

**SOME QUESTIONS AND ANSWERS REGARDING
MANITOBA'S CROWN LAND POLICIES
FOR WIND FARMS**

Background:

- In 2002, the province established the Energy Development Initiative to support energy development in Manitoba including wind power. Plans are to develop up to 1000 megawatts of electrical energy from wind over the next decade. Wind farms may be approved on private lands, (Ex: the St. Leon project) and on Crown land.
- On September 7, 2006, Manitoba announced the next phase of its wind power strategy, Manitoba Hydro is to issue a request for proposals this winter for new wind projects, totalling 300 megawatts. Actual construction is to begin as early as 2007/08.
- Three further allocations of 200 megawatts each are targeted for 2013/14, 2015/16 and 2017/18. Future phases of the wind strategy will include smaller, community-based wind projects where individuals such as farm producers and community groups could sell power back to Manitoba Hydro.
- The following address Manitoba's policies for wind farm developments on provincial Crown land.

Question 1: Will provincial Crown lands be made available for wind farm developments?

Answer:

- Yes, Manitoba will allow Crown lands to be used for wind farm developments. They may connect with the Manitoba Hydro electrical system or be built as an alternative, supplementary source of electrical energy for remote and isolated communities.
- Provincial Crown lands make up a substantial part of the land base in many rural municipalities and dominate the land base in Northern Manitoba. It is important that every area of the province has the opportunity to explore the potential for wind farm development.

Question 2: Will wind farm developments be allowed on all Crown lands?

Answer:

- No, Manitoba has dedicated certain Crown lands for research, environmental protection, public recreation and resource conservation and management. These areas are not generally available for industrial use including wind farm development. Also, other Crown lands may be unsuitable for wind farm development.
- Manitoba will therefore not accept applications to use Crown lands for wind farms in provincial parks, ecological reserves, wildlife management areas, and protected areas.
- Manitoba will not allow wind farms on unsuitable Crown lands under the province's normal Crown land application review procedures and Environment Act licensing process. For example, Crown lands located near waterfowl staging areas, recreation areas and lands required for public purposes, (Ex: highway development, winter roads, stock pile sites, drains, etc.) will not generally be available.

Question 3: Will Crown lands which are currently under lease or permit for some other use be considered for wind farm developments?

Answer:

- Yes. The major component of wind farms are the wind turbine towers. These towers do not require a large area, often less than a quarter acre. Also, many land uses and activities are compatible with and can occur in close proximity of turbine towers.

- Manitoba will therefore accept for consideration applications to use Crown lands that are already under some type of other use, such as agriculture. Accepting the application, however, does not guarantee it will be approved.
- Where a wind farm development requires Crown land which is currently under lease, Manitoba and the wind farm developer will negotiate with the lessee to surrender the required areas needed for the wind farm. If a satisfactory agreement cannot be reached, Manitoba will then consider removing those areas from the lease.
- Manitoba is determined to maintain its good relations with clients currently using Crown lands. The hope is that existing lessees voluntarily surrender areas required for wind farm development.

Question 4: What compensation will be provided to lessees who may surrender or have part of their leases removed to accommodate a wind farm development?

Answer:

- Lessees who lose the use of Crown land to wind farm developments, regardless of whether the loss is voluntary, will receive compensation for all direct costs and damages they may incur.
- Manitoba will ensure Crown land lessees who lose all or a portion of their leased land are compensated for the direct costs they may incur, (Ex: costs of moving fences, land damage, disturbances). All costs will be the responsibility of the wind farm proponent.

Question 5: If an agreement between the wind farm developer and lessee on various issues can not be reached is there a process to resolve outstanding issues?

Answer:

- Yes, where a wind farm development has already been approved and there are outstanding disagreements with the current lessee such as the location of access roads, fences, etc., the issue will be forwarded to a committee of assistant deputy ministers for resolution. Its decisions will be final and binding on the parties.

Question 6: Will the sites for wind turbines, transmission lines and access roads be leased or sold to wind farm developers?

Answer:

- Wind farm developments on private land are generally made available to the wind farm developer through land leases for turbine sites, easements for access (service) roads and transmission lines and development agreements for lands within the wind farm area, but not directly required for turbines, roads and transmission lines. The development agreement is obtained to secure a broad land base for potential expansion of the wind farm and protection from the establishment of another wind farm in the same area.
- Wind farms on Crown land will generally mirror those on private land. Sites for wind turbines will remain under provincial ownership but leased to developers through in a long term, renewable lease (21 years with renewal options).
- Crown land required for access (service) roads and transmission lines will be made available through easements and the other Crown lands within the borders of the wind farm area will be made available to the developer by way of a licence of occupation.

Question 7: Will the province be identifying possible sites for wind farms on Crown land and then making them available by competition?

Answer:

- No, wind farm developers will be responsible for identifying locations for possible wind farms on Crown land. The land will be allocated to proponents through the Crown land application process on a first-come- first-served basis. This is similar to projects that occur on private land. It provides the necessary certainty and security for potential developers and will foster and protect up-front research and investments developers need to identify possible wind farm locations.

Question 8: How will an application to use Crown land for wind farms be processed and reviewed?

Answer:

- Applications to use Crown land for wind farms will be treated in the same way other applications for Crown land are processed and reviewed.
- Applications will be accepted by Lands Branch of Crown Land and Property Agency at 123 Main Street in Neepawa and processed using normal procedures. This includes review by (but is not limited to) local municipalities, community councils, First Nations, affected government departments, Crown corporations, co-management boards, etc.
- Lands Branch - Crown Land and Property Agency will not accept Crown land applications for wind farm projects that overlap with other existing wind farm applications or tenures that are in good standing.

Question 9: What information is required as part of the Crown land application process?

Answer:

- In addition to the information required in the standard Crown land application form, the applicant must provide information on:
 - the proposed specific locations of towers or other wind testing equipment needed to assess the wind resource, if they occur on Crown land;
 - the borders of the wind farm project.

Question 10: How will Crown land applications already received by the province be dealt with?

Answer:

- Existing Crown land applications will be handled in accordance with approved policies and procedures for wind farms on Crown land as generally outlined in these answers to various questions.

Question 11: During the testing and research stage of a wind farm proposal how will the developer control the Crown land?

Answer:

- Investigating and assessing the potential for wind farm development takes time. The wind resource needs to be assessed, environmental assessments and transmission studies need to be conducted with no guarantee the project will be feasible. Until a final decision is made, long term disposition of required Crown lands is not appropriate. Therefore the applicant will be issued:

- a general permit for the site(s) approved for the location of meteorological – anemometer towers to test the wind resource
- a conditional licence of occupation for those Crown lands within the borders of a proposed wind farm where no objections have been received during the review phase
- a conditional general permit for those sites chosen for the wind turbine towers

Question 12: How will the province protect against land speculation for wind farms and ensure proponents are moving as quickly as possible on their proposed projects?

Answer:

- It is important to reduce speculation in Crown land for wind farm development. The goal is to ensure the applicant is carrying out the required studies and entering into the required agreements in a timely manner.
- Five years is sufficient time to set up towers or other equipment to test and evaluate wind resources and carry out required studies. Therefore, the general permit for test sites and the conditional licence of occupation for the project area automatically expires in five years. Reasonable time extensions will be allowed where a specified level of investment has been made and/or when there are extenuating circumstances (Ex: need to complete an environmental assessment).
- The amount of Crown land included in an application will be limited to a reasonable size. The St. Leon wind farm and three new proposed wind farm projects, currently under environmental assessment have project areas ranging from 10,000 to 38,000 hectares. Therefore, the application for a wind farm project will be limited to an area that includes no more than 40,000 hectares of Crown land and private land.
- All arrangements for the use of Crown land for wind farm development will be made directly with the developer. Any proposal that may involve the acquisition of Crown land by a third party for use for or speculation for use for a wind farm will be declined.

Question 13: Do wind farm proponents have exclusive use of the Crown lands within the boundaries of the wind farm project?

Answer:

- No. A licence of occupation for a wind farm project may include Crown lands that are currently vacant and classified for other uses (Ex: agriculture). Given that wind farm projects will take a number of years to complete, it is not reasonable to place a moratorium on the use, development and leasing of all Crown land in the area covered by the conditional licence of occupation.
- Therefore applications to use Crown lands within the conditional licence of occupation will be accepted and processed using normal procedures and:
 - applications for non-intensive uses (Ex: agricultural hay and grazing) will be subject to advising the applicant that all or a portion of the area may be required for wind turbine sites, for access and other associated requirements of the wind farm development
 - applications to use Crown lands for intensive uses, (Ex: residences) will be subject to consulting with the wind farm applicant and determining whether the site will be required for the wind farm. If required, the application will be declined.

Question 14: Can existing Crown land lessees and future lessees purchase Crown land within the licence of occupation before completing the wind farm?

Answer:

- No. Under existing policies and programs, Crown land may be available for sale. However, sale of Crown land that may be required for a wind farm would not benefit the province.
- Therefore no application to sell Crown land within the licence of occupation will be accepted until the wind farm has been completed and it is operational or until the location of all wind turbines sites, access roads, and associated facilities have been identified and confirmed by the wind farm proponent.
- However, sale of Crown land that has been excluded from the licence of occupation, but within the borders of a wind farm project (Ex: lots in a cottage subdivision) would still be allowed.

Question 15: Who is responsible for the decommissioning of a wind farm?

Answer:

- Wind farms have a life expectancy of approximately 25 years, when major refurbishing or decommissioning may be required. The developer and/or owner of the wind farm will be responsible for all decommissioning costs which will be a condition of the Crown land lease and *Environment Act* licence.
- The developer and /or owner will also be required to have a decommissioning plan for the wind farm and the means to implement it. Developers and /or owner will need to provide evidence of financial security in a form acceptable to the province and in an amount sufficient to cover the costs of decommissioning. This could include a renewed performance bond, letter of financial security, lump sum payment or annual payment, etc.

Question 16: What are the fees and charges that developers of wind farms will need to pay for the use of Crown land?

Answer:

- Manitoba is working towards a system of rent and royalties for the use of Crown land similar to that used for wind farms on private lands. This will ensure Manitoba receives fair and equitable value for the use of Crown land comparable with wind farms on private land. These charges will be in addition to Crown land application administration fees.
- Currently under consideration is a land rent which will vary with the intensity of wind farm land use, and a royalty charge based upon revenue received.
- A detailed rent and royalty framework will be developed and will be reviewed with industry prior to finalization.

Question 17: Where can Crown land applications be obtained?

Answer:

- Crown land application forms are available online. Go to the Manitoba Government website at www.gov.mb.ca/conservation/crownlands
- Help is also available from:

Lands Branch
Box 20000, 123 Main Street W.
Neepawa MB, R0J 1H0
Phone 204-476-7060 Fax 204-476-7539