SCHEDULE B

TABLE OF CONDITIONS
FOR
A SECTION 10(1)(B) EXEMPTION ORDER
Progress Energy Lily Dam

DEFINITIONS

Aboriginal Groups	Blueberry River First Nations, Doig River First Nation, Halfway River First Nation, Prophet River First Nation, West Moberly First Nations.
Construction of Upgrades	The phase of the Project during which upgrades to Progress Energy Lily Dam will be made, after receiving a Leave to Commence Construction from the British Columbia Oil and Gas Commission, to bring it into compliance with the Dam Safety Regulations.
Consequence classification	A determination mandated under the Dam Safety Regulations, which outlines the requirements a dam owner must meet. Classifications follow a 5-tier system: low, significant, high, very high, extreme.
Dam Emergency Plan	Requirement under the Dam Safety Regulations that includes a record of actions the dam owner will take if there is an emergency at the dam and a record containing information for the use of the local emergency authorities for the dam for the purpose of preparing local emergency plans under the *Emergency Program Act.* The Dam Emergency Plan also includes description of persons living and recreating downstream and adjacent to the dam and the protocol for notification of these users in an emergency.
Decommissioning	The phase of the Project during which the Project is no longer required for Operations and includes removal of water in the storage reservoir, removal of permanent Project infrastructure, recontouring and reclamation of the Project Area and restoration of natural drainage patterns.
Exemption Request	Submission by the Holder dated July 21, 2017, from the requirement to obtain an Environmental Assessment Certificate under Section 10(1)(b) of the *Environmental Assessment Act*.
Holder	Progress Energy Canada Ltd, or, if this Order has been transferred in accordance with the conditions below, the person to whom this Order has been transferred in accordance with such conditions.
Operations	The phase of the Project following the Construction of Upgrades Phase, after the Leave to Operate is granted by the British Columbia Oil and Gas Commission, when water can be transferred into and out of the Project for use in offsite hydraulic fracturing.

Project	Progress Energy Lily Dam
Project Area	Area of disturbance for Progress Energy Lily Dam as described in the Exempted Project Description.
Qualified Professional	A person who has training, experience and expertise in a discipline relevant to the field of practice set out in the condition, and who is registered with the appropriate professional organization in British Columbia, is acting under that organization's code of ethics and is subject to disciplinary action by that organization. The EAO may update this definition in order to maintain consistency with Provincial Policy or practice regarding Qualified Professionals.

Acronyms

Act	*Environmental Assessment Act*
BC	British Columbia
DSR	Dam Safety Regulations
EAO	Environmental Assessment Office
EMPR	Ministry of Energy, Mines and Petroleum Resources
FLNRORD	Ministry of Forests, Lands, Natural Resource Operations and Rural Development
ENV	Ministry of Environment and Climate Change Strategy
OGC	Oil and Gas Commission

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1.	**Compliance Notification** The Holder must notify the EAO and Aboriginal Groups: a) As soon as practical; and b) In any event, no more than 48 hours, after the Holder determines that the Holder has not, or may not have, fully complied with this Order.
2.	**Compliance Verification** The Holder must provide any document, data or information requested by the EAO for the purposes of compliance inspection and verification.
3.	**Project Status Notification** The Holder must notify the EAO and Aboriginal Groups, in writing, 30 days in advance of the Project entering into the Construction of Upgrades Phase and a minimum three months prior to, and no more than six months in advance of the Project entering into the Operations Phase and the Decommissioning Phase.
4.	**Transfer of Order** a) Except as provided below, neither this Order nor any interest in it may be transferred to any person. This Order will be effectively transferred if the proposed Holder acknowledges that, upon transfer, it will be responsible for complying with the conditions of the Order, and both the proposed Holder and the Holder: i) Obtain consent for the transfer from the Executive Director; and ii) Confirm by written notice to the Executive Director, within 14 days of the completion of all aspects of the transfer transaction other than this notice, that the transfer has been completed. b) An interest in this Order may be transferred by way of a grant of security to lenders or financers without consent. c) A transfer of this Order to a trustee in bankruptcy, by a receiver or a trustee in bankruptcy pursuant to a court approved sale, or as part of a court approved arrangement under the *Company Creditors Arrangement Act* may occur without consent. If this Order is transferred without consent, the new and former Holder must notify the Executive Director within 30 days of the transfer and apply within the time specified by the Executive Director for any amendment to this Order that the Executive Director deems necessary to ensure compliance with and enforceability of this Order and to otherwise reflect the proposed transfer.
5.	**Transfer of Interest in Project** a) Except in connection with the granting of security to Project lenders or financers, prior to the Holder transferring a significant interest in the Project, the Holder and proposed transferee must: i) Obtain consent for the transfer from the Executive Director.

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	b) A transfer to a trustee in bankruptcy, by a receiver or a trustee in bankruptcy pursuant to a court approved sale or as part of a court approved arrangement under the *Company Creditors Arrangement Act* may occur without consent. If a significant interest in the Project is transferred without consent, the Holder must notify the Executive Director within 30 days of the transfer and apply within the time specified by the Executive Director for any amendment to this Order that the Executive Director deems necessary to ensure compliance with and enforceability of this Order and to otherwise reflect the proposed transfer.
6.	**Plan Development** a) Where a condition of this Order requires the Holder to develop a plan, program or other document, any such plan, program or other document must, at a minimum, include the following information: i) Purpose and objectives of the plan, program or other document; ii) Roles and responsibilities of the Holder, Project personnel and contractors; iii) Names and, if applicable, professional certifications and professional stamps/seals, of those responsible for the preparation of the plan, program, or other document; iv) Schedule for implementing the plan, program or other document throughout the relevant Project phases; v) Means by which the effectiveness of the mitigation measures will be evaluated including the schedule for evaluating effectiveness; vi) Adaptive management plan to address effects of the Project if the monitoring conducted under section B of this condition shows that those effects: i. Are not mitigated to the extent contemplated in the Application; or ii. Are not predicted in the Application; vii) Schedules and methods for the submission of reporting to specific agencies, Aboriginal Group(s) and the public and the required form and content of those reports; and; viii) Process and timing for updating and revising the plan, program or other document, including any consultation with agencies and Aboriginal Groups that would occur in connection with such updates and revisions. b) Where the plan, program or other document includes monitoring requirements, the plan, program or other document must include: i) Description of baseline information that will be used to support monitoring of the effectiveness of mitigation; ii) Methodology, location, frequency, timing and duration of monitoring; and iii) Scope, content and frequency of reporting of the monitoring results.
7.	**Consultation** Where a condition of this Order requires the Holder to consult a particular party or parties regarding the content of a plan, program or other document, the Holder must: a) Provide written notice to each such party that: i) Includes a copy of the plan, program or other document; ii) Invites the party to provide its views on the content of such plan, program or other document; and iii) Indicates:

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	i. If a timeframe providing such views to the Holder is specified in the relevant condition of this Order, that the party may provide such views to the Holder within such time frame; or ii. If a timeframe providing such views to the Holder is not specified in the relevant condition of this Order, specifies a reasonable period during which the party may submit such views to the Holder; b) Undertake a full and impartial consideration of any views and other information provided by a party in accordance with the timelines specified in a notice given pursuant to paragraph (a); c) Provide a written explanation to each such party that provided comments in accordance with a notice given pursuant to paragraph (a) as to: i) How the views and information provided by such party to the Holder have been considered and addressed in a revised version of the plan, program or other document; or ii) Why such views and information have not been addressed in a revised version of the plan, program or other document; d) Maintain a record of consultation with each such party regarding the plan, program or other document; and e) Provide a copy of such consultation record to the EAO, the relevant party, or both, promptly upon the written request of the EAO or such party.
8.	**Document Review and Implementation** Where a condition of this Order requires the Holder to provide a plan, program or other document, the Holder must provide the plan, program or other document to the EAO in the timeframe referenced in such condition, unless otherwise approved by the EAO. The EAO may, within 45 days of receiving a copy of such plan, program or other document, advise that: a) The Holder may proceed to implement the plan, program or other document with or without revisions; or b) A revised plan, program, or other document must be provided for approval of the EAO prior to a specified activity or milestone. If the EAO advises pursuant to paragraphs (a) or (b) that changes are required to a plan, program, or other document, then the Holder must follow the instructions of the EAO in that regard. If the EAO does not advise on a) or b) within 45 days of the EAO receiving a plan, program, or other document, the Holder may proceed to implement the plan, program or other document. The Holder may, or the EAO may require the Holder to, revise any plan, program or other document if the Holder or the EAO determines that the implementation of the plan, program or other document is not: a) Meeting one or more objectives of the plan, program or other document set out in the relevant condition of this Order; b) Having the effects contemplated or intended, as set out in the plan, program or other document itself; c) Consistent with the Order; and d) Consistent with changes in industry best practices or technology.

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9.	**Construction of Upgrades Environmental Management Plan** The Holder must retain a Qualified Professional to prepare a Construction of Upgrades Environmental Management Plan. The plan must be developed in consultation with OGC and Aboriginal Groups. The plan must include, at a minimum, the means by which the following will be addressed: a) Erosion and sediment control; b) Invasive plants management; c) Stockpiling of soils; d) Spill prevention and response for hydrocarbon storage and leaks or other accidental emissions from machinery or equipment; e) Site water management and dam dewatering practices which aim to minimize stored water release to the environment; and f) Emergency response. The plan must describe how it relates to and incorporates mitigation measures relevant for the Construction of Upgrades phase from the following plans and conditions: g) Wildlife Management and Monitoring Plan (Condition 10) h) Heritage Resources Management Plan (Condition 11) The Holder must provide the plan to the EAO, OGC and Aboriginal Groups for review a minimum of 45 days prior to the planned commencement of Construction of Upgrades. The Holder must not commence Construction of Upgrades until the plan has been prepared to the satisfaction of the EAO, unless otherwise authorized by the EAO. The plan and any amendments thereto, must be implemented throughout Construction of Upgrades to the satisfaction of EAO.
10.	**Wildlife Management and Monitoring Plan** The Holder must retain a Qualified Professional to develop a Wildlife Management and Monitoring Plan in consultation with OGC, FLNRORD and Aboriginal Groups. The plan must include at least the following: a) Protocol to prevent interactions between wildlife and the Holder's staff and contractors and actions to be undertaken should wildlife-human interactions arise; b) Mitigation measures to prevent the introduction of vegetation that could serve as a wildlife attractant; c) Means by which the Holder will, during Construction of Upgrades, Operations and Decommissioning, record wildlife observations and mortalities in the Project area; and d) Protocol to be implemented following wildlife harm or mortality, should it occur in the Project area, based on technology or in-field observations, including but not limited to: i) Notification to the EAO and Aboriginal Groups; ii) Identification of mitigation measures to be applied to adaptively manage the adverse impact to wildlife; and iii) Identification of monitoring approach to ensure mitigations identified in d)ii) above are effective. The Holder must provide a report every two years throughout Operations to the EAO, OGC,

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	FLNRORD and Aboriginal Groups that reports wildlife observations in the Project area and any mortalities or injuries reported on site. The Holder must provide the plan to the EAO and Aboriginal Groups for review a minimum of 45 days prior to the planned commencement of Construction of Upgrades. The Holder must not commence Construction of Upgrades until the plan has been prepared to the satisfaction of the EAO, unless otherwise authorized by the EAO. The plan and any amendments thereto, must be implemented throughout Construction of Upgrades, Operations and Decommissioning to the satisfaction of the EAO.
11.	**Heritage Resources Management Plan** The Holder must retain a Qualified Professional to develop a Heritage Resources Management Plan for the mitigation of any impacts of the Project on archaeological resources and heritage sites, in accordance with the *Heritage Conservation Act*. The plan is to be developed in consultation with Aboriginal Groups. The plan must include the means by which the Holder will: a) Monitor and mitigate Project impacts on archaeological and heritage sites, including chance finds of archaeological and heritage sites during Construction of Upgrades; b) Provide training to employees and contractors of the Project to recognize archaeological and heritage sites; and c) Consult with Aboriginal groups on the reporting and mitigation of impacts to archaeological and heritage sites. The plan must describe how opportunities will be made available to Aboriginal Groups to self-conduct a field assessment of potential archaeological and heritage sites in the Project area. The Holder must provide a report to the EAO and Aboriginal Groups detailing the findings of any self-conducted field assessments and any proposed mitigation measures described in a) to reduce any potential adverse effects, and must include Aboriginal Group views regarding these proposed measures. The report is to be provided to the EAO and Aboriginal Groups within 15 days of the commencement of Operations. The Holder must provide the plan to the EAO and Aboriginal Groups for review a minimum of 45 days prior to the planned commencement of Construction of Upgrades. The Holder must not commence Construction of Upgrades until the plan has been prepared to the satisfaction of the EAO, unless otherwise authorized by the EAO. The plan and any amendments thereto, must be implemented throughout Construction of Upgrades, Operations and Decommissioning to the satisfaction of the EAO.
12.	**Involvement of Aboriginal Groups in Construction of Upgrades Monitoring** The Holder must, to the satisfaction of the EAO, provide contract opportunities for members of Aboriginal Groups to participate in monitoring activities during the Construction of Upgrades, including monitoring of construction activities that may affect sites and resources of archaeological and heritage value and related environmental values. The Holder must communicate these opportunities to Aboriginal Groups at least 60 days prior to the Holder's planned date to commence

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	the Construction of Upgrades phase.
13.	**Interim Maintenance of Water Levels and Monitoring Requirements** The Holder must, from the time this Order is issued until the commencement of Operations: a) Maintain water volumes stored by the Project at no more than 10 percent of live storage capacity, unless otherwise directed by the EAO. b) Monitor and record water volumes on a weekly basis during frozen conditions and on a daily basis during conditions where flowing surface water is present, and provide that information to the EAO at the end of each calendar year and upon request by the EAO.
14.	**Water Use Report** The Holder must prepare an annual Water Use Report during Operations, unless otherwise authorized by the EAO. The report must include at least the following: a) The license number of any new surface water licenses and amendments to existing water licenses, issued for the Project or allowing for storage of water at the Project under the *Water Sustainability Act*; b) Water monitoring and mitigation measures identified in the water licenses as described in a) that relate to water diversion and storage at the Project; c) Monthly and annual total volumes from aggregated local sources; d) Monthly and annual total volumes of water pipelined or trucked to the Project and stored at the Project, including origin of water source; e) Weekly, monthly and annual measurement records of water levels at the Project; f) Water balance for the Project using information from c) and d) and e) above; g) Comparison of the aggregated local water diverted and stored to the maximum diversion rate described in the Exemption Request as 71,448 m^3/year and as allocated in any water licence; h) A description of total water used from the Project, including a rationale should water usage exceed that identified in Table 1: Progress Energy Lily Dam 10-Year Project Demand of the Exemption Request; and i) Annual update of Table 1: Progress Energy Lily Dam 10-Year Project Demand as presented in the Exemption Request. The table must include the expected water demand for the subsequent ten years. The Holder must make the results of the Water Use Report available for use in regional cumulative effects strategies as it relates to condition 16, at the request of the EAO. All reports must be provided annually to the EAO, Aboriginal Groups, EMPR, FLNRORD and the OGC by January 31 for the preceding year.
15.	**Accidents and Malfunctions Plan** The Holder must develop an Accidents and Malfunctions Plan, in consultation with Northern Health, OGC and Aboriginal Groups. The plan must include at least the following:

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	a) Identification of any traditional activities undertaken by Aboriginal Groups downstream of or adjacent to the Project, identified through any consultation with Aboriginal Groups, and the associated protocol for notification of Aboriginal Groups in the event of an emergency, including a dam failure event; b) Protocol for additional mitigation measures, following the Construction of Upgrades, to manage potential increased flows resulting from heavy precipitation events; c) Protocol for ensuring dam safety and integrity following a seismic event including the size of seismic event to trigger action; and d) Identification of remedies following a dam failure event with a timeline for implementation. The Holder must review the plan annually throughout Operations and revise to reflect any changes to land uses and/or users in the inundation path. The Holder must provide to the EAO the results of the annual review of the consequence classification for the Project, including any rationale provided should this classification change. The Holder must also make the Dam Emergency Plan available, upon request by the EAO. The Holder must also inform the EAO and Aboriginal Groups, within 72 hours, if site surveillance indicates a dam safety issue and the mitigation measures applied or to be applied to reduce this dam safety issue. The Holder must provide the plan to the EAO, Northern Health, OGC and Aboriginal Groups for review a minimum of 45 days prior to the planned commencement of Operations. The Holder must not commence Operations until the plan has been prepared to the satisfaction of the EAO, unless otherwise authorized by the EAO. The plan and any amendments thereto, must be implemented throughout Operations to the satisfaction of the EAO.
16.	**Cumulative Effects** During any phase of the Project, the Holder must participate in initiatives related to the monitoring, assessment, or management of cumulative effects, including land use and water management planning initiatives, if requested by the EAO, to the satisfaction of the EAO.
17.	**Decommissioning and Restoration Plan** The Holder must develop a Decommissioning and Restoration Plan, in consultation with OGC and Aboriginal Groups. The plan must include at least the following: a) Description of land uses for the Project Area prior to Project construction based on Exemption Request information and traditional use information provided through consultation with Aboriginal Groups; b) Description of how traditional use information provided by Aboriginal Groups has been considered, and the extent it has been possible to incorporate this information in the design and siting of specific reclamation measures for traditional use plants, cultural use sites and wildlife species of cultural importance to Aboriginal Groups; c) Description of site-specific end land use objectives for the Project area post-Decommissioning, including the restoration of the natural flow of drainage patterns and a description the means by which these objectives will be achieved;

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	d) Consideration of changes to drinking water availability for wildlife using the reservoir as a water source upon the Decommissioning of the Project; e) Revegetation plans for the site, including the use of stockpiled soils, native vegetation and/or traditional use plants, soil decompaction and sediment and erosion control methods; f) Description of dewatering practices at the Project which aim to prevent adverse impacts of stored water release to the environment; and g) Description of any monitoring requirements following Decommissioning, as necessary. The Holder must provide the plan to the EAO, OGC and Aboriginal Groups for review a minimum of 120 days prior to planned Decommissioning. The Holder must not commence Decommissioning until the plan has been prepared to the satisfaction of the EAO, unless otherwise authorized by the EAO. The plan and any amendments thereto, must be implemented throughout Decommissioning to the satisfaction of the EAO.