

SCHEDULE D
ATMOSPHERIC BENEFITS

1.0 Definitions

In this Schedule:

“Atmospheric Benefits” means reductions in atmospheric greenhouse gases caused by reduction or avoidance of GHG emissions or increases in removals of GHGs from the atmosphere;

“Atmospheric Benefit Agreement” means an agreement between Gitanyow and the government regarding the allocation of Atmospheric Benefit Rights;

“Atmospheric Benefit Rights” means proprietary or contractual entitlement to rights associated with Atmospheric Benefits, including any entitlement of the holder to obtain Emission Offsets under an Emission Offset Program, but does not include any possessory rights associated with carbon sequestered in Terrestrial Reservoirs;

“Emission Offset” means any tradable credit, offset or unit that represents an estimated Atmospheric Benefit from a GHG Reduction Project and is recognized by an Emission Offset Program and used to offset GHG emissions from other sources;

“Emission Offset Program” means a voluntary or regulatory program of the government or a third party for the recognition of Emission Offsets and application of Emission Offsets against GHG emissions;

“GHG” means greenhouse gas;

“GHG Reduction Project” means a specific course of action or management that leads to measurable Atmospheric Benefits;

“Project” means the GHG Reduction Project based on the Gitanyow Lax'yip Land Use Plan

“Project Plan” means a plan for carrying out the Project that includes a description of the Project, methodologies for calculating Atmospheric Benefits and all assertions, statements, explanations and justifications required by the *Emission Offset Regulation*;

“Project Report” means a report on the carrying out of the Project and quantification of emission reductions achieved, including all assertions and calculations required by the *Emission Offset Regulation*;

“Terrestrial Reservoir” means a place where carbon is sequestered from the atmosphere in vegetation, including trees and aquatic vegetation, and soil, including foreshore, but does not include underground geological formations;

“Validated” or **“Validation”**, in relation to a Project Plan, means that a Validation Body has provided an opinion, without any qualifications that British Columbia in its sole discretion deems material, that the assertions contained in that Project Plan are fair and reasonable and that the Project Plan meets the requirements of the *Emission Offsets Regulation*, and, if carried out as planned will produce reductions in greenhouse gases that can be verified under the *Emission Offsets Regulation*;

“Validation Body” means a Validation Body as defined by the Emission Offset Regulation;

“Verified” or **“Verification”**, in relation to a Project Report, means that a Verification Body has provided an opinion, without any qualifications that British Columbia in its sole discretion deems material, that the report meets the requirements of the *Emission Offsets Regulation* and that assertions of emission reductions and other matters contained in the report are fair and reasonable; and

“Verification Body” means a Verification Body as defined by the Emission Offset Regulation.

2.0 Purpose

2.1. The Parties share the goals of:

- (a) developing environmentally credible and marketable Emission Offsets through the creation and implementation of the Project resulting in improved forest management in the Gitanyow Lax'yip;
- (b) entering into an Atmospheric Benefit Agreement that would enable the Parties to share Atmospheric Benefits and resultant Emission Offsets derived from the Project.

3.0 Scope of Activities

3.1 The development of an Atmospheric Benefit Agreement will be based on the Treasury Board Directive entitled *“Authority to dispose of Atmospheric Benefit Rights and enter into Agreements respecting sharing of Atmospheric Benefit Rights”* and existing government policy, as amended and updated from time to time.

3.2 In order to build the framework for creating qualifying Emission Offsets, the Parties recognize the following must be accomplished:

- (a) identification of potential Emission Offset Programs that may provide credibility and economic value to the Parties such as: the B.C. *Greenhouse Gas Reduction Target Act*, the Western Climate Initiative, Environment Canada’s offset program, the Climate Action Registry, and the Greenhouse Gas Industrial Control and Reporting Act, and

- (b) development of a process for Project Plan development, Validation and Verification which:
 - i. allows for validation and verification pursuant to the B.C. *Greenhouse Gas Reductions Target Act*, and is consistent with the *BC Emission Offsets Regulation* and any agreed-upon Emission Offset Programs;
 - ii. is an eligible GHG Reduction Project, and
 - iii. identifies who is responsible for carrying out the Project Plan development, Validation, Verification other documents and for paying the costs of these steps.

4.0 Atmospheric Benefit Agreement

- 4.1. Based on the results of completing the development work under Section 3.0, the Parties will make best efforts to negotiate the Atmospheric Benefit Agreement as soon as reasonably practicable.
- 4.2. The Parties acknowledge that a portion of the total annual Atmospheric Benefits resulting from the implementation of the Project will be reserved and held outside of the Atmospheric Benefit Agreement as negotiated under an Atmospheric Benefits Agreement.
- 4.3. The Atmospheric Benefit Agreement will provide to each of the Parties the agreed-to share of the total annual GHG reductions in the Gitanyow Lax'yip that result from actions taken jointly by British Columbia and Gitanyow within the Gitanyow Lax'yip including the legal implementation of the Project and upon confirmation of a Validated Project Plan.
- 4.4. The Atmospheric Benefit Agreement will set out how the total share of Emission Offsets will be distributed.
- 4.5. Nothing in this Agreement shall restrict the Gitanyow, on its own initiative, to pursue additional GHG Reduction Projects and receive Emission Offsets from other opportunities or initiatives within the Gitanyow Lax'yip.

5.0 Other Matters

- 5.1 The Parties agree that the Atmospheric Benefit Agreement will contain provisions that address the following:
 - (a) the review and monitoring of forest carbon data and models used to establish the quantum of Emission Offsets over the life of the Atmospheric Benefit Agreement;
 - (b) no title or interest in land in the area in Schedule A shall be created or modified as a result of any project, Offsets or associated agreements;
 - (c) the Project and ownership and legal characterization of Emission Offsets not prejudicing positions the Parties may take on Aboriginal title and rights or in future reconciliation negotiations;

- (d) liability, managing permanence and the risk of reversals of Emission Offsets over time;
- (e) responsibilities for transaction costs associated with validation, verification, monitoring, marketing costs, and management of any Emission Offset revenue;
- (f) periodic review of the implementation of Atmospheric Benefit Agreement;
- (g) dispute resolution; and
- (h) any other components agreed to by the Parties.

6.0 Next Steps

- 6.1 Subject to the completion of a feasibility assessment, as agreed upon by the Parties, to verify the existence of viable Emission Offsets within the Gitanyow Lax'yip as a result of the Project, the Parties will negotiate and attempt to reach agreement on an Atmospheric Benefit Agreement as soon as reasonably practicable after the Renewal Date.
- 6.2 British Columbia has provided \$50,000.00 to Gitanyow to complete the Project feasibility assessment.
- 6.3 Gitanyow will provide British Columbia with a copy of the completed Project Plan Validation assessment and Project Report.
- 6.4 After British Columbia confirms the Project has been Validated, British Columbia will provide the following additional financial support to Gitanyow to implement the Project in accordance with Schedule I:
 - (a) \$100,000.00 within thirty days of confirming the Project Plan has been validated; and
 - (b) An additional \$50,000.00 each year for three years as part of the funding under this Reconciliation Agreement.
- 6.5 The Parties agree that the Atmospheric Benefits Agreement will replace the terms of this schedule and this Reconciliation Agreement will be amended to incorporate the Atmospheric Benefits Agreement as Schedule D.

SCHEDULE E
FOREST TENURE AND REVENUE SHARING OPPORTUNITIES

- 1.0 Forest Tenure opportunities will include but will not be limited to:
 - 1.1 commitment to convert the forest tenures that Gitanyow is eligible to apply for pursuant to the Gitanyow Forestry Agreement to a replaceable, area-based Forest Woodlands Licence subject to availability of suitable area for tenure placement; and
 - 1.2 the potential to acquire carbon offsets additional to those associated with implementation of the 'protected areas', Biodiversity Areas and Management Objectives agreed to in this Reconciliation Agreement.
- 2.0 Forest Revenue Sharing opportunities will include but will not be limited to:
 - 2.1 Revenue Sharing under the Forest Consultation and Revenue Sharing program; and
 - 2.2 Other new or revised forest revenue sharing opportunities that may be developed and are applicable and available to Gitanyow or to the Gitanyow Lax'yip.
- 3.0 Gitanyow Lax'yip Forestry Management Strategy
 - 3.1 The Parties may by agreement through the JRGF develop a comprehensive Gitanyow Lax'yip forestry management strategy that identifies options for maintaining the ecological integrity of each Wilp and supports a sustainable economy.

SCHEDULE F
GITANYOW ALTERNATIVE ENERGY ACTION PLAN

1.0 Purpose

1.1. The purpose of developing a Gitanyow Alternative Energy Action Plan is to:

- (a) identify potential alternative energy projects, including independent power projects (IPPs), such as the proposed Kinskuch River project, in the Gitanyow Lax'yip;
- (b) support the responsible development of such projects in a manner that takes into account Gitanyow Ayookxw and values and British Columbia's goals in developing alternative energy; and
- (c) provide economic and employment benefits for Gitanyow.

2.0 Energy Planning

2.1. British Columbia, with the assistance of BC Hydro, where applicable, is committed to assist Gitanyow in addressing its interests in the energy sector in the Lax'yip through a phased approach which may include:

- (a) an overview of existing and potential energy resources in the Lax'yip with the understanding that BC Hydro can only share information within its possession which is available to the general public;
- (b) an assessment of clean energy development opportunities in the Lax'yip with the understanding that BC Hydro can only share information within its possession which is available to the general public; then
- (c) based upon the information in 2.1(a) and (b) above, the Parties may discuss potential opportunities for Gitanyow to participate in the development of energy resources in the Lax'yip, with the understanding that Gitanyow priorities include topics such as independent power projects, using NTL infrastructure for other Gitanyow purposes, measures that promote Gitanyow energy projects, energy project selection criteria that reflect Gitanyow involvement, and carbon values.

2.2. Gitanyow may, subject to available funding including allocated funding under Schedule H of this Agreement, undertake a stream review and inventory of streams in the Gitanyow Lax'yip to identify streams suitable for IPP development.

3.0 Key Features of the Action Plan

3.1. Development of the Action Plan may include:

- (a) an assessment of the potential for IPP development within the Gitanyow Lax'yip including potential barriers or constraints;

- (b) an assessment of other forms of clean energy resource potential in Gitanyow Lax'yip, and barriers or constraints to the development of these clean energy resources;
 - (c) the development of a clean energy strategy for the Gitanyow Lax'yip reflecting the interests and priorities of the Parties including opportunities related to the Northwest Transmission Line; and
 - (d) support for the development of a Gitanyow Alternative Energy Plan that is focused on reducing fossil fuel consumption and energy self-sufficiency.
- 3.2. The Parties will, as soon as practicable, develop a Terms of Reference and work plan for the development of the Gitanyow Alternative Energy Action Plan.

SCHEDULE G ECONOMIC STRATEGIES

Pursuant to Section 17.1, Gitanyow will complete a Gitanyow Economic Opportunity Study based on Gitanyow's interest to further economic development and stewardship in the Lax'yip related to tourism, non-timber forest products and other economic opportunities that may arise and will provide that study to British Columbia.

1.0 Tourism

- 1.1. Based on the results of the Gitanyow Economic Opportunity Study, and other information that may be provided by the Gitanyow, the JRGF will identify potential economic opportunities for the Gitanyow within the Gitanyow Lax'yip including:
- (a) tourism development and business opportunities related to the establishment of the Hanna Tintina protected area and other existing protected areas;¹⁶
 - (b) tourism development and business opportunities related to cultural features of the Gitanyow and wilderness and natural resource attributes within the Lax'yip;
 - (c) identification of permits, licences, and tenures that may facilitate Gitanyow's desire to pursue tourism related economic development within and outside protected areas;
 - (d) identification of capacity constraints that may prevent Gitanyow from pursuing identified tourism opportunities; and
 - (e) strategies and actions for addressing constraints and capitalizing on opportunities and priorities including access to available permits, licences, and tenures within and outside protected areas.

2.0 Non-timber Forest Products

- 2.1. The Gitanyow have an interest in pursuing non-timber forest product economic development and stewardship associated with harvesting and management of pine mushrooms, berries and medicinals with the Lax'yip.
- 2.2. Based on the results of the Gitanyow Economic Opportunity Study, and other information that may be provided by the Gitanyow, the JRGF will identify potential non-timber forest product ("NTFP") economic development opportunities for the Gitanyow within the Gitanyow Lax'yip including:

¹⁶ For the purposes of this Schedule, the "protected area" refers to a) Provincial parks, b) conservancies and c) lands managed as parks or conservancies under the *Environment and Land Use Act*.

- (a) identification of geographic areas with high capability and suitability for NTFP;
- (b) identification of capacity constraints that may prevent Gitanyow from pursuing identified NTFP opportunities;
- (c) identification of policies to improve management of NTFP resources including access management, harvesting, selling, exporting and protection; and
- (d) strategies and actions for addressing capacity constraints, capitalizing on economic opportunities, and policies to improve management of NTFP resources.

3.0 Other Economic Opportunities

- 3.1. Based on the results of the Gitanyow Economic Opportunity Study, and other information that may be provided by the Gitanyow, the JRGF may identify other economic opportunities for the Gitanyow within the Gitanyow Lax'yip.

**SCHEDULE H
ENVIRONMENTAL ASSESSMENT FRAMEWORK
FOR THE GITANYOW LAX'YIP**

1.0 Definitions

In this Schedule:

“**Application Review**” means the 180 day review described under sections 16 and 17 of the *Environmental Assessment Act* and the *Prescribed Time Limits Regulation*, as amended from time to time;

“**Environmental Assessment Act**” means the British Columbia *Environmental Assessment Act*, S.B.C. 2002, c 43, as amended from time to time;

“**EAO**” means the British Columbia Environmental Assessment Office; and

“**Initial Impact Assessment**” means the potential adverse impacts of the proposed project on Gitanyow Aboriginal Rights, including potential upstream or downstream effects, based on initial documents provided by the proponent.

2.0 Purpose

2.1 The purpose of this schedule is to:

- (a) describe the specific actions that will be undertaken by the Parties; and
- (b) confirm how the Gitanyow Lax'yip Land Use Plan (GLLUP) will be used when the Parties engage on Land and Resource Decisions under the *Environmental Assessment Act*.

3.0 Scope

3.1 This Schedule applies to Land and Resource Decisions under the *Environmental Assessment Act* that meet the criteria for review under Sections 6, 7 or 10 of the *Environmental Assessment Act*.

3.2 The Parties agree that Land and Resource Decisions under the *Environmental Assessment Act* are not subject to the Engagement Framework, found in Appendix 1 to Schedule C in this Agreement.

4.0 Specific Actions and Steps in the Engagement Process

4.1 The Parties will engage on Land and Resource Decisions made pursuant to the *Environmental Assessment Act* as follows:

- 1. *Early Engagement (prior to issuance of section 6, 7 or 10 Order)*
 - (a) The Parties will undertake collaborative efforts to inform project proponents of this Agreement and the GLLUP in accordance with Agreement Section 11.2.

- (b) EAO will encourage all project proponents to engage with Gitanyow with a view towards understanding how the GLLUP may inform early project development and the project application.

2. *Determination of Engagement Level (prior to issuance of section 11 Order)*

- (a) Prior to issuing a section 11 Order under the *Environmental Assessment Act*, EAO will provide Gitanyow with an Initial Impact Assessment that will inform EAO's proposed level of consultation. EAO will provide Gitanyow with a reasonable amount of time to respond.
- (b) Where EAO proposes to consult with Gitanyow at a level deeper than notification on a proposed project, the Parties agree that EAO is not required to provide an assessment of strength of claim to Gitanyow.
- (c) Where EAO proposes to consult with Gitanyow at the notification level, EAO will provide both the Initial Impact Assessment and, if requested by Gitanyow, an initial assessment of strength of claim assessment.
- (d) At the request of Gitanyow, EAO will reconsider the proposed level of consultation if any new information is provided relevant to the potential impact of the project.

3. *Information Requirements and Information Sharing*

- (a) EAO will:
 - i. describe how the proposed project is consistent or not consistent with the GGLUP; or,
 - ii. direct proponents to describe how the proposed project is consistent or inconsistent with the GLLUP.
- (b) The Parties will negotiate and attempt to reach agreement on Gitanyow specific clauses for any Section 11 or 13 Orders under the *Environmental Assessment Act*, including:
 - i. identifying Gitanyow as represented by the Gitanyow Hereditary Chief's Office and if required, the role of any individual wilp(s);
 - ii. confirming the application of the Agreement and the role of the GLLUP in EA engagement; and

- iii. setting out the engagement requirements of EAO and the proponent, if required by EAO.
 - (c) The Parties will negotiate and attempt to reach agreement on Gitanyow specific clauses for insertion in any Application Information Requirements (AIR) documents where the proponent is being directed to consult with Gitanyow including:
 - i. ways of describing Gitanyow traditional and current land use; and
 - ii. other aspects as agreed to by the Parties.
 - (d) The Parties will negotiate and attempt to reach agreement on a format for analyzing whether a proposed project is consistent with the GGLUP.
 - (e) The Parties will negotiate and attempt to reach agreement on a framework, principles and approach for project-specific wilp sustainability assessments.
- 4. *Application Review and Analysis.*
 - (a) Prior to end of the Application Review EAO will provide Gitanyow with written documentation of the project proponent's review/analysis or EAO's review/analysis, as the case may be, on how the proposed project is consistent or inconsistent with the GLLUP and will provide a reasonable time for response.
 - (b) Prior to the end of the Application Review and within the timelines set out by EAO, Gitanyow will provide its response to the review/analysis under 4(a).
 - (c) Gitanyow may request an extension in order to review EA related documents, which the EAO will reasonably consider.
 - (d) The EAO will seek to address Gitanyow concerns or recommendations.
- 5. *Assessment Report and Decision*
 - (a) In its Assessment Report/Consultation Report referred to the Ministers for decision, EAO will include:
 - i. the analysis of how the proposed project may be consistent or inconsistent with the GLLUP,
 - ii. Gitanyow's views of that analysis, and
 - iii. Detail of how EAO addressed Gitanyow concerns or recommendations.

5.0 EAO-Gitanyow Oversight Committee

- 5.1 The Parties will establish a committee that will meet in accordance with subsection 5.1(a) and 5.1(b).
- (a) The committee will hold meetings specific to a particular EA project to discuss:
 - i. the AIR;
 - ii. Gitanyow's initial review of the Application submitted under section 16 of the Act;
 - iii. EAO's initial draft Assessment Report and draft conditions; and
 - iv. the consultation processes and outcomes following the issuance of an EA Certificate.
 - (b) The committee will hold annual meetings to review the status of certified projects within the Lax'yip.

6.0 Additional Actions

- 6.1 The Parties will discuss other priorities related to engagement on projects subject to *the Environmental Assessment Act* as identified and agreed to from time to time by the Parties such as:
- (a) the development of materials which could be provided to potential proponent under section 4 which describe the nature of the commitments outlined in the RRA, plus any additional materials related to "best practices" for engaging Gitanyow; and
 - (b) a collaborative approach to monitoring and enforcement of EAC conditions.

7.0 Amendment

- 7.1 Where changes to the *Environmental Assessment Act* may affect processes outlined in this Schedule the Parties will meet to review this schedule and consider whether any amendments to this Schedule are required.

SCHEDULE I
RESOURCING

- 1.0 **General.** The Parties will be responsible for pursuing resources to implement their own commitments under this Agreement from funding sources potentially available to them.
- 2.0 **Effective Date Resourcing.** For the three (3) year period of this Agreement following the Effective Date, British Columbia will provide Gitanyow with an amount not to exceed \$600,000 to supplement its own resources as follows:
 - 2.1 funding of \$150,000 per year for three (3) provincial fiscal years (2011/12, 2012/13 and 2013/14), with the first payment to be made on the Effective Date and payments in subsequent years to be made on the anniversary of the Effective Date to support Gitanyow capacity to implement the Agreement including Shared Decision Making structures, processes and initiatives;
 - 2.2 funding of \$50,000 in provincial fiscal year 2011/12 to be paid on the Effective Date to support the completion of a socio-economic well-being strategy as set out in Section 5.2;
 - 2.3 funding of \$50,000 in provincial fiscal year 2011/12 to be paid on the Effective Date to support the completion of an economic opportunity study as set out in Section 17.1; and
 - 2.4 funding of \$50,000 in provincial fiscal year 2011/12 to be paid on the first anniversary of the Effective Date to support the work of the Monitor as set out in Section 12.4.
- 3.0 **Renewal Date Resourcing.** For the three (3) year period of this Reconciliation Agreement following the Renewal Date British Columbia will provide the following financial support to supplement Gitanyow's own resources:
 - 3.1 funding of \$300,000 per year for three (3) provincial fiscal years (2016/17, 2017/18 and 2018/19) to Gitanyow to support Gitanyow capacity to implement the Reconciliation Agreement including Shared Decision Making structures, processes and initiatives, with the remaining 2016/2017 payment of \$269,750 to be paid as soon as practicable after the Renewal Date and subsequent payments to be made on the second and third anniversary of the Renewal Date;
 - 3.2 funding of \$100,000 to Gitanyow to support the implementation of the Emission Offsets Project, to be paid within 30 days of British Columbia confirming the Emission Offsets Project has been validated as set out in Section 6 of Schedule D; and
 - 3.3 funding of \$50,000 per year to Gitanyow for three years to support the Emission Offsets Project, with the first payment to be made as soon as practicable after the Renewal Date and subsequent payments to be paid on the anniversary of the Renewal Date, subject to the conditions as set out in Section 6, Schedule D.

4.0 Conditions Precedent to Funding. Notwithstanding any other provision of this Agreement, any payment of funds by British Columbia to Gitanyow for any purposes pursuant to this Agreement is subject to:

- 4.1. submission by Gitanyow of annual reports 30 days prior to the anniversary of the Effective Date which outline the activities completed in accordance with the terms the Agreement and annual work plans completed under Section 7 of Schedule C;
- 4.2. There being sufficient monies available in an appropriation, as defined in the *Financial Administration Act*, to enable British Columbia in any provincial fiscal year or part thereof when such payment is required, to make such payment; and
- 4.3. Treasury Board, as defined in the *Financial Administration Act*, not having controlled or limited expenditure under any appropriation necessary in order to make such payment.

5.0 Other Funding. Gitanyow, subject to successful implementation of Schedule D (Atmospheric Benefits) or other agreed upon revenue sharing measures, will use portions of the resulting revenues to support Gitanyow implementation costs of this Reconciliation Agreement.