











-  Generating Stations (Existing)
-  Wuskwatim Generating Station
-  Control Structure
-  Keeyask Generating Station
-  Water flow
-  Community



Hydropower Limited Partnership

The Keeyask Project (the Project) includes the Keeyask Infrastructure Project, the Keeyask Generation Project and the Keeyask Transmission Project. The Keeyask Transmission Project is being developed by Manitoba Hydro outside of the scope of the Keeyask Partnership. The Project is a collaborative effort between Manitoba Hydro and four Manitoba First Nations, working together as the Keeyask Hydropower Limited Partnership (KHLPP): Tataskweyak Cree Nation and War Lake First Nation (acting as the Cree Nation Partners); York Factory First Nation and Fox Lake Cree Nation.

A 2009 Joint Keeyask Development Agreement (JKDA) between Manitoba Hydro and the First Nation partners governs how the project will be developed and sets out understandings related to potential income opportunities, training, employment and business opportunities. Manitoba Hydro provides construction, operations and management services to the KHLPP and will own at least 75 per cent of the equity of the partnership. The four First Nations together have the right to own up to 25 per cent of the partnership.

The Keeyask Generating Station will be a source of renewable energy, providing approximately 695 megawatts of capacity and producing an average of 4,400 gigawatt hours of electricity each year. The renewable hydroelectric energy produced will be integrated into Manitoba Hydro's electric system for use in Manitoba and export. The generating station will be located on the Nelson River approximately 30 kilometers west of Gillam, within the Split Lake Resource Management Area. The first generator unit in-service date is targeted by the end of 2019 with all units commissioned by 2021.

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## Message from the President and Chair

The Keeyask Hydropower Limited Partnership (KHLP) is pleased to present its Year in Review for fiscal year 2014-2015. The past year has seen the achievement of several key project milestones, including finishing the Keeyask Infrastructure Project (KIP), securing environmental, economic and regulatory approvals for the Keeyask Generation Project, starting construction on the Generation Project, and awarding and implementing a number of major contracts.

The KIP began in early 2012 and included work on PR 280 North access road construction and preliminary camp development. The KIP laid the essential foundation for the work to come on the Keeyask Generation Project.

Construction of the Keeyask Generation Project began in July 2014 following the successful conclusion of the Keeyask licensing and approvals process. When issuing the Manitoba Environment Act Licence for the Project, Conservation and Water Stewardship Minister Gord Mackintosh noted that no project of its kind had been more carefully reviewed and that the decision to grant a licence was based on the most extensive environmental review in the province's history. The Project also went through the most thorough financial and economic evaluation of any industrial development in Manitoba history by a special panel of the Public Utilities Board as part of the Needs For and Alternatives To review of Manitoba Hydro's preferred development plan.

Leading up to the start of construction, a number of key contracts were tendered, including the general civil contract. A number of major contracts were directly negotiated with the Project's First Nations partners, with BBE Hydro Constructors LP, a limited partnership between Bechtel Canada Co., Barnard Construction of Canada Ltd. and EllisDon Civil Ltd in March of 2014, and as of March 31, 2015, over \$400M dollars in direct negotiated contracts had been awarded to partner First Nations communities.

The KHLP is pleased with the level of Aboriginal participation that occurred on the KIP. Aboriginal employment represented 49 per cent of total employment on the Project to date. As a partnership we are continually working to support the retention of northern and Aboriginal employees at the job site. The employee retention and support services contract managed and delivered by two of the partner First Nations provides counseling, cultural awareness training and other support services for all on-site employees. Aboriginal employment, training and business development remains a top priority for the partnership.

The KHLP is proud of the Projects progress and will continue to work diligently to meet or exceed objectives throughout the life of the project.

Sincerely,

**Ruth Kristjanson**

President and Chair of the general partner of Keeyask Hydropower Limited Partnership

# Introduction

The Keeyask Project is a collaborative undertaking between Manitoba Hydro and four Manitoba First Nations – Tataskweyak Cree Nation and War Lake First Nation (acting as the Cree Nation Partners), York Factory First Nation, and Fox Lake Cree Nation – working together as the Keeyask Hydropower Limited Partnership (KHLP). It includes the development of the Keeyask Infrastructure Project (now complete) and the Keeyask Generation Project.

The Project involves the development of a 695MW generating station and associated infrastructure on the Lower Nelson River, 58 kilometers east of the community of Split Lake and 30 kilometers west of Gillam in the Split Lake Resource Management Area. The Generation Project will take approximately eight-and-a-half years to build, with a first unit in-service date of 2021. All units should be in-service by 2020, with site clean-up and rehabilitation completed by 2022.

The Project offers the lowest reservoir-level option among the technically and economically feasible options studied, resulting in the least amount of flooding and ultimately operating within a small, one-metre reservoir range. Special precautions have been taken to reduce impacts on fish, particularly lake sturgeon, and other important aquatic and terrestrial species and habitats. Efforts are also being made to enhance the benefits of the Project for local First Nations and Manitoba's northern Aboriginal population. Once complete, the Keeyask Project will provide generations of Manitobans with a source of affordable, reliable and sustainable electricity.



North Access Road Construction

July 2014 marked two major milestones for the Keeyask Project – the Keeyask Generation Project received all required regulatory approvals and construction of the Generation Project officially began.

Bringing the Keeyask Project to fruition has been an extraordinary journey. The Partners worked together for over a decade to negotiate the Partnership arrangements contained within the JKDA; undertake environmental studies; prepare a detailed and innovative Environmental Impact Statement based on technical science and Aboriginal Traditional Knowledge; and defend the Project through a two-year public and regulatory review process that included Clean Environment Commission hearings and a Need For and Alternatives To review undertaken by the Public Utilities Board. In 2013, the Project was also the first in Canada to apply the International Hydropower Sustainability Assessment Protocol - a framework for assessing projects against a range of social, environmental, technical and economic considerations - and scored highly across the board.



Looking Back Creek



Aerial shot of Keeyask Main Camp





## The Partnership

The KHLP will own and operate the Project under terms outlined in the JKDA. Manitoba Hydro and the Partner First Nations are limited partners in the Partnership. There is one general partner, 5900345 Manitoba Ltd., a wholly-owned Manitoba Hydro subsidiary, which will manage and operate the Partnership and be liable for all its debt.

Pursuant to the JKDA, Manitoba Hydro has been contracted to construct, manage, operate and maintain the Keeyask Generating Station. Manitoba Hydro, carrying out its duties as the Project Manager is contracted for nearly all work required to build the Project. Several construction, services, labour and materials contracts have been directly negotiated with the Keeyask Cree Nations; the general civil, electrical and mechanical contracts were publicly tendered.

Manitoba Hydro, the general partner and each of the partner First Nations' investment entities have made initial investments in the equity of the Partnership. Manitoba Hydro and the general partner will own at least 75 per cent of the equity and the partner First Nations, through their respective investment entities, can own up to a total of 25 per cent.

The business affairs of KHLP are carried out by the general partner. The general partner is governed by a Board of Directors, which consists of seven Manitoba Hydro and five Partner First Nations representatives. The Board meets quarterly and its inaugural meeting was held in December 2014. In addition to the Board, three advisory committees exist for the Project – a Monitoring Advisory Committee (MAC) to talk about the outcomes of environmental mitigation and monitoring, a Construction Advisory Committee (CAC) that reviews the status of construction activity, and an Advisory Group on Employment (AGE) to discuss construction employment at the site. All of these committees include membership from the partner First Nations and Manitoba Hydro, and regular meetings began in late fall 2014.

These committees provide the Partners with an opportunity to discuss current activities and accomplishments related to the Keeyask Project as it is being developed, and provide an opportunity for the partner First Nations to stay informed and provide valuable input about the Project through its entire development.



KHLP Board: (left to right) Vicky Cole, Manitoba Hydro; John Kreml, Manitoba Hydro; Chief Betsy Kennedy, War Lake First Nation; Darren Rainkie, Manitoba Hydro; Sandra Nabess, Fox Lake Cree Nation; Chief Duke Beardy, Tataskweyak Cree Nation; Ruth Kristjanson, Manitoba Hydro; Shawna Pachal, Manitoba Hydro International; Lorne Midford, Manitoba Hydro; Martina Saunders, York Factory First Nation; Liz Carriere, Manitoba Hydro. Missing: Norm Flett, Tataskweyak Cree Nation

# Keeyask Year in Review

## Keeyask Infrastructure Project

Construction of the KIP began in early 2012 to provide for timely and efficient construction of the Keeyask Generating Station upon receiving all necessary regulatory approvals. This advance infrastructure work was also undertaken to provide the following benefits:

- Early business opportunities for the Keeyask Cree Nations.
- Early and more employment opportunities for First Nation members, northern Aboriginal people and other northern and Manitoba workers.
- More time for Cree Nation businesses to develop their management capabilities.
- Accelerate investment to support the promotion of sustainable growth in the Province of Manitoba.



Under KIP, the following activities were completed:

- North Access Road Construction - A 25-km two-lane all-weather gravel road that provides access to the project site from Provincial Road 280.
- Start-up Camp Construction - A temporary camp to accommodate more than 125 people during the construction of the other KIP components.
- Looking Back Creek Bridge Construction - A clear-span bridge crossing Looking Back Creek on the North Access Road.
- Work Area Development - Preparation of work areas to utilize during the construction of the Generating Station.
- Main Camp Construction (Phase I) – A 500 plus person camp constructed to house workers constructing the Keeyask Generating Station. Phase I of the Main Camp also includes a water and wastewater treatment plant, kitchen and dining complex, recreation complex, including a full gymnasium and work out area, entertainment centre, commissary and other infrastructure required to support occupants.





Main Camp



## Monitoring

Environmental, social and economic monitoring for KIP construction was conducted in accordance with the Project's Environment Act Licence. Two plans were developed and approved by Manitoba Conservation and Water Stewardship that prescribe the monitoring to be undertaken: The Keeyask Infrastructure Project Construction Environmental Protection Plan and the Keeyask Infrastructure Project Terrestrial and Aquatic Monitoring Plan.

Both monitoring plans were implemented during KIP and related monitoring is now complete. Annual reports on the results of monitoring have been submitted to Manitoba Conservation and Water Stewardship. The final report on KIP monitoring will be submitted by the end of 2015.



Food services at main camp

## Aboriginal Employment & Business

Achievements in Aboriginal participation on the project as of March 31, 2015 included:

- Aboriginal employment represented 271 person-years of employment, or 49 per cent of total employment.
- The number of individual Aboriginal workers on the project was 539, or 49 per cent of the workers on the project.
- Expenditures of \$114.8 M (84 per cent of the Manitoba expenditures) for the project on goods and services were purchased from Northern Manitoba Aboriginal businesses.
- To support the retention of northern and Aboriginal employees at the job site, and to ensure that sensitivity and respect for local culture was demonstrated throughout the construction of the project, the Employee Retention and Support (ERS) Services contract was delivered by the Keeyask Fox & York Joint Venture.
  - During KIP construction, ERS staff held 26 Aboriginal Awareness training sessions.
  - Ceremonies were held to mark project milestones, including pipe ceremonies for the North Access Road and installation of a test ice boom, a blessing at the main camp, and a stream crossing ceremony for the Looking Back Creek Bridge. Prior to ERS staff arriving on site, Partner First Nations communities held four site ceremonies to mark project milestones.
- As part of the Socio-Economic Monitoring Plan requirements, Manitoba Hydro and the Partner First Nations conducted surveys of businesses in Thompson, Gillam and partner First Nations communities in spring 2014 to assess the effect of direct project spending on indirect employment and business opportunities.



Pile installation at main camp

<sup>1</sup> A person-year of employment is defined as one full-time position for one year. This typically represents about 2,000 hours of work per year based on a standard 40 hour work week.



Material hauling



Moving fish from dewatered area

## Keeyask Generation Project

This year, a major project milestone was achieved with the start of construction on the Keeyask Generation Project. All approvals were received and the main contractor selected to allow for construction activities to commence on schedule in mid July, 2014.

Starting construction on the Keeyask Generation Project on time was a major accomplishment that involved significant effort on the part of the partner First Nations, Manitoba Hydro, consultants, contractors and regulators. In order to proceed with construction, all relevant permits, licenses and approvals needed to be received. The contractor needed to be selected, hire staff, purchase equipment and mobilize to site and the required engineering needed to be completed. In addition, site infrastructure such as the camp, was required. These activities were all completed when they were required and the first rocks were placed in the river to start the first cofferdam on July 16, 2014.

The General Civil Contract, the largest contract on the Keeyask Project, was awarded to BBE Hydro Constructors Limited Partnership. Work covered by the Keeyask General Civil Contract included:

- rock excavation,
- concrete for the powerhouse and spillway,
- earth structures,
- electrical and mechanical work,
- and the construction and removal of temporary cofferdams needed to manage river flows during construction.

The majority of infrastructure to support the construction of the Generating Station was completed as part of KIP and the majority of the Project's workforce was housed in the 500 plus person main camp. Work is now underway to expand the camp by a further 1,500 rooms to meet the Project's peak workforce requirements in 2016.

The partner First Nations continue to provide many important site services, including catering and janitorial, security, employee retention and support, emergency medical services and camp maintenance.



Construction staff





Cofferdam construction



## Pre-Construction Regulatory Accomplishments

- Clean Environment Commission Hearings were held between September 2013 and January 2014. In April 2014, the Commission issued a report recommending the Project proceed.
- In early 2014, the Public Utilities Board conducted a Needs For and Alternatives To (NFAT) review of Manitoba Hydro's preferred development plan, which included Keeyask. On July 2, 2014, the PUB released its report. The Province approved the Public Utilities Board's recommendation to proceed with immediate construction of Keeyask to meet domestic and export requirements.
- The Province issued a Manitoba Environment Act license to the KHLP for the Keeyask Generation Project on July 2, 2014.
- The Province issued a Manitoba Environment Act license for the Keeyask Transmission Project to Manitoba Hydro on July 10, 2014. The Transmission Project will carry the power generated at Keeyask to the Radisson Converter Station.
- A Fisheries Act Authorization was received from Fisheries and Oceans Canada on July 15, 2014, allowing in stream work to commence.



Material sourcing

The following is a summary of project results achieved during the **2014 -2015 fiscal period:**

## Site Infrastructure Construction

Substantial progress was made on the Main Camp:

- Completed accommodations for over 500 workers.
- The first meal was served at the kitchen and dining complex in August 2014.
- The recreation complex, which includes two basketball courts, weight and cardio area, elevated running track and squash and racquetball courts, opened in October 2014.
- The entertainment centre, which includes TVs, video games, pool tables, ping pong and a variety of other games, opened January 2015. The movie theater is scheduled to be operational in summer 2015.

## South Access Road

- Amisk Construction (a joint venture between the Cree Nation Partners – Tataskweyak Cree Nation and War Lake First Nation - and Sigfusson Northern) commenced construction of the South Access Road between Gillam and the south shore of the Nelson River. Amisk mobilized to site, cleared the road right-of-way and commenced material production.



Surveying activities



Material hauling



## Generating Station

- The General Civil Contract, the largest contract on the Keeyask Project, was awarded to BBE Hydro Constructors Limited Partnership (BBE). BBE is a limited partnership of Bechtel Canada Co., Barnard Construction of Canada Ltd. and EllisDon Civil Ltd.
- Construction of the Keeyask Generating Station commenced in July 2014 and has a first unit in-service date of November 2019.
- Manitoba Hydro, BBE and Hatch Engineering (the Stage V Designers) are working collaboratively through an Early Contractor Involvement process on task forces focused on a variety of areas from training and employment to river management. The goal of this process is to ensure the contractor has a better understanding of the specifications and that there is alignment between the parties. The process also provides the opportunity for cost savings, schedule advancements and efficiencies through collaboration and sharing of expertise.
- The engineering consultant continued with the development of the 3D model of the generating station and issuing drawings for construction. This is the first 3D model used in the construction of a Manitoba generating station.



Drilling to prepare for blasting

## River Management

- Four river management structures were constructed during the year - the Quarry Cofferdam, North Channel Rock Groin, Stage I North Channel Cofferdam and Powerhouse Stage I Cofferdam. Construction of the dual rock groins for the Spillway cofferdam started during the winter. A portion of the Central Dam Cofferdam rock groin was also constructed, as well as rockfill causeways to borrow areas.
- Failure of the ice boom combined with high river flows during the winter caused a large ice dam to form at Gull Rapids. This required the Powerhouse and Quarry cofferdams to be raised and extended to prevent overtopping and flooding of the work areas. An additional cofferdam was constructed to connect the Powerhouse and Quarry cofferdams to further protect the work areas. The North Channel rock groin was extended into the south channel of Gull Rapids to help initiate an upstream ice cover and mitigate the high water levels at the construction site.



Cofferdam construction





Dining hall at Keeyask



## Structures Excavation

- Excavation on the powerhouse intake channel commenced in fall 2014 and will continue throughout most of the next year.

## Safety

Manitoba Hydro and the partner First Nations believe strongly that the safety and health of all employees working on the Keeyask Project has always been and will remain a top priority.

- All employees working on the Keeyask Site are required to attend a site safety orientation that is updated regularly to reflect the hazards that are present on the site.
- Many enhancements have occurred to increase safety and protect individuals at site including improved safety reporting. Further improvements will be made throughout the upcoming year.
- From the start of construction on the Keeyask Generation Project to the end of the fiscal year, there were 1.3 million hours worked with four lost-time injuries resulting in 17 lost-time days.



Boot & coat room in Keeyask main camp

## Major Contracts:

Manitoba Hydro, acting as Project Manager awarded contracts this year for:

- Catering and Janitorial Services (Phase 2) – Fox, York and Sodexo Joint Venture (JV)
- Security Services (Phase 2) – Fox, York and Sodexo JV
- Employee Retention and Support (Phase 2) – Fox and York Keeyask JV
- Maintenance Services (Phase 2) – Northern Maintenance Services JV (Joint venture between the Cree Nation Partners and Newton Mechanical)
- Emergency Medical/Ambulance (Phase 2) - Keeyask Emergency Medical Services JV (Joint venture between Fox Lake, York Factory and Criticare)
- Main Camp Facility (Phase 2) – Britco
- South Access Road – Amisk Construction (Joint venture between the Cree Nation Partners and Sigfusson Northern)
- Turbines and Generators – Voith Hydro
- Spillway Gates, Guides and Hoists – Canmec Industriel Inc.
- Intake Gates, Guides and Hoists - Canmec Industriel Inc.
- Powerhouse Cranes – COH Inc.
- Construction Power Station Civil Work – Iron North/ Interlake Power/Hartman Construction Joint Venture
- Construction Power Line (KN36 Tap) – Iron North/ Interlake Power Joint Venture



Spillway cofferdam construction



Keeyask dining complex



## Monitoring

Manitoba Hydro, acting as Project Manager with participation in some areas by the partner First Nations, undertook technical environmental monitoring throughout the year. This included:

- Undertaking of project employment, labour income, purchases and other economic indicators for construction activities
- Undertaking of traffic volumes to determine project effects on road-based travel which is anticipated to stem from increased traffic associated with the transport of workers, equipment, and materials on roads in the area, particularly Provincial Road 280 (PR 280)
- Conducting preliminary research on population to establish baseline data to determine if there are notable changes in population in local First Nations communities and the town of Gillam.
- Safeguarding heritage resources and appropriately managing the potential discovery of human remains or heritage objects discovered or disturbed during the development of the project.
- Conducting of a workforce harvest survey as part of the resource monitoring program.
- Undertaking vegetation rehabilitation efforts, with a cone harvest program carried out to procure native black spruce and jack pine cones from Manitoba seed zone 7, for the purposes of growing seedlings. First Nations partners worked in conjunction with Manitoba Hydro for approximately two weeks to yield a substantial number of black spruce and jack pine cones. These cones have since been processed where the seeds are extracted, and 250,000 seedlings have been sown in container stock for use in 2016.



Seining in isolated pools



Winter monitoring

- Monitoring aspects of the physical environment to provide information on physical environment conditions and processes that are related to important biophysical, heritage and socio-economic topics identified through the environmental assessment, including water and ice regime, shoreline erosion and reservoir expansion, sedimentation, greenhouse gas, and debris monitoring.
- Implementing a sediment monitoring program during in-stream construction in the open water period and for much of the in-stream work performed during the freeze-up and winter periods was undertaken to monitor sediment plumes during the in stream construction activities.
- Conducting terrestrial effects monitoring of rare plants, the gull and tern control program and moose and bear den surveys.

Complete details of all Environmental monitoring results can be found in the annual Keeyask Environmental Overview: Annual Update on Monitoring and Mitigation.







Recreation facilities



## Aboriginal Employment and Business

Achievements in Aboriginal participation on the Project as of March 31, 2015 included:

- Aboriginal employment represented 266 person-years of employment, or 42 per cent of total employment.
- The number of individual Aboriginal employees on the project was 728, or 45 per cent of the workers on the project.
- Expenditure of \$53 M (50 per cent of the Manitoba expenditures) for the project on goods and services purchased from Northern Manitoba Aboriginal businesses.



Main camp accommodations

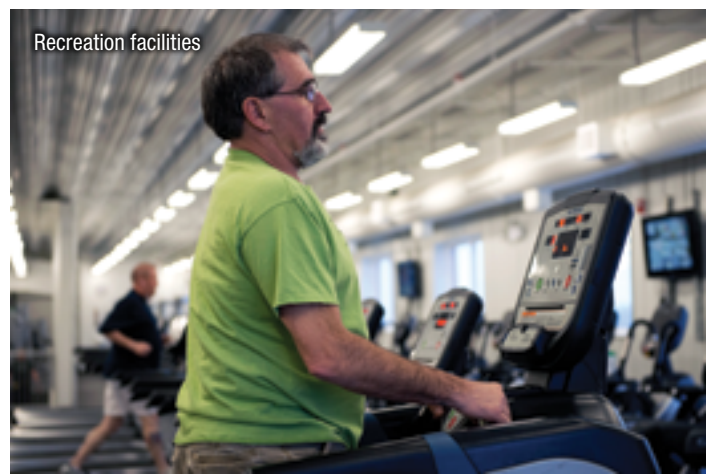


Meal preparation

## Keeyask Transmission Project

The Keeyask Transmission Project provides transmission facilities to provide power during construction and integrate generation from Keeyask into the Manitoba Hydro system when the generating station is operational.

- Direct Negotiated contracts have been awarded to Tataskweyak Cree Nation joint ventures to complete a few of the key components of the Transmission Project.
- The construction power station at the Keeyask site was started during the year and the civil works were substantially completed. The three transformers were moved onto their foundations and the station is scheduled to be operational in summer 2015.
- Clearing for Generation Outlet Transmission Line 1 has been completed.



Recreation facilities

# Financials

## Partnership Assets, Liabilities and Equity (as at March 31)

(in millions of dollars)

2015

ASSETS	
Construction in progress	1,600
Other assets	19
	1,619
LIABILITIES AND EQUITY	
Other Liabilities	172
Long-term Liabilities	124
Long-term Debt	992
Partners' Capital	331
	1,619

## Financing and Investing Activities (for the year ended March 31)

(in millions of dollars)

2015

FINANCING ACTIVITIES	
Proceeds from Partners' contributions	331
Net proceeds from long-term debt	992
	1,323
INVESTING ACTIVITIES	
Generating station	(1 321)
	(1 321)

## Partners' Capital (as at March 31)

	Class	Units	Capital as at March 31, 2014	Net activity for the period Contributions	Capital as at March 31, 2015
			Millions of dollars		
Manitoba Hydro	M	7 499	-	273	273
General Partner (5900345 Manitoba Ltd.)	M	1	-	-	-
Cree Nation Partners Limited Partnership	K E	1 050 450	- -	34 -	34 -
FLCN Keeyask Investments Inc.	K E	350 150	- -	12 -	12 -
York Factory First Nation Limited Partnership	K E	350 150	- -	12 -	12 -
		10 000	-	331	331







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Partnership

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