



Conservation

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

FAXED

CLIENT FILE NO.: 5284.00

December 7, 2007

Gerard Philpott
PPM Energy Canada Limited
3250, 450 – 1st Street SW
Calgary AB T2P 5H1

Dear Mr. Philpott:

Enclosed is Environment Act **Licence No. 2796** dated December 7, 2007 issued in accordance with The Environment Act to **PPM Energy Canada Ltd.** for the construction, operation and maintenance of the Development known as the Mountain Winds Energy Project being a commercial wind energy facility with an annual average electrical output of less than 300 megawatts and with ancillary facilities located within a 18,355 hectare project construction area in the rural municipalities of Lorne and South Norfolk.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with.

For further information on the administration and application of the Licence, please feel free to contact Glenn Ritchie, Environment Officer at (204) 325-1753.

Pursuant to Section 27 of The Environment Act, this licencing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within six weeks of the date of the Licence.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.

c: B. Gillespie, Central Regional Director
Glenn Ritchie, Environment Officer
Millennium Public Library/Manitoba Eco-Network/South Central Regional Library
R.M.s of Lorne & South Norfolk (As Registry) & (Office Copy)
Carmin Militano, P. Eng.
Ken Theule/Murray & Lynette Stow

NOTE: Confirmation of Receipt of this Licence No. 2796 (*by the Licencee only*) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing (letter only) a copy back to the Department by December 13, 2007.

On behalf of PPM Energy Canada Ltd.

Date

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

LICENCE

Licence No. / Licence n° 2796

Issue Date / Date de délivrance December 7, 2007

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

Pursuant to Section 12(1) / Conformément au Paragraphe 12(1)

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

PPM ENERGY CANADA LTD.; "the Licencee"

for the construction, operation and maintenance of the Development known as the Mountain Winds Energy Project being a commercial wind energy facility with an annual average electrical output of less than 300 megawatts and with ancillary facilities located within a 18,355 hectare project construction area in the rural municipalities of Lorne and South Norfolk. The Development involves the installation of up to 200 wind turbine generators and associated infrastructure including access roads, an underground electrical collector system, a collector substation and a transmission line interconnection, in accordance with the Proposal and Environmental Impact Assessment filed under The Environment Act, dated July 31, 2007 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

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

“**dry**” condition means some standing water may be present within a stream bed without detectable flow.

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

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

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

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

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

“**WTG**” means wind turbine generator.

GENERAL TERMS AND CONDITIONS

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

1. The Licencee shall site wind turbine generators throughout the Development in consideration of the Canadian Wind Energy Association (CanWEA) Best Practice Guidelines for Sound and any local by-law respecting the siting of wind turbine generators.
2. The Licencee shall locate fuel storage and equipment servicing areas established for the construction and operation of the Development:
 - a) a minimum distance of 100 metres away from any waterbody; and
 - b) operate the fuel storage areas in compliance with the requirements of *Manitoba Regulation 188/2001* or any future amendment thereof, respecting *Storage and Handling of Petroleum Products and Allied Products*.
3. The Licencee shall, at all times during the construction of the Development, have materials available at the construction sites to contain and recover spills of fuel and other fluids associated with construction machinery.
4. The Licencee shall dispose of non-reusable demolition and construction debris from the Development at a waste disposal ground operating under the authority of a permit pursuant to *Manitoba Regulation 150/91* or any future amendment thereof, respecting *Waste Disposal Grounds*, or a Licence pursuant to The Environment Act.
5. The Licencee shall, during construction, dispose of all wastewater from on-site sanitary facilities in accordance with *Manitoba Regulation 83/2003* or any future amendment thereof, respecting *Onsite Wastewater Management Systems*.

6. The Licencee shall during construction and operation of the Development:
 - a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888 pursuant to ***Manitoba Regulation 439/87*** or any future amendment thereof, respecting ***Environmental Accident Reporting***; and
 - b) at the request of the Director, provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and propose corrective action to prevent reoccurrence.
7. The Licencee shall, during construction, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the Manitoba Natural Resources and Fisheries and Oceans Canada guidelines titled ***Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996***.
8. The Licencee shall, on a daily basis throughout construction and operation of the Development, monitor the work activity to ensure that all the environmental practices outlined in the Environmental Impact Assessment and Environmental Protection Plan are carried out.
9. The Licencee shall:
 - a) prepare "As Constructed" drawings for the Development which show the location of the wind turbine generators and associated infrastructure in relation to topographical features within the project area; and
 - b) provide to the Director, within six months of the completion of construction of the Development, two sets of "As Constructed" drawings.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Pre-Construction

10. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.
11. The Licencee shall retain a qualified on-site field biologist to conduct a reconnaissance level investigation of potential bird breeding areas prior to construction and to ensure that impacts to wildlife and vegetation are avoided or minimized during construction.

12. The Licencee shall, prior to construction, consult with staff of the Manitoba Conservation Wildlife and Ecosystem Protection Branch, Manitoba Water Stewardship, the Department of Fisheries and Oceans and the field biologist to determine:
 - a) site specific impact management practices;
 - b) buffer zones for water bodies and sensitive habitat; and
 - c) the locations, preferred methods and construction timing for access road waterway crossings.
13. The Licencee shall avoid locating WTGs near wetlands, woodlands, and natural grasslands. Electrical underground power cables associated with the electrical collection system shall avoid wetlands.
14. The Licencee shall not locate WTGs near wetlands closer than 200 meters from the riparian or functional edge of the wetland.
15. The Licencee shall, prior to the commencement of construction activities related to the Development, file an Environmental Protection Plan (EPP) for the approval of the Director. The EPP shall describe the integrated approach to be used by the Licencee to undertake pre-construction plant and wildlife surveys and monitor the effects of construction activities and related environmental conditions both during and after construction to ensure that mitigative measures are applied systematically and in a manner consistent with the commitments made in the *Mountain Winds Energy Project Environmental Impact Assessment, July, 2007*. Specifically, the Plan shall also describe:
 - a) methods to be used to undertake a baseline study of bird use and bird habitat including raptor species which nest, migrate and winter in the area and grouse leks which occupy grass and pasturelands affected by the Development;
 - b) the methods used to mitigate potential impacts on any rare or endangered species within the Development area identified as result on-site surveys;
 - c) the methods used to conduct baseline bat surveys within the study area;
 - d) the methods used to implement a two year post construction migratory bird and bat mortality study to monitor bird and bat mortality from strikes on WTG structures; and
 - e) a strategy to protect habitats used as migration corridors where abundant migrants are found to occur.
16. The Licencee shall undertake the activities approved pursuant to Clause 15 of this Licence.

17. The Licencee shall, prior to construction, obtain a Water Rights Act Licence for any water control works and dewatering required during construction.

Respecting Construction

18. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended starting date of construction and the name(s) of the contractor(s) responsible for the construction.
19. The Licencee shall separate and replace topsoil from backhoe and trenching operations in accordance with the methodology described in Figures 1, 2 and 3 attached to this Licence. This requirement is not applicable where the topsoil has been previously disturbed due to the construction of roads or drains.
20. The Licencee shall, during construction, avoid clearing, compacting, grading or filling any agricultural lands, yard sites and natural habitat areas which are not required for the Development. All construction related traffic shall be restricted to the access roads and marshalling yards throughout the Development.
21. The Licencee shall, where necessary, construct underground electrical and communication cables across flowing waterways and through wetlands by augering, tunneling or boring. Open cut crossings on flowing waterways and through wetlands shall not be made unless prior consultation has occurred with staff of Manitoba Conservation Wildlife and Ecosystem Protection Branch, Manitoba Water Stewardship Fisheries Branch and the Department of Fisheries and Oceans. Dry or non-flowing natural and artificial waterways may be crossed with open cut techniques where approval has been obtained from the authority responsible for the channel.
22. The Licencee shall, during construction activities near wetland areas and surface waters throughout the Development:
 - a) locate any temporary marshalling yards and storage sites required for the Development a minimum distance of 100 meters from any wetland or watercourse;
 - b) avoid construction activities on native grasslands, wetlands and river edges between April 15 and July 30;
 - c) avoid instream construction between April 1 and June 15;
 - d) avoid altering surface drainage patterns and wetland water levels;
 - e) maintain adequate setback distance between transmission line structures and wetlands; and
 - f) use metal poles in wetland areas where transmission line poles are required.

23. The Licencee shall, during construction, undertake temporary erosion control measures to reduce siltation from erosion prone areas. Erosion prone areas shall be monitored following construction to ensure stabilization procedures are effective.
24. The Licencee shall obtain water required for dust control during construction from a source other than waste water treatment facilities.
25. The Licencee shall, at the completion of the construction of the Development:
 - a) landscape and vegetate erosion prone areas disturbed during the construction; and
 - b) fill and seal any boreholes and test pits to prevent groundwater contamination.

Respecting Operation

26. The Licencee shall, in accordance with Clause 15 (d) of this Licence, file a copy of the two year post construction migratory bird and bat mortality study report with the Director.
27. The Licencee shall maintain a buffer near wetlands and waterbodies along the transmission line right-of-way of 30 meters for application of herbicides. Any herbicide application shall be carried out in accordance with applicable regulatory requirements.
28. The Licencee shall carry out any noise monitoring required by an Environment Officer at the point of reception.

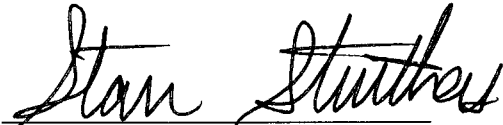
Respecting Alterations to the Development

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

REVIEW AND REVOCATION

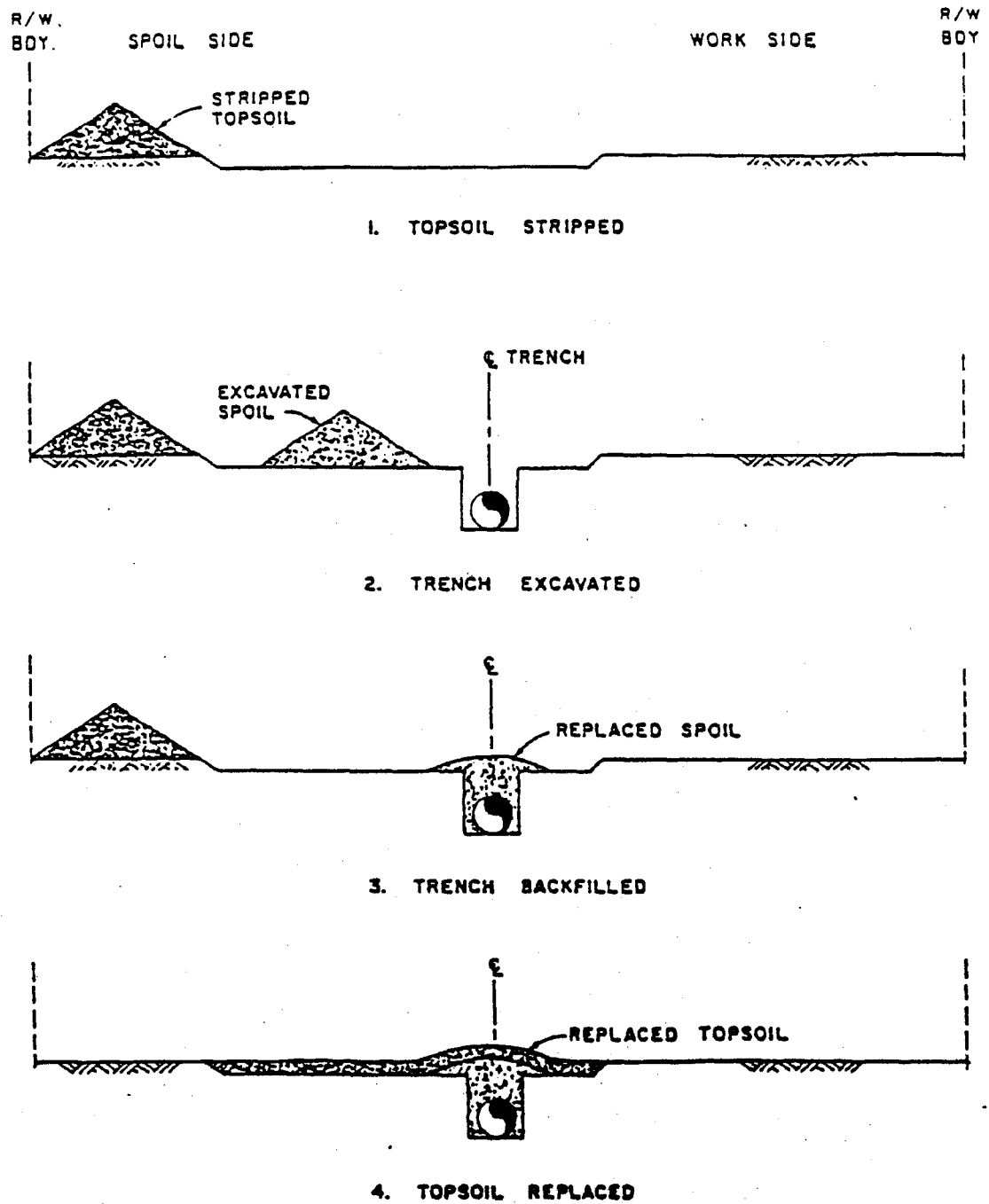
- A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

- B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 12 of The Environment Act.
- C. If the construction of the Development has not commenced within three years of the date of this Licence, the Licence is revoked.



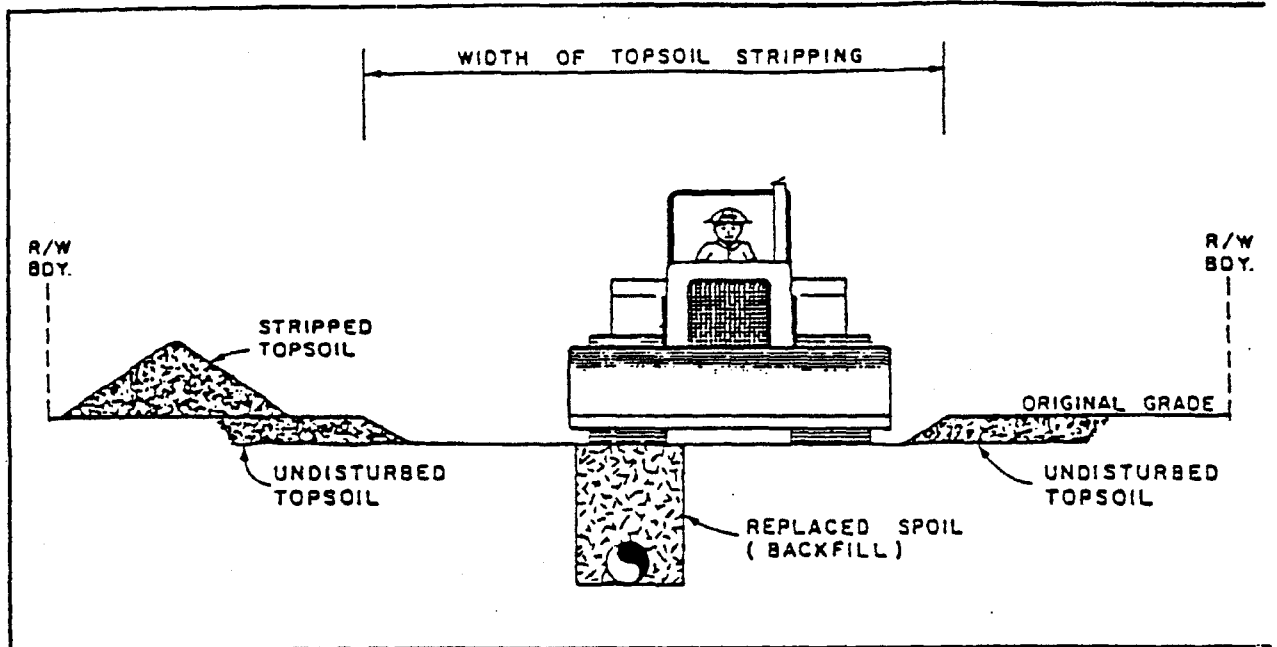
Stan Struthers
Minister
Environment Act

File: 5284.00



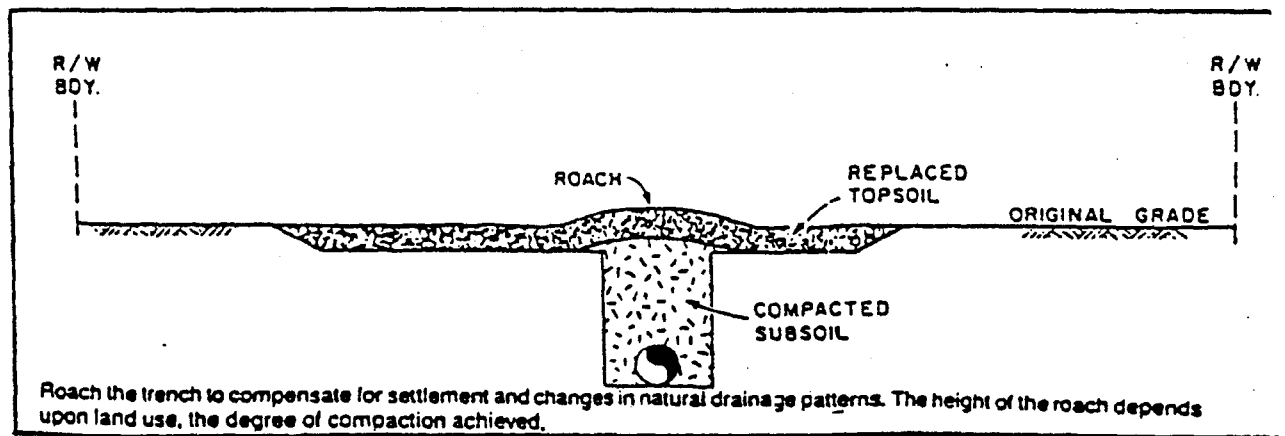
SEQUENCE OF TOPSOIL HANDLING

Figure 1



COMPACTION OF BACKFILL

Figure 2



ROACHING THE TRENCH

Figure 3