BRITISH COLUMBIA UTILITIES COMMISSION

IN THE MATTER OF THE UTILITIES COMMISSION ACT
S.B.C. 1996, CHAPTER 473

and

British Columbia Hydro and Power Authority
Call for Tenders for Capacity on Vancouver Island
Review of Electricity Purchase Agreement

Nanaimo, B.C.
January 15, 2005

TOWN HALL MEETING

BEFORE:

R. Hobbs,	**Chairperson**
L. Boychuk,	**Commissioner**

VOLUME 5

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APPEARANCES

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R. CHASE	Self
S. MALCOLMSON	Islands Trust
I. GARTSHORE	Self
K. MILLER	Self
N. ABBEY	Society Promoting Environmental Conservation
D. CATLEY	Nanaimo Constituency for Green Party of B.C.
A.D. FISHER	Self
E. ST. DENIS	Self
W. PEARCE	Self
J. ERKILETIAN and J. BRIERE	Self
G. DAUNCEY	Self
S. EARLE	Self
D. RICHMOND-GROOT	Self
K. GROOT	Self
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M. TREVIS	Self
S. GREGORY	Self
I. CUTHBERT	Self
B.J. GODSON	Self
J. MITCHELL	Self
J. EBELL	Self
M. OSTLER	District of Campbell River
V. DEACON and A. FIDDICK	Cedar Women's Institute
L. KARTAR	Self
D. BROWN	Self
A. HODSON	Self
H. STIFF	Self
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J. HOWARDSON	Self

CAARS

NANAIMO, B.C.

January 15th, 2005

(PROCEEDINGS COMMENCED AT 9:32 A.M.)

THE CHAIRPERSON: Good morning. Welcome to the town hall meeting session of the British Columbia Utilities Commission review of the electricity purchase agreement filed with the Commission pursuant to Section 71 of the *Utilities Commission Act* by British Columbia Hydro and Power Authority on November the 19th, 2004.

My name is Robert Hobbs, and I am the Chair of the Commission panel undertaking the review. With me is Commissioner Boychuk, who is the other member of the panel. Commission counsel present today is Mr. Gordon Fulton, and with him is Eileen Cheng, representing Commission staff. Mr. Hal Bemister is the Hearing Officer, and a transcript is being made of the proceedings.

I understand that Mr. Fulton has prepared an order of speakers, but before I ask him to proceed in calling the speakers I do have a few preliminary comments.

Today's town hall meeting was established pursuant to Commission Order G-106-94 dated December

1 the 2nd, 2004. It's been marked Exhibit Number A-7.
2 The Commission letter accompanying the Order states
3 that the purpose of the town hall meeting is to
4 provide you with an opportunity to make presentations
5 on the EPA filing and CFT report. Your presentations
6 are limited to 10 minutes.
7 The Commission's letter of December the
8 24th, 2004, which forms part of Exhibit Number A-16,
9 contains further comments about today's proceedings
10 and references the opportunity for you to make a power
11 point presentation.
12 Finally, the Commission's letter dated
13 January the 7th, 2005, Exhibit Number A-22, also
14 provides some information for you about today's town
15 hall meeting.
16 Copies of the exhibits I have just referred
17 to are available at the back of the room.
18 THE HEARING OFFICER: They're actually out in the hall,
19 to give us more space.
20 THE CHAIRPERSON: Thank you. There isn't very much room
21 in this room, so they're outside.
22 Mr. Fulton will be able to assist you if
23 you have any further questions.
24 In terms of our hours of sitting for today,
25 as you can imagine we have a full schedule, we will
26 sit from now until noon without a break; we will then

take a 30-minute break and break for lunch; and some time this afternoon we will also take a break, and it's very likely to be about 3:00 this afternoon.

With that, Mr. Fulton, I will now ask you to call the first speaker.

MR. FULTON: Jack Moss. Is Mr. Moss here?

Then no response from Mr. Moss, I'll move to Ruth Chase.

PRESENTATION MS. RUTH CHASE:

Hello. Is it working? Yes.

Mr. Chairman, please let me say my personal thanks, and I won't -- I'm sure many here would join me in that for the BCUC and Hydro it's very hard work in managing to change direction as far as the GSX Crossing and elimination of the possibility of a third gas plant on Vancouver Island. I have some comments to make regarding the proposed plant for Duke Point.

I was present when B.C. Hydro explained the parameters for its Call for Tenders. I was disappointed at the low, narrow -- at the narrow margin of possibility in really only considering one form of green energy, i.e. wind power, and that to be limited to a very small piece of the pie, as it were. Other types of green energy are available but were not considered, as they were thought to be unproven. Where would be a better place to prove green energy

sources but right here in B.C., where we have hydro power as a back-up? Now the federal government is offering financial help to develop these new technologies. Well, why not go for it right here in B.C.?

My second point, I heat my home with natural gas, I cook with natural gas, my hot water tank is fired by natural gas. There are many of us that rely on natural gas as our primary energy source, especially for heat. I understand that this is by far the better way of using gas because it is direct. It is burned right where the heat is required. This method of using natural gas is in fact, I believe, something like 60 percent more effective -- more efficient. It's a whole lot less wasteful.

Should this plant be built and utilized, this very inefficient use of gas will help to drive up the price of natural gas much soon, effecting not only those who use electricity for their heating needs, but also for those of us who use this natural gas in a much more efficient way to directly heat our homes. The cost of natural gas has already doubled in the past few years, and we find this non-renewable commodity running out. It is obvious that the cost to all will be enormous, and then it will be all gone.

Actually, I heard this morning on the news

that they're thinking about getting it from the far north and also from Russia or from Africa even because the price -- as long as the price remains high there will be sources for a while. But we are stealing from future generations.

Number three, people with respiratory diseases will suffer as a result of the fine particulate matter that this plant will produce. We will no doubt see an increase in asthma.

Number four, there are those of us who have stopped using or have limited the use of gasoline powered lawnmowers, automobiles and other things that require fossil fuels. We don't do this on a whim, but because there is a huge threat to life on plant earth if we continue to burn fossil fuels. If the polar ice caps completely melt, and they are already melting due to the increase of greenhouse gases, I'm told the ocean will rise ten meters. The Caribbean and Florida are already seeing a great increase in the number of -- and fury of hurricanes.

The Sockeye didn't make it up the Fraser last summer because the water was too hot. We see right here on the east coast of Vancouver Island that the summers have become so hot that we now have a tropical disease, cryptacocascatia [ph. sp.], living in the trees of our parks, especially in the area

between Duncan and Comox. It has already claim the lives of four people.

Climate change is already upon us and will only get worse if we continue to behave badly. When I drive my car I release something like five to seven tons of carbon dioxide a year into the atmosphere. That's a lost of $C0_2$ when you multiply it by all the cars on the road. But we all take up the one tonne challenge and reduce our emissions by one tonne, well that's good. Then we will build a power plant that emits more than 800,000 tonnes of $C0_2$. I don't think if you added up all the emissions from every vehicle on Vancouver Island that it would add up to 800,000 tonnes. With a 50 percent offset, that's still 400,000 tonnes of carbon dioxide.

It may be that this is not considered to be the correct forum for making environmental comments, but I must speak. If I had been on the beach in Thailand, knowing that the tsunami was on the way, I would have spoken. I would have yelled. What we are facing is worse than a tsunamis. Right here and now our part of the problem is this plant. It's time to turn the world around, and let's start here.

Proceeding Time 9:44 a.m. T2

MR. FULTON: Mr. Chairman, Ruth Chase provided a written submission and I would ask that be marked as Exhibit

1 E-241.
2 THE HEARING OFFICER: Marked Exhibit E-241.
3 (WRITTEN PRESENTATION OF MS. RUTH CHASE, MARKED
4 EXHIBIT E-241)
5 MR. FULTON: Sheila Malcolmson.
6 **PRESENTATION BY MS. SHEILA MALCOLMSON:**
7 MS. MALCOLMSON: Thank you, Mr. Chairman. At risk of
8 solidifying my Gulf Island's reputation, I'm going to
9 read my horoscope for this week. It's perfect.
10 "You will probably have to reiterate an old
11 argument this week. You'll have to return
12 to a familiar problem and reprise a good
13 fight you fought before. For best results,
14 don't portray any peeved impatience; act as
15 if you are offering a reasonable appeal for
16 the very first time. On behalf of the
17 universe I apologize for sending you this
18 maddening test. History is threatening to
19 repeat itself in a distinctly unproductive
20 way and only your good natured, enlightened
21 use of force can stop it."
22 So with that I'm going to move to my political hat.
23 Thank you for convening this session in
24 Nanaimo so our communities can participate.
25 I am one of two locally elected Islands
26 Trustees representing residents of Gabriola Island,

Mudge Island and many small islands in the plume of the proposed plant. We have land use restriction over 21 islands and surrounding waters and a resident population of 3,500 according to the latest census. Today I also speak for the Islands Trust Council which is comprised of 24 local trustees and two municipal trustees representing a population of 30,000 people.

Islands Trust Council intervened in the National Energy Board Pipeline Review, made submission to the BCUC VIGP review. I represented Trust Council in the VIGP environmental assessment office project committee, taking an active role in the assessment of the environmental impacts until the *Act* was rewritten, all the assessment criteria removed and the project committee disbanded almost two years into the environmental review.

We remain opposed to B.C. Hydro's natural gas strategy.

The trust area covers the islands and waters between the B.C. Mainland and the southern Vancouver Island, including Howe Sound and as far north as Comox. The trust area is a unique and special place composed of thirteen major islands and more than 450 smaller islands. The area is dryer and warmer than surrounding areas, providing habitats for an exceptional variety of birds, fish, inter-tidal

life, terrestrial wildlife and vegetation.

Protection from the pressures arising from the area's proximity to major urban centres in B.C. and Puget Sound was provided by the *Island's Trust Act* of '74. Now thirty years old, the Islands Trust is a unique land use planning agency acting for both the residents of the trust area and the province generally, with a unique conservation oriented responsibility.

The proposed plant is less than two kilometres from Gabriola and three kilometres from Mudge Island. These islands will not experience construction spin-offs but could see tourism and real estate revenues diminished by the visual impact of the plant. The two vapour plumes will be up to 400 metres high, illuminated and visible from Mudge Island, Gabriola Island and all three ferry routes.

Mudge Island residents were recently surveyed, and of the 51 residents of the Island, 2 supported the plant, 5 were neutral and 44 were opposed.

The proposal also runs counter to Gabriola's goals as articulated in our official community plan, which aims to encourage the removal of existing sources of pollution and discourage activities or projects inside or outside the local

trust area which would reduce the natural and aesthetic values of the area.

Islands Trust Council has now passed two resolutions indicating that it does not support B.C. Hydro's natural gas strategy. Council's concerns are related to the potential for negative impacts on the marine environment had the pipeline gone ahead, the use for gas for the generation of electricity, greenhouse gasses and the impacts of the Duke Point generation plant on air quality and aesthetics near Gabriola Island.

Specially we resolved that

> "Trust Council strongly supports sustainable energy projects that do not add CO_2 gasses and other pollutants to the atmosphere; and that energy ownership and management must be controlled by Canadians; and that Trust Council opposes both the proposed GSX Pipeline and gas-fired generation projects on Vancouver Island."

The Islands Trust Policy statement articulates a vision for the future of the trust area and translates that vision into goals and policies of Trust Council. The policy statement was developed over a period of two years through a comprehensive public consultation process. Information was provided

to us from individuals, groups and other government agencies through presentations and more than 400 written submissions. High level of public participation and interest shown in the policy statement is reflected in the goals and policies of the statement. And we have based our position in regards to the proposed gas power plant on policies developed through this extensive community consultation exercise.

Besides directing Trust Council and local trust committees, the policy statement also suggests how other government organizations can contribution to the preservation and protection of the trust area. The policy statement also contains guiding principles which emphasis council's responsibility for leadership in promoting voluntary stewardship of the trust area resources and amenities, preservation and protection of the trust areas and environment, management of growth, utilization of local knowledge in decision-making processes and provision for public participation in these processes.

The policies that relate most directly to the proposed gas power plant, and that Islands Trust Council asks the panel to consider are as follows:

"3.1.3. Trust Council encourages all government agencies and non-government

organization to consider both monetary and non-monetary costs when making resource management and land use decisions.

3.1.6. Trust Council encourages actions and programs of other government agencies which prevent pollution of the air, land and fresh and marine waters of the Trust Area.

5.1.4. Trust Council encourages property owners, residents and visitor to reduce the burning of wood and fossil fuels by adopting alternative and innovative technologies.

5.3.1. Trust Council hold that the Area's local trust committees and municipalities should be consulted and involved in any decision-making process regarding the provision of a utility or transportation service or facility which might affect land use in their local planning area.

5.4.2. It is Trust Council's policy that neither hazardous nor industrial waste should be disposed of in the Trust Area…

5.8.1. Trust Council holds that public participation should be part of the decision-making processes of all levels of government."

In summary, our susceptible ecology is

1 sensitive to the impacts of climate change. We do not
2 support approval of a plant that emits over 800,000
3 tonnes of carbon dioxide a year and costs so much in
4 light of the appealing and available alternatives.
5 Our Islands Trust residents and land-owners value
6 conservation, renewable resources and sustainable
7 technologies. Please deny approval to the Duke Point
8 power plant and so enable the renewable and
9 conservation solutions that we seek.
10 Thank you.
11 **Proceeding Time 9:52 a.m. T3**
12 MR. FULTON: Ms. Malcolmson provided a written
13 submission. Mr. Chairman, if that written submission
14 could be marked Exhibit E-242.
15 THE HEARING OFFICER: Marked E-242.
16 (WRITTEN PRESENTATION OF MS. SHEILA MALCOLMSON, MARKED
17 EXHIBIT E-242)
18 MR. FULTON: Ian Gartshore. Is Mr. Gartshore here?
19 **PRESENTATION BY MR. IAN GARTSHORE:**
20 Thank you very much. Thank you for this
21 opportunity to be here today. I am grateful that you
22 have come to Nanaimo to give us a chance to speak.
23 When I prepared my submission I carefully
24 considered the mandate given to the Commission, namely
25 "The Commission has a duty to protect the
26 public interest and particularly the

interests of ratepayers by ensuring that public utilities provide safe and reliable service at a reasonable price."

I find it very difficult to understand how the Commission will be able to adequately discharge its duty given the lack of knowledge regarding the real cost to the ratepayers of the Duke Point Power Project. When I say "knowledge", I am referring not only to the lack of details regarding the contract signed between British Columbia Hydro and Pristine, I'm also referring to the very unknown future costs of the fuel and of the greenhouse gas price tag. I do not envy your job of completing this task of protecting the public interests in this project.

I would like to raise some specific issues pertaining to the ultimate cost to the ratepayer of building, operating and maintaining this project, and I'd like to add that I am a friend of B.C. Hydro's. I think that B.C. Hydro is a very unfortunate situation here. They have started a ball rolling that I think was politically motivated in the original intent, and I think they're caught in a place that is very hard for them too. So my points are not against B.C. Hydro. They're really to do with the cost of this project that was started years and years ago and is now culminating in this particular proposal.

The cost of this -- my first point. The cost of this deal, mostly secret between B.C. Hydro and Pristine Power. As the plant is most likely to be used as a peaking plant, we're not sure, I don't believe anyways, it is likely that B.C. Hydro and its customers will be charged for having the plant sit idle. How much will this cost the ratepayer? It is impossible to adequately assess the true cost of the project without knowing this information.

Number two, the cost of natural gas I much higher than was originally forecast by B.C. Hydro, roughly double, and most energy analysts say that the cost is likely to go up, not down. The cost of generating electricity from natural gas is now so high that natural gas is considered to be uneconomic by most energy companies in North America. At today's gas prices this plant will likely cost upwards of 100 megawatt per hour -- $100.00 per megawatt hours, possibly double that if it's used as a peaking plant. Over the entire service period we could be looking at a total cost of over $4 billion.

Point number three, the unknown cost of greenhouse gases, very likely to rise rapidly, will have to be passed on to B.C. Hydro and its customers one way or another. If these future costs were not passed on the consumer, the project would likely not

be financially viable and would go belly up. This would not improve reliability.

Point number four, currently B.C. Hydro charges postage stamp rates to all customers in the province. What if some future government were to end this practice and charged what is costing to create the electricity in each region of the province? We are not in control of what future governments decide to do. If our power were largely provided by natural gas here on Vancouver Island, more than anywhere else in the province, what would the price be to us here on the island and the islands? I shutter to think of the implications.

Point number five, regarding reliability. If we on Vancouver Island become even more dependent on natural gas for our power, what does it mean in the event of a terrorist attack on a gas line infrastructure or a major earthquake? How quickly can a gas line be repaired in comparison to a power line? What does this do reliability?

Point number six, which is another point about reliability, B.C. Hydro made their request for proposals very difficult by stipulating that the power source had to be available 97 percent of the time. This skewed the whole process in favour of natural gas. While I am no fan of coal and the resulting

1 mercury emissions from coal-fired power plants, other
2 projects were rejected because of this arbitrary rule.
3 Given the short period of time that Hydro says that we
4 need more power, isn't Hydro demanding a lot here by
5 the 97 percent rule? If Hydro truly wants reliability
6 and be a good corporate citizen, and I believe that
7 they do, how about this possibility? If several
8 smaller projects were to be built in place of this
9 Fast Cat Ferry II proposal, as some people are calling
10 it, which is being fast-tracked through, I might add;
11 then the reliability would be very likely increased
12 beyond what this plant can provide and, and this is I
13 think where your Commission's most interested, and at
14 a lower cost, if several smaller projects were brought
15 on line.
16 Point number seven, the law of supply and
17 demand applies here, and an earlier speaker, I think
18 Ruth has already mentioned this, if we keep in mind
19 that natural gas is a finite commodity, by selling
20 large quantities of natural gas to Pristine Power, the
21 price to other consumers of natural gas will have to
22 go up. It's a supply and demand. Thus this power
23 plant will not only increase our electricity prices in
24 B.C. by up to three percent, according on one
25 calculation, it will also increase the price of
26 natural gas to those of us who are already using it to

heat their homes and businesses. It is the same consumer one way or the other.

I believe that it is the responsibility of the Commission to watch energy prices on all fronts. Are you prepared to watch natural gas prices increase because of the plant? I think this is a cost we need to consider.

Point number eight, and my last point, I submit, the most important, by committing to this source of energy, committing large financial resources to this project, we are collectively investing in a dying form of energy production and away from renewable, now cheaper sources of electricity. When B.C. Hydro put out tenders for new sources of electricity it did not know that the B.C. Power Corporation was planning on renewing the cables to Vancouver Island. This is a new piece to the equation.

Before this announcement, wind farms could not be considered to be reliable since those cables are needed to balance its output with other sources of power, such as hydro. So now with the renewed addition of a new cable to the mainland, this whole equation has now changed since the Commission started this process. Several sources, renewable sources of electricity, working in tandem with out existing

structure, can now be considered to be just as reliable as is natural gas. If the BCUC in its wisdom turned down this plant, we would by necessity turn our focus on developing a number of exciting, sustainable, lower cost sources of power. We would have vision, we would have leadership in this country.

Over time more renewables would be built, more jobs would be created than with this project. Natural gas could be used to heat homes at twice the efficiency of the proposed plant, at least twice. Three to five sources, including tidal, wind, wood waste and small hydro, would be developed to fill the gap. It is likely with the huge amount of sea water that runs between Vancouver Island and the Mainland twice a day, all powered by the moon, we could likely develop enough energy on the Island to satisfy the current needs of the entire province. It is possible.

By turning to natural gas to help us out in a possibly one or two-year shortfall, just a short period of time, we will delay, greatly delay the development of the vastly superior alternatives and in the end we will cost the users, us, hundreds of millions of dollars in extra price. What a waste.

The bottom line, this plant is too costly on all fronts. The price of electricity, the price of natural gas, the price to the environment and the

price of delaying the building of sustainable projects will make us leaders in this country. I urge the BCUC to protect the public interest and to give a no awards to this proposal.

Thank you.

MR. FULTON: Mr. Gartshore also provided a written submission, Mr. Chairman, and if that could be marked Exhibit E-243.

THE HEARING OFFICER: Marked E-243.

(WRITTEN PRESENTATION OF MR. IAN GARTSHORE, MARKED EXHIBIT E-243)

Proceeding Time 10:02 a.m. T4

MR. FULTON: The next speaker is Kristin Miller.

MS. MILLER: It's going to take me about three minutes for the computer to set up.

MR. FULTON: While Ms. Miller is taking the time that she needs to set up her computer, I'll ask the Hearing Officer to provide her with the assistance that she needs. Also to give people a heads up on the next order of speakers, Ms. Miller will be followed by Norman Abbey. Mr. Abbey filed or notified the Commission Secretary. The notice didn't reach me prior to today, so -- and Mr. Abbey has the need to be away this morning. He's also had recent surgery, so he will follow --

VOICES: He's here.

MR. FULTON: Yes, Mr. Abbey will follow Ms. Miller. Doug Catley will follow Mr. Abbey, then Tony Fischer, Earl St. Denis, William Pearce, Jim Erkiletian and Guy Dauncey.

Can everyone at the back of the room see the screen?

PRESENTATION BY MS. KRISTIN MILLER:

MS. MILLER: I'm not Valerie, I'm Kristin Miller. I borrowed this computer and I'll begin in a moment.

Okay, here we go. All right. I'm just going to make one more adjustment so you see the big picture here.

It's got the little hourglass, it's starting the show. Okay. Sorry.

I'm grateful to the BCUC for giving ordinary people a chance to speak out about the Duke Point project, and I hope you'll bear with me if my presentation is a little more colourful than what you had expected.

Shortly after B.C. Hydro proposed building the power plant at Duke Point, I suggested making a protest quilt to oppose it. Fifty people from Nanaimo and Gabriola responded and six quilts were made. You may be wondering how relevant the quilts are to the scope of the hearings today. The quilts are an eloquent testimony of a very strong grassroots

opposition to the power plant. They speak out strongly in favour of sustainable energy and they advocate wise decision making, and the quilts are a visual reminder of some realities that B.C. Hydro would prefer to have ignored.

I had worked on my presentation for many weeks before I understood that there were strict guidelines about scope. I poured over the BCUC website trying to figure out what I could or could not say. I worried whether my sideshow was appropriate, and finally I decided to give it anyway because I'd invested so much time and effort into it, and oddly enough, not wanting to give up on what I had planned and worked on for so long has given me some understanding and some sympathy for B.C. Hydro's present position.

They have worked and planned for years to get a gas-fired power plant built at Duke Point, and they have spent tremendous sums of money on this project. It must be extremely hard for them to imagine giving up on their plan.

I hope that you will listen to the messages in the quilts even though they do not speak in the technical, logical, legalistic terms that the Commission is accustomed to. The quilts address environmental, social and political issues that the

BCUC is not allowed to take into account, so therefore I have followed B.C. Hydro's example, and I've simply redacted anything that might --

B.C. Hydro has given us very frightening predictions about brown-outs and black-outs if the Duke Point plant is not built. Frankly, I think the scariest black-outs are B.C. Hydro's redactions. The thick black lines that they have drawn to hide financial arrangements that will affect every taxpayer in British Columbia.

So now I'll let the quilters and the positive energy quilts speak for themselves, or maybe I'll read out loud from what they say. I don't know yet.

The short-terms decisions we make in our communities today will have long-term effects often for generations to come. Islanders are concerned about effects on their rural environments; people in Nanaimo object to how the power plant would effect their town. Fifty people were involved in making the quilts. A quilter who could no longer even sew donated two stars that she had made twenty years before. The quilters want sustainable energy sources, green energy solutions, they want alternatives to fossil fuel, and we used public quilting to spread our message. As we stitched we talked to people passing

by, and people took part who never did anything political before, because they are interested in art or in quilting and we did attract a bit of attention now and again.

You look at the quilts from a distance and they are so pretty. Then you come closer and they just suck you in and you see the strong messages. If corporations keep on getting their way, it will be downhill for us and the animals and nature. And the little sign is "B.C. Hydro's pretty bag of promises."

"I don't paint pretty pictures," said this artist, "but my paintings reflect what I see. We need to make things better for the people that come after us." And this is one of her squares saying, "B.C. Hydro, you've got things backwards. Turn on the light bulb and start using your brains." "I'm using my art as a political statement." "Global warming is a reality, pollution is a reality; these facts are lost in the race for money and power." "This is the first time I thought of leaving Gabriola since coming here 24 years ago."

The quilters depicted black emissions and roaring flames, even though they knew that only white steam would come from the stack. "I don't care what Hydro says, it's still dirty, still loaded with particulates and pollutants, it still adds to global

warming, I still don't want to breath it." "What a bleak future if we planned with the short-sighted vision of wealth and a barracuda mindset." And there's a penny there under the eyeglasses.

I sewed on a real leaf but the leaf got all crumpled and started falling apart and that became part of the message, "Be careful of nature." "This fish needs clean air, clean water; this tree needs clean air and clean water." "Protecting the ocean means protecting the air, land and waters that flow into it." "When we harm one corner of the world's ocean, we harm the whole." "Green is destroying our essential elements." "North America uses more than it's share of the world's resources and doesn't take responsibility by honouring the Kyoto Accord."

For some quilters, the most galling part of Hydro's plan was the involvement with its American partners and the concern that Hydro's real goal was to sell more electricity to the States. Gas for the plant would come through Washington State by way of the GSX Pipeline. Many people in British Columbia and in Washington State oppose the pipeline for ecological, economic and political reasons. The quilters joined many others in protesting and quilted on the sidewalk outside a Hydro information session as well as other events.

We marched outside Hydro meetings, environmental reviews and public utility hearings and took our quilts to parades, rallies and art galleries, and we did have a bit of attention from that.

We were pleased when the Utility Commission sent B.C. Hydro back to the drawing board, but a year later the Duke Point project reappeared. The old American partners are gone, the GSX Pipeline has gone, but little else has changed. Duke Point Power, a private company with Australian investors and apparent ties to a company in South Carolina, will buy Hydro's project and build it instead. The new plant will be built in the same place, burn the same fuel, produce the same emissions, it just won't be owned by B.C. Hydro.

Hydro's sale of its generators at a cut-rate price creates an artificial saving, and what was once too expensive can suddenly look cost efficient. But the quilters' message remains the same: No, don't burn fossil fuels. Don't pollute the water. Why not use wind power? Does this project really even add up.

The source is a son of green energy and a beacon of hope for the future of our children's children. Our children and their children are going to pay the price if we continue present practices. Try to make a difference. Most of society is born and

lives and dies and says, "I'll do it tomorrow," and doesn't ever do it. It took a long time to sew my square. I had lots of time to reflect on how we should be protecting our environment. Short-term decisions have long-term effects. Think about the world our children will inherit. Will we have squandered our resources? Will we leave a legacy of extinct life forms, limited natural resources and a blighted environment? We are to borrow, not to take. We need to make the world better for the people who come after.

What we do affects our neighbour, whether the neighbour is over the fence or on the other side of the world and the earth is in the balance. The earth, our mother, gives us beauty, inspiration, challenge and response. We can open our creative imaginations to harmonious gentle ways of being upon the earth. There are choices.

But Hydro is still unwilling to seriously consider alternative energy sources and are pushing hard for a gas-powered plant at Duke Point, so the fight continues. Every stitch we make is a testament to creative love. The quilters are fighting a spiritual battle and that we can win.

My dear grandsons, when I was a kid, we loved winter for icicles. We used to suck them like

you do popsicles. With high temperature incinerators in Europe now, the snow is called industrial snow, the slush is grey-brown from sulphur, mercury or more, and if I allow you to suck an icicle, then I am harming you. When I was a kid, we had 20 times less power than we have today. Tell me, are you 20 times happier now?

Quilting is an example of working together to achieve something that future generations will treasure. Willingness, patience, cooperation and the ability to see a bigger picture from a small beginning, these are also the building blocks of a healthier world for us all.

Three of the positive energy quilts are in New Zealand right now in an exhibit of art and social activism, but the other three quilts are here and can be viewed outside the Coast Bastion at the demonstration scheduled for the lunch hour. I hope the Commissioners will join us outside to enjoy the music, the giant puppets and the festivities and to see the community energy and opposition that the Duke Point project has stirred up.

Thank you for the chance to speak.

MR. FULTON: Mr. Chairman, before Ms. Miller leave the mike it would be helpful for me to know whether the presentation she just made is a presentation that she

1 has already submitted to the Commission. One has been
2 marked as an exhibit, which was a letter of comment of
3 January 10th, along with a CD.
4 MS. MILLER: I sent a CD. It was longer than this one.
5 I've shortened it and I've changed it to make my
6 points. The written part I sent you was not in that
7 letter, but all of the images and a more longer
8 versions of the words that were written on the CD.
9 MR. FULTON: Thank you. Then I would ask that this
10 presentation be marked the next exhibit, Mr. Chairman.
11 E-244.
12 THE HEARING OFFICER: Marked Exhibit E-244.
13 (WRITTEN PRESENTATION OF MS. KRISTIN MILLER AND SLIDE
14 PRESENTATION CD, MARKED EXHIBIT E-244)
15 **Proceedings 10:20 a.m. T5**
16 MR. FULTON: And while we're waiting for Ms. Miller to
17 become disconnected --
18 MS. MILLER: I'm disconnected already.
19 MR. FULTON: If in the subsequent speakers when they come
20 forward, if their presentation is a presentation that
21 they've filed with the Commission, if they could say
22 so at the outset, because the submission may well have
23 already been marked an exhibit.
24 THE CHAIRPERSON: Ms. Miller's un-redacted version of the
25 presentation has been marked in this proceeding, I
26 think, as Exhibit E-14, and Commissioner Boychuk and I

reviewed it at the end of the day yesterday.

MS. MILLER: Thank you.

MR. FULTON: Norman Abbey.

PRESENTATION BY MR. NORMAN ABBEY:

The Society Promoting Environmental Conservation thanks this Commission for this town hall opportunity to share our views about the gas plant proposed for Nanaimo, and we'd also like to thank the Georgia Strait Crossing Concerned Citizens Coalition for agreeing to represent our concerns at the actual hearing, which is to be held in Vancouver. I would like to thank Mr. Fulton as well for sorting out the confusion.

SPEC has a long-standing interest in energy issues. Our primary concern is with the air pollution and greenhouse gas produced by fossil fuels and the resulting economic, environmental and health costs. An independent analysis conducted in 2002 by SENES Consultants for SPEC for the GSX CCC and the David Suzuki Foundation found that Duke Point would pump dangerous amounts of nitrous oxide, sulphur dioxide, fine particulate matter and other harmful pollutants into the Nanaimo and Georgia Basin air shed.

SPEC participated in the Utilities Commission proceeding which rejected the Duke Point Vancouver Island generation project gas plant in 2003,

1 and SPEC is also an intervenor, along with the B.C.
2 Government, in opposition to the proposed gas plant,
3 the Sumas 2 gas plant near Abbotsford, and we were
4 part of a wide coalition that halted construction of
5 nuclear power plants on Vancouver Island in the 1970s.
6 B.C. Hydro's attempt to bypass the B.C.
7 Utilities Commission review of the VIGP was best
8 summarized for me in 2002 when B.C. Hydro's Larry Bell
9 admitted that
10 "Perhaps some of the shortcuts with respect
11 to regulatory review in hindsight were not
12 appropriate".
13 In hindsight, of course, we all make
14 mistakes. But repeating the same mistake over and
15 over is a different story. B.C. Hydro again wants to
16 avoid fair examination of this latest version of the
17 VIGP by attempting to limit the scope of the hearing,
18 by limiting the time frame of the hearing, by
19 withholding critical financial information and by
20 delaying responses to information requests until the
21 cross-examination phase. If this combination of
22 secrecy, haste and stonewalling is allowed, it's bound
23 to undermine public confidence, not just in B.C. Hydro
24 but in the regulatory process itself.
25 There is simply no way that the public
26 interest can be served if the public doesn't know

1 what's going on, and how can they when key
2 information, such as the electricity purchase price,
3 is blacked out?
4 During the VIGP hearings SPEC was
5 disappointed that B.C. Hydro was unable to provide us
6 with the financial costs of the greenhouse gas they
7 propose to emit. Therefore, we are very glad to see
8 the evidence of Professor Jaccard, who pegs the
9 greenhouse gas liability cost for this project at
10 $22.00 per megawatt hour. That shouldn't really be
11 surprising when you consider the economic cost of
12 draughts, floods, fires, ice storms, pine beetles and
13 so on, that result from climate change. But the
14 astonishing thing to me is that anyone would even
15 consider building a gas-fired generator in a province
16 like British Columbia at all, particularly when
17 numerous studies, including B.C. Hydro's own study in
18 2002, have identified massive opportunities for clean,
19 renewable electricity.
20 This single $22.00 greenhouse gas liability
21 cost, that one single cost alone amounts to more than
22 half of the total -- and I'm thinking $35.00 per
23 megawatt hour; the $22.00 just for the environmental
24 liability is well over half of the total cost of our
25 existing clean hydro generated electricity. In
26 addition to the massive renewables, there are many

opportunities for conservation, load shifting and demand management that should make Vancouver Island's alleged capacity shortfall in the winter of 2007 a non-problem.

Now, of course, the VIGP did pass B.C.'s EAO environmental review. Essentially that's because carbon dioxide is an unregulated gas, in spite of its role in causing climate change, i.e. since there is no law they didn't break it. Likewise, it's somewhat discouraging that even though B.C.'s new climate change plan which was released just before Christmas does call for reduced greenhouse emissions, B.C. Hydro and Duke Point Power propose to do the exact opposite, emit 800,000 tonnes of carbon dioxide every year.

This Commission found in 2003 that VIGP was not the most cost effective solution. That also was not surprising with our existing hydroelectricity costing about $35.00 per megawatt hour, I believe conservation potential and the clean renewables are more in the range of about $60.00, but gradually falling, and the gas-fired Duke Point generator, even by Hydro's own estimate, was going to be at least $68.00 per megawatt hour, and that's with gas prices that were already rising and by all accounts they're likely to continue rising.

Other independent analysts predicted that

the VIGP electricity would cost more like $90.00, and I note that the JIESC, the Joint Industry Electricity Steering Committee evidence before you now says that this latest version of the gas plant could end up costing over $200.00 per megawatt hour.

Usually such wide discrepancies as that would call for even closer examination, as opposed to the expedited process that is presented unfolding, especially after the Commission finding that B.C. Hydro had exaggerated its -- the VIGP forecast shortfall or deficit by almost double. The new evidence also before you from Steve Miller indicates that Hydro is still doing the same thing.

Apart from handing this project over to a private corporation, except for the gas price guarantees and the greenhouse gas liabilities, which I understand the public gets to keep, the customers and ratepayers, what if anything has really changed that suddenly makes the most expensive option the least expensive? The only factor that I can see appears to be that even though B.C. Energy Minister Richard Neufeld promised that VIGP assets would not be sold off to the private sector at fire sale prices, we're now advised that Hydro does indeed intend to sell their $120 million investment to Duke Point Power for only $50 million, and again it's the ratepayers, B.C.

1 Hydro and the customers at the end of the day who get
2 to write off the other $70 million.
3 Do we even need it? Do we really need to
4 spend $350 million and make a 25-year commitment to
5 fossil fuel technology into a -- just in order to
6 avoid what might, if it materializes at all, it might
7 cause an extremely temporary inconvenience on
8 Vancouver Island, and one that could be resolved with
9 a single phone call?
10 Apparently transitory brown-outs in the
11 winter of 2007 actually could happen in theory, but
12 only if all of the following occurs simultaneously:
13 The 230 kilovolt line is not yet completed before the
14 high voltage DC cable is de-rated, zero-rated I guess
15 I the word, and the HVDC cable is actually out of
16 service, not just on paper, and one of the Cheekeye
17 Dunsmuir cables is also out of service at the same
18 time, and a cold week snap -- weekday peak load occurs
19 in the winter of 2007, and Norske and/or other large
20 electricity users abandon their offer to turn the
21 chippers off and grinders for a few hours if
22 necessary.
23 Perhaps that all is pretty unlikely, but
24 what if all these things actually did happen at the
25 same time? There's no doubt that power outages are
26 unwelcome, however temporary. People have to dig out

extra sweaters and perhaps have a candle light dinner cooked on a camp stove.

According to B.C. Hydro's Ted Olynyk, people's reactions to the present outages with the snow, caused largely by inadequate pruning of trees along the transmission lines, "have been generally patient and understanding". Will that public be equally understanding about spending hundreds of millions of dollars on an unnecessary polluting gas plant while further neglecting development of the abundant clean energy resources that B.C. is blessed with? Or other priorities like earthquake proofing elementary schools.

SPEC and many others would so much prefer to work cooperatively with B.C. Hydro instead of wasting yet more time and money on this gas plant. We're doing what we can to promote sustainable energy solutions. The City of Nanaimo is doing what it can by purchasing hybrid vehicles, upgrading to energy efficient lighting systems through the FCM's Partners for Climate Protection.

The Regional District of Nanaimo is leading in recycling programs and especially in recapturing methane at the RDN landfill. And thousands of individual Canadians are taking up the one tonne challenge to achieve our Kyoto commitment.

1 Perhaps B.C. Hydro might consider an
2 800,000 tonne challenge instead of poking us in the
3 eye with a stick.
4 SPEC urges the Commission to protect the
5 public interest by rejecting this EPA in favour of
6 non-fossil bridging options that include serious
7 conservation efforts, replacement of Vancouver
8 Island's highly inefficient baseboard heaters and by
9 revisiting Norske's offer to turn off the chippers if
10 necessary for a few hours in 2007, which would be in-
11 comparably cheaper and also buy us time to catch up
12 with the rest of the world on developing sustainable
13 energy.
14 If anything should be fast-tracked or
15 expedited, perhaps it should be the 230 kilovolt cable
16 rather than this review. And moreover SPEC strongly
17 agrees with Dr. Jaccard's suggestion that it would be
18 wise to await the outcome of the Integrated
19 Electricity Planning process before committing
20 Vancouver Island and effectively all B.C. Hydro
21 customers to this substantial and long-term financial
22 liability.
23 Thank you for your time.
24 MR. FULTON: If Mr. Abbey's presentation can be marked
25 Exhibit E-245.
26 THE HEARING OFFICER: Marked E-245.

(WRITTEN PRESENTATION OF MR. NORMAN ABBEY, MARKED EXHIBIT E-245)

Proceeding Time 10:34 a.m. T6

MR. FULTON: Doug Catley.

PRESENTATION BY MR. DOUG CATLEY:

MR. CATLEY: Good morning. I'm Doug Catley and this morning I'm speaking on behalf of the Nanaimo constituency for the Green Party of B.C. I was an intervenor in the last round of talks, and I made a presentation to the same body some time ago and I feel that I should be able to say "ditto" and just refer you to my previous presentation.

However, as I started to write this I decided that I will, once again, make several points that concern the local Green Party, and I would suggest that the proposal to build a gas-fired generating facility at Duke Point is even less reasonable than it was a couple of years ago.

As you might expect the environmental implications of this proposal are a major area of concern for the Green Party. While other countries are striving to cut back on the use of fossil fuels and finding it increasingly beneficial both financially and environmentally, this proposal is suggesting that we rush head-long in a direction that is becoming more and more obviously absurd and

1 dangerous to the environment.
2 It is becoming increasingly obvious that
3 what used to be called hidden environmental, or
4 collateral environmental, or environmentally of
5 concern issues, are very real and bring very real
6 costs to the balance sheet when calculating
7 feasibility.
8 It is groups like your own, acting in a
9 brave, bold, and intelligent manner, that must refuse
10 to leave these considerations out of financial
11 feasibility and risk assessment reports and
12 investigations. To say that it is not within the
13 mandate is no longer reasonable, and indeed possibly
14 irresponsible.
15 There are social concerns as well. The
16 communities of Port Alberni, Cowichan, Nanaimo and the
17 larger community of B.C. have told you that they find
18 this proposal to be wrong for their communities. We
19 were told that there were no options and we have
20 proven that there were. We were told that undersea
21 cables were an impossible option and now they are
22 being planned. We were told that a new pipeline was
23 absolutely necessary, and now it is not. We have been
24 told that this proposal is necessary and there is much
25 evidence to show that it is not.
26 Surely there is a social cost that has to

be factored into the feasibility study. The development of cynicism, mistrust of public officials and lack of confidence are costly. To continue to build while ignoring the feelings of so many in this community has a huge cost.

At a recent council meeting a motion was considered. That's City Council. The motion was considered and not defeated, to withdraw support for this proposed plant. This is a big change of thought on their part and is further proof that more and more members of this community and our representatives do not support the project.

Again, it will take courage and commitment to inclusive and long-term intelligent thinking to include this cost in the mandate that you have.

And then there is the economic feasibility that should be easier to calculate. Numbers never lie. But how can you have accurate economic feasibility costs be calculated when there is an expectation by the proponent that gas prices will fall significantly when we are talking about a resource that will become increasingly rare. Which economist would suggest that prices will go down when supply goes down and demand increases?

In other countries the production of electricity using green alternatives is matching the

fossil fuel price or beating it. Some years ago in Denmark, under a new minister -- that was pretty extreme -- was determined to support the gas companies and found it necessary to subsidize the fossil-fuel burning generating companies so that they could compete with cheaper wind power generation.

The local Green Party would ask this Commission to reject the proposal to build the generating station at Duke Point and to recommend that B.C. Hydro spend the money they were going to spend on forward-looking green sustainable energy production and conservation that will meet the needs and desires of this community. We ask that you be courageous, set precedents that will be looked back on with admiration and make the decision that will be good for the local community, the larger community of B.C. and indeed, the plant.

We have to start somewhere and here's the place. And we think that now is the time.

On behalf of the Green Party of Nanaimo, I'd like to thank you very very much.

MR. FULTON: Mr. Catley's presentation will be marked Exhibit E-246.

HEARING OFFICER: Marked E-246.

(WRITTEN PRESENTATION OF MR. DOUG CATLEY, MARKED EXHIBIT E-246)

1 **Proceeding Time 10:38 a.m. T7**
2 MR. FULTON: Tony Fisher.
3 **PRESENTATION BY MR. TONY FISHER:**
4 MR. FISCHER: Good morning. My name is Anthony D.
5 Fisher. I live in Cobble Hill here on the Island. I
6 hold a Ph.D. degree in anthropology from Stanford
7 University. I am Professor Emeritus from the
8 University of Alberta, and I have been retired for the
9 past 10 years.
10 Five years ago I became involved in the
11 issue of electrical energy for B.C. Hydro customers on
12 Vancouver Island. I got involved when Hydro proposed
13 building a large high pressure natural gas pipeline
14 across the State of Washington, the Georgia Strait,
15 the satellite channel and onto the Island in Manley
16 Park, less than a kilometre from my home.
17 At first I was simply a NIMBY, but as I
18 became more involved I also became more aware of how
19 mistaken a natural gas generation strategy for
20 Vancouver Island was. I became an intervenor in the
21 GSX pipeline, National Energy Board Canadian
22 Environmental Assessment Hearings, and an interested
23 party in the BCUC Vancouver Island and Energy
24 Corporation Hearing. As a result, I got to know the
25 members of the GSX Concerned Citizens quite well. So
26 well that in fact when I offered to become a director

of that organization, they accepted me. Although now I'm a director of the GSX CCC, I do not speak for them or their organization. I speak only for myself, an interested party, in the VIGP or Duke Point power issue.

In July of 2003 I requested the BCUC not give the VIEC a certificate of public convenience and necessity. Today I'm requesting that the BCUC not approve the energy purchase agreement between B.C. Hydro, Duke Point Power and Pristine Power. As was the case for the George Strait pipeline and the Vancouver Energy Corporation proposal, it is the wrong solution to the wrong problem. It will cost too much in both the short and long runs. It will continue the mistaken proposition that Vancouver Island's energy future must be found in an on-Island gas-fired electricity generation, down-grading or ignoring other possibilities such as renewing the sub-sea cables and on-Island generation using renewable or green options.

These mistakes seem to be the result of a 1996 provincial government study regarding electrical energy and Vancouver Island. This resulted in a EPA with the Campbell River's ICP and the search for other sites for gas-fired generation in Port Alberni, North Cowichan and Duke Point.

Like the previous proposals, Duke Point

1 proposal does not include concrete information about
2 how the plant will get fuel, from what pipeline, with
3 what capacity and what will the tolls be. It doesn't
4 include from whom the fuel will be purchased, at what
5 cost, in what volume, in what duration. After all,
6 the Duke Point/Pristine Power proposal is to import
7 natural gas to Vancouver Island in order to transform
8 it into electrical energy by burning it. The cost of
9 natural gas and the transportation tolls are primary
10 costs for the process.
11 In the earlier hearings, GSX and VIGP, I
12 pointed out that the availability of natural gas in
13 western North America was shrinking. The western
14 Canada sedimentary basin is producing less and less
15 each year. New sources of gas, unconventional
16 frontier, off shore, coal-bed methane will be more
17 expensive than gas today. Today's gas is almost three
18 times more expensive than the gas destined for GSX
19 pipeline. These fuel costs would be passed through to
20 the B.C. Hydro, B.C. Transmission Corp customers.
21 It would be very bad for Hydro's customers
22 for the Duke Point Plant to be built, contracting gas,
23 at whatever the commodity price will be for the next
24 25 years. It would be worse for industrial customers,
25 and it would be very very bad for economic prospects
26 for Vancouver Island and the province.

This latter point is illustrated by the bankruptcy of Mirant Corp, a formal builder and operator of natural gas-fired generation plants in the U.S.A., and by the price of Calpine Corp. stock. Calpine once backed out of the Port Alberni Co-Generation Plant proposal. Calpine stock fell to less than a dollar and it's still under $4. It was $57 U.S. before the Enron fiasco.

The Duke Point proposal is not good for the environment either. It's very clear that thermal electricity generation plants are the number one polluters in North America. Although natural gas is not as bad as some of the other fuels, it must be burned to produce heat and electricity and burning creates greenhouse gasses and particulate.

It is not clear that the Duke Point project LP has been given specific approval by the Environmental Assessment Office. There is the idea that the approval of VGIP, once given by the AEO [sic] and three cabinet ministers, became a piece of property which can be sold to another corporation like a stock certificate or a document of value. This does not seem wise because the Duke Point Power proposal is considering alternate fuels not included in VIGP.

When the Environmental Assessment Office approval was given, it included the idea that

environmental effects of the plant's operation could be mitigated. As I have come to understand it, to mitigate is, in this context, does not mean limiting or stopping the pollution of the air shed. It like the AEO [sic] becomes a marketable item. This does not give the residents of Gabriola, Salt Spring, Thetis, and Kuper Islands and the residents of the east coast of Vancouver Island much comfort. We will still breath the particulate and contemplate the irrelevance of the Kyoto Accord.

As was the case with the GSX, the Port Alberni and Vancouver Island Generation plants, the proponents of the Duke Point plant say there's a pressing need for an immediate approval of their project because we will soon be short of electrical energy. The reason is that Hydro will be de-rating the sub-sea electrical cables which now supply the bulk of electricity to Vancouver Island.

In 2000, Hydro said this shortage was coming now, the winter of 2004-2005. We, in the Cowichan Valley, did have an electrical failure recently, we were without lights and without heat for about sixty hours, an involuntary exercise of load shedding. It was a failure of transmission similar to the grid black-out a year ago in Central Canada and the United States, not a failure in capacity.

The fear that there will be a failure of reliable power in 2007-2008 is based primarily on the idea of increased demand, a concept derived from population and employment statistics, and the government study of 1996. B.C. Hydro has a history of over-estimating this phenomenon. In my submission to the GSX Joint Review Panel, I pointed out that B.C. Stats had said recent population growth in Vancouver had been very modest and was predicted to continue modestly for the next five years. I pointed out that the economic growth was also modest. I said that we were talking about trends on Vancouver Island, that the fact that this was an Island makes it different from the North American mainland. Using standard forecasting techniques in this case is misleading.

I think the impending energy crises has been overstated and the voluntary load shedding proposed by some industrial customers would suffice until the sub-sea cables are renewed or replaced in 2008 as proposed by the B.C. Transmission Corp.

Finally, I've not heard what Pristine Power has as a track record when building gas-fired generation plants. I feel that B.C. Utilities Commission is responsible for examining this matter while considering whether Duke Point Power is the most cost-effective solution as it is said by B.C. Hydro or

as the proponent claims, "the most suitable cost competitive project".

A long-term energy purchase agreement would neither be cost effective nor cost competitive if it was with an untested, unknown company. The major investor in Pristine Power would seem to have deep pockets, but I doubt that that investor would be willing to bail out B.C. Hydro or B.C. Transmission Corp. customers in the event of delays or failures on the part of the proponent.

I request that the B.C. Utilities Commission deny the approval of the EPA with Pristine Power and Duke Point Power. As said above, a gas-fired electricity generating plant is not a solution to the real electrical energy issue of Vancouver Island. Natural gas is a non-renewable energy source, and there's no infinite supply, even if the moratorium on digging up the Queen Charlotte basin was to be lifted.

Gas will be expensive, leading to expensive electricity and other costs to the B.C. consumer. Burning gas generates greenhouse gasses and particulate, neither of which is good for the plant or the people. Based on their record, Duke Point Power, Pristine Power, do not seem clear choices to undertake this very large, very expensive project.

1 Load shedding by industrial customers,
2 Power Smart, and renewed sub-sea electrical cables are
3 available cost-effective alternatives. There are
4 alternative energy systems for Vancouver Islanders to
5 investigate and develop. The progress of these
6 alternatives would be inhibited by continuing to
7 invest in and by a commitment to the 20th Century
8 technology of natural gas-fired generation of
9 electricity.
10 Thank you.
11 MR. FULTON: If Mr. Fisher's presentation could be
12 marked Exhibit E-247.
13 THE HEARING OFFICER: Marked E-247.
14 (WRITTEN PRESENTATION OF MR. ANTHONY D. FISHER, MARKED
15 EXHIBIT E-247)
16 **Proceedings Time 10:52 a.m. T8**
17 MR. FULTON: Earl St. Denis.
18 **PRESENTATION OF MR. EARL ST. DENIS:**
19 Good morning. My name is Earl St. Denis,
20 I'm a resident of Gabriola Island, and I'm a
21 practicing Professional Engineer.
22 I'd like to begin by thanking you for
23 coming out on a Saturday. You folks get weekends too.
24 My presentation is a very simple one, and
25 it's been alluded to by Ruth Chase, and nor do I have
26 pizzazz of the quilters to bring to you, but I think

it's an important one. And I'm sorry for being technical about this, but the problem with this project when you use electricity to provide space heating, heating hot water, residential and so on is that this is literally thermodynamic suicide.

The second law of thermodynamics, which is as well established as the constancy of speed of light says, if you try to take heat and make work out of it, this is a very, very inefficient way to go about doing your business.

Traditional thermal generation, power plants that we find all over North America, run about 40 percent efficient. This means that 60 percent of the energy that you feed into these plants is wasted.

We're proposing to bring to Vancouver Island a gas-fired power generation facility, which according to my calculations, which is in my presentation, E-138, is based upon General Electric's current forecast of efficiencies and their new H-series generation facilities, and that is about 55 percent efficiency. And when you do all the arithmetic for losses and so on, we find ourselves wasting 40 percent -- 47 percent, excuse me, of the gas that goes into there. Just wasted. And this is not something, you know, you screw down the nut tighter or something. This is unfortunately what

1 you're dealing with here. This is a fundamental
2 scientific fact.
3 So, if we take two cases, for example, Case
4 A where we heat our homes with electricity, which I
5 do, I live on Gabriola Island, there's no choice; or
6 B, Case B, we heat it directly with natural gas. You
7 find to generate the same amount of power to heat a
8 home with electricity as you would directly use of
9 natural gas, you use 65 percent more natural gas.
10 This is a staggering number. You're wastefully
11 burning 65 percent more gas than you need to. If we
12 take some money and put it into getting greater
13 penetration of natural gas into space heating
14 requirements, that can be saved.
15 As a young engineer we were playing with
16 gas costs of under $1.00 per thousand cubic feet. Now
17 that number is $6.00 U.S. per thousand cubic feet.
18 The 65 percent inefficiency translates to Duke Point
19 Power paying $10.00 per thousand cubic feet of natural
20 gas. I mean, this just staggers me. I mean, if we
21 took any amount, a fraction of the funding that's
22 going to go into this project and put it into an
23 effort to gain a greater penetration of natural gas
24 for space heating, the point first and foremost is
25 economic, but others have spoken more eloquently
26 towards the environmental issues. We're generating --

we will generate 65 percent more pollutants than if we use direct penetration of natural gas.

So, that's my point, and I thank you for your time.

MR. FULTON: William Pierce.

Proceedings Time 10:55 a.m. T9

PRESENTATION BY MR. WILLIAM PEARCE:

Mr. Chairman, Madam Commissioner, my name is Bill Pearce. I'm a lawyer and I'm from Victoria. I came here today because of my concern over the global warming implications of this project.

But before I embark upon a discussion of my concerns, I was interested to know what your terms of reference were, and I looked at the *Utilities Commission Act* and I note that the public interest is sort of the prime focus of your hearing. But I also looked at your 2003, your September, 2003 decision, which I meant to bring with me and I forgot to. And what I observed was that you made reference to a number of cases on public interest to show the broad nature of that terminology. To show that the Commission really has an open-ended mandate to look at all the implications of a particular project.

However, at the beginning of the decision you made reference to two energy policies which were issued by government, which appeared to mandate the

1 Commission to focus on the lowest cost alternative. I
2 could -- I tried to find some -- whether there's any
3 legal basis for that, and I could find nothing. In
4 other words, those policies, and Mr. Fulton I'm sure
5 will correct me if I'm wrong, don't have any legal
6 force.
7 It appeared to me from reading the decision
8 that you felt it had legal force because the focus
9 appeared to be entirely on the cost implications. And
10 what I would urge you to do is to look, review your
11 mandate. You don't have to look at cost, lowest cost
12 only. You have to look at what is in the general
13 public interest. And it's my proposition that when it
14 comes to the global warming implications, that trumps
15 cost implications by a country mile when you consider
16 the seriousness of the global warming implications.
17 Cost is important and it has to be a factor.
18 And I'd just like to remind you of some of
19 the provisions in the *Act*, because Section 38 states,
20 amongst other things, "that a public utility must
21 provide a service that is just and reasonable". There
22 is no mandate for a public utility to find the lowest
23 cost solution.
24 And under Section 71, again the focus is to
25 determine whether the contract is in the public
26 interest. It's totally open-ended. And you are

1 entitled to reject the contract if it's not in the
2 public interest by reason of price and availability,
3 which I'd like to address, "as well as any other
4 factor that the Commission considers relevant to the
5 public interest". Nothing could be broader than that
6 language.
7 And Section 75 requires the Commission to
8 make it's decision on "the merits and justice of the
9 case". It states you are not bound to follow legal
10 precedent. So I urge you not to consider your 2003
11 decision as mandating you to consider the cost
12 implications.
13 The global warming implications I'd like to
14 address by quickly making a reference to an extract
15 from End of World by Paul Roberts, because he states
16 that in order to -- to stabilize at 550 parts per
17 million $C0_2$ in the atmosphere, that we need to peak
18 around 11 tonnes a year, somewhere between 2030 and
19 2035, before we fall off quickly. What's important
20 upon the 550 is that that is the dangerous level of
21 warming and damage, especially in vulnerable areas and
22 low lying countries, and most climate scientists would
23 prefer to see concentrations stabilized at 450 parts
24 per million, which is about 20 percent higher than
25 current levels. At 450 parts per million we might
26 avoid most long-term effects and suffer a warming

1 light with moderate loss of shoreline, moderate loss
2 of species, moderate decertification and so on and so
3 forth. Hurricanes, floods and so on.
4 So, 550 is sort of the max, but -- to
5 achieve that we've got to reduce our emissions just to
6 -- in the United States to one-sixth of the per capita
7 emissions that we're emitting right now. And Canada
8 is in exactly the same boat. To meet that goal United
9 States, and read in Canada, would have to by the end
10 of the century need to cut its total emissions by 70
11 percent. And the only way we're going to have a
12 chance of stabilizing at that sort of 2030 deadline is
13 to wean ourselves from fossil fuels immediately. We
14 can't afford to wait. We've got to seek these
15 alternative solutions now. And that is why, in my
16 view, it's just not acceptable in this day and age for
17 B.C. Hydro to accept a fossil fuel solution when we
18 have these alternatives.
19 Unfortunately B.C. has not put much money
20 into alternate fuels and alternate energy sources. I
21 spoke to my nephew just a couple of days ago who is at
22 U Vic. taking an alternative energy course, and he's
23 told that B.C. has the greatest potential of any area
24 in the world with respect to tidal power. What kind
25 of money are we putting into that? Nothing that I'm
26 aware of. There's two other countries that I know of

1 who have prototype systems up. They're heavily
2 subsidizing tidal power as a source. We should be the
3 leading front in the world if that's -- if what he
4 says is correct.
5 Wind power, even the United States
6 subsidizes it's wind power. We've got Germany back in
7 1990 started to subsidize it's wind industry quite
8 heavily, and it's now to the point where one-seventh
9 of its electricity is supplied with non-fossil fuels
10 and they hope by 2050 that it will be 50 percent.
11 We haven't even started, and I implore you
12 that the only place we can start is for you
13 Commissioners to force Hydro to seek alternatives that
14 are non-fossil fuel alternatives. And even if it
15 means that we have to pay a little bit extra to allow
16 these systems to come on-stream, so be it.
17 So that is the -- that's the first thing I
18 want to say. The second thing I want to allude to is
19 the cost of gas. I've referred to a Association for
20 the Study of Peak Oil and Gas newsletter of January,
21 2005. ASPO is a network of scientists affiliated with
22 European institutions and universities having an
23 interest in determining the peak oil. The
24 representatives are from 13 European countries plus
25 the U.K., and on the graph that I submitted to you
26 you'll see that peak oil is going to peak in terms of

1 conventional sources around 2006, and all sources
2 around 2007. That's including your tar sands and oils
3 derivative from coal and shale and everything else.
4 Taking that into account. But just conventional
5 sources alone is -- we're hitting the wall just around
6 the corner.
7 Now, why is this important for gas? It's
8 important for gas because gas is going to be the
9 bridge energy that's going to take us -- before we can
10 develop these alternative energies. We've got a huge
11 demand curve that's gone up like this to the peak
12 where we're at right now or we're very close to the
13 peak. That demand curve is going to continue up for
14 the rest of the world. You just see China and India
15 coming on stream. We know the impact of that. Just
16 the United States alone is going to double its
17 population in the next 70 years, and they're already
18 taking one out of every four barrels of oil for its
19 energy needs. You've got the rest of the world that's
20 predicted to go to 12 billion in the next 70 years. I
21 mean, your energy needs are going to go just right off
22 this scale, and the only thing that we've got to
23 bridge the gap until we get to other alternative
24 energies is natural gas.
25 So there's going to be a tremendous demand,
26 and you've got these LNG terminals are springing up

all over the place, even Canada has one, because the truth of the matter is we've only got two percent of the world's natural gas as we speak. And even though there's more abundant sources of gas around, the fact is we're going to have import it and it's going to be hellishly expensive to import because of the facilities, the cost of transportation, and we don't have the reliability of the supply. Fifty percent of the supply of the world's natural gas is in Russia and Iran. These are not reliable sources.

So for both the other parts of your mandate, availability and cost, you cannot rely on the cost of gas stabilizing at the present price. It's bound to go much, much higher as the demand is likely to go up a hundredfold in the coming years.

Now, the peak oil is predicted to peak by different bodies at different times. Some people say it's 2020, but there's many people who are saying it's as low as 2007, and many other experts are saying it's somewhere in between. It's a hard thing to predict, but we do know it's coming down the pike. And we have to do something about it quickly.

So those are the two main points I'd like to stress, and conclude by saying I implore you to seek a solution which will be in the public interest.

Thank you very much.

Proceeding Time 11:08 a.m. T10

MR. FULTON: Mr. Chairman, if we could mark the graph Exhibit E-248.

THE HEARING OFFICER: Marked Exhibit E-248.

(GRAPH ENTITLED "THE GENERAL DEPLETION PICTURE, OIL AND GAS LIQUIDS, 2004 SCENARIO", SUBMITTED BY WILLIAM PEARCE, MARKED EXHIBIT E-248)

MR. FULTON: And the next speaker is Jim Erkiletian.

PRESENTATION BY MR. JIM ERKILETIAN AND MS. JEANNETTE BRIERE:

MR. ERKILETIAN: Thank you for helping us keep one of our hit songs a hit longer than it was supposed to be. We're going to sing it for you now as a little preamble here. We only had to rewrite two words, I think, to make this appropriate for this project. It was written for the other project that was presented some time ago. Sing along if you like.

MS. BRIERE: It's to the tune of "It's a Long Way to Tipperary". You all know that tune, right?

IT'S A LONG WAY TO THE GAS FIELDS
It's a long way to the gas fields; it's a long long long long way,
It's a long way to the gas fields: When the people have to pay,
So it's goodbye to Pristine Power; Farewell to gas again,

It's a long long way to the gas fields; Let 'em keep their carcinogens.

Gas is the wrong way to get our power; it's the wrong way to go,
Gas is the wrong way to get our power; It's not sustainable we know,
Cause it's goodbye to the ozone; Hello nitrous oxide,
It's the wrong wrong way to get our power; 's environmental suicide.

On, there are right ways to get our power;
But gas has to go,
There are right ways to get our power;
Renewable we know;
So it's hello wind, sun and tidal; And conservation shows we care
With Clean air and soil water, everyone's a millionaire.

It's a long way to the gas fields; It's a long long long long way,
It's a long way to the gas fields; When the people have to pay,
So it's goodbye to Pristine Power, Farewell

1 to gas again,
2 It's a long long way to the gas fields; let
3 them keep their carcinogens.
4 **Proceeding Time 11:12 a.m. T11**
5 MR. ERKILETIAN: Thank you.
6 Now, I'll put on my other hat, I guess, as
7 a student of these sort of systems with degrees in
8 economics and anthropology and English and education.
9 BCUC is supposedly restricted hearing only
10 economic arguments regarding this proposal. However,
11 anyone with an understanding of this issue knows all
12 environmental aspects have an economic aspect as well
13 and vice versa. We have to deal with the health
14 effects on our population of the extra 800,000 tonnes
15 of greenhouse gasses this plant will add to the air.
16 That's an economic problem as well as a health
17 problem. It will cost money to cure the health
18 effects of these things.
19 But if we are only addressing the economic
20 aspects, the cost/benefit analysis should not merely
21 look at the rising standard of living and increases in
22 the gross domestic product that result from increased
23 use of natural gas and energy production. Confined to
24 these narrow parameters, even something like an
25 automobile accident has a positive effect on these
26 kind of indicators because it supplies employment for

doctors, lawyer, auto repair persons. And even wars, as we know, can be justified as economically productive under this model. It's more sensible to evaluate this project from an economic base that recognizes the value of energy conservation in terms of human health and the advantages of various non-polluting forms of energy production, but even though they might be more costly in the short-run, it will save our citizens large amounts of money in the longer term.

Cost/benefit analysis should always include the increased health cost to our society of increasing rates of lung cancer and things like that.

Essential to any cost/benefit analysis is the extent to which the same or better savings can be accomplished by conservation. B.C. Hydro has, over the last several years, been advocating light bulbs and other appliances that use less energy. LED lights which use even less energy than the present energy savers should be factored in as they come on-line to the consumer. It's difficult to estimate how much savings can be made with technological advances. When you think about it, technology is the only thing that has a 100 percent failure rate.

We can make some assumptions based on past experience. Indications are we've only begun to tap

the savings that we'll find in ways of conserving energy. Every household could be fitted with a meter that runs backwards as well as forwards and people who save lots of energy or who provide their own energy could be given a credit from B.C. Hydro instead of charged money by them.

A $200 solar water heater, that I have seen in operation, can pay for itself in less than five years just by using the sun to heat up the water before it goes into your hot water tank.

A wind generator on your roof can provide enough power to light an efficient household. These are the sort of things that B.C. Hydro would be looking at if they are truly a public company which they are and should be.

One thing we can be certain of, the costs of non-renewable energy sources like natural gas and other fossil fuels, will continue to climb, while the costs of renewable energy will continue to fall. No scientist has been able to contradict the forecasts made in the 1960s which indicate the supply of oil and other fossil fuels which took hundreds of thousands of years to accumulate will be gone by the year 2010 or shortly thereafter depending on conservation.

Regardless of the negative impact on the environment of burning fossil fuels, the time has

1 passed for us to invest in other methods of supplying
2 our energy needs. The least B.C. Hydro can do is to
3 evaluate these other possibilities with the same rules
4 they use to evaluate fossil fuel energy generation.
5 When the Swiss-owned ABB presented a plan
6 to supply a steady 700 megawatts per year wind
7 generated power to Vancouver Island using the Hecate
8 Strait winds, B.C. Hydro, at first ignored their
9 applications. Then when they were forced to consider
10 it by concerned citizens, Hydro held ABB to a higher
11 standard and lower price per kilowatt than the
12 American-owned company advocating the gas-fired plant.
13 There are other ways of producing power
14 than burning fossil fuels: wind, tidal, micro-hydro
15 -- this is an especially interesting one to me because
16 my friend has a creek that runs by her house in
17 Gabriola and the creek doesn't run most of the year,
18 but the part of the year it does run, is the part that
19 you need the power. So there's a lot of micro-hydro
20 that could be done in this country, and as part of the
21 country. Solar, geothermal, ground source heat, to
22 name a few, can supplement our power needs for many
23 years.
24 It doesn't make economic sense for us to
25 hitch our wagon to a falling start when there are so
26 many alternatives waiting to be tapped. In fact, if

we wait we may not have enough fossil fuels to help us make the necessary unavoidable transition to non-polluting and more efficient forms of power production and use.

So please reject the application by Duke Point Power to build a natural gas power plant in Nanaimo. Even disregarding the environmental costs, there are too many other alternatives.

Thank you for hearing my words.

MR. FULTON: Mr. Erkiletian, if you could provide the Hearing Officer with the name of your vocal accompanist for the record.

MR. ERKILETIAN: Jeannette Briere. Yeah, incredible Jeannette Briere.

MR. FULTON: And he'll probably need some help with the spelling of that.

And also, Mr. Chairman, if the submission of Mr. Erkiletian could be marked Exhibit E-249.

THE HEARING OFFICER: E-249.

(WRITTEN PRESENTATION OF JIM ERKILETIAN AND WORDS OF SONGS, MARKED EXHIBIT E-249)

Proceedings Time 11:18 a.m. T12

MR. FULTON: The next speaker, Mr. Chairman, is Guy Dauncey. He will be followed by Steven Earle, and an add-on is Donny Groot and Kees Groot, who sent a notice into the Commission Secretary, but again, that

1 did not reach me.
2 **PRESENTATION BY MR. GUY DAUNCEY:**
3 Commissioners on the panel, my name is Guy Dauncey. I
4 come from Victoria. I am president of the B.C.
5 Sustainable Energy Association, and I'm author of the
6 book Stormy Weather - 101 Solutions to Global Climate
7 Change. I earn my living as a private, self-employed
8 citizen from writing, speaking, lecturing, consultancy
9 and I've spoken on global climate change from
10 Whitehorse to Texas, from Victoria to Halifax. I have
11 -- really I know whereof I speak.
12 I have four reasons why I believe that the
13 propose Duke Point Plant is the wrong idea and is not
14 in the public interest. The first concerns global
15 climate change. This is -- global climate change is
16 the most serious planet -- serious crisis that our
17 whole planet faces. It is more serious than
18 terrorism. The impacts coming our way are truly
19 awful. They are much more serious than people
20 understand, and this proposal would throw oil on the
21 fire. Rather it would throw additional natural gas
22 into the atmosphere, an additional 800,000 tonnes
23 every year of natural gas put into the atmosphere.
24 As the temperatures are increasing, you
25 know, we are looking towards impacts, you know, as a
26 minimum we're looking -- the sea level increase of one

1 meter is the low end of the realistic forecasts
2 because they don't include the melting ice from
3 Greenland and what's happening in the Antarctica. The
4 forest fires we saw in Kelowna, when there was more --
5 eight times more forest burned in B.C. than normal
6 years. Specifically would not have happened without
7 global climate change. The mounting pine beetle
8 disaster that's going on in the Interior would not
9 have happened without global climate change. The
10 European heat wave in 2003, which killed 40,000 people
11 would not have happened without global climate change.
12 The increase intensity of the hurricanes that happened
13 this year and previous years would not have happened
14 without global climate change.
15 And the conservation biology team from the
16 University of Leeds in January of 2004 did a
17 comprehensive study about the impact on species on
18 planet earth with rising temperatures, and they said
19 that by the year 2050 25 percent of all land-based
20 mammals and plants are threatened with extinction
21 because of global climate change.
22 So when we see that your mandate as BCUC is
23 to act in the public interest, how can it possibly be
24 interpreted otherwise than to say that if we have
25 easy, reliable sources of electricity that are not
26 fossil fuels, it is in the public interest to use

1 those? Not one single peer reviewed study in the past
2 five years has opposed the science of climate change.
3 It is only in the U.S.A. and parts of Canada that
4 people still think that, well it's caused by the sun
5 or it's caused by, you know, termites farting or
6 whatever other bizarre science that is put forward.
7 Just two days ago a new study came out
8 which said that the impacts of the sun on climate
9 change has been fivefold, you know, exaggerated in the
10 recent science. So there is total scientific
11 consensus. This is a totally real, serious, present
12 problem, and it is in the public's good, you know, to
13 protect the public interest here.
14 It's the overriding duty of B.C. -- as a
15 public servant, not to allow the addition of an
16 800,000 tonnes further to add to the problem.
17 Second reason I think it's not in the
18 public interest is the crisis that B.C. Hydro is
19 promising us is artificial. B.C. Hydro is telling us
20 the lights will go out. But they've been saying that
21 for the last five years. And the reason that they're
22 saying the lights will go out is that after -- I don't
23 know how long the subsea cable has been in place, but
24 I would guess about 20 years. They are choosing to
25 zero rate the cable a mere eight months before it will
26 be replaced. At any time in the past five years they

could have said to the B.C. Transmission Corporation, replace the cable. They didn't because they wanted to build the gas-fired power plant by one mean or another, instead of replacing the cable.

They said it'll make Vancouver Island self-sufficient in power, but it's not as if we generate gas from underneath Vancouver Island's rocks. How we can be self-reliant in power when we have to ship the gas in from the McKenzie Delta or wherever else it is, is not self-reliant in power. Is very vulnerable power.

So why is B.C. Hydro doing this? It's a very good question. I mean, the transmission cable has not yet been started. There are two boats sitting in Nanaimo Harbour ready to do it right now. At any time B.C. Hydro could have said, we've got a problem, replace the cable. But they didn't. Instead they were obsessed with this grand idea of building a power plant, even though it was rejected in Port Alberni, it was rejected in Duncan, it was rejected in North Cowichan, it was rejected in Nanaimo by yourselves, and now they bring it back. It is not a rational process.

The only logic that I can bring to this, that it's caused by PLS, pension loss syndrome. By engineers within B.C. Hydro and managers who are out

of a job if they don't build more gas power facilities.

In addition to that, if there is for some reason, an absolute need to zero rate the cable, in addition to the reasons -- to the scenario which Norm Abbey laid out of all the ifs, ifs, ifs, ifs, ifs that we're likely to have, you know, a little bit of power outage, why -- Norske is offering to do load shifting in the two pulp mills up to 210 megawatt. The gap that B.C. Hydro says we have is 262 megawatt. But who knows what other possibilities for load shifting there may be?

B.C. Hydro has not even tried to find other load shifting possibilities, and surely when these load shifting possibilities come at a very cheap price, you know, level, some of them free, it is their legal duty to do so instead of asking that the taxpayers pay, you know, $280 million for the new plant, plus a potential two and a half billion dollars for the increase in price of natural gas. Nobody has looked for those potential savings on the load shifting for that small eight month temporary period.

In addition to that there's one other point that -- still part of my second point, that no one's yet brought up. I did a tour of the gas-fired power plant in Campbell River two or three years ago. It is

1 like a temple to the God's of engineering. It is
2 incredibly sophisticated. But once they built it they
3 couldn't operate it for a full year. They were still
4 fine tuning the systems.
5 What guarantee do we have that Duke Power
6 Point can build and operate this plant by the winter
7 of 2007? I think it highly likely that if they're
8 given the go ahead to operate it, they'll say -- they
9 get to the winter of 2007 and say, well we're not
10 quite ready yet, it's not -- we need to fine tune it,
11 and B.C. Hydro will say, well don't worry, we'll get
12 you -- there are ways to get through the winter, and
13 we'll all be left gasping. Because it took them a
14 full year at Campbell River to get the thing to
15 operate.
16 My third reason is that the natural gas
17 that the project plans to use does not allow for the
18 production of power -- of a reasonable service at a
19 reasonable -- a reliable service of power at a
20 reasonable price, which is your legal mandate as BCUC.
21 Natural gas is not only a fossil fuel, it's an
22 increasingly scarce fossil fuel. Writing the Globe &
23 Mail on June the 10th, Eric Rigooli said,
24 "Rising demand smacks into a falling supply.
25 The cheap and easy gas is vanishing quickly.
26 Many gas wells in Western Canada and the

U.S. are depleting at a rate of 25 percent a year. Some energy companies, including Canada's biggest player, Imperial Oil, think western gas production has peaked."

And when gas production peaks it doesn't peak gradually like oil, it goes off a cliff. It's a sudden drop.

In the year 2004 Puget Sound Energy put out a call for new power, and they asked that any bidder planning to use natural gas should state how they planned to cover the price of gas against inflation more than five years out. Not a single company was able to respond with an offer of gas. The reason being that not a single company was able to purchase a hedge on the price of natural gas more than five years out.

So whatever the analysts say, the investors are saying we won't touch it. We cannot get any reliability -- you know, estimate on what the gas will cost more than five years out.

So the risk that you're putting us at is something that no investor will touch, if you say -- if you give the go ahead to this gas-fired plant. And investors know what they're talking about when it comes to money, because their money is on the line, their risk of losing.

The other point around natural gas is that -- is the assumption that when the natural gas supply of North America runs out, which is inevitably going to happen, that we will draw on liquefied natural gas from the rest of the world, and we'll ship it in from Russia, Iran and Quatar.

The point about liquefied natural gas is you have to have a receiving plant to de-liquefy it and turn it into gas again. There is one in Boston, and when the ships come into Boston Harbour the police close the bridge, they have helicopters flying over above and they have armed guards all around the harbour to prevent terrorist attack, because if a terrorist hit one of these LNG plants the fire ball, the instant fire ball is two miles in radius.

Now, the assumption here is that in order to get an LNG plant built you have to get land zoned to build that plant. I think that citizens of Vancouver Island will have something to say about, you know, the future extension of LNG plants knowing this high volatility risk. This is a very dangerous prospect. And it's not just Vancouver Island, it's the whole of North America. Wherever these LNG shipment plants have to be built, citizens have to approve this fire risks. They have to be built in very remote places, where there are no citizens to go

1 to public hearings.
2 So it really behooves the B.C. Utility
3 Commission, as a servant to the public good, to
4 examine B.C. Hydro's price estimates on natural gas
5 with a tooth comb. If they're wrong, as so many
6 experts say they are, the cost to us all will be
7 enormous.
8 So my fourth point is that the solution to
9 climate change is sustainable, renewable energy, of
10 which B [sic] has a large and adequate supply, at
11 least for electricity. When you add together the
12 available resources, they total around 65,000 gigawatt
13 hours. That's on top of the current 44,000 gigawatt
14 hours we use as a province. That comes from wind
15 energy and micro hydro and tidal. It does not count
16 solar, does not count solar hot water, does not count
17 ground source heat, does not count -- you know, it
18 does include efficiency.
19 It's also -- renewable energy is also the
20 solution to the coming crisis of natural gas. If
21 we're going to use the gas at all we should use it as
22 heat and not as electricity. But either way, all of
23 the gas in the world will be gone by 2040 - 2050, and
24 for the next 5,000 years we will heat our homes
25 without natural gas. I don't know how we're going to
26 do it yet, it's going to be a real challenge, but

1 within our lifetimes we'll be facing that challenge.
2 Super efficiency, ground source heating, passive solar
3 design. But the gas will all be gone. All of the oil
4 and gas will be gone in this 200-year period only.
5 And then the final -- so the third argument
6 is that solution -- is that renewable energy as the
7 solution to price inflation, because the brilliant
8 thing about all forms of renewable energy, say take
9 wind turbines, is that once you've installed the
10 equipment the wind blows for free. It doesn't stop
11 blowing if suddenly, you know, the price is 10 cents a
12 kilowatt hour or 20. You are guaranteed price
13 stability for the life of the equipment. It applies
14 to solar, it applies to tidal, it applies to wind, it
15 applies to micro-hydro, it applies to ground source
16 heat. If you want price stability, which is the real
17 B.C. advantage, renewable energy is the absolute way
18 to go, and that is what utilities in America are now
19 turning to for this very reason. If you want price
20 instability and uncertainty and potential bankruptcy,
21 natural gas it the way to go.
22 As soon as the subsea cable is replaced,
23 this issue of firm power will no longer be an issue.
24 We can draw on our resources, the wind, tides, waves,
25 solar and other kinds of sustainable energy. It is in
26 the public interest to develop these sources. They

1 represent the future and our childrens' future too.
2 They also represent many more jobs than we'll get from
3 natural gas. They represent a secure economy for our
4 youth.
5 We have many young people joining the B.C.
6 Sustainable Energy Association because they feel
7 excited about getting a career in wind energy and
8 solar and micro-hydro and these kinds of things. And
9 I should say in passing, that when I speak to schools
10 and I talk to climate change, I talk about the bad
11 downside and they say, yeah, yeah, yeah, you folks
12 have screwed the planet, tell us something new. And
13 when I talk about tidal and wind they listen and
14 they're wide awake and they think, I could get a
15 career in this stuff. They know instinctively that
16 this is the future. They have no interest in coal and
17 oil and natural gas. They know that belongs to the
18 past.
19 So, and Bob Elton himself, in his speech to
20 the Board of Trade in November, said that his daughter
21 had been talking to him a lot and really making him
22 think about the future. Bob Elton is the CEO of B.C.
23 Hydro, and he says, he has set B.C. Hydro's own goal
24 as having no net additional environmental impact. To
25 build -- you know, the gas-fired power plant that puts
26 out 800,000 tonnes is total contradiction to B.C.

1 Hydro's own goals based on what Bob Elton's daughter
2 is telling him.
3 So, Bob Elton is -- his daughter gets
4 through the rational thing that you must go for the
5 cheapest power, which my colleague, you know, Bill
6 Pearce has said is not your mandate anyway. So in
7 conclusion, I would urge you to examine the witnesses
8 at the coming EPA hearing very closely on these
9 specific aspects. One, the actual justification for
10 zero rating the cable eight months before the subsea
11 cable is put in place; two, the potential of fast-
12 tracking the subsea cable, which as far as I -- no one
13 has examined yet. Three, the potential possibility
14 that even if -- that Duke Point will not be able to
15 get the plant running by that critical winter. Three,
16 B.C. Hydro's load forecasting, which they've created
17 the numbers to say is the dilemma, and then the Norske
18 equivalent, the Norske offer; and four, the price of
19 natural gas over the next 25 years. And I really
20 believe that, you know, you should look seriously at
21 the no award option.
22 And in evidence I want to actually place my
23 entire book, *Stormy Weather*, in the evidence, given to
24 the BCUC. You don't need to read the whole thing, you
25 can skim through it because it has solutions for every
26 sector to show that -- and this is, you know, this has

been -- head of NASA said this is absolute mandated reading for any one concerned with this stuff, and it shows there are so many solutions to global climate change, which we can do with sustainable energy.

Thank you very much for your patience.

MR. FULTON: If Mr. Dauncey's book be marked Exhibit E-250.

THE HEARING OFFICER: Marked E-250.

(BOOK "STORMY WEATHER - 101 SOLUTIONS TO GLOBAL CLIMATE CHANGE", AUTHORED BY GUY DAUNCEY WITH PATRICK MAZZA, MARKED EXHIBIT E-250)

Proceeding Time 11:33 a.m. T13

MR. FULTON: Steve Earle

PRESENTATION BY DR. STEVE EARLE:

MR. EARLE: First of all, I'd like to thank the Commission for giving us all the opportunity to come here and speak. My name is Dr. Steven Earle. I teach courses in Earth Science and Energy in the Environment at Malaspina University College here in Nanaimo. I am a member of the B.C. Sustainable Energy Association, and most importantly, I'm a father.

I'm here for one main reason and it's because I'm deeply concerned about climate change, like some of the speakers before me. Perhaps more concerned than most people. And I realize that the Commission's role here is not to consider

environmental issues, but like some of the other speakers, I challenge you to see how you can make this decision without considering environmental issues. I think they are paramount. Especially for a project of this scale.

As a geologist I'm quite familiar with the literature on climate change, and it's for that reason that I am so concerned about the future under the kind of climate change that we right now. And there are a couple of things that I understand that maybe some other people don't.

Firstly, our climate is changing at a rate that is unprecedented in the geological record. We have not seen this kind of change in the past. The rate of change, the rate of extinctions that have been caused by that change.

Secondly, while we may think that we have the climate under control and that we can change little things here and there and the climate will recover, as has been pointed out, possibly. The geological record shows that we may reach a point where we can no longer control the climate and it will start to change in a dramatic fashion that is way beyond our control. And there are numerous examples of that in the geological record happening the past, because climates change naturally as well.

Unfortunately, we don't know where that point may be reached. So I'm deeply concerned about climate change. It may not affect me that much but it will certainly affect my children and their children. I don't know how concerned you are about climate change, but I believe if you are anything close to being as concerned about as I am that you wouldn't even be considering letting B.C. Hydro and Pristine Power build a fossil fuel plant here in Nanaimo or anywhere else in British Columbia.

I want to focus on another topic for the rest of the time that I have, and that is that construction of the Duke Point plant represents a lost opportunity on Vancouver Island. The plant is wrong for a whole list of reasons and many of them have already been spoken about. But I think the main reason, or one of the significant reasons that it's wrong is that it will stop the incentive that we have right now to start creating, developing alternative forms of energy on Vancouver Island.

Indeed the proposed gas plant could supply the peak demand that we can see in the future, but that construction would significantly reduce the impetus for development of alternate energy resources and perhaps as important, for energy conservation here.

We have lots of renewable energy opportunities here on Vancouver Island, and as has already been said, some of the world-class resources. We have some of the best on-shore and off-shore wind energy opportunities here on Vancouver Island. We have absolutely excellent run of the river hydro sources, and of course we have abundant biomass resources. All of those resources can be developed relatively quickly to produce electricity using existing technology. In addition to those resources that are well-developed and well-known, we have some of the best tidal energy resources in the world. Perhaps the best. And on the west coast of Vancouver Island we also have excellent wave energy resources, perhaps some of the best in the world.

So we have resources that are already unknown and we have some that are new. And we have an opportunity here on Vancouver Island to develop technologies that can be used around the world, and we can export these technologies rather then importing technologies such as combined cycled generators and things like that. But it will be difficult to convince industry that we need to move ahead with those technologies if we have this gas plant in place, and it will be difficult to convince both industry and consumers that we can do conservation measure such as

time of use metering and things like that if the Duke Point plant is in place.

The sustainable energy resources that I'm talking about, they are environmentally safe, they have enormous export potential, they are relatively labour intensive and jobs are something that we need more and more of, and they are consistent with the goals that we have here in British Columbia and Canada to develop technologies that are advanced, that have high technical components, and these will be things that have great export potential.

As you probably know, wind energy can now be produced at competitive costs, competitive with gas plants, and of course, the gas price is going to go that way while wind prices, wind energy prices go the other way. It's been stated that we cannot rely on wind energy all the time, and that's true. The wind does not blow 100 percent of the time and there may be times when we need that peak demand that it's not windy, and that's true. However here on Vancouver Island we have over 400 megawatts of stored hydro power and we can use the wind energy that we generate at other times to conserve that potential energy behind the dams and use that for peak periods.

We have excellent potential here for run of river hydro, and as been pointed out, although rivers

on Vancouver Island tend to be a relatively low levels in the summer time, in the winter time, which is when we need the power most, the rivers are high and we can count on that for 100 percent of it's potential when we need it most. And of course, we have great biomass resources here. And biomass generation facilities can also be counted on 100 percent of the time.

So these are well-established technologies that are being developed without incentives, without massive write-offs and without secret sweetheart deals that seem to be the need with the Duke Point Power plant.

The kinds of sustainable energy that are based on new technologies, as I mentioned, tidal and wave generation. As described in a report that was written for B.C. Hydro in 2002 by Triton Consultants and reiterated in the Rocky Mountain Institute Report for B.C. Hydro in 2004, the tidal currents around -- in inlets and around islands on Vancouver Island have the potential to supply several hundred megawatts of power to Vancouver Island at a price that is competitive with current sources. Tidal energy is 100 percent predictable. We know what the tides are going to be doing 1,000 years from now, and the installations -- if the installations are regionally diversified -- I know that there are times of the day

when the tides are flowing, but if we diversify where these things are, put them in different places around Vancouver Island, then we can provide a supply that is 100 percent secure.

Anyone who has ever been off the west coast of Vancouver Island will be able to attest to how much energy there is in the waves in that area. Our west coast has the potential for the development of several gigawatts, according to Industry Canada, up to eight gigawatts of electricity in waves off the west coast. And again, you might argue that we can't rely on waves all the time, but waves are much more consistent than wind. Even when it's not windy we have significant waves, so it's a very consistent supply of energy.

To summarize, Vancouver Island has abundant resources of renewable energy. If only a fraction of these resources are developed, we might still be talking about problems with the undersea cables, and that's because we won't have the capacity to export energy from Vancouver Island back to the mainland.

Both the public and private sectors need an environment that is favourable for the development of these resources and construction of the Duke Point gas plant will destroy that environment.

Thank you very much.

MR. FULTON: If Mr. Earle's presentation could be marked

1 Exhibit E-251.
2 HEARING OFFICER: Marked E-251.
3 (WRITTEN PRESENTATION OF MR. STEVE EARLE, MARKED
4 EXHIBIT E-251)
5 **Proceeding Time 11:44 a.m. T14**
6 MR. FULTON: Donnie Groot.
7 **PRESENTATION BY MS. DONNIE RICHMOND-GROOT:**
8 MS. RICHMOND-GROOT: Good morning, Mr. Chairman. I
9 thank you very much for hearing our concerns.
10 However, when I first walked into the room I suddenly
11 felt that our concerns might be rejected because this
12 facility is simply not adequate for the number of
13 people that want to come, and I feel that there's been
14 a lot of -- it's certainly been obvious that there are
15 people who have been a lot of concerns. So when I
16 walked into the room I really felt awful. I really
17 felt -- I felt kind of antagonistic. I felt a bit of
18 aggression because I felt insulted.
19 Now, I'm not blaming you per se, but I feel
20 that had this been organized at an earlier date, as
21 many people had requested, and a little more work had
22 gone into looking for a suitable location, I think it
23 could have been found. It's really hard for people,
24 I'm sure, sitting in another room where they just hear
25 a loud-speaker. They missed the quilt presentation,
26 they can't see you, they can't see the other people

and I think that's hard.

Anyway I'll continue with my presentation now that I've got that off my chest. Thank you.

I'm not a lawyer or an engineer and I may not be able to couch my dialogue in the language that they use. Nevertheless I believe that my concerns are equally valid. I realize that this hearing is related to costs and whether or not this is a financially viable way to produce power that B.C. Hydro says is necessary.

Excuse me, I'm just going to get a bit of a little to drink here. Thank you.

Therefore some of the questions which should be included are: Is the electrical power really needed on Vancouver Island? Is this a sound financial way to go or are there more economical ways to produce the power if it really is required? Hasn't B.C. Hydro deliberately underestimated future natural gas prices? And what costs will later be incurred that are not part of the building or the running of the plant that are directly caused by it?

There are many issues that often are not considered as direct costs but in the long run they are and can be very expensive to society, such as air pollution, noise, warm waste water, abuse of the Nanaimo River and water in the plant. And these do

have a very sound financial bearing.

Environmental issues must be taken very seriously and they should take precedence overall. If you are only considering financial issues, I can assure you that environmental problems will become major financial ones in the future.

I wish to address some of my other observations. There is much concern that the power is not required as B.C. Hydro states. There are better versed people than I speaking on this issue. Public education, it's beginning. And the forecast shows that the per capita use is and will decline. But look about each evening and throughout the night. Our cities and towns are a ablaze of light, street lights, neon lights, every office building is fully lit, the ferry dock across the channel from my home is a mass of lights, as are the sawmills and the new port facility. The lights stay on whether they are operating or not. Industry is the largest user of power. Where is conservation in industry?

I realize that Hydro's concern is to sell power, provide it inexpensively, and to maintain the level of service that we have all have become so accustomed, and at the peak time on the potentially coldest day. When I refer to "we" I mean not only "we the public" but also industry and the corporate sector

of users. We must begin to look at these things from a new perspective and take more responsibility in our expectations of quantity, service, price, and the availability of electric power. If there was more conservation at certain times this would reduce the peak requirement of power, and would allow more dam reserve to build for later use.

Fly over or drive through cities at night throughout much of the world and you will suddenly realize how wasteful we are. It makes me feel embarrassed for what we assume is our right.

This project has been a nightmare from its inception. Hydro's original alliance was very questionable, and yet they seem to continue down a path of desperate determination to complete their vision regardless of cost or consequence. We still seem to be dealing with questionable alliances, and up until a few days ago, they were determined not to release much of the information, nor were they prepared to take into account the costs incurred in getting to the point where we are today. Their forecasts are questionable and the basis of their actual operating costs, natural gas costs, et cetera, are very disputable and unrealistic. You will hear other briefs dealing with these figures.

I am concerned regarding the arrangement

that Duke Point Power has made with the pulp mill for the huge quantity of water that will be required to maintain the operation of the plant. Has adequate investigation been done regarding supply during hot dry summers? This water comes from the Nanaimo River. If desalination were necessary at a later date, costs would certainly change.

There are other issues regarding the water use and waste, however these are not within the scope of the hearing as I understand.

Why has B.C. Hydro such a narrow and tunnel-vision approach to producing power? They continually refuse to discuss wind and tidal generation, and yet they could be world leaders in innovative approaches to power production.

It has been said that the northern Vancouver Island may be the world's best area for wind power generation, yet Hydro continually denies that there is a possibility of generating power there, and not allowing discussion on these possibilities. This apparently is outside the scope of any of the hearings that are related to this application, or again, that was my understanding. And I feel this is an outrageous disregard for the people of this province. I think those are issues that need to be dealt with and they are very very important.

Probably the most important issue relating to this project is the example we are setting and the cost to the world as a whole, as well as directly to ourselves by supporting and initiating more fossil fuel power generation. As I just said, Hydro has the unique opportunity to do something really worthwhile through a combination of more intense development of other power sources and conservation, and yet they refuse to discuss it.

You, the Commission, must take into account the phenomenal cost of the current status quo form of power production. Here we are, supposedly supporting the Kyoto Accord, which is just the beginning, and yet we are doing exactly the opposite. I'm appalled at the short-sightedness and narrow-mindedness of those responsible for this whole fiasco.

I was particularly upset and disturbed at the way in which they conducted the public consultations to satisfy the requirements of the approval process. Last winter Hydro held an all-day round table discussion. It took place at the community hall on Gabriola Island one Saturday. There must have been about 75 residents in attendance. We had three discussion sessions, 12 to 15 in a group and 4 or 5 topics to chose from. At the end of the day one person from each of the discussions gave a review

of various concerns and positive new approaches. My husband gave one of these reviews. In the middle of his comments the Hydro project manager stood up and stated that it did not matter what any of us said, knew, or thought, the project would go ahead, period. He said that to us.

We were aghast. One woman got up in tears and walked out. She said, "I've never been so insulted in my life." We were appalled, absolutely appalled at that attitude. The arrogance was just unreal. This attitude seems to have permeated the whole review process from labeling much of the material as confidentially, initially ignoring Nanaimo as a place in which to hold public meetings, assuming project approval and -- pardon me -- and in trying to fast-track this whole project. The list is endless.

Since the beginning of this process, B.C. Hydro has had total disregard for anyone but themselves. I'd like to remind both Hydro and you, the Commission, that the corporation is not owned by the few wheelers and dealers that have brought this forward. The corporation is owned by the people of this province, most of whom are not narrow --

Thank you.

The corporation is owned by the people of this province, most of whom are not narrow, tunnel-

visioned and self-serving.

To date B.C. Hydro has been arrogant, egotistical and manipulative. These characteristics of behaviour do not lend themselves to honest and broad-minded approaches. Integrity and honesty should take precedence. I am thoroughly disgusted with these shenanigans. We, the residents, pay for this whole process one way or another, and if this is allowed to continue, we will continue to pay at a very inflated cost for many years to come and our children and our grandchildren and their children will suffer the consequences.

Thank you very much for hearing me.

MR. FULTON: If Donnie Groot's submission might be marked Exhibit E-252.

THE HEARING OFFICER: Marked Exhibit E-252.

(WRITTEN PRESENTATION OF DONNIE RICHMOND-GROOT, MARKED EXHIBIT E-252)

Proceedings Time 11:55 a.m. T15

MR. FULTON: Kees Groot is next.

PRESENTATION BY KEES GROOT:

Mr. Chairman, I'm not so sure if I can better that presentation by my wife, but I'll try.

My name is Kees Groot, and I live on Gabriola Island. I have a Ph.D. in Zoology and have worked for 33 years as a research scientist with the

federal government in the Department of Fisheries and Oceans. I appreciate the opportunity to address the B.C. Utility Commission with respect to the proposed Duke Point Plant by B.C. Hydro and hope to have a further opportunity to comment on this project as an intervenor during the upcoming hearing on January 17th, 2005 in Vancouver.

Mr. Chairman, I'm strongly opposed to this projects for reasons that have been eloquently and abundantly expressed by co-intervenors and the avalanche of e-mails that you must have received, as well as by all the opinions that have been expressed to you so far today. I will not go through all the arguments again of why this ill-conceived and ill-prepared electric power project, but I will focus my presentation time on the areas of my knowledge and my expertise of biology, ecology and global climate change.

I lecture extensively on these issues all through the province, at schools, colleges, universities and private public groups.

My approach will be to look at this project first globally and then locally, following the motto "This globally, act locally". Ronald Wright, a cultural philosopher, living in British Columbia, recently wrote an interesting book called "A Short

History of Progress", in which he shows that our modern predicament is as old as civilization. A 10,000-year experiment we have unleashed, but have seldom controlled.

He contends that only by understanding the patterns of disaster that you humanity has repeated around the world since the stone age we can recognize -- we can recognize the experiment's inherent dangers and with luck and wisdom shape it's outcome. By first seriously looking at the question what we are and have done over the ages and by recognizing the human behaviour characteristics that persisted through many times and cultures, Wright thinks that this can tell us what we are likely to do and where we are likely to go from here. He writes, "our civilization, which subsumes most of its predecessors, is a great ship, steaming at speed into the future. It travels faster, further and more laden than any before", and he argues that we must, without delay, try to understand her design, the design of the ship, her safety record and the abilities of her crew to plot a wise course between the narrows and bergs looming ahead, to avoid the shipwrecks of the past. "The vessel we are now on board is not merely the biggest of all time, it's also the only one left".

The future of everything we have

accomplished since our intelligence evolved will depend on the wisdom and of our actions over the next few years. Next few years, I think that's very important to stress. We have made our way in the world so far by trial and error, but unlike other creatures, our presence in this world is so colossal that error is a luxury we can no longer afford. The world has grown too small to forgive us any big mistakes.

Wright comes to the conclusion that in most cases the downfall of civilizations over time has been the depletion and destruction of natural capital, to the point that communities could no longer survive any longer. Some civilization vanished completely, others have lingered a long, and I commend you to read this book to get more details on which civilizations have gone where.

It is obvious even to non-biologists, ecologists and conservations that we are doing an excellent job at present in depleting and destroying our natural capital by over cutting our rain and temperate forest and by over fishing our oceans, for example. We also have been very nonchalant about our fresh water resources and air supply by over utilizing them and by spicing them up with a number of toxic materials.

During the last decades, however, the emphasis of concern has shifted the atmosphere and climate. It's becoming clearer every day that the major environmental, economical and social problems that mankind is facing in the near future are related to global climate change. A steady world wide increase of anthropogenic carbon dioxide, methane, nitrous oxide and chloro-fluorocarbons, the so-called greenhouse gases, has changed the earth's climate during the past century since the start of the Industrial Revolution. A growing body of scientific evidence suggests that if our energy policies do not change during the next few decades and greenhouses continues to increase, global temperatures will increase and wind, storm, precipitation, ocean circulation and sea level will be altered.

Such climate changes will have far reaching effects on all living organisms and significantly alter existing urban, rural and natural systems. This has been backed up by the United Nations committee on global climate change, that have produced a number of absolutely excellent reports and which include about 2,000 scientists worldwide, 70 scientists being directly involved in the committee that wrote these report and are still writing.

The Kyoto report is a first, but still

minor attempt to address these concerns. It requires that technologically advanced countries reduce the production of greenhouse gases by more than five percent, for Canada six percent, many European countries eight percent. While Canada has agreed to six percent and many European countries, nations to eight percent, below the 1990 levels by the year 2000.

Last year Canada signed on to this accord, and recently Russia also agreed to participate. The U.S.A. and several other smaller nations refused to become part of it, arguing partly that it will seriously hamper their economy. Yes, it will, but not participating will mean suicide in the long run.

Now with Russia on board, the 55 percent participation target that the protocol, the Kyoto Protocol requires, has been reached, that will make the protocol binding to the nations that signed on. Now 122 countries in total.

Canada's emissions of greenhouse gases is presently 18 percent higher than in 1990, which means that we have to reduce our emissions level in -- calculating 2004, by 25 -- by 24 percent. This is 18 percent which we're higher, plus the six percent we have agreed to reduce below the 1990 level. And that this shall be done by the year 2012 to comply with the Kyoto Protocol requirements.

Now, turning to the local level, it is therefore impossible to accept the proposal like the Duke Point Power Plant that will increase greenhouse gas emission by 800 to 900,000 tonnes a year, just adding to the greenhouse problem instead of reducing it. This is also ironic given that just last month the provincial government released its climate change plan that calls for a reduction in greenhouse gas emissions in B.C.

There are several provisions by which countries can increase their greenhouse gases emission, and all of them though mean extra financial expenditures. In their calculations of electricity rates in the future, B.C. Hydro has not included the price tag that will be added to the operations due to the increase -- with the increased greenhouse gas emissions. This point has been well presented and analyzed by Dr. Mark Jaccard of the School of Resource and Environmental Management from Simon Fraser University and has been presented to you in a report recently.

He concluded that the price per kilowatt hour used by B.C. Hydro in their Duke Point Power proposal is only half of what it will be with the protocol, with the Kyoto Protocol requirements in place. For your information, Dr. Jaccard served as

chairman of the BCUC from 1992 to 1997.

Therefore, Mr. Chairman, besides an environmentally and locally undesirable alternative to produce electricity by burning fossil fuel, the Duke Point Power Plant will economically probably be the most expensive option. Two fairly strong reasons why the proposal as it stand at present is totally unacceptable.

In addition, an independent analysis concluded in 2002, by SENES Consultants for SPEC, GSX CCC and the David Suzuki Foundation, found that the Duke Point Power Plant would pump dangerous amount of nitrous oxide, sculpture oxide, fine particulate matter and other harmful air pollutants into Nanaimo and the Georgia Strait Basin.

After a workshop organized by B.C. Hydro last year on Gabriola Island dealing with different topics relating to the Duke Point Power Project, many of the participants concluded that this company has been negligent during the past 20 years in not trying to find out more efficient and environmentally friendly ways of producing electric power. No information was presented about utilizing wind to produce electricity and other possibilities. Also, tidal and solar means of obtaining energy were poorly presented. Although an alternate energy coordinator

had been appointed by Hydro during the last two or three years and some studies are on the way on electric power generation using other means than fossil fuels, this should have been initiated many years ago.

There also appears no detailed plan to reduce power consumption by residences and industrial facilities, to ensure that present power availability is sufficient. B.C. Hydro has encouraged massive use of electricity in office buildings, empty parking lots and street lighting where it's not required. For example, we live on Gabriola Island, not too far from where the plant is going to be built, across from the Duke Point Ferry Terminal, and see that lights are ablaze all night long, even after the last ferry has arrived at 12:30 a.m. This is the last ferry coming from Vancouver, from Tsawwassen.

B.C. Hydro should have been promoting conservation rather than over use. The Power Smart program has been of some help, but has not gone -- has not gone far enough. There should have been more pressure on manufacturing industry to develop more efficient appliances. In general we feel that there is sufficient power for the immediate future and that B.C. Hydro should investigate new and more acceptable methods of producing electricity and adequate -- and

1 educate people to be more conscious of conservation
2 during the high use times.
3 During the meeting my wife was referring to
4 earlier on, in which the community was invited to
5 spend -- discussing various aspects of the Duke Point
6 Power Project with B.C. Hydro, we were divided in
7 groups to discuss three topics. We moved from one
8 table to another as the day passed and we felt that we
9 had an opportunity to give input and that it would be
10 considered.
11 At the end of the day we gathered for a
12 summation from each table, and when I challenged the
13 project manager during the following discussion about
14 the need of the project, he stood up, thanked us for
15 attending, and told us that it did not matter what our
16 concerns and objections were, nor what had been
17 suggested for the changes to the proposal, the project
18 will go ahead anyway.
19 Our conclusion was that B.C. Hydro was
20 using us as pawns in order to fulfill the requirements
21 for the environmental assessment process, to show that
22 they had solicited participate -- community
23 participation. We were outraged and felt violated,
24 ignored and insulted. The project manager made a
25 similar comment during a meeting in Nanaimo, according
26 to a newspaper report, which typifies the arrogance of

B.C. Hydro in the dealings with the public. B.C. Hydro is a crown corporation and is there to provide the service to the community, but has long lost sight of that. Arrogance and confrontations do not help. There must be a better way.

In conclusion, Mr. Chairman, I'm strongly opposed to the Vancouver Island Generation Project for many reasons. Some of the important ones within my field of expertise and knowledge have been presented to you.

Proceedings Time 12:09 p.m. T16

MR. FULTON: If Mr. Groot's written submission could be marked Exhibit E-253.

THE HEARING OFFICER: Marked E-253.

(WRITTEN PRESENTATION BY MR. KEES GROOT, MARKED EXHIBIT E-253)

MR. FULTON: And Mr. Chairman, now we've reached a time, we're a little bit beyond the time, where you had indicated we were going to take a break. So I think now would be an appropriate time to take that break.

Before we take the break, though, I would like to highlight for people who the next five speakers will be when we return. And I'm assuming, Mr. Chairman, we'll be returning at about 12:40?

THE CHAIRPERSON: Yes.

MR. FULTON: So that the next speakers are Darlene Mace,

1 Miriam Trevis, Suzanne Gregory, Fred and Kathleen
2 Schloessinger and Brooke Watson.
3 THE CHAIRPERSON: Thank you. We adjourned until 12:40.
4 **(PROCEEDINGS ADJOURNED AT 12:11 P.M.)**
5 **(PROCEEDINGS RESUMED AT 12:41 P.M.)** **T17**
6 MR. FULTON: Darleen Mace.
7 **PRESENTATION BY MS. DARLEEN MACE:**
8 MS. MACE: Hi. Okay, I'm here as a -- I was with -- I
9 am with the Positive Energy Quilters, but today I'm
10 here just as a local concerned citizen and a Quilter,
11 and an appreciative customer of B.C. Hydro and number
12 three, I am here as a student. I am presently taking
13 my Masters of Education in Community Development at
14 the University of Victoria. I mention this for two
15 reasons: I've been following, or trying to follow
16 this issue for three years. I've been trying to
17 understand the rationale for building this gas plant
18 in light of the much larger issues of global warming
19 and fossil fuel dependency and I've also tried to
20 understand how the BCUC's decision to not build the
21 gas plant because of cost effectiveness issues has now
22 become a private contract for Pristine Power. If it
23 wasn't the right thing for B.C. Hydro to do, why is it
24 the right thing for Pristine Power of Calgary?
25 It's not possible for me to look at this
26 project solely in economic terms when I realize and

1 appreciate in the focus -- which I realize and
2 appreciate is the focus of this hearing. I do not
3 envy your job, but I also see that you have a great
4 opportunity to do something progressive with your
5 decisions.
6 I have come to the conclusion that it is
7 relatively easier -- not easy, but relatively easier
8 for a person to do a Masters program than comprehend
9 with any satisfaction the rationale behind building
10 this gas plant. So I would encourage anyone here
11 today, if they are contemplating going back to school,
12 if you can understand this process, then you are a
13 shoe-in.
14 The second reason I mentioned my return to
15 school is to raise the teaching objective of my
16 venerable professor, Dr. Ron Ferris. He said that as
17 graduate students, we should be educated to become
18 good crap detectors. This issue has provided a number
19 of opportunities over the recent years for my detector
20 to sound the alarm bells.
21 To keep this as short as possible, I'm
22 going to skip to the most recent one. Last Monday
23 night, Jeff Meyers of Pristine Power from Calgary made
24 a ten minute presentation to Nanaimo City Council. He
25 said, and I quote, "This plant is a local solution to
26 a local problem. There will be no long-term health

1 effects, no visual noise, no noise, no pollution."
2 And if I heard this directly he said, "This plant will
3 actually protect the environment." There was no
4 mention of what the economic costs will be for this
5 local solution.
6 So today I would like to encourage you to
7 be vigilant crap detectors in assessing the Duke Point
8 Power project. If pertinent information is missing,
9 please don't do something that will have such an
10 unhealthy legacy for this community. You are in a
11 position of leadership now here today, and even though
12 the scope of this hearing is to review the economic
13 aspects of this gas plant, I think you must realize
14 that you have a moral and social responsibility to
15 consider what is the greater good for all.
16 Thank you.
17 MR. FULTON: Ms. Mace has provided me with a copy of her
18 speaking notes, Mr. Chairman and so if that could be
19 marked the next exhibit, which I believe is E-254.
20 THE HEARING OFFICER: Marked Exhibit E-254.
21 (SPEAKING NOTES FROM DARLEEN MACE, MARKED EXHIBIT
22 E-254)
23 **Proceeding Time 12:45 p.m. T18**
24 MR. FULTON: Miriam Trevis?
25 Suzanne Gregory?
26 And if both of you at the speakers table

1 could identify yourselves then?
2 MS. GREGORY: Oh, I'm Suzanne Gregory.
3 MS. TREVIS: And I'm Miriam Trevis.
4 **PRESENTATION BY MS. MIRIAM TREVIS:**
5 Good afternoon. My name is Miriam Trevis.
6 For the past quarter of a century my husband and I and
7 our family have made their homes in Gold River, the
8 geographic centre of Vancouver Island and the area
9 known for it's beauty, for Luna the whale and for
10 being Canada's first all electric community. As such
11 it's now particularly significant that the future of
12 our community hinges on the production of electricity.
13 In the past three days almost 50 percent of
14 the adult population of Gold River has signed a
15 petition which I'm proud to present to you today.
16 I would like to read the preamble to this
17 petition which I believe sums up the collective wishes
18 of our residents, as they hope once again to have
19 meaningful employment in our community.
20 "We, the undersigned, residents of Gold
21 River, British Columbia respectfully request
22 that the members of the British Columbia
23 Utilities Commission give urgent
24 consideration to the proposal put forward by
25 Green Island Energy Limited as part of the
26 B.C. Hydro's Vancouver Island Call For

1 Tender. We sincerely believe that the Green
2 Island Energy proposal is far superior to
3 that offered by the Duke Point Power Project
4 since it is cheaper, more reliable,
5 significantly less financial risk to the
6 taxpayers of British Columbia, it's cleaner
7 and can deliver electricity faster. In
8 addition, the Green Island energy proposal
9 is wanted in Gold River, and has the full
10 support of the residents of this community
11 and other North Island communities."
12 Thank you. I'd like to present this.
13 MR. FULTON: The petition then could be marked Exhibit
14 E-255.
15 THE HEARING OFFICER: E-255.
16 (PETITION FROM GOLD RIVER IN SUPPORT OF THE GREEN
17 RIVER ENERGY PROPOSAL, MARKED EXHIBIT E-255)
18 **PRESENTATION BY MS. SUZANNE GREGORY:**
19 MS. GREGORY: Good afternoon. I'm Suzanne Gregory.
20 Sorry, I came up because I guess we didn't realize you
21 were coming too.
22 I'm speaking just as a concerned Hydro
23 customer. I live in Nanaimo, and I'm also a radio
24 host who has learned a bit about this proposal while
25 covering the issue on my program.
26 There are obviously numerous problems

1 associated with this proposal in terms of health,
2 environmental and aesthetic impacts. There are
3 ethical problems in the sense that I understand that
4 certain important contract details were redacted in
5 documents presented to the B.C. Utilities Commission.
6 However, because the focus seems to be more on
7 economic points, I will stick to those primarily.
8 I have not really done homework on the
9 health costs that might be involved or obviously the
10 massive costs that could result from global warming
11 impacts. I have just stuck to four points here. The
12 first one, and I'm hardly the first person to refer to
13 this, natural gas prices are only going to rise. On
14 the news service money.canoe, or canoe.ca there was a
15 story posted on June 3rd, 2004 by a James Stevenson who
16 noted that, "Conventional natural gas production in
17 Alberta likely peaked three years ago," That would
18 have been in 2001, "and a yearly decline of about 2
19 and a half percent should be expected," the province's
20 energy regulator said Thursday in it's annual reserves
21 report. So that's the Alberta Energy Regulator
22 actually making that statement.
23 I understand that I think there's been a
24 new gas find in Alberta. I may be completely wrong
25 about this, but it's possible that they may be looking
26 at selling that to China so it won't really help B.C.

if a help indeed that would be. But in any case the writing is on the wall. It makes no economic sense to me to build an expensive plant that may become too costly to operate and it could become obsolete before it's expected retirement date.

The second point that I'd like to address, and an earlier presenter, Mr. St. Denis went into greater detail on this one. Using natural gas to heat water to make steam to drive a turbine to produce electricity to, among other things, generate heat in homes and buildings and so on is a very wasteful and inefficient use of finite resources and I don't think we can afford that any longer under the circumstances that we are in today.

The third point is that -- and others have mentioned this as well, money put into a gas-fired plant would be money not available for the development of sustainable alternatives, and B.C. would then drift further behind Europe and Japan than it already is, and people have mentioned initiatives that have happened in Europe, in particular. In Japan I believe there are many many new homes now being built with solar shingles on the roofs, and that is also happening in countries like Denmark. So we need to be looking ahead and not backward.

There is a B.C. Company called Blue Energy,

and I certainly don't represent them, but I think they represent a very interesting set of possibilities that Hydro may be missing out on. They say on their website, and that's www.blueenergy.com, that with the potential to supply electricity to most coastal communities around the world, ocean generated electricity represents a market of hundreds of billions of dollars, and I have brought along some print-outs from their website.

Vancouver Island, obviously, is surrounded by ocean generation possibilities, and I understand that the newest technology that this company has developed is fish friendly, does not damage estuaries like the older tidal generation method. Most of it sits under the water so aesthetic problems are reduced, and it has the generation potential of the large conventional plants that are in existence today. And this is not some pie-in-the-sky idea. They have built and tested several prototypes under the auspices of the National Research Council.

So instead of looking backward, Hydro could be partnering with companies like this to tap into that multi-billion dollar export market while at the same time powering the Island's here, and the smaller ones, and other coastal areas with this actually three reliable relatively constant and predictable energy

1 source, that is the tides. And as someone else
2 mentioned, of course we know what the tides are going
3 to be for years to come. The tide tables are all
4 there. So we don't have -- it's not even like wind
5 where it's a -- you know, we don't always have that
6 source. The thing that powers the technology is
7 always there and we know what to expect from it.
8 Apparently this also works in free-flowing
9 rivers, so it's something that could possibly replace
10 dams and that's a wonderful thing as well. So in the
11 long run it's this kind of solution that will be cost
12 effective. They do say on this website that I believe
13 they can get the cost -- "Within six years of
14 operation the Blue Energy system will generate
15 electricity at a competitive rate of 4 cents U.S. per
16 kilowatt hour constantly trending downward", and it's
17 the downward part that's the operative thing there.
18 It's because that initial source is free, it becomes
19 much more cost effective as time goes on.
20 The fourth thing that I would like to raise
21 is that I understand that if this proposal is accepted
22 any profits from the operation of this plant will go
23 to the private partners who are outside of B.C. so
24 those will not benefit the B.C. economy, while the
25 ratepayers will have to pay for any losses, cost
26 overruns or increases in the cost of natural gas, and

we know those are going to happen. So that's kind of a heads they win, tails we lose situation as far as I can see.

One of the bases of private enterprise is competition. So if you are going to involve private partners, there needs to be some competitive element, which there isn't of course, because there isn't a company that's competing with Hydro for us as customers in terms of our -- you know, where we plug in our electricity. That may not even be feasible for anyone to come in and put in the kind of transmission infrastructure that they could do that with. So that underscores the reason why Hydro as a public entity needs to put the public interest first and the interests of its private partners after the public interest.

If it doesn't do that, then there are ways in which customers can and should take their business elsewhere. I've seen a cabin powered by solar panels and a small wood stove. The solar panels were installed by a small local company. So there are these other possibilities. Light emitting diodes, which somebody mentioned, can be powered by solar rechargeable batteries and they are amazing. And the technology there is continually developing. So there's actually a bicycle powered blender here in

Nanaimo. At the Food Share Centre was the last place where I saw that, and I know a person who has cut her home electricity use right down to a minimum without using comfort or convenience.

So we, as consumers, can actually take some actions there as well if Hydro won't. But obviously it would lovely if we could partner with Hydro in making some changes to the way that we do things.

The days of the large central generating plant are probably numbered. It's just not the way of the future, and if Hydro doesn't decide to diversify into a variety of those kinds of sustainable solutions, many of its customers will and will probably have to, because I have friends in California who experienced the situation that happened there a few years ago and it was beginning to be a question where they couldn't afford to pay their electrical bills, and we really don't want to get into that kind of a situation.

We're not in a position here where we need to shut down coal-fired plants, fortunately. We already have better sources of power generation in place and of course, as we know, there are better options still on the horizon.

I'm thinking that this Duke Point proposal may not actually benefit B.C. Hydro itself in the long

run, and of course, it will most certainly not benefit us, the customers. So I strongly urge the B.C. Utilities Commission to reject the proposal.

Thank you.

MR. FULTON: If Ms. Gregory's submission might be marked Exhibit E-256.

THE HEARING OFFICER: Marked Exhibit E-256.

Proceedings Time 1:00 p.m. T19

(WRITTEN PRESENTATION OF MS. SUZANNE GREGORY, MARKED EXHIBIT E-256)

MR. FULTON: Fred and Kathleen Schloessinger? Fred and Kathleen Schloessinger?

Brooke Watson?

Iain and Natalie Cuthbert?

B.J. Godson?

MR. CUTHBERT: Right here.

PRESENTATION BY MR. IAIN CUTHBERT:

Good afternoon, my name is Iain Cuthbert.

I want to thank the B.C. Utilities Commission for coming here and listening to the people of Nanaimo. We're counting on you as an expert and independent watchdog to safeguard the best interests of British Columbians.

The proposed Pristine Power gas plant at Duke Point is not an alternative to the same project that was formerly proposed by B.C. Hydro. The gas

1 plant is not needed to avoid a near-term shortfall in
2 the electricity supply on Vancouver Island, nor does
3 the best -- nor is it the best or even a good solution
4 to meet future demand.
5 If we need to be more energy self-reliant
6 on this island, then we need to use energy that
7 originates here. Importing natural gas to burn it in
8 Nanaimo to generate electricity is in no way a measure
9 of energy self-reliance. We do, however, have plenty
10 of island based electricity generation options here,
11 including hydro power, wind, energy from waste and
12 possibly geothermal and others.
13 In 2001 and 2002 B.C. Hydro made two calls
14 for independent power production generation. These
15 calls were for green power, which means that they were
16 for sustainable, renewable energy. In response B.C.
17 Hydro accepted new projects that would generate
18 approximately 665 megawatts of non-polluting,
19 renewable energy. This includes 146 megawatts of
20 energy from small hydro and wind projects and others
21 here on Vancouver Island. In addition to these,
22 there's a proposal to construct a 450 megawatt wind
23 farm at Nob Hill in northern Vancouver Island. And
24 another call for independent hydro power generation is
25 planned for this year.
26 I know that wind and hydro are not

1 considered firm energy, but when these two sources are
2 combined, this issue is addressed by storing water in
3 reservoirs when wind power is available.
4 As a professional biologist I have worked
5 on several independent power projects on the island,
6 one of which is already connected to the B.C. Hydro
7 grid. These projects are run of river, small hydro
8 projects that produce no emissions or greenhouse gases
9 or pollutants and have very low environmental impacts.
10 They provide the kind of renewable energy that we need
11 if we are to become truly more energy self-sufficient
12 on Vancouver Island.
13 Unlike power from burning fossil fuels,
14 these sources of energy are sustainable and the prices
15 should be very stable. Unlike gas, the price of rain
16 and wind will be constant, and we're fortunate on this
17 island to have plenty of both.
18 Burning fossil fuels to generate
19 electricity is costly, unsustainable and inefficient
20 due to the losses from converting one form of energy
21 to another. If this project goes ahead, Terasen Gas
22 has indicated that they will construct a 1.5 billion
23 cubic foot LNG plant at Ladysmith. The process of
24 cooling the gas to liquid form for storage will result
25 in a 10 to 20 percent loss, net loss in energy, and
26 this will further reduce the efficiency and

1 sustainability of this project and the costs of LNG
2 storage will be passed along to hydro and gas
3 consumers alike.
4 The cable supplying energy from the
5 mainland are being replaced and industry has offered
6 to curtail consumption if there should be a potential
7 shortfall in electricity supply in the interim. The
8 timing of the forecasted shortfall has changed every
9 year. In May, 2002 the Vancouver Sun's local spokes
10 person told -- sorry, B.C. Hydro's local spokes person
11 told the Vancouver Sun, and I quote, "The bottom line
12 is power for Vancouver Island is needed by the winter
13 of 2004, and without additional electricity Hydro
14 would have to disrupt power to some customers."
15 Every year we are given a new set of dates.
16 Which creates a sense of urgency and puts pressure to
17 support the project on those who rely on Hydro for
18 this information, including Nanaimo City Council.
19 I have not seen B.C. Hydro give serious
20 consideration to any alternatives to the proposed gas
21 plant. This was clear when they first came here for
22 the round table discussions three years ago. I was
23 surprised at that time when I was told that this
24 project was a done deal. Later, when the project was
25 under review by the Environmental Assessment Office,
26 they came to Nanaimo and they told us that they would

not entertain any discussion about alternatives to the gas plant.

The EAO failed British Columbians by refusing to adequately consider the need for the project, by refusing to consider alternatives to the project and by accepting offsets as satisfactory mitigation to environmental impacts.

Everywhere we read and hear about the prohibitively high cost of electricity produced from gas. At the recent annual meeting of the B.C. Independent Power Producers Association of British Columbia, one of the keynote speakers was Steve Reynolds, and he's the president and CEO of Puget Energy, a utility in Washington, and he told us that they see no future there in the -- in using gas to generate electricity, and that several gas plant and pipeline projects have been abandoned in the Pacific Northwest, going into receivership after having invested hundreds of millions of dollars. This is coming from the president and CEO of a company that provides electricity to nearly 1 million customers and supplies natural gas to more than 630,000 customers. Why would we consider building a gas plant at a time when others are abandoning them? According to their website, Puget Energy is now looking to acquire a wind farm.

Because of their concerns about the high cost of electricity produced from gas, as well as the $780 million write off, the Joint Industry Electricity Committee is opposed to this project. As you've seen and heard today, the citizens in Nanaimo are opposed to it, ratepayers are against it, and the environmental coalitions oppose it, and I have never before seen a project where environmentalists, NGOs, the public and industry are all lined up on the same side.

Thankfully our current government put B.C. Hydro back under the mandate of this Commission, and yours is the only government entity that has seriously considered whether the project is needed and asked that alternatives be investigated. More than a year ago this Commission asked B.C. Hydro to find a more economical solution to power generation on Vancouver Island. With the rapid rise in the price of gas since, Hydro has responded by putting forth the same project at a higher cost.

We're hearing about electricity generation costs in the range of 12 to 22 cents per kilowatt hour. Meanwhile, B.C. Hydro will only pay a maximum of 5 and a half cents a kilowatt hour for clean, green, renewable energy that is to be supplied by independent power producers right here on Vancouver

Island.

Last, and certainly not of least concern is the fact that the proposed gas plant would be a polluting, non-renewable energy project that will contribute to environmental degradation and related human health problems. The project is contrary to the commitments of B.C. Hydro, the Government of British Columbia and the Government of Canada with respect to sustainability and the reduction of greenhouse gas emissions. The ability to stop this project lies with the BCUC.

Thank you.

MR. FULTON: If Mr. Cuthbert's submission might be marked Exhibit E-257.

THE HEARING OFFICER: Marked E-257.

(WRITTEN PRESENTATION OF MR. IAIN CUTHBERT, MARKED EXHIBIT E-257)

Proceedings Time 1:10 p.m. T20

MR. FULTON: And the next speaker is B.J. Godson.

PRESENTATION BY MS. BARBARA-JANE GODSON:

Good afternoon. My name is Barbara Jane Godson, and I sit before you again to reiterate my concerns about the proposed gas plant to be built at Duke Point.

When I addressed the BCUC panel on June the 26th, 2003 in this very hotel, I returned home that

evening with the feeling that BCUC Commission panel had really listened to what I and the numerous other speakers and letter writers had had to say. It turns out that I was correct. Your panel did the prudent thing and did not allow B.C. Hydro to go ahead with the VIGP.

There was celebrations far and near when your decision was made public, and the thousands of concerned citizens who had made their worries known felt relief and some form of satisfaction that taxpayers who are opposed in large numbers to a government plan can actually be heard and can make a difference.

For the next year or so we went about our daily lives, apparently lulled into a false sense of security, even a naïve assumption that this farce of a plan had actually been scuttled. But, here we are again, with the same plan, wearing a hat that says 252 instead of 265, megawatts that is; having come to the foreground with an alarming rapid pace, being fast tracked by B.C. Hydro who have never backed off for one second and whose officials have been heard to say, fight it if you want but it's a done deal. The arrogance of such a statement makes me shutter in my taxpayer booties.

As I mentioned at the start of my 2003

speech to your Commission, I am in no way an expert in any of the technical fields, nor do I hold any scientific or engineering diplomas. But even as a layman I can read, accumulate information and use my common sense to try and understand the logic behind what is still not proven to be a necessary solution to a problem that appears to have been blown all out of proportion by B.C. Hydro. Even in their own press release of December 20th, 2004, B.C. Hydro cancelled its GSX project on the basis that their electoral load for Vancouver Island which it had anticipated had never materialized.

Also from the layman's point of view it is difficult to understand why this plant should be allowed to go ahead when the costs will, I'm sure, end up being the same if not more than the original plant by the time one factors in the alarming amount of taxpayers' dollars spent by B.C. Hydro for months of promotional advertising, meetings, travel, schmoozing various communities and relentlessly insisting that the GSX pipeline was an integral part of the plan.

Aside from the hideous amount of money involved, one must also consider the physical, environmental and health related concerns. Again, I'm not expert, but surely tonnes of particulate matter can't be good for anything or anyone living in the

path of pollution which threatens to drift further afield than the clouds of pollution which already roam the region from the Duke Point industrial area.

In June of 2003 I expressed my concerns to you in terms of being a full-time Mudge Island resident, being less than two kilometers from Duke Point, and as a local tour operator, which I've been for the past 20 years. Please believe me that looking at and inhaling large amounts of particulate matter is not what out of town, out of province and out of country tourists come to Vancouver Island for.

I am disappointed, I'm disgruntled, even appalled that I have to be back here again, pleading my case, but at least the BCUC Commission has demonstrated that you do listen. You do weight all the criteria and myriad details, and I'm hopeful that this panel will consider the fact that by the time this proposed plant would be up and running, assuming no delays, it would only really be needed as an interim measure to offset the coldest days of one winter, as the undersea cable should be ready by the fall of 2008.

I urge you to give green energy alternatives, cogeneration projects, volunteer conservation and the like time to manifest themselves as the same sensible, non-polluting cost effective way

to run this province. It works in other countries. Why on earth can't it work here.

One last point before I close. I see that Mayor Korpan has forwarded a letter to the BCUC stating that Nanaimo City Council's support for the Duke Point Plant, but that support came about in February of 2002. There are new council members since that time, and there is now a notice of motion put forth by one of the council members and it was seconded, to reconsider the council's position on this matter and to withdraw its support.

This will be voted on at an upcoming Nanaimo City Council meeting. Perhaps there is a chance and perhaps the fat lady hasn't sung yet.

With the greatest respect to the members of this panel, I urge you to again tell B.C. Hydro that the proposed gas plant is not the best solution, certainly not the most cost effective answer to Vancouver Island's power. I put my trust in this experienced panel and I'm sure that you will make the right decision for the good of all concerned citizens, and believe me, there are many, many more that are not in this room or in the adjacent room because we couldn't all fit in this one, who are thinking the same way I am.

Please, power to the people's will, not

power to Duke Point. Thank you for your time.

MR. FULTON: If Ms. Godson's submission could be marked Exhibit E-258.

THE HEARING OFFICER: E-258.

(WRITTEN SUBMISSION OF BARBARA JANE GODSON, MARKED EXHIBIT E-258)

Proceeding Time 1:14 p.m. T21

MR. FULTON: Gordon Bell? Jim Mitchell? Gary Korpan?

VOICE: Jim Mitchell is here.

MR. FULTON: Okay.

MR. MITCHELL: Sorry, I was in the next room.

MR. FULTON: Sorry.

PRESENTATION OF MR. JIM MITCHELL:

MR. MITCHELL: My name is Jim Mitchell. I'm a Councilor for the Village of Gold River, President of Gold River Streamkeepers, Vice-President of Gold River Resident's Association, and a Director on the Gold River Future Society and the Nootka Sound Watershed Society. But today I stand before you as a private citizen, a taxpayer of the Province of British Columbia, as well as a ratepayer of B.C. Hydro.

We are all here today to comment on the recent awarding of the VICFT to Duke Point Power by B.C. Hydro. I will mainly speak to two points in regard to this: cost and value. The lowest cost option is the task that was given to B.C. Hydro by the

BCUC. The objective to provide the highest value to the ratepayers of B.C. Hydro and the residents and taxpayers of the province. Cost, by its definition, is a negative in the context of these hearings. In the evaluation of all tenders one must consider all found costs. This does not seem to have happened in the evaluation of the Duke Point by B.C. Hydro compared to the other options, especially the Tier 2 options available.

Basic costs, such as fuel, and the costs of transmission, as well as redundancies in these streams, are imposed on all other options except Duke Point by B.C. Hydro. This being the case, these same costs should also be borne by the project at Duke Point and any other options.

Then there's the cost of tying the generation of electricity to a volatile commodity like natural gas, with price forecasts that are incongruent with all other price projections of natural gas no matter the source. B.C. Hydro has generated a cost for fuel which the great unwashed, such as myself, find at best, overly optimistic; at worst intentionally delusional, if not misleading. I quote Eric Markell, senior vice-president of Puget Sound Energy, in a press release made May 9th, 2004 regarding an all source call for tender and the final short list

of candidates.

"PSE received a number of proposals from developers and operators of natural gas fired generating projects. While natural gas is an efficient, clean-burning fuel for power generation, the currently high cost of natural gas, it's price volatility and the credit requirements to buy and hedge natural gas made such resources less attractive at this time."

There are also costs associated with generation from natural gas that B.C. Hydro has recognized but not determined or attributed to Duke Point. These can be put into two categories, direct and indirect. The direct costs include, but are not limited to, the purchase of green credits for what is considered a dirty power source, and the delivery of this fuel source.

The indirect costs are mainly political. With little public support, opposition from the public to the Duke Point project will no doubt cause delays. With imminent electricity supply shortfalls forecast on Vancouver Island, these costs could be significant, but are impossible to determine.

With all of this in mind I urge BCUC to review all found costs of Duke Point compared to the

1 possible Tier 2 options. The future electricity costs
2 for the B.C. utility consumers for 25 years will be
3 greatly influenced by this decision. Leave no stone
4 unturned.
5 Value, by it's definition in the context of
6 these hearings, is a positive. Value has not been
7 determined nor attributed by B.C. Hydro to any of the
8 options under review in this process. Ultimately the
9 reasons for the existence of the BCUC and the reason
10 for this hearing are to ensure that the B.C. Utility
11 ratepayers receive the best value for their utility
12 dollar.
13 B.C. Hydro has attributed costs to Tier 2
14 options such as potentially needed transmission
15 upgrades, yet gives these upgrades no value. Once
16 again, like costs, value that can be attributed is
17 direct and indirect. The direct values that can be
18 attributed to Tier 2 options are far too numerous to
19 speak on with the time allotted today so I will only
20 speak to two of these.
21 The first has significant value to the area
22 I reside, north Vancouver Island. Electricity
23 transmission upgrades in B.C. are truly public
24 infrastructure, the same as highways, water
25 distribution systems and sewer systems. As a
26 municipal politician I cannot overstate to the

assembled panel the immense economic importance, relevance and value of upgraded or new infrastructure. The improved infrastructure would be of no burden to B.C. Hydro or it's ratepayers, and as B.C. Hydro has attributed to the industrial commercial users and generators in the Tier 2 option. B.C. Hydro does not seem to appreciate the value of this potential.

Upgrade of transmission to itself; just like the Inland Island Highway has generated economic growth, this improved transmission infrastructure will provide an impetus for new growth and new customers to B.C. Hydro and in the end, this improved transmission capacity would be an asset provided to B.C. Hydro and the B.C. Transmission Corporation and its customers at no cost. Free infrastructure.

As a municipal politician, the only question I have about that is: Where can I sign up?

The second direct value is the timeframe it will take for these projects to come on line. As supply demands become more --

(FIRE ALARM SOUNDS)

MR. MITCHELL: I can speak louder for a second.

THE CHAIRMAN: We'll adjourn for ten minutes.

(PROCEEDINGS ADJOURNED AT 1:27 P.M.)

(PROCEEDINGS RESUMED AT 1:30 P.M.) **T22**

MR. MITCHELL: The second direct value is timeframe. It

will take -- the timeframe it will take for these projects to come on line. As supply demands become more difficult to fulfill on Vancouver Island, there will be mounting and compounding management problems in the delivery of electricity. These will generate costs beyond the costs of potentially restrained economic activity on Vancouver Island. These costs may be difficult to determine but will be tangible to all B.C. Hydro ratepayers and very likely reflected in higher rates.

The indirect values of the Tier 2 option are also too numerous, so I once again will only speak to two of these. The first of these is the footprint of a Tier 2 option involving Green Island Energy compared to Duke Point. The economic footprint of Duke Point will be of a very limited value, big fish/ huge ocean, and actually could represent a cost to the City of Nanaimo who have committed a hundred million dollars into a business revitalization business plan. There is definitely the potential for the Duke Point project to damage this initiative through the generation of dirty power so close to the downtown community.

Although not within the scope of this hearing today, the environmental and social footprint of Duke Point is a negative one compared to a Tier 2

1 resolution involving northern Vancouver Island.
2 The Tier 2 -- excuse me for one second.
3 The Tier 2 proposal will not only have a
4 far more positive economic footprint, big fish/little
5 pond, but it is a net social and environmental
6 positive due to the green component of this option.
7 The final value I will address is the value
8 of a broad base of support for the final decision on
9 the Vancouver Island Call for Tender from both the
10 public and business communities. Support for the
11 final decision will not only mean a shorter timeframe,
12 but opposition to Duke Point could lead to
13 indeterminate uncertainty and potential litigation.
14 There appears to be a far greater favour from the
15 public and business community for the Tier 2 solution
16 involving northern Vancouver Island and Green Island
17 Energy. This can be seen by the list of intervenors
18 on the BCUC website.
19 I have also seen it first-hand in Gold
20 River in a public meeting attended by over 500 of its
21 residents. Gold River has only 1,400 people. When
22 asked whether they would like to see the Gold River
23 Village Council continue to pursue and support the GIE
24 initiative, the response was unanimous, unqualified
25 and unequivocal: Yes.
26 Vancouver Island North wants to be part of

a Vancouver Island energy solution. The task before you is long, arduous, but so important. I am confident, if all found costs are considered by the BCUC and all values are attributed to the options before this panel, that a Tier 2 option will be chosen. With a power delivery to the consumers will remain one of the most cost effective North America.

Thank you for your time today, and I wish you well on your task.

MR. FULTON: If Mr. Mitchell's submission could be marked the next exhibit, Exhibit E-259.

THE HEARING OFFICER: Marked Exhibit E-259.

(WRITTEN SUBMISSION FROM JIM MITCHELL, MARKED EXHIBIT E-259)

Proceeding Time 1:35 p.m. T23

MR. FULTON: Gary Korpan?

John Ebell?

PRESENTATION BY MR. JOHN EBELL:

MR. EBELL: Yes, good afternoon. I'm an environmental consultant and an organic farmer from Nanoose Bay. Thank you very much for this opportunity to voice my opinion.

We've already heard a lot about the negative attributes of this proposal and I don't feel as though I need to dwell on the facts that have already been stated so eloquently. I do not support

this proposal for the same reasons: the unaffordable pollution, the unknown gas costs, and the availability of potentially alternative solutions.

I particularly want to say to the B.C. Utilities Commission and to provincial government, "Take some leadership." It's a frustration and an embarrassment that the citizens of British Columbia have to be here to try and halt such decisions as this. The facts are blatant. Our global ecosystem, which is our life support system will not sustain the continued use of fossil fuels. The world over has to start developing alternative power, and as has been said so many times today already, British Columbia could be in a real leadership position.

We need our governing agencies and your Commission to set a focus towards alternative energy and if this means some personal financial inconvenience, the cost, that's fine, I say bring it on, because you know, we're going to pay, we know we're going to pay if we continue down the highway we are going on right now.

And this morning, as I headed out the door, my 11-year-old daughter, who really wanted to be here, but she couldn't, she told me to say, tell them that she thinks the gas-fired plant is a bad idea as well. So.

1 MR. FULTON: If Mr. Ebell's submission could be marked
2 the next exhibit, E-260.
3 THE HEARING OFFICER: Marked E-260.
4 (WRITTEN SUBMISSION FROM MR. JOHN EBELL, MARKED
5 EXHIBIT E-260)
6 **Proceeding Time 1:37 p.m. T24**
7 MR. FULTON: The next five speakers in order, Mr.
8 Chairman, are Morgan Ostler, Vickie Deacon, Jacquie
9 Howardson, Linett Kartar and Erik Andersen.
10 So I'll begin with Morgan Ostler.
11 **PRESENTATION BY MS. MORGAN OSTLER:**
12 My name is Morgan Ostler and I'm a
13 Councilor with the District of Campbell River, soon to
14 be called the City of Campbell River, and on the verge
15 of becoming once again one of the fastest growing
16 communities on Vancouver Island. I'm here to
17 represent our City Council and am speaking in place of
18 our mayor, Lynn Nash, who is detained at another
19 event.
20 We already have the ability on the North
21 Island to be self-sufficient in energy production.
22 The energy we produce now through John Hart Generating
23 Station, Calpine Island Co-generation and other
24 sources meet the power requirements of a large segment
25 of Vancouver Island. Calpine has planned capacity to
26 greatly increase production. It has developed a

vegetable fuel system that they can switch over to that reduces its dependency on gas. Green Island Energy at Gold River has projected its ability to become a major power producer using waste products to fuel its system. Quinsam Coal is considering the opportunity to provide coal-fired power and the wind-powered project west of Port Hardy is looking for the go-ahead to join the production line.

Transmission lines in our area need to be upgraded in the west and north side of Vancouver Island, but other than that there is no need for a massive outlay of funds in order to move forward with production. In fact the cost of building those transmission lines can be recaptured by a user pay system that can be put in place.

If North Vancouver Island has the capacity to produce power to meet the long-term needs of the Island, why is B.C. Hydro considering approving the building of a $300 million plant at Duke Point.

This submission is a general overview of power development opportunities on the North Island. Because each of the companies I referred to would not have to depend on natural gas for power generation, neither would our communities be victimized by future increases in the price of natural gas. Building a gas dependent power plant at Duke Point in a poor business

1 plan and our community cannot support the project.
2 I'm not -- thank you. I'm not speaking
3 from a territorial point of view like we want things
4 to happen in North Island. If in fact the Duke Energy
5 Point was moving towards the use of green energy we
6 would support them as strongly as I'm supporting our
7 existing producers in the North Island.
8 Thank you.
9 **Proceedings Time 1:41 p.m. T25**
10 MR. FULTON: If the submission could be marked the next
11 exhibit, E-261.
12 THE HEARING OFFICER: E-261.
13 (WRITTEN SUBMISSION OF DISTRICT OF CAMPBELL RIVER, AS
14 SUBMITTED BY MORGAN OSTLER, MARKED EXHIBIT E-261)
15 **PRESENTATION BY MS. VICKIE DEACON AND MS. ANN FIDDICK:**
16 MS. DEACON: My name is Vickie Deacon, and I'm a member of
17 the Cedar Women's Institute. I am here with Ann
18 Fiddick, and we're here to give our point of view.
19 MS. FIDDICK: For 80 years the Cedar Women's Institute
20 and Farmers Institute, which we've also been given
21 authority to speak for, have been active in defending
22 quality of life in home and country. The Women's
23 Institute is a voice of the Associated Country Women
24 of the World, who are in a unique position to observe
25 and experience changes in the environment first hand.
26 This organization has been instrumental in

initiating changes in legislation and statutes, for example clean water, pasteurized milk, road safety, banning lead birdshot, and are now working on mandatory labeling for genetically engineered foods.

As representatives of rural communities, farmers, and residents of Cedar, we're here to object to the further alienation of our Cedar community environment at Duke Point, through the use of fossil fuels and their ultimate destination into the atmosphere in the form of greenhouse gases. These noxious gases rise in the atmosphere and then descend to pollute our air and our lungs.

MS. DEACON: And our soil.

MS. FIDDICK: World health organization studies state that greenhouse gases have immediate and widespread negative health effects on things such as asthma, heart disease and lung disorders.

According to the Kyoto Protocol, Canada is expected to reduce greenhouse gas emissions to six percent below the 1990 levels between 2008 and 2012. The emissions from a natural gas power Duke Point Plant added to the already polluted air from Harmack is not acceptable, not for our community, not for our country and not for our world.

B.C. Hydro has not given due consideration or encouragement to other power producers and other

1 methods of power generation and conservation. Here's
2 a little bit of history, for example, on the Gold
3 River Green Island Energy Project, a green power
4 project.
5 In the fall of 2004 B.C. Hydro's web page,
6 Price Waterhouse evaluates the Vancouver Island power
7 calls for tender. A determination was made as to
8 whether various proponents had the financial means to
9 complete their project. Obviously they don't care,
10 because they have the B.C. ratepayer to do because
11 hydro projects are already underwritten.
12 They also comment on Green Island Energy's,
13 GIE's submission does not fit into the -- any
14 portfolios due to the size thresholds, meaning a
15 minimum threshold. Why is there a minimum size
16 threshold when every winter B.C. Hydro pleads with
17 users to conserve energy, particularly on Vancouver
18 Island? Many of these small alternatives are cheap,
19 clean, green, with fewer environmental impacts than
20 Duke Point.
21 In March of 2004 Bob Elton, the CEO of
22 Hydro, did a whirlwind tour of Vancouver Island,
23 flogging Duke Point. The concept, breakfast in
24 Victoria, lunch in Nanaimo and supper in the Discovery
25 Inn in Campbell River. A Gold River reporter attended
26 and asked him, is there room for both Duke Point and

1 Green Island Energy? He responded, emphatically, yes.
2 From this, GIE were led to believe that
3 Hydro was going to tell the B.C. Utilities Commission
4 that the upper ceiling would be revised above the 300
5 megawatts. However, Hydro did not do this.
6 Mary Hemmingson, Hydro Power Planning
7 Manager, has been quoted in the past as saying,
8 proponents of independent power projects have a major
9 sales job ahead of them if they hope to see their
10 projects supplant the initiative Hydro has already had
11 underway for three years. What does that mean?
12 Were GIE and other independent power
13 producers who bid on the call for tenders ever on a
14 level playing field with Duke Point? Hydro proceeded
15 and it became obvious Duke Point was going ahead no
16 matter what the cost or how much opposition.
17 As of Friday, the 29th of October, 2004,
18 Green Island Energy understood they still had a
19 contract. Then the lawyers advised Hydro that if they
20 gave Duke Point and Gold River, GIE, the contract it
21 would exceed the 300 megawatt limit and lay themselves
22 open to lawsuits from the other independent power
23 producers who had been turned down. So Gold River
24 lost out.
25 The following issues are being brought to
26 the attention of the Premier, Hydro and now

1 yourselves, the B.C. Utilities Commission. There
2 exists on -- a need on Vancouver Island for power
3 above and beyond the 300 megawatts in the future that
4 was requested in this call for tender, because B.C.
5 Hydro apparently now doesn't know, but at the time of
6 this writing knew that they were going to be de-
7 commissioning the undersea cables, and I understand
8 those are going to be renewed.
9 But what about the future? What about
10 beyond 2007? Basically if you just replace the
11 capacity, meaning Vancouver Island would be no further
12 ahead by 2007 and may well be behind considering the
13 current rate of development of the Island and the
14 islands that it serves.
15 Hydro must be responsible for the upgrade
16 of the Vancouver Island transmission lines, others
17 have said, for Duke Point distribution, so why not for
18 all the proposals. Aren't they in the business of
19 distribution as well as generation of power? Why
20 should B.C. ratepayers be responsible for all the
21 tolling or the gas purchase charges for Duke Point
22 natural gas? Why should B.C. ratepayers be
23 responsible for all the construction costs if the
24 pipeline goes ahead? Why should B.C. ratepayers be
25 responsible for all the environmental impact offset
26 costs by this dirty power producer?

B.C. Hydro stated that it would consider habitat restoration, fuel cell buses and so on to offset the environmental impact of Duke Point. Not good enough.

Why should B.C. ratepayers carry all of the risk for increased gas prices above the projections through the 25-year life cycle of the contract? This would amount to -- could amount to hundreds of millions of dollars, and it is incredible that the Duke Point project estimates the cost of gas at $3.00, when it's already at six.

The current management at Vancouver Island Generation Project has saddled the taxpayers of British Columbia already with a $70 million loss, and now the prediction is at least three percent increase to all Hydro customers to cover the costs of Duke Point Power. Why are the same people who incurred this loss still making decisions at Hydro? Where is the silent energy minister for British Columbia? How can the government justify silence when the taxpayers are watching another environmental and fast ferry fiasco in the making? Why did B.C. Hydro insist that Green Island Energy have a back-up power plan in place, when there's no such requirement made for Duke Point?

The Energy Plan announced by the provincial

1 government is intended to provide British Columbians
2 with clean, green, inexpensive power in a timely
3 manner. How does Duke Point meet this criteria? It's
4 not clean, it's not green and it's not inexpensive.
5 And the earliest it might be in production is 2007.
6 Improbable, considering that B.C. Hydro states the
7 need to build a pipeline, maybe not, or a liquefied
8 natural gas plant.
9 Green Island Energy and its partners in
10 Gold River, Ladysmith, wherever, can be on-line within
11 months, and meet the province's criteria of clean
12 power, and at 53 percent of the cost of Duke Point.
13 Can any provincial politicians explain
14 exactly why the province -- what the province has done
15 for the development of northern Vancouver Island
16 communities under its heartland strategy? Communities
17 like Gold River want development provided by projects
18 like Green Island Energy, whereas communities like
19 Cedar, where I live, do not want the dirty alternative
20 at Duke Point.
21 Why doesn't B.C. Hydro offer serious
22 incentives for the use of alternate energy sources,
23 such as solar, wind, tidal and geothermal? The
24 exchange of a few light bulbs is a public relations
25 maneuver. Real savings to the environment are
26 realized by using proven, green, accessible energy

alternatives. Offers to change from oil to electricity or to gas are not sustainable alternatives. New construction should include the most efficient use of electricity, particularly for heating and cooling, and these alternatives are currently so expensive only a dedicated few venture into it.

After the fall of 2004 meeting in Nanaimo when B.C. Hydro announced the Duke Point Project, a Price Waterhouse representative asked a disillusioned Gold River Council member, not -- the previous speaker; whether he understood the procedure. The council member said, oh yes, B.C. Hydro dug a round hole in the ground and then they gave a round peg to Duke Point, and then they gave everyone else a square peg, am I right? At which point the Price Waterhouse representative turned away and wouldn't talk to him any more.

Now, I'm a Cedar by the Sea resident. I'm just a few minutes from the Duke Point site. And I'm also a few minutes from Dodds Narrows. Hmmmm, maybe we should try some tidal power there. Don't put this polluter into an already polluted environment, and yes, I'll have -- I have had my -- I've had my home done with geothermal heat. Cost a huge amount of money, takes a quarter of the electricity to heat my

1 home than it did in Gold River with all electric heat.
2 So please consider the costs in terms of dollars, and
3 more importantly in terms of the cost to the
4 environment. Please turn down this project.
5 I just want to say that I have an approved
6 resolution from the Women's Institute that was done in
7 2003 and I'd like to enter it for the record.
8 "Resolve that B.C. Hydro cease and desist
9 from bringing another natural gas pipeline
10 onto Vancouver Island for the purpose of
11 generating electricity. Reasons - Canada's
12 commitment to reduce greenhouse gas
13 emissions under the Kyoto Agreement now in
14 law will not be met with increased
15 environmental pollutants. In order to
16 protect our environments, our coastlines,
17 Pacific islands, which are in danger of
18 submersion due to the polar ice melt
19 resulting from the ozone depletion, Canada
20 must recognize the inherent dangers and
21 difficulties. B.C. Hydro publications have
22 stated that they are -- they have located
23 promising sites on Vancouver Island for wind
24 and tidal power, showing high potential in
25 solar power for production of clean
26 electrical power."

1 Thank you.
2 **Proceeding Time 11:54 p.m. T26**
3 MR. FULTON: Mr. Chairman, if the centre's submission and
4 resolution could be marked the next exhibit, that
5 would be Exhibit E-262.
6 THE HEARING OFFICER: Marked E-262.
7 (WRITTEN SUBMISSION OF CEDAR WOMEN'S INSTITUTE AND
8 RESOLUTION, MARKED EXHIBIT E-262)
9 MR. FULTON: Jacquie Howardson.
10 VOICE: She's been here but she just left. She thought
11 she was going to be later on.
12 MR. FULTON: Linnet Kartar.
13 **PRESENTATION BY MS. LINNET KARTAR:**
14 MS. KARTAR: Good afternoon and thank you for holding
15 this hearing.
16 I have a very short thing which -- so much
17 has been said and so much of what I would like to have
18 said has been said very well and very --
19 VOICE: Could you move closer to the mike, please.
20 MS. KARTAR: Okay. Sorry, I was just outside because I
21 thought it wasn't getting cold for a while. Okay.
22 So I find very many reasons to protest this
23 gas plant, not the least of which is that our country
24 has made a commitment to Kyoto, and we have a
25 voluntary approach to reducing CO_2 emissions and other
26 greenhouse gas emissions, and this process is really

not working. In fact, we are actually leading the world right now with emissions rising at least 20 percent above the 1990 levels.

Now, under the protocol agreement which we signed and ratified in December of 2002, we must reduce our greenhouse gas emissions to 6 percent below the 1990 levels and that's by 2012. Now the Kyoto deal comes into force globally on February 16th of this year. And then we are told that when running at full this plant would produce 800 to 900 thousand tonnes a year of greenhouse gasses and this would be possible -- this would be to provide for possible peak power shortages in the future, power shortages which we are estimating.

A wise person reminded me recently how difficult it is to change our ways and that in fact we need something like 30 reminders before we are prepared to actually change. And today I think we have the opportunity to give those who need it 30 reminders, especially to those who are proposing this dinosaur of a plant. We are saying, "Look outside the box and plan for a sustainable future."

Now, we've heard from so many people about how else we could provide extra power, and there are plenty of working examples. What is keeping us from being innovative and when are we going to begin?

1 Now there's a quote here from Janice Gross
2 Stein, who is director of the Monk Centre for
3 International Studies in Toronto:
4 "We cannot prepare for the future unless we
5 learn to think laterally, outside existing
6 hierarchies."
7 And that's what I would like to say. If there was
8 some way this Commission could give direction to B.C.
9 Hydro to be more innovative and more imaginative with
10 what we have.
11 Thank you.
12 MR. FULTON: If Ms. Kartar's submission could be marked
13 the next exhibit, E-263.
14 THE HEARING OFFICER: Exhibit E-263.
15 (WRITTEN SUBMISSION OF MS. LINNET KARTAR, MARKED
16 EXHIBIT E-263)
17 MR. FULTON: The next speaker is Eric Anderson, and the
18 next six speakers following Eric Anderson will be Jack
19 Thornburgh, Dyane Brown, Alex Hodson, Howard Stiff,
20 Glen MacDonald and Sean Curren on behalf of Vulcan
21 International Thermal Services Inc.
22 So, Erik Andersen.
23 **Proceeding Time 1:58 p.m. T27**
24 A VOICE: He has been here and I was talking to him.
25 MR. FULTON: Jack Thornburgh?
26 Dyane Brown?

PRESENTATION BY MS. DYANE BROWN:

Good afternoon. I am a long-time resident of Nanaimo, a retired businesswoman with a deep concern about the Duke Point Power Plant proposal.

I attended all the workshops, meetings and hearings for the VIGP. I was an organizer of the Nanaimo Citizen's Organizing Committee to oppose it and an active intervenor at the BCUC hearings on behalf SPEC. My primary concern about the Duke Point Project is the devastating effect it will have on the health of my community and environment.

The environmental assessment process did not study the cumulative effects of the added particulate matter and the noxious emissions on the place where we live and breath. Nanaimo already has more than enough pollution and I ask you to see the conclusions of the SENES Report that was prepared in relation to the previous project, which I've attached.

When gas supplies are diminishing, when the polar ice is melting because of global warming, when scientists caution that there will be crises within the lifetime of our children and grandchildren, a project that depends on the burning of fossil fuels is a regressive proposal. It is also costly even in financial terms.

The joint industries on the Island have

1 expressed concern over the expected rise in the price
2 of gas. Residents have expressed the same concerns.
3 During the VIGP hearings expert witnesses and
4 intervenors gave evidence that wind, combined with
5 hydro, was a good choice for B.C., a reliable source
6 of power.
7 Norske has made an offer more recently to
8 provide downside management to solve peak emergencies.
9 The narrow parameters of B.C. Hydro's call for tenders
10 did not allow for these positive and progressive
11 measures. The call for tenders' process was clearly
12 weighted in favour of a gas-fired electrical plant.
13 B.C. Hydro spent $120 million before receiving
14 approval to go ahead. The assets they had
15 accumulated, the turbines, the certificates, et
16 cetera, were provided to attract a buyer.
17 At the VIGP hearing in Vancouver Hydro was
18 told by the Commission to make the call for tenders'
19 process a fair process. What it has turned out to be
20 is a demoralizing process for anyone participating and
21 observing other than B.C. Hydro and its speculative
22 customers for its gas plant.
23 The Norske offer was a good offer which
24 would represent half the capacity of the Duke Point
25 Plant. The Gold River proposal, which would have
26 revitalized the town of Gold River, was turned down.

Hydro talks about the need for the Island to have an independent source of power but good Island solutions were rejected.

Does it really make sense to build a $280 million gas-fired plant which will produce 800,000 tonnes a year of greenhouse gases when running full with a contract for 25 years? And what about us, the ratepayers? If Hydro contracts to supply the gas for this privately owned facility, it is really us who will bear the brunt of the inflated and rising prices.

Thank you for giving us our day in Nanaimo. It's really important to us, the people most affected by your decision, to say and do whatever we can to stop this ill-conceived project.

Thank you.

MR. FULTON: If Ms. Brown's presentation could be marked the next exhibit, E-264.

THE HEARING OFFICER: Exhibit E-264.

(WRITTEN PRESENTATION OF MS. DYANE BROWN, MARKED EXHIBIT E-264)

Proceeding Time 2:02 p.m. T28

MR. FULTON: Alex Hodson.

PRESENTATION BY MS. ALEXANDRA HODSON:

Good afternoon. Thank you for being here. We really need you to be here right now.

As a voter and a resident of Gabriola

Island, I stand to be extremely impacted by your decision and so do many others. Let me remind you that the BCUC is legally entrusted to serve the public's interest.

In 2003 your Commission decided that a gas-fired gas power plant at Duke's Point would not be in the public's interest. The Commission concluded that B.C. Hydro had failed to prove that the VIGP was the least cost way of meeting Vancouver Island's electricity needs. Considering the ever-increasing costs of fossil fuels and the concerns about climate changes, your decision was a very sound one. To reverse this decision now is erroneous and ill-advised.

We have heard many people speaking before this and there's a huge body of research now that is being -- has been presented today and I'm just adding my voice to this. But it seems to me the public has made it very clear that they do not want the B.C. Hydro burning fossil fuels to generate electricity when it is only -- when it isn't necessary to do so, and that a combination of fossil fuel alternatives such as conservation, load shifting, upgrading, the undersea cables, wind energy and green energy can be used to meet Vancouver Island's electricity requirements well into the future.

There is much information available which shows that B.C. Hydro's forecasts for energy consumption and their least cost way to meet Vancouver Island's requirements in the future are seriously flawed and totally challengeable.

One, Hydro's projected consumption for Vancouver Island does not take into account that there is little or no industry and that the age group of their consumer is older.

Two, Hydro's forecast does not consider managing peak times by seriously encouraging less usage; for example, conservation, energy efficiency and stepped rates. Providing price incentives, A-plus, time of use metering, peak shifting rebates, et cetera, and educating the consumers.

Number three, Hydro chose to ignore important information published by the Canadian and Energy Research Institute which describes natural gas as an unattractive option for baseload powers. It would appear that the gas in no longer a cost-efficient fuel for electric generation.

Since 2000 consumers have watched gas prices triple. Indeed, it does not take an expert to predict that the price of gas being a consumable — or consumable, finite resource will continue to escalate.

Hydro's projected shortfall or brown-outs

are based on a two to three-hour period at dinnertime on the coldest days of the year. The forecast did not take into consideration the installation of the 2009 undersea 230 kV cable. Nor did they conclude the zero loaded cables.

I also look around and we are having very cold weather right now and so far we've had no shortfalls. I think that's another thing to think about.

B.C. Hydro suggest that the gas-fired plant at Duke's Point is being installed to cover peak consumption periods from late 2007 until fall 2009, from the time that the plant is finished until the new undersea cable is installed or will be scheduled for completion. If you do the math, this means that the gas-fired plant will only be needed for one winter and peak consumption will only be for a few hours in that winter. This means that Hydro is installing a continuously operating, pollution spewing 800,000 tonnes per year CO_2 plant, 252 milliwatt [sic] generating plant, at a cost of $370 million to the consumer to cover a possible shortfall which may occur only for a few hours. Does this not strike the Commission as being an absurd waste of money? Also does it not seem that there is much being done by Hydro to manufacture concerns that are not really

there?

Certainly reversing your decision to allow the Pristine Duke Point gas-fired power plant to go ahead would substantially increase rates and dirty air pollution. And this would not be in the public's best interest. I as a B.C. Hydro shareholder and consumer would encourage the BCUC to review its policy, conservation and efficient supply from sustainable resources and to find ways to achieve a sustainable energy future at a much more reasonable cost.

Thank you for everything and being here today.

MR. FULTON: If Ms. Hodson's submission could be marked the next exhibit, Exhibit E-265.

THE HEARING OFFICER: Exhibit E-265.

(WRITTEN SUBMISSION OF ALEXANDRA HODSON, MARKED EXHIBIT E-265)

MR. FULTON: Howard Stiff.

Proceeding Time 2:08 p.m. T29

PRESENTATION BY MR. HOWARD STIFF:

MR. STIFF: Greetings. My name is Howard Still and I am a fisheries biologist residing on Gabriola Island for the past 20 years. I am currently studying the biological and socio-economic impacts of climate change on west coast fish stocks and subsistence fisheries.

1 Since a number of speakers have already
2 provided excellent content on electricity issues and
3 energy alternatives, I would like to address the issue
4 of Duke Point Power project in the context of current
5 government policy such as that outlined in a recent
6 B.C. Government report, "The Weather, Climate and the
7 Future: B.C.'s Plan" produced in December 2004.
8 Although the report falls far short of
9 providing any practical goals or targets or even
10 allocating much new funds to energy conservation or
11 conversion, it does identify a number of issues that
12 require immediate and extensive actions if we are
13 forestall serious environmental and socio-economic
14 costs in this province.
15 Basically the B.C. Plan on Weather and
16 Climate Report tells us what we already know, that
17 B.C. has experience warming and precipitation changes,
18 including recent extreme weather events and their
19 resulting effects which have included some very
20 damaging droughts, forest fires and floods.
21 The B.C. Plan Climate Report goes on to say
22 that British Columbians are "concerned about the
23 effects of weather and climate on their communities
24 and natural resources." I think that should be quite
25 obvious by today's presentations. And then it goes on
26 to give us a clue as to why the BCUC should be

advising B.C. Hydro to terminate this gas plant project and redirect its energies towards sustainable endeavours. It says:

> "The personal, economic and financial costs associated with these events is tremendous. It is prudent for B.C. to take both actions that reduce provincial GHG emissions and actions that enable the province to adapt to anticipated climate change impacts."

So what are some of these anticipated climate change impacts? Well, we've heard much of them, but why should the BCUC be incorporating them into its deliberations?

Some of the obvious impacts I'll go over include warmer dryer summers, which will result in increased insect infestations, affecting 50 million cubic metres of timber estimated at about $4.2 billion; increased incidence of forest fires, resulting in about a billion dollars a year in fire fighting costs, rehabilitation of burnt areas and home property insurance costs. Another impact is wetter, stormier winters. We can expect more flooding. Extreme flood events on the nature of once every 75 years will become more common and affecting fish runs and water fowl.

Warmer sea surface temperatures are

1 happening and that will affect the salmon migration
2 patterns which are likely to change and thus spawning
3 success is likely to diminish, impacting the
4 Aboriginal, sport and commercial fishing industries,
5 tourism and forest ecology.
6 Extreme flood events could become more
7 common, as I said, affecting the fish runs. In
8 conjunction with the warmer temperatures of the sea
9 there will be a sea level rise affecting millions of
10 hectares of sensitive coastal habitat, putting at risk
11 billions of dollars of private property and
12 environmental values.
13 One more impact that should be brought to
14 the attention of BCUC is the decreased snowpack
15 levels. The snow pack is getting denser and wetter
16 and less deep. The glaciers are retreating. This
17 will result in less water storage capacity behind B.C.
18 Hydro dams. Combined with an increase in demand for
19 water flows by the Department of Fisheries and Oceans
20 for fish migration purposes, due to the warmer water
21 temperatures, this will diminish B.C. Hydro's ability
22 to provide the hydroelectric power in which British
23 Columbians have already invested.
24 This is a classic example of the double
25 whammy of burning fossil fuels for power. The price
26 of electricity increases as the non-renewable resource

is used up and the price of electricity -- oh, and the end result of using the non-renewable fuel is less renewable energy is available in the form of hydro power because we needed for cooling the waters of the fish streams, again pushing up the price of electricity.

What analysis has been done concerning the impacts of the Duke Point Power project on long-term B.C. Hydro water storage with respect to the supply and costs of electricity to British Columbians? Is B.C. Hydro not mandated to make every effort to protect in perpetuity the valuable hydroelectric resources of this province in which we all have invested? And is the BCUC not required to incorporate these factors into their decision-making process?

So back to the B.C. Plan Climate Report. What kinds of actions does the provincial government recommend to deal with the impacts of climate change? Here are some government initiatives which would contravened directly or indirectly by the construction of an unnecessary gas burning power plant,

Action number 1 in the report states: The government will promote alternative energy and investment in conservation and energy efficiency through a 50 percent clean energy goal for new electricity demand.

The Duke Point Power project does not support this action plan. Natural gas does not fall into the clean energy category, nor does Duke Point Power support actions number two and three which call for strategic development of hydrogen fuel cell and bio-energy technologies.

Action number 16 calls for continued management of forests in a sustainable manner. Contributing indirectly to forest ecosystem degradation by burning fossil fuels at Duke Point Power does not support this action plan. Neither does it support the development of forest management mitigation strategies for mountain pine beetle, action number 20, or limit the social economic costs of beetle outbreaks, action 22.

Actions number 17, 18 and 19 call for recognition of the costs of maintaining and protecting the forest carbon sink and developing a policy framework to provide this uncertainty to support the creation of incremental forestry sinks. Fueling the hot dry summers that lead to out-of-control forest fires by burning fossil fuels at Duke Point Power does not support this action plan, nor that of improving fire protection for B.C. Communities, action number 21.

Action 27 states that the B.C. Government

will encourage ministries and Crown corporations such as B.C. Hydro to incorporate emission reduction policies and guidelines. How on earth will building an unnecessary gas plant comply with that one?

I urge the Commission to head the government's advice and cancel the Duke Point Power project. Simply stated, we cannot afford it, economically or environmentally.

Thank you.

MR. FULTON: Mr. Stiff provided a written submission to the Hearing Officer. If that might be marked Exhibit E-266.

THE HEARING OFFICER: Exhibit E-266.

(WRITTEN SUBMISSION OF HOWARD STIFF, MARKED EXHIBIT E-266)

Proceedings Time 2:18 p.m. T30

MR. FULTON: Glen MacDonald? Glen MacDonald?

VOICE: He was here, but he's out --

MR. FULTON: Vulcan International?

PRESENTATION BY MR. SEAN CULLUM:

MR. CULLUM: Hi, my name is Sean Cullum, I'm just here to represent Vulcan International Thermal Services Incorporated from Qualicum Beach.

I'd like to thank you for the opportunity of expressing my views regarding the proposed impact of the costs to be incurred by the B.C. Hydro and its

1 shareholders with the construction of a 250 megawatt
2 co-gen facility as tentatively scheduled for the Duke
3 Point site, south of Nanaimo, British Columbia.
4 Give you a little bit of background on --
5 background is in construction. I have participated in
6 the erection, maintenance and conversion of numerous
7 conventional fossil fuel, co-gen and fusion powered
8 powerhouses since 1976. Most recently at Epcor's
9 Genesee Phase 3, Hitachi designed to 550 megawatt
10 super critical project in Alberta, as well as just a
11 few years ago closer to home we assisted in a 165
12 megawatt island co-gen facility in Campbell River.
13 One indisputable fact arises time and time
14 again, and it is that delays cost money and
15 opportunity. Unquestionably the decisions before the
16 board represent expensive propositions, whether viewed
17 from the financial, or alternatively the environmental
18 standpoint. But let us not lose track of the current
19 economical climate. Interest rates, personal and
20 business alike, are at a near -- an all time low.
21 Long time commitments such as the purchase of homes
22 have become a viable option for many. Are we to
23 consider that these same conditions do not apply to
24 business?
25 And of what of our current projected needs?
26 The subsequent costs of renewal and/or replacement of

such a project at a future date will be no bargain. Delays will increase costs as well as prevent potential development of much needed industry in the Nanaimo area.

New industries will become ratepayers if the utilities are in place to accommodate them. Employers will hire our sons and daughters, rather than forcing them to seek employment elsewhere. We are a dynamic and ever changing society. Are we to ignore the unprecedented residential growth that has and will continue to occur here on this Island?

Shall we be destined to experience the same fate as our power plagued southern neighbours? I have had the unfortunate experience of being state-side and seeing firsthand what occurs during a rolling back-out. The 40 K island residents that experienced power interruptions due to the unreasonable weather of this previous week can attest to the life without utilities. I do not believe that our children should work under employed, have -- sorry. I do not believe that our children should be under employed, have reduced opportunity and sit in the dark while forced to burn wood for heat.

We are a power driven society. In time, hopefully a short time, electrical driven vehicles will become the norm rather than the expectations on

our highways. Are these and other variables not to be considered?

Some 22 years ago I chose to live here. The island represents a special place to my family. This is our home. Should alternate proposals be capable of addressing our expanding needs, I would embrace them.

The current power supply infrastructure is dated and fragile. Components of the marine mainland to island power lines are either beyond their life expectancy or rapidly reaching the end. 2007 represents the completion of the engineered life of one of these. However, a replacement line is not even slated to begin construction until 2008, pending government approval.

Additionally, we would suffer severe earth -- should we suffer a severe earthquake as predicted, these transmission lines would likely be severed. Island based powerhouses will be undoubtedly also be impacted. But we have the resources for short-term repairs and therefore can be independent of our link to the mainland in the event of such an emergency. Yet segments of our society demand that we desist. This is not a new cry. The terrorist activities perpetrated at the Nile Creek Station in the 1970s are not far in the past.

These are those that profess dire repercussions should we elect to stay the course. I would compare the technology of now with that of yesteryear. We have coal in abundance. Nanaimo was built on it. But the proposal is much more environmentally friendly natural gas fueled station.

Yes, there will be emissions. This is a cost. But like our financial dealings, we must strive to ensure efficient programs are in place to address our concerns. "Let us not kid ourselves into thinking like the "Luddites" of yesteryear. We cannot turn back time by breaking the machines". Our appetite for more and more power will continue. This is a sobering fact. Efficient appliances and design can and will moderate but not reduce the imposed demands on our current system.

We must look to the future and our future. Build the project. Similar concerns were generated when a Twin Power Project was proposed outside San Jose, California. Emissions were and are a major concern in the Silicon Valley. The owning company, Calpine, is building the Metcalf Energy Center with the assistance of environmental groups like the Sierra Club. I have walked and viewed this project. It is an impressive commitment to the value placed on the environment.

And it is a value, a quantitative, measurable variable. The choice for fuel source was and is the same that is being proposed here, natural gas. Emissions come from many sources. The effort to control and create interim solutions must be accepted while research continues for alternative energy sources and choices.

I would love to be able to travel this island and see wind farms generating our own power along its length. But alas, each consideration has its own distinct drawbacks. Locations must be determined and evolved from a historic study of potential sites. Noise pollution, along with the visual impact to our world class scenery, and the consequent repercussions for our tourist industry remain as issues that demand research. I personally find wind turbines, like living things of great beauty, but my options are not always shared.

In closing I'd like to relate a short story. In the late seventies I was contracted during the construction phases of the Palo Verde Nuclear Generating Stations outside of Phoenix, Arizona. The three individual 1300 megawatt units being built there were the largest concentration of nuclear power assembled in the free world at the time, 3900 megawatts. To this day I remain unconvinced that this

was the best solution we could find for our energy needs. However, during my time there, I continually observed many trades people with ecological symbols on their hard hats. Finally my curiosity got the best of me and I asked what the sticker represented. I was told that environmental groups had aggressive campaigned against the construction of these units but failed in their attempt to derail the projects. I was told that since they were undoubtedly going to be built anyway, the environmentalists wanted their own people on-site, thereby ensuring each and every safeguard was in place, thus they elected to become part of a creative solution. I was to remain impressed.

I would ask that we do the same should this project progress. We dedicate our joint energies toward the future, not the past, and we try to develop new approaches, such as green billing, thereby allowing ratepayers to pay a premium but have direct voice through B.C. Hydro on future enterprises of our own choosing.

And I would like to thank the Chairman, committee members and assembled interest parties for hearing my statement, and again thank you for your time and your attention.

MR. FULTON: And Mr. Cullum, just before you leave, I

1 wanted to confirm that you were reading that letter on
2 behalf --
3 MR. CULLUM: On behalf of Vulcan International.
4 MR. FULTON: And it was written by Kenneth --
5 MR. CULLUM: Kenneth MacAulay from Qualicum Beach.
6 MR. FULTON: Okay. If that might be marked the next
7 exhibit, please.
8 THE HEARING OFFICER: Marked E-267.
9 (WRITTEN SUBMISSION OF VULCAN INTERNATIONAL THERMAL
10 SERVICES INC. AND KENNETH MacAULAY, AS PRESENTED BY
11 SEAN CULLUM, MARKED AS EXHIBIT E-267)
12 **Proceeding Time 2:26 p.m. T31**
13 MR. FULTON: Mr. Chairman, that concludes the people on
14 my list who had advised me or the Commission Secretary
15 as of January 11th of their intention to speak.
16 Because there have been a few people whose willingness
17 to speak here did not reach me through the Commission
18 Secretary before today, and they've been added, I just
19 wanted to check the room to see if there was anyone
20 else here at this point who had advised the Commission
21 Secretary by the end of the day January 11th that they
22 wish to speak at the town hall meeting?
23 I see Mr. Bell who wasn't here earlier, Mr.
24 Chairman. So Mr. Bell, if you'd like to come forward
25 first.
26 **PRESENTATION BY MR. GORDON BELL:**

1 MR. BELL: Good day, Mr. Chairman. I will start with my
2 conclusion which is to the effect that I am
3 unalterably opposed to further expansion of gas-fired
4 electrical capacity on Vancouver Island, that is
5 further expansion of the already existing ICG-Calpine-
6 Elk Falls facility.
7 The current Duke Point LP proposal for 252
8 megawatt gas-fired installation at a cost of $280
9 million compared to B.C. Hydro's original application
10 for 265 megawatts at a cost of $370 million, seems a
11 modest revision. A ten percent reduction of capacity
12 for a reduction of $90 million in cost might appear to
13 be an improvement that BCUC is looking for, even the
14 price of some $70 million sunk cost assets in the Duke
15 Point proposal muddies the comparison.
16 However, these are comparatively small
17 matters in considering the basis of true cost
18 effectiveness which the Commission in it's report in
19 June last year included other important criteria, such
20 as reliability, dispatchability, timing and location,
21 as well as mere cost or price.
22 To focus on what seems to me to be the most
23 important of these, reliability, which in the
24 circumstances I relate with security of supply, it is
25 evident that on-Island gas-fired proposals are very
26 vulnerable to seismic risk for the Terasen pipeline as

it was for the late lamented or unlamented GSX. The Terasen seismic hazard in the mainland to Texada underwater crossing is real, and was noted at the time of the original pipeline application. Imagine the seriousness of an event where both Vancouver Island gas supply and most of its electrical supply were wiped out by a single major seismic event occurring in and adjacent to the Strait of Georgia, an all the eggs in one basket type of scenario.

The second major element of supply security for imported natural gas, that is imported to Vancouver Island, is the future supply and price of that gas. The source within the western Canada sedimentary basin is at or is close to ultimate deliverability, and as already seen, prices have escalated significantly during the past one to two years. This general trend will continue and will be the major cost in operation of the Duke Point Plant and of the electricity prices. Add to that, if you will, the economic costs of meeting Kyoto requirements.

In terms of planning, it seems apparent to me that the objection should be -- or the object, rather, should be to diversify Vancouver Island Energy requirements and in so far as possible to advocate self-sufficiency for the Island. This suggests an

appropriate mix of energy sources with differing supply and cost characteristics. To meet short-term and later needs for large power deliverability by 2007, I believe the clear choice is the B.C. Transmission option to refurbishment of the HVDC cable system or preferably the installation of pared 230 kV AC cables, each cable delivering 600 megawatts.

In terms of divesting the generation and distribution on Island Power, the Gold River proposal to deliver up to 105 megawatts at an estimated price of $60.10 a megawatt hour is much less than the VIGP cost. It deserves serious consideration. And Norske Canada's proposals for load management appear to offer significant advantages for conservation of available distribution capacity.

More serious consideration of these and other interesting proposals are recommended.

This may not be quite the right place to say so, but the projected start date of the Duke Point Power plant in March 2005 fits too closely with the forthcoming election agenda to be mere coincidence. The present government has been very remiss in allowing B.C. Hydro to follow the lunatic directions of the previous administration when they first assumed office in 2001. This last ditch effort to be seen to have saved Vancouver Island will likely be seen for

what it is, and that impression will not be improved by perception of recapturing $70 million in sunk costs arising from B.C. Hydro's single-minded obsession with GSX and VIGP.

I recommend that the current Duke Point LP proposals and application be rejected. Thank you very much for your time.

MR. FULTON: If Mr. Bell's submission might be marked as the next exhibit.

THE HEARING OFFICER: Marked E-268.

(WRITTEN PRESENTATION OF MR. GORDON BELL, MARKED EXHIBIT E-268)

Proceeding Time 2:34 p.m. T32

MR. FULTON: Gary Korpan, Mayor of the City of Nanaimo.

PRESENTATION BY MR. GARY KORPAN:

MR. KORPAN: Good afternoon, thank you very much for coming to our community and listening to the concerns that are raised about this issue. It's important to all of us on Vancouver Island.

Normally I'm able to say welcome to another beautiful day in paradise in terms of great weather, but while this is unusual for Nanaimo over the course of the general year, it's not unusual at this time of year and that is one of the reasons I'm here today.

I've had the honour of being the Mayor of the City of Nanaimo for 12 years now, and I've been on

1 city counsel for 20 years, and I'm generally an
2 optimist by nature, but there are two things that keep
3 me awake at night worrying. One of them is the impact
4 of a major earthquake and the other is at this time of
5 year particularly, a major collapse of the electrical
6 system on Vancouver Island.
7 We have had them in rotating brown-outs and
8 black-outs far too many times than is necessary if we
9 had been able to ensure a continuous dependable secure
10 supply of electricity over this last ten years. I'm
11 not faulting the members of B.C. Hydro, there have
12 been a lot of political interferences in terms of
13 guaranteeing sufficient electricity to Vancouver
14 Island for quite some time, and I know the people who
15 work at Hydro, they are Vancouver Islanders, they live
16 in our communities, they have their families. They
17 are concerned about the types of sources of energy,
18 but they also know that we have, as a society, become
19 exceedingly dependent upon electricity.
20 I know that they are looking for diverse
21 supplies and using the most up-to-date technology to
22 ensure that we, as citizens, can continue to not only
23 benefit from the lifestyle provided by electricity,
24 but also more importantly, the job opportunities and
25 our very lives.
26 I just recently talked to my doctor and

1 asked him the medical system -- is the medical system
2 dependent upon electricity? And he looked at me as if
3 I was crazy. But we have to remember that there are
4 certain truisms here. No matter how we would like to
5 look at the perfection of the future, there are some
6 realities. His response was, "We, the medical system,
7 are totally dependent. We would be dead without it."
8 He meant by that the system, but also in effect people
9 would be dead without it.
10 My worry is that Vancouver Island has been
11 living on borrowed time in terms of a secure
12 continuing dependable supply of electricity and I
13 would ask the Utilities Commission, your colleagues,
14 to expedite a range of sources of energy for this
15 community, including the Duke Point Power plant. It
16 is, for all practical purposes the available project
17 with the available technology that is functional for
18 us at this time.
19 We all want to see breakthroughs in terms
20 of solar and fusion, and it's happening as we speak.
21 People are researching and providing these methods of
22 energy and we will be seeing over time the
23 implementation of those resources, but gas-fired
24 turbines are exceedingly efficient compared to
25 previous methods. They are dependable and they can
26 provide the energy that we need right now.

1 I've worked for economic development and
2 job creation for over thirty years, and one of the
3 reasons I ran for public office, to ensure better
4 opportunities for our people to have jobs. And to
5 have the dependability of continuous secure and
6 dependable electrical supply is essential.
7 Every community on this Island has spend
8 hundreds of thousands and millions of dollars in
9 economic development studies. None of them are worth
10 the paper they are printed on unless we have a secure
11 dependable and continuous electrical supply. I ask
12 you to look at this project, I ask you to look at the
13 economic advantages of -- economic impact of not doing
14 this. If we cannot provide security of electrical
15 supply, nobody is going to invest in either upgrading
16 their businesses in this community or investing for
17 future businesses in Vancouver Island.
18 I ask you to support the Duke Point
19 project. It has got zoned land, it has the support of
20 the City Council of Nanaimo, it has the support of the
21 Association of --
22 VOICE: It does not.
23 VOICES ALL RAISED.
24 VOICE: Let him speak.
25 MR. KORPAN: And it has the support of the Association of
26 Vancouver Island Coastal Communities. The Council

1 received -- the City Council.
2 MR. FULTON: Mr. Chairman, if I could ask the audience
3 to be respectful of the speaker, please.
4 THE CHAIRMAN: Everyone has had an opportunity to speak
5 that wishes to speak. I think due respect has been
6 shown and I think Mr. Korpan deserves the same amount
7 of respect.
8 Please proceed, Mr. Korpan.
9 MR. KORPAN: Thank you very much, Mr. Chairman, I
10 appreciate that.
11 I know that this is a controversial issue.
12 I know that and I respect that, but the fact is that
13 there are far more hazardous impacts if we do not
14 proceed with this project than if we do. And I think
15 that in taking consideration of the economic impacts
16 of this, we have to look at the lost opportunity if we
17 do not guarantee a better, secure dependable
18 continuous supply of electricity -- because not only
19 are lifestyles, livelihoods, but lives are on the
20 line.
21 I thank you very much for your attention,
22 and if you have any questions I'd be pleased to
23 answer.
24 I just should have mentioned that the --
25 when I was cut off by the crowd there for a second,
26 that the council received a motion, a notice of motion

from a member of council on Monday asking for council to reconsider their support for this, but as you know, until council makes a alternative decision, Council of the City of Nanaimo is in support of this project. Thank you.

Proceeding Time 2:42 p.m. T33

MR. FULTON: Has Jacquie Howardson returned to the room? Has Erik Andersen returned to the room.

A VOICE: No, he's gone to Vancouver.

MR. FULTON: Okay.

A VOICE: He didn't know he was speaking today.

MR. FULTON: Has Jack Thornburgh returned to the room? Mr. Chairman, that then completes the list of speakers who provided the notification that was requested by January the 11th. I have three individuals who have asked to speak. They're on a standby basis and I've indicated to them that they're on a standby basis. The first is Darryl Receveur, who did get in touch with my office, and then two individuals approached me this morning, Tina Taylor and Frank Crucil*.

THE CHAIR: We will sit until 3:30, so we will endeavour to hear from those three and at 3:30 we'll adjourn and close the Town Hall Meeting.

MR. FULTON: All right, so Darryl Receveur? Tina Taylor.

PRESENTATION BY MS. TINA TAYLOR:

Greetings to you all. Thank you for being here. First of all I'd like to give thanks to the powers that be for this opportunity which brings us together on this day. Thank you.

I would like to take this opportunity to share my concerns and offer up my thoughts about how to engage in a more positive reaction to this need for electricity generation. Let us strive to attain the balance and integrity of the intention of the highest good, understanding the sacred connection between us and all other things.

This question, is a gas-fired power plant the best way to meet the need for electricity, is simply redundant. It is not. I do not believe that this corporation has been acting in the spirit of the day which supports measures such as the Kyoto Accord. Many do not believe Kyoto Accord raises the bar high enough and we as people can certainly do much better.

This is the year 2005. We have the technology. In fact there is no question we have had certain technologies available but suppressed since the turn of the 19th century. We do not need to burn fossil fuels.

I would also like to address the concerns that we have for employment. We need steady, long-

term, full-time jobs for the people. The current proposal before the Commission offers only a handful of limited opportunities. I have done my own research and have come up with an alternative plan and have been working on development for over three years. It has been a long, hard road for me to get this far.

I am still recovering from a near tragic horseback riding accident in which I acquired a traumatic brain injury, and enjoy constant, chronic pain as a result.

Due to the various issues and implications arising from this event and other events that have been and are still affecting my life, the project I have been working on has been put on the back burner. I have gone to great lengths to be able to make this offer and to bring to light the opportunity that is available to us. I am willing to work with B.C. Hydro and I do sincerely hope that what we have to share with you will be seriously heard and considered a truly viable alternative with many positive effects.

As I take this opportunity to share with you my thoughts and concerns regarding this proposal made by Pristine Power's people I will give a basic rundown of what my proposal would involve.

I have always been against the idea of this current project being considered. I ask myself how

can I best deal with this situation. I acknowledge that there was a lot of protest regarding gas-fired power plants and pipelines but what is anyone else doing about it? This inspired me to come up with the following plan.

I thought, "How could our government do any better if this is all they get in response to their call? I began working on this project with no financial support but for the meager dispensments made to me by income assistance for being my kids' mom. I could only dream of utilizing a $50 million purse like was spent to have us buy into accepting gas-fired power as our best solution. I would rather like to make use of the mills on the Island that are shut down. Let's clear out the equipment and set up solar panel production lines. This could create employment for many in areas devastated by the closures of the mills, such as Gold River for example.

I have sourced out a Canadian company that would supply and support this venture with everything we would need to know. The plan I envision involves conservation of energy incentives and net metering. Simply put, net metering is a marrying of the current power grid and solar electric producers rather than the commonly held notion that the two be separate from each other. B.C. Hydro customers would become

1 producers by utilizing payment plans to purchase or
2 lease panels for their homes. This would give them an
3 opportunity to sell back power not used to B.C. Hydro.
4 At the same time producers would have the
5 peace of mind knowing that they may never face a power
6 out again. As the number of producers increases the
7 larger the generator; quiet, clean, non-invasive, non-
8 intrusive, accessible energy. Everyone who has roof
9 space should have panels up there.
10 The opportunities raised by such a vision
11 are far-reaching and may impact a large number in many
12 very positive ways. The oil and gas sector would
13 still experience a certain amount of growth in
14 accordance with Kyoto Accord as parts of photovoltaic
15 panels would be made out of derivatives from this
16 sector. Please know I do not support further oil and
17 gas exploration and development. I believe we ought
18 to use what is already set up and in operation today
19 while phasing out dependence and stimulating
20 opportunities for alternatives.
21 There are many reasons why gas-fired power
22 plants are a bad idea. First of all, look at where we
23 on this continent. We are not on the sure-footed
24 ground of Calgary, Alberta. We are in a fault zone.
25 It makes sense that should a serious tectonic event
26 occur that there be fewer, not more, threats to public

health and safety. A gas-fired power plant is a dangerous notion for this reason. It would not be of any benefit the way a net metering situation would be. At least people would still have power, neighbourhoods could work together and people would enjoy fewer hardships should such a disaster unfold.

We need to phase out the use of non-renewable resources which negatively affect earth, water, air and living things. We do not need to pump 800,000 tonnes per year of carbon dioxide emissions into our air. It is clear that the proposal currently before the Commission is not the best option for people to be implementing. Taxpayers have already paid out millions of dollars to people who are thinking about how this may best serve their own interests. There needs to be room to consider the ripple effects of our actions and the impacts we make on all things of the living world.

Let's work towards a truly sustainable – let's work towards true sustainability and recognize our sacred connection to it all. I strongly urge the people who can put the brakes on this current agenda to please do all that you must to do so. The current proposal is a compromise and it is not in our best interest to permit the continuation of this dubious and copious waste of our people's dollars.

My name is Tina. I live on Gabriola. Thank you for attention and thank you all.

MR. FULTON: If Ms. Taylor's submission could be marked the next exhibit, E-269,

THE HEARING OFFICER: Exhibit E-269.

Proceedings Time 2:50m p.m. T34

(WRITTEN SUBMISSION OF MS. TINA TAYLOR, MARKED EXHIBIT E-269)

MR. FULTON: Frank Crucil.

PRESENTATION BY MR. FRANK CRUCIL:

Thank you for allowing me to speak, Mr. Chairman. I speak as a concerned citizen of Nanaimo and our community.

There's been a number of issues, and I'm going to emphasize a major issue that it's a concern to me, and that is the process of how this project come to be. A number of years back B.C. Hydro purchased, and I'm sure you're aware, assets in the range of $98 million, which were included generators, turbines and land, water rights, engineering studies, et cetera. There was also a further $22 million invested in the Georgia Strait Crossing, which they expensed off of their books. And reviewing their last year's annual statement, they reduced their write-offs by $98 million towards these assets, which were the generator and the turbines.

As a contribution, and this is where I find it unfair, if any proponents were to bid on the Duke Point Project versus the alternatives, they would have a $48 million advantage, which is a huge advantage when you look at the alternatives. Is this a fair process? I think not.

I submit to you, to avoid another fast ferry auction, that B.C. Hydro did not want to sell off and auction these generators, but they would put them in the tender qualifications.

Over a number of years on Vancouver Island we have reduced our power supplies in a number of major areas. We've lost the Gold River Pulp Mill, we've lost the Port Alice Pulp Mill, and we're about to lose a large paper machine in Port Alberni. I don't know if these have been factored into the process. But I say to you, B.C. Hydro has one thermal generating power plant in Vancouver, on Burrard Inlet. It generates a capacity, has generating capacity of 900 megawatts. It operates at less than 50 percent. It is a gas producing plant. If it's that beneficial to run gas, why aren't they running bags themselves?

Second, and my final thing to you, if your decision is in favour of this plant at Duke Point, I know it's legal, but I put this to you: is this morally responsible?

1 Thank you.
2 MR. FULTON: Mr. Chairman, Jackie Howardson has passed me
3 a note that she is here now. She would be the last
4 speaker today.
5 THE CHAIRPERSON: We will hear from Ms. Howardson.
6 **Proceedings Time 2:53 p.m. T35**
7 MS. HOWARDSON: Squeaking in.
8 THE CHAIRPERSON: You can have the honour of being the
9 last speaker today.
10 MS. HOWARDSON: I actually, I am honoured, thank you very
11 much.
12 **PRESENTATION BY MS. JACQUIE HOWARDSON:**
13 Good afternoon everybody. It's almost good
14 evening. My name is Jacquie Howardson. I have a
15 background in anthropology and am currently completing
16 a Masters Degree in Environmental Education.
17 I'm telling you this because quite frankly
18 I found the paperwork, the documents, the language,
19 the terminology used throughout this process has been
20 overwhelming and certainly not user friendly. I did
21 try to search for some meaning, a kind of simplicity,
22 an understanding, but to no avail. I would have to
23 say that for most people this process has been
24 exclusionary. And even though the public has been
25 asked to participate, most would simply throw their
26 hands up in frustration. This is most unfortunate

because local communities are the ones who must live with decisions made by those who life far away. And having said that, I am extremely grateful that I have an opportunity to express my very simple views.

Through my work I've traveled extensively to both developed and developing countries. I have witnessed environmental degradation in many areas of the world, and I know that when the multi-nationals leave or the mine closes down, it is local people who must bear the true cost of a project that had very short-term benefits, usually to shareholders.

I'm going to tell you a story now because of my background, anthropologists tell stories. I was doing some research in Fiji several years ago and I spoke to a farmer called Charles. Charles lived in a very small agriculture village that became the site of a nickel mine. It was a prime location because of the local river. It was also a prime location because the villagers were poor and easily convinced of the merits of mining. In other words, they were blown away by the rhetoric of skillful public relations people.

The mining officials promised the villagers prosperity would come, and when the mine opened, they were right. For a number of years the villagers enjoyed relative prosperity, because they were employed by the mine. Then one year the mine closed,

and the villagers had to return to their old ways, their traditional ways of subsistence farming.

However, over the years things had changed, and those changes had been subtle, but they were indeed deadly. The earth didn't produce like it used to and the vegetation along the river banks was dying. The river was poisoned and the people couldn't eat the fish. They became sick. The young men who had worked the mines left the cities in search of paying jobs. They didn't want to farm any more, and the young women stayed in the village unable to find husbands. The young men did come home occasionally to the village, but what they brought with them, along with money, was the diseases of the city.

So a way of life was changed forever, and big business, or the mine, did not have to be accountable in any way for those social, cultural, psychological and environmental changes.

These kinds of changes are not factored into any projected costs. They don't show up on a balance sheet, they don't show up on a profit and loss statement. I don't believe such costs as these are factored into or even taken into a consideration of any of the projected costs for this Duke Point Power Plant.

As I talked to Charles, what I thought was

1 even sadder was that he was very accepting of the
2 villages role with the environmental destruction. We
3 were greedy he said, and we were very foolish. We
4 believed what they told us.
5 My point in telling you this story, and it
6 is one of many stories that I've heard, is that it is
7 always in the end the local communities, the people
8 here who must live with the consequences of economic
9 decisions that don't take into consideration long-term
10 changes to those who are most affected by development
11 projects. At this point, maybe we don't even know
12 what those changes are, or understand what long-term
13 development is, but I wonder, what kind of legacy is
14 this to pass on to future generations?
15 I know that everyone on the panel is
16 concerned with numbers, but I would urge you to
17 remember that numbers cannot operate in isolation.
18 Ask yourself, what is it the numbers are not telling
19 you? Behind every number and every calculation before
20 you is a human story. I'm that story. Everyone here
21 in this room is that story.
22 I'm afraid that you'll have to look very
23 hard among us to find those numbers, but we are here
24 and I beseech you to search for us and hear the
25 voices. We are behind the numbers.
26 When we gather around a fire at night we

1 don't talk in numbers. We tell and share stories.
2 Our language is rich, complex and diverse. This
3 complexity is complimented by an amazing brain, and it
4 really is amazing. It's endowed with incredible
5 ability to reflect and to question. I would hope you
6 question the numbers before you, unravel the true
7 story behind them and ask yourselves, would you want
8 this plant not only in your backyard, but in your
9 front yard?
10 I understand again that this hearing does
11 revolve around the economics of the proposed Duke
12 Point Power Plant, and I understand that any decision
13 reach is based solely on whether this proposal is the
14 most economically sound method of supplying power to
15 Vancouver Island. Well, my mother always told me, I
16 didn't always listen to her, you get what you pay for.
17 Ernst Ulrich Von Weizsacker is one of
18 Germany's most prominent and eminent environmental
19 thinkers. He says that market prices must always
20 reflect the ecological truth. Do the projected
21 figures for this project reflect that ecological
22 truth? Do we know what the ecological truth is? I'd
23 like you to note, by the way, by Weizsacker is a
24 member of the Club of Rome. He says that when prices
25 do not tell or reflect the ecological truth,
26 manufacturers and consumers are able to divert a

1 goodly proposition of the real cost burden elsewhere.
2 We need to ask ourselves, where does that cost go?
3 In the world of economics this is a term
4 known as externalizing. The real cost passes from the
5 general public to the environment and finally to
6 future generations. This gives new meaning to the
7 term, passing the buck. As you review the many, many
8 documents for this hearing, and I know there are many
9 documents, I've seen some of them, I would ask that
10 you always consider this hidden costs, the items that
11 are not written up before you. Think of the farmer
12 Charles from Fiji.
13 I would urge you to know that I, when I'm
14 living on Mudge Island, these turbines that we talk
15 about, they're not going to be silent. I'm going to
16 hear them. As I boat through the Northumberland
17 Channel, what is the cost of another unsightly stack
18 piercing the gentle Mount Benson? The landscape is
19 forever changed and becomes more and more industrial.
20 Where will one find the solace and the healing of
21 nature as more and more of our natural spaces are used
22 up? Shall we store them perhaps in a museum? Who
23 will monitor the costs of emissions? Perhaps it will
24 only be another 20 years or so and Nanaimo can join
25 the ranks of Los Angeles and Toronto and city council
26 can advise us on what days the air is safe to breath.

Who ultimately pays for the increase in asthma and allergy attacks in our children and older people?

I have many, many concerns about this plant, and rather than expediting proceedings, I think we need to slow down and take a holistic view of the whole matter.

I also sit on the Mudge Island Advisory Planning Committee. Mudge is a beautiful little island, that along with Vancouver Island, fronts the Dodd's Narrows. I have heard that First Nations considered the narrows a very powerful place, and that out of respect for that power and beauty one paddle through the narrows in complete silence. The narrows is still a very special place on Mudge, where you can sit, listen to nature and quietly reflect on the absolute beauty that is our earth.

During the summer the rocks are warm, and at night the sky is resplendent with stars. If you're lucky you'll hear the almost silent flights of the barred owl as she hunts for her young. You can always hear the plaintive chuttering of the otter family as they glide by. It's hard not to laugh at the snuffling of sea lions feeding. They have no dignity.

These kinds of places are magical and the experiences derived from them are absolutely transforming. How can you place a value on places

1 such as these? How can you value them when they are
2 gone or forever changed?
3 One of the mandates of the Mudge Island
4 Advisory Planning Committee was to create a community
5 profile based on values. This is but one of many
6 steps taken in developing an official community plan.
7 One of the questions we asked residents was, what are
8 your views on the proposed plant at Duke Point? We
9 received 70 responses; 51 expressed views on the power
10 plant, 49 of those were against the power plant, 2
11 were undecided because they didn't have enough
12 information.
13 Mudge is a small island. In fact, there's
14 only 53 full-time residents. In the summer, maybe it
15 doubles. What we discovered through these community
16 profiles was that Mudge Island residents have a
17 strongly developed sense of place, that grounds itself
18 in the beauty of the island. They have a keen sense
19 of community, and that sense of community is reflected
20 in their strong feelings for nature and a desire to
21 protect nature. They have adopted a stewardship
22 position in caring for the earth, and I think we need
23 to do the same.
24 I'll close this with a quote from Leopold,
25 who said
26 "Mankind needs to develop a land ethic that

recognizes the interrelationship of our land, water and air resources. This ethic changes the role of man from conqueror of the land community to plain member and citizen of it."

Thank you very much for your time in hearing my submission.

Proceeding Time 3:03 p.m. T36

MR. FULTON: Mr. Chairman, if that submission might be marked the next exhibit, Exhibit E-270.

THE HEARING OFFICER: Marked E-270.

(WRITTEN SUBMISSION OF MS. JACQUIE HOWARDSON, MARKED EXHIBIT E-270)

THE CHAIRMAN: Thank you. I'd like to thank you for your submissions today. Many of you spent all day with us so thank you for your time as well.

With that, we are closed.

(PROCEEDINGS ADJOURNED AT 3:05 P.M.)