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Sent: Wednesday, February 2, 2011 12:29 PM
To: Living Water Smart ENV:EX
Subject: proposed Water Act changes Sec. 5.1 Economic Instruments

The Tseshaht First Nation provides the following comment on the proposed Water Act changes:

Section 5.1 of the policy proposal suggests increases in water pricing to encourage conservation. This approach has merit for consumptive uses that effectively remove water from surface supplies or degrade water quality so that other uses are precluded or impaired. However, this economic measure should not be applied to all water licenses, especially not to those uses which are non-consumptive.

Specifically, we refer to the use of water for hydropower generation. This application diverts water from a portion of a stream and returns the same amount and quality of water to a location downstream of the generation facility. The amount of flow that is legally required to remain in the stream within the diversion reach is the specified instream flow requirement (IFR).

Assuming that the IFR is being met, as required, implementing a price increase for the non-consumptive use of the water will yield no benefit to the management or use of the resource. As the water use is non-consumptive, there is no opportunity to conserve water use. Such a price increase will only have the result of creating a disincentive to the production of renewable, sustainable electricity.

First Nations see hydro projects as a potential opportunity for economic development, it has provided benefits for many Nations already. Any policy that adds cost without any value added acts as a disincentive and blocks yet another avenue for First Nations to achieve economic independence. Please reconsider this proposed change.