

1 Q. Re: Hydro's Proactive Stance on Environmental Issues

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3 64.1 In Hydro's proactive stance of environmental issues, what level of  
4 responsibility does Hydro have for projects such as Star Lake and  
5 Algonquin Power? (WEW, p. 21, lines 15–19)

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7 64.2 Describe the Environmental Management System. (WEW, p. 21, lines  
8 17–19).

9

10 64.3 Provide a copy of the environmental policy that was introduced in  
11 1998. (WEW, p. 21, lines 17–19)

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14 A. 64.1 Hydro undertook to ensure that each developer who responded to the  
15 request for proposals registered their proposed undertaking with the  
16 provincial *Environmental Assessment Act* administered by the  
17 Department of Environment.

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19 64.2 In 1997, the Hydro Group expanded and strengthened its  
20 longstanding commitment to environmental management by adopting  
21 the ISO 14001 Environmental Management System standard (EMS)  
22 standard. This standard was developed by the International  
23 Organization for Standardization (ISO), and has gained global  
24 acceptance for its rigorous approach to the management of  
25 environmental aspects of major industrial activities.

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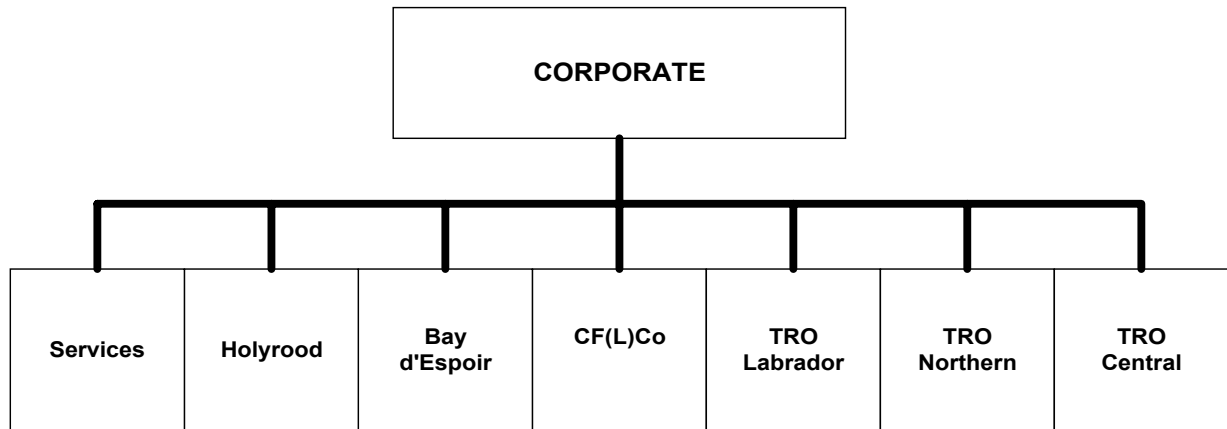
27 Under the EMS, each defined management area identifies and  
28 characterizes its environmental aspects, and systematically

1 determines those that are significant. Whenever possible, significant  
2 environmental aspects are managed through operational controls and  
3 performance monitoring. Environmental management programs are  
4 implemented to achieve objectives and targets related to significant  
5 environmental aspects when environmental improvements can be  
6 realized. Other important elements of the EMS include enhanced  
7 employee training and awareness, emergency response and  
8 preparedness, compliance and EMS auditing, and formal  
9 management review of the system.

10  
11 An independent registrar annually reviews and evaluates the EMS for  
12 compliance with the international standard. If the registrar deems it  
13 appropriate, the management area is recommended for registration.

14  
15 The Hydro Group’s strategy for EMS development is to provide overall  
16 policy and procedural guidance from corporate headquarters and to  
17 delegate the development of specific environmental management  
18 systems to each of the Hydro Group’s seven “management areas.”  
19 The seven management areas (Figure 1) reflect our organizational  
20 structure. They include our three primary power production  
21 operations, our three transmission and rural operations regions, and  
22 our support services.

**FIGURE 1**  
**OVERALL STRUCTURE OF THE HYDRO GROUP'S EMS**



1                   **Holyrood**

2                   After a thorough audit was conducted late in 1998, the Quality  
3                   Management Institute (QMI) – a leading independent registrar,  
4                   registered the EMS for the 490-megawatt Holyrood thermal generating  
5                   station in January 1999. The EMS provides a framework for programs  
6                   to reduce and monitor air emissions, manage solid and hazardous  
7                   waste, and ensure clean water from industrial processes.

8

9                   **Bay d'Espoir**

10                  QMI issued an ISO 14001 certificate to the Bay d'Espoir management  
11                  area in March 2000. This management area includes seven  
12                  hydroelectric generating stations on the Island with an overall  
13                  production capacity of 899.4 megawatts. Issues, which are managed  
14                  through the ISO 14001 process, include maintenance of fish and  
15                  wildlife habitat, and the reduction of solid and hazardous waste.

1                   **Support Services**

2                   Within the Support Services management area, EMS development  
3                   recognizes functional differences. Most of the support services were  
4                   compliant with the ISO 14001 standard before the end of 2000.  
5                   Registration was received in April 2001. During the next two years, a  
6                   number of other support services, such as our telecommunications  
7                   network, will be included in the EMS for the Support Services  
8                   management area.

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10                   **Transmission and Rural Operations (TRO)**

11                   EMS development is in its early stages throughout the three TRO  
12                   regions. Plans are being developed to establish an EMS in each  
13                   region by the end of 2002. This will include our transmission network,  
14                   and rural operations, including diesel generators and associated  
15                   distribution network. Once these processes are complete, all of the  
16                   Hydro Group's activities will be managed in accordance with the ISO  
17                   14001 EMS standards.

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19                   64.3    The *Environmental Policy and Guiding Principle* approved on 3 July  
20                   1998 is attached.