate.</p>	<p>It is recommended that the proponent be asked to provide a greater level of detail regarding the anticipated levels of direct employment generated by the proposed project during its construction and operation phases.</p> <p>It is recommended that the proponent be asked to provide either a description or access to its "Hire and Buy Local" program to determine how it will prioritize local hiring for the proposed project.</p>	<ul style="list-style-type: none"> - Forecast of the number of jobs to be created, their job categories (i.e. contractual, part-time, or full-time), and the timeframe of these jobs during the construction phase and operation phases of the project. - Labour force characteristics of the community and local workforce (i.e., employment rate, participation rate, income distribution, level of education), broken down by gender, age, equity deserving groups (ie. Indigenous Peoples, racialized groups, persons with disabilities, newcomers) and any other relevant socioeconomic characteristics.

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							<p>- Adverse effects to local employment - how would they be managed or mitigated (mitigation measures); what employment related programs will be made accessible to those negatively affected by the project (e.g. ESDC employment and training programs), such as job skills and employment training or re-training.</p> <p>- Comprehensive inclusive workforce strategies that outline plans to hire and retain local residents and identify and reduce employment barriers to improve the labour market outcomes of Indigenous Peoples and equity deserving groups.</p> <p>- Assistance to be provided to former employees when the project's facility will permanently shut down (ie. severance pay, retraining/skilling, an offer of another job, or an early retirement package).</p>
ESDC - 04	Training and Apprenticeships	7.7.1 Education and Training pp.7-36, 7-37.			<p>This section of the IPD outlines specific training initiatives the proponent intends to provide for Indigenous populations impacted by the proposed Project to encourage their participation in the Project's construction and operation. However, no mention is directly made to any federal government of Canada employment training initiatives that currently exist that could encourage Indigenous people's participation in the Project's construction and operation ie. ESDC's Indigenous Skills and Employment Training (ISET) and the Skills and Partnership Fund (SPF) programs.</p>	<p>It is recommended that the proponent access any federal government of Canada employment training programs that would encourage Indigenous people's participation in the proposed Project's construction and operation ie. ESDC's Indigenous Skills and Employment Training (ISET) and the Skills and Partnership Fund (SPF) programs.</p>	<p>- Employer-sponsored training of employees and potential employees – how this will be facilitated, particularly for Indigenous Peoples and equity-deserving groups.</p> <p>- Engagement with the Indigenous Skills and Employment Training (ISET) and the Skills and Partnership Fund (SPF) First Nations and Métis service delivery providers in the region</p>

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							<p>throughout the project's lifespan.</p> <ul style="list-style-type: none"> - Details on the types of skills and knowledge that may be required to support the completion of the project throughout each stage of the project's lifespan (from construction to operation) and how to assist the local workforce in acquiring them, particularly for Indigenous Peoples and equity-deserving groups. - The availability and accessibility of training programs to effectively train the local population and potential workers from surrounding areas (e.g. ESDC employment and training programs).
ESDC - 05	Socio-economic conditions for Indigenous Peoples	12. Socio-Economic Context pp.12-1 – 12-4.			<p>The IPD does not provide any specific information regarding the current social and economic status of the Indigenous populations who will be impacted by the proposed Project. There is no indication of the current population size of individual Indigenous populations within the Project's vicinity, nor their current employment or income status. The IPD does not mention the current social status of potentially impacted Indigenous populations with respect to housing, education, and access to social services in their communities.</p>	<p>It is recommended that the proponent provide both comprehensive and detailed information regarding the current social and economic status of Indigenous populations who will be impacted by the proposed Project. This information will facilitate a better understanding of how the proposed Project could potentially impact Indigenous populations - for better or for worse.</p>	<ul style="list-style-type: none"> - Specific strategies to increase hiring and training of Indigenous people of varying socioeconomic characteristics, such as through the ISET and the SPF programs. These strategies must include an estimation of the total number of employees expected from local Indigenous communities and the elimination of existing barriers to participation of Indigenous peoples.
ESDC - 06	Socio-economic conditions	12.4.2 Preliminary Comments Received and Preliminary Mitigations, Table 12-2 "Preliminary Comments Related to the Socio-Economic Environment", pp. 12-9 to 12-15.			<p>The proponent does not indicate in this section of the IPD if and how its preliminary approach to addressing concerns raised by Indigenous groups, the public, and government agencies regarding the proposed project will be followed through on.</p>	<p>It is recommended that the proponent be asked to integrate the commitments it has made in the "Preliminary Comments Related to the Socio-Economic Environment" table into the proposed project's final Initial Project Description (IPD) or Detailed Project Description (DPD) to demonstrate that it is serious about addressing socio-economic issues and concerns associated with the proposed project.</p>	<ul style="list-style-type: none"> - The social and economic context of the region of study (i.e. main economic industries, similar projects in the area) in relation to the project. - Details on any commitments to maximize the positive socio-economic outcomes of the project for local communities and all

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							<p>segments of their populations, such as employment and enhanced social services.</p> <ul style="list-style-type: none"> - Evaluation of the availability and affordability of childcare services for workers that provides details on the number of childcare spaces available, costs and how the project will impact access to early learning and childcare programs and services to the broader community. - An assessment of essential wraparound supports and community services (education, transportation, access to social services) that are available to the project's local workforce.
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Please insert additional rows as necessary.