

**W E I S B E R G   L A W**  
**C O R P O R A T I O N**

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**BY FAX and E-MAIL**

November 26, 2004

Mr. Robert Pellatt  
Commission Secretary  
British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, B.C.  
V6Z 2N3

Dearsirs/Mesdames:

**Re: BCUC Order G-99-04**  
**British Columbia Hydro and Power Authority (“BC Hydro”)**  
**Call for Tenders for Capacity on Vancouver Island**  
**Review of Electricity Purchase Agreement**

Our File: 820.1

By letter dated November 19, 2004 Green Island Energy Ltd. (“GIE”) registered as an Intervenor in the proceeding established for the review of the above captioned matter.

Weisberg Law Corporation has been retained as counsel for GIE. Accordingly, we request that the writer be added to the list of Registered Intervenors and that copies of all correspondence or materials related to this proceeding be sent to:

Fred J. Weisberg  
Barrister and Solicitor,  
Weisberg Law Corporation  
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### Participation

Representatives of GIE will attend and participate in the Procedural Conference sessions scheduled for November 29 and 30. GIE intends to actively participate throughout all stages of this proceeding.

### Principal Issues

GIE's letter dated November 19 described the nature of its interest in this proceeding.

GIE intends to pursue and urges the Commission to examine a number of issues including the following:

1. Was the Call for Tender ("CFT") process designed to identify the lowest cost energy? Was the CFT process flawed because it effectively only evaluated four VIGP-like projects and one small gas fired peaker plant and excluded consideration of other lower cost energy alternatives?
2. Did the CFT process create a level playing field for consideration of resource options other than natural gas?
3. Was the Independent Reviewer truly independent? Why was no access to and communication with the Independent Reviewer available to Bidders? Why didn't the Independent Reviewer report to a Commissioner as recommended by the Commission?
4. Should the CFT process have accounted for Greenhouse Gas Costs? What is the impact for ratepayers of BC Hydro's public commitment to offset the environmental impacts of the Duke Point Power project?
5. Was BC Hydro's 300 MW upper limit appropriate? Was it proper for an arbitrary limit to exclude alternative low cost energy projects? Why did the CFT model for evaluating bids not allow for a negative energy charge bid?
6. Why didn't BC Hydro conduct a sensitivity analysis of the rate impact of various gas price forecasts? Why didn't BC Hydro use the Commission's gas price forecasts?
7. Could gas price risk be avoided entirely through a combination of GIE's 75 MW biomass project and Norske's proposal for curtailable load?
8. Did the CFT process adequately consider the impact of fuel transportation costs? What risks are associated with such costs? What protection do ratepayers have against such risks?
9. Given the uncertainties regarding the gas transportation infrastructure to Vancouver Island, why didn't the CFT process allow for the purchase of generation output from plants that could be brought online well before 2007? Have the risks that the gas transportation infrastructure will not be in place by 2007 been identified? Are the impacts of those risks understood?

10. Following the filing of the Independent Reviewer's report why did BC Hydro conduct a senior management review, without any consultation with bidders or the Independent Reviewer? Why did that review use a portfolio that included a hypothetical project rather than an officially offered project such as Norske's curtailable load?
11. Why did the CFT process expose BC Hydro's ratepayers to gas price risk for the Duke Point Power project while requiring bidders for non-gas projects to bear their own fuel price risk?
12. When did BC Hydro first realize that the Gold River Power Project would be considered a "stranded project"? With that realization, why didn't BC Hydro seek the Commission's guidance for how best to deal with a "stranded project" or seek some flexibility in accommodating such a project in an energy portfolio?
13. Will the Duke Point Power project operate only a very small proportion of the time if gas prices remain at or exceed current levels? Will ratepayers be responsible for capital charges and fixed operating costs of the Duke Point Power project even at low levels of operation? If the EPA is confidential, how can ratepayers be confident that they fully understand the scope of the costs that they are required to bear?
14. Why did the CFT process not assess socio-economic costs and benefits?

#### Procedural Matters

GIE believes that Intervenor should be provided with an opportunity to make Information Requests followed by an oral hearing.

Yours truly,

(original signed by)

Fred J. Weisberg

Weisberg Law Corporation  
Counsel for Green Island Energy Ltd.

Copy to: Mr. Sean Ebnet, GIE