

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

DOCKET NO. R-4045-2018

---

RÉGIE DE L'ÉNERGIE DU QUÉBEC  
(QUÉBEC ENERGY BOARD)

---

TARIFFS AND SERVICE CONDITIONS OF  
HYDRO-QUÉBEC DISTRIBUTION (HQD)  
FOR CRYPTOGRAPHIC USAGE APPLIED  
TO BLOCKCHAINS

---

HYDRO-QUÉBEC  
In its quality as Distributor

Applicant

-and-

CREE FIRST NATION OF WASWANIP  
and  
TAWICH DEVELOPMENT CORPORATION,  
an entity fully owned by the Cree First Nation of  
Wemindji

Intervenors

---

### SOLEMN DECLARATION OF SAMUEL W. GULL

I, the undersigned, Samuel W. Gull, Business Advisor to the Cree First Nation of Waswanipi and to the Cree First Nation of Wemindji (and its Tawich Development Corporation) on computing centers and data centers implementation, domiciled and residing at 97, rue de la Bourrasque, in the City of Gatineau Qc J9A 0E1, being duly sworn, hereby solemnly declare and say :

1 - My name is Samuel W. Gull. I am the Business Advisor to the Cree First Nation of Waswanipi and to the Cree First Nation of Wemindji (and its Tawich Development Corporation) on computing centers and data centers implementation.

2 - In February 2018, the Cree First Nation of Waswanipi and the Tawich Development Corporation (an entity fully owned by the Cree First Nation of Wemindji) have contacted Hydro-Québec Distribution (HQD) in order to **obtain electrical service in accordance with the Tariffs and conditions** that existed at that time (namely a Tariff of **0,0307 \$/kWh**, which is the one publicized by Hydro-Québec Distribution in its attached advertisement, corresponding to Tariffs LG and of economic development, with **interruption** through the peak load management program (and also with the possibility of **testing the HQ-ES electrical storage batteries**, although the outcome of these tests was not a *sine qua non* condition of our Projects) :

- a) in an existing unused old arena owned by the Cree First Nation in **Waswanipi**, for a computing center of **40 MW** which would also serve to heat a related greenhouse and aquaculture installations thus providing **40 equivalent full-time jobs** for management, operations, security and maintenance of the computing centers (for a salary mass of 2,218,192 \$) and **50 equivalent full-time jobs** in the agro-food installations (for a salary mass of 4,500,000 \$), thus adding to **90 equivalent full-time jobs** for a salary mass of **6,718,192\$**.and
- b) in in an existing storage facility in **Radisson near Wemindji** and owned by the Tawich Development Corporation, for a computing center of 15 MW which would also serve to heat a related greenhouse thus providing **15 equivalent full-time jobs** for management, operations, security and maintenance of the computing centers (for a salary mass of 1,139,032 \$) and **15 equivalent full-time jobs** in the agro-food installations (for a salary mass of 1,139,032 \$), thus adding to **30 equivalent full-time jobs** for a salary mass of **2,539,032 \$**.

3 - Hydro-Québec Distribution (HQD) has not yet provided the said requested electrical service in accordance with the Tariffs and conditions that existed at that time, and we are still waiting for such service to be provided.

4 - Instead of providing us the requested electric service, Hydro-Québec Distribution has asked us to wait for further developments (see the Letter sent to us by Hydro-Québec, dated February 28, 2018 that I hereby deposit). Since then, the two Cree First Nations and myself have also learned that Hydro-Québec Distribution has asked the Régie de l'énergie du Québec (Québec Energy Board) to establish, after the fact ("a posteriori"), new Tariffs and conditions that, seemingly, may have the effect of suspending our two requests for service as well as increasing Tariffs and/or submitting our service requests to a bidding process.

5 - The Cree First Nation in Waswanipi and the Cree First Nation of Wemindji (and its Tawich Development Corporation) do not agree with Hydro-Québec Distribution's request to the Régie de l'énergie (Québec Energy Board) that would suspend our two requests

for service and/or increase the applicable Tariffs and/or submit our service requests to a bidding process.

6 - On the contrary, the Cree First Nation in Waswanipi and the Cree First Nation of Wemindji (and its Tawich Development Corporation) wish Hydro-Québec Distribution (HQD) to comply with the Tariffs and conditions that existed in February 2018 and provide us with electric service as we have requested. **We ask the Régie de l'énergie du Québec (Québec Energy Board) not to modify (after the fact) the Tariffs and conditions applicable to our two requests for electrical service, so that Hydro-Québec Distribution (HQD) may provide us the requested service under the existing Tariffs and conditions at the time we contacted HQD in February 2018.**

7 - It is important to note that, **at both sites**, as our other witnesses confirm, Hydro-Québec has an **excess of electrical transport capacity** and an **excess of transformation capacity** in the transformation stations, the whole being much more than enough to provide electricity for our two above-described Projects (and even for further Projects should they arise). And, at least in Waswanipi, the Cree First Nation in Waswanipi is the only existing client of HQD that could receive such additional transport capacity and transformation capacity, since, under the *James Bay and Northern Québec Agreement*, **Class IA lands** in that territory (such as the one where the Waswanipi Project of computing center, greenhouse and aquaculture installations would be located) are reserved for the benefit of the Cree Nation.

8 - As explained more fully by our other witnesses, we sincerely believe that our two above-described computing centers Projects “are not part of the problem” of lack of capacity that Hydro-Québec claims in support of its request to suspend treatment of demands to serve computing centers or to submit them to a higher tariff based on a bidding process or to disincentive tariffs.

9 - On the contrary, as explained more fully by our other witnesses, we sincerely believe that our two above-described computing centers Projects are part of the solution and could serve as exemplary models (as perhaps pilot-projects):

- We've been working to seriously prepare those projects for **four years** and have **met several times (including on the sites)** both Hydro-Québec and a multitude of partners.
- These projects are of **small size (40 MW and 15 MW)**.
- Their **impact will be minimal** and will even consist in using a **small part of the already existing excess transport capacity and excess transformation capacity** in the area, which at least in Waswanipi, **only the Cree Nation could possibly use**.

- We are only requesting **interruptible electricity** (with the possibility of testing **HQ-ES batteries**, although the outcome of these tests was not a *sine qua non* condition of our Projects.
- We are satisfied with Tariffs and conditions that Hydro-Québec has publicized (see advertisement document attached) in order to attract Computing centers Projects and that existed when we contacted Hydro-Québec to obtain electric service, namely a Tariff of **0,0307 \$/kWh**, corresponding to Tariffs LG and of economic development.
- Their **northern location** makes it ideal, both because of the available excess in transportation capacity and transformation capacity, but also because they are in the path of the planned extension of the **Quintillion optical fibre communication line**.
- We have verified the **financial solidity** of our partners, as well as their **technological solidity** and capacity to **adapt to the evolving technology and to the evolution of the cryptographic block chain model**, as further detailed by our witness Mr. Jean Schiettekatte.
- Such Projects are in the **public interest**, both economic, social, environmental, and regional and received local acceptance, among others because heat from the computing system will be recuperated and used for agro-food usage (greenhouse and aquaculture), thus providing low-priced fresh food to the local communities (which is something seriously needed) and **90 equivalent full-time jobs** for a salary mass of **6,718,192\$** in Waswanipi, as well as **30 equivalent full-time jobs** for a salary mass of **2,539,032 \$** in Wemindji and Radisson, with proximity to the **Cree employment training Center** as well as a commitment to **hire Cree personnel** as well as a commitment to establish a **training center** and a **micro-electronic laboratory**.
- And foremost, such Projects are consistent and deserve to be permitted to go ahead under the *James Bay and Northern Québec Agreement* (which specifically refers to the Cree First Nations including Waswanipi and Wemindji under its former name of "*Paint Hills*") such Agreement, to which Hydro-Québec is a party stating that :

**WHEREAS the Province of Québec assumed certain obligations in favour of the Native people inhabiting the said areas** (hereinafter referred to as the "*Territory*");

**WHEREAS the Province of Québec now wishes to fully satisfy all of its obligations with respect to the Native people inhabiting the Territory and the James Bay Crees**, the Inuit of Québec and the Inuit of Port Burwell have consented to the terms

and conditions of an agreement of settlement with respect thereto;

**WHEREAS** La Société d'énergie de la Baie James, la Société de développement de la Baie James and **La Commission hydroélectrique de Québec (Hydro-Québec)** have an interest in, and have made commitments for, the **orderly development of the said Territory**; [...]

### **28.12 Assistance to Cree entrepreneurs**

**28.12.1 Canada and Québec shall, within the scope of services and facilities existing from time to time, provide assistance to Cree individuals or groups to establish, own, operate, expand or modernize business enterprises. Such services shall include assistance for feasibility studies, economic planning, obtaining of permits, job or management training, technical matters, funding equipment, physical plant and operations.**

**28.12.2 Within Cree settlements emphasis shall be given to enterprises in the service sector which will provide for an identifiable demand and which will create employment for Crees and economic benefits for the economy of the settlement as a whole through significant multiplier effects.**

**28.12.3 In general, assistance to Cree entrepreneurs shall expand, develop and diversify opportunities for Cree people to participate in and benefit from the economic development of the Territory, and particularly in those sectors where Cree skills and resources may contribute to such overall development, such as service enterprises, resource exploration, construction and maintenance work, and natural resource enterprises, the purpose of which is to exploit and protect the living and non-living resources of the Territory.**


[Bold and underlined by me]

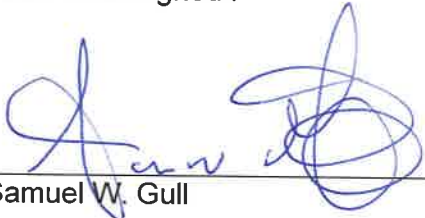
10 - Consequently, we sincerely ask the Régie de l'énergie not to block such exemplary set of Projects, to **permit them to go ahead** under the Tariffs and conditions that Hydro-Québec had publicised and that existed when we contacted it to have electrical service provided for these Projects.

11 - The Projects could go ahead **either by excluding them from the scope of eventual more limitative Tariffs and conditions, or by accepting them specifically as pilot-projects** because of their exemplary character.

Solemnly declared and signed before me  
in (specify city) Ottawa, ON, this  
(specify date) 25<sup>th</sup> day of June 2018 :

And I have signed :

  
\_\_\_\_\_  
(Indicate name and title, ie Notary Public)

  
\_\_\_\_\_  
Samuel W. Gull

Stéphane Sérafin  
Lawyer, Notary Public

