

## **Background**

As the Commission is well aware, the context of this review is based on the various determinations arrived at in the VIGP decision of 2003. BC Hydro has selectively adopted some of these while ignoring many others, in order to resurrect the VIGP project and induce the Commission to approve it.

In the VIGP decision the Commission provides a number of parameters for the relevance of the current review. I would like to set the context for my argument within those parameters, because I think it is important to remind the Commission of its evaluations in a broader context than whether the existence of the EPA itself shows that DPP should receive approval. Rather than burden my argument with numerous extracts from the VIGP decision, these are referenced in the attached Appendix.

### **The Relevance of the VIGP Decision**

One of these determinations related to the expectations outlined by the Commission concerning the elements they would like to see in support of load forecasting methodology. While this expectation was framed in the context of future CPCN applications, there is little to indicate in the current review that BC Hydro has yet moved towards this goal.<sup>1</sup>

Another was the acknowledgement that load curtailment contracts could be a suitable means of addressing the expected capacity shortfall, whether or not VIGP (or in this instance DPP) was to be built.<sup>2</sup>

There are striking similarities between the DPP and VIGP project, which is hardly surprising given that DPP is essentially the VIGP project built by someone other than BC Hydro. Given that the Commission turned down VIGP as not being the most cost-effective solution it is worth pointing to the striking similarities with the costs outlined in the VIGP decision. On this basis, it would be inconsistent for the Commission to conclude that somehow DPP is cost-effective.<sup>3</sup>

It would also be inconsistent for the Commission to disregard their conclusions regarding the uncertainty over whether VIGP would be operated as a baseload plant of peaking facility, and the impact of different levels of utilization. These same factors apply to DPP, and it appears a glaring inconsistency that its despatchability is considered an asset, while BC Hydro requires 97% availability. The same concerns would also apply with regard to future gas costs and gas price risk.<sup>4</sup>

GSXCCC have attempted to determine what has happened to the future GHG liabilities which will be applicable, especially relevant as we move to the next phase of implementing the constraints of the Kyoto Accord. Contractually, this appears to be a liability which BC Hydro has transferred to DPP, but it is far from clear whether the costs in this regard have been accounted for, except inasmuch as DPP have made reference to covering their liabilities through their capacity charge. Given the significant cost of these liabilities can be expected to represent in the future, and that such liabilities

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<sup>1</sup> Appendix item A and B

<sup>2</sup> Appendix items C and D

<sup>3</sup> Appendix items E, F and S

<sup>4</sup> Appendix items F and G

have not been explicitly accounted for in terms of a visible cost, the Commission must not ignore its own assessment in this regard.<sup>5</sup> Whether the liability is met by BC Hydro or DPP, this can be expected to be a cost which will be recovered, directly or indirectly, from customers, and should form part of the economic evaluation of DPP instead of being allowed to vanish in a sleight of hand.

The VIGP decision was construed by BC Hydro as a direction to go and somehow obtain a contract for generation on Vancouver Island, rather than a measured assessment of all the options available to BC Hydro. In fact, it is clear that BC Hydro has used the CFT as a means of resurrecting VIGP, instead of holding to their evidence that if VIGP were denied they would pursue the 230 kV option.<sup>6</sup> Thankfully, BCTC have been doing this in their stead, and I note that as of 1 April they will 'take over running their own show'.<sup>7</sup> The failure of BC Hydro to pursue the 230 kV option ignores its technical superiority to gas fired generation.

I also consider that there are similarities in the way that BC Hydro has measured the portfolios this time round, and a similarly subjective approach.<sup>8</sup> The main difference appears to be that they have provided a QEM containing fewer subjective measurements, and instead, moved these factors to a separate cost-effectiveness analysis. This was presented to senior management and is now being used as the measurement by which the public should judge the outcome of the CFT. Notwithstanding the many concerns expressed about lack of transparency and inability to test assumptions because of subjectivity, the same can be said about the information presented this time.

The Commission indicated that the modelling could be limited to on-Island generation costs, without the need to consider future impacts to electricity transmission or generation on the Mainland.<sup>9</sup> While they have revised their QEM model accordingly, these very same factors have been included in the cost effectiveness analysis, and thereby weighted it in favour of DPP. In the No Award scenario, \$997 m was included for mainland generation, as was a credit for deferral of the second set of transmission cables currently anticipated. It is in the light of these fudge factors that the Commission must determine whether DPP is the best resource addition for the needs of BC Hydro's customers. In this regard they must have no concern about overturning an outcome arrived at through a competitive process.<sup>10</sup> It could be argued that the concerns over a pro-VIGP resource bias, the 'Independent Reviewer' having a mandate that could only verify a selected process rather than address bidder concerns, and the fact that the QEM model has not been shown not to have arrived at the intended (most cost-effective) result, the Commission has a duty to disallow the EPA.<sup>11</sup>

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<sup>5</sup> Appendix item H

<sup>6</sup> Appendix item I

<sup>7</sup> Transcript 10 page 2385

<sup>8</sup> Appendix items L to R

<sup>9</sup> Appendix item V

<sup>10</sup> Appendix item T

<sup>11</sup> Appendix items U, W, X and Y

Another important point is the fact that the determination that the next resource addition should be on-Island was premised by the expectation that it would be economic. Failing this, the Commission commended Norske's proposals and their potential in assisting with a solution. Those proposals have since changed, but they have also become considerably more certain and explicit.

The Commission encouraged the use of smaller incremental projects or viable bridging options, in which load management or curtailment was included. BC Hydro have ignored this advice by avoiding dialogue with NorskeCanada, characterising NCDMP as uncertain, implying that the lack of a firm contract should be laid at NorskeCanada's door, and failing to find a CFT design which would accommodate Green Island Energy's bid.<sup>12</sup> In doing so, they are continuing to manufacture a crisis.

### **The EPA review evidence**

One outcome of the VIGP decision was that the Commission determined that BC Hydro's methodology, as well as seriously lacking in transparency, was such that the BC Hydro load forecast overestimated future load balance on Vancouver Island by close to 45.5%. As a result, instead of 213 MW, the Commission estimated the 2007 capacity shortfall at 116 MW. The evidence of Miller and Associates played a role in this determination by demonstrating a more balanced and impartial approach to assessing what might occur than the apparently favourably weighted assumptions adopted by BC Hydro. As was shown in other matters, such as the press release information put forward to the public concerning population growth on Vancouver Island, which rounded up the amount of the increase by around 25%, BC Hydro have demonstrated that they prefer to over-estimate by significant percentages.

BC Hydro appear to have over-estimated again, in the inconsistency (employment versus population increase) identified by Miller and Associates. While apparently now adopting different methodology, they have provided the same subjective approach to future circumstance with little attempt at transparency. This inconsistency can only be attributed to over-estimation or an outright mistake such as occurred in the cost effectiveness portfolio information put forward by assessment by BC Hydro's senior management. Either alternative is of very little comfort when assessing the level of confidence the Commission or the public should place in BC Hydro's predictions.

In contrast, a review of the updated evidence provided by Miller and Associates demonstrates the same carefully balanced, measured, and clearly explained methodology. It is interesting to note that the employment based load balance figure identified by Miller and Associates is almost identical to the determination made by the Commission in 2003. If we were to assume, based on updated information, that BC Hydro has achieved the same level of accuracy in its assumption as at the time of the VIGP decision, we could assume a planning shortfall for 2007 of 152 MW (54.5% of 280 MW.) A more charitable assessment would assume that BC Hydro's revised

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<sup>12</sup> Appendix item K

methodology is rather more accurate, and 75% of their projected 280 MW would take us to a planning shortfall of 210 MW.

Coincidentally, this is only marginally more than the 190 MW figure BC Hydro are so dismissive of in the Miller and Associates' evidence. They make much of Mr Miller having adjusted his evidence recently, implying that earlier evidence was unreliable and full of shortcomings. I would think it is rather the case that the information forthcoming from BC Hydro was full of shortcomings, given that part of Mr Miller's filing was incomplete on this basis, and that he has taken prudent steps to incorporate the most recent information.

Also coincidentally, a 210 MW figure is in close proximity to the figure identified by Mr Mansour as the likely reliable potential of the cables which are due to be de-rated. It is also, coincidentally, the aggregate potential of the two NCDMP projects outlined by NorskeCanada. While it is clear that the current firm proposal for NCDMP represents 140 MW, this would still eliminate much of the projected shortfall and any need to rely on the existing cables. NorskeCanada have indicated a willingness to consider providing the aggregate potential of 210 MW, but given the BCTC evidence, this would not be essential.

BC Hydro would have us believe that DPP is necessary to remain in compliance with WECC standards and to meet the n-1 criterion. In fact, this has not been proven, and BCTC have indicated that this is a matter of interpretation and is not definite. They also indicate an improved comfort level since 2003 with regard to non-generation alternatives such as the NCDMP, for short term planning purposes, presumably until the new cables could be in place in 2008.

### **BC Hydro's argument**

BC Hydro begin their final argument by stating the background and purpose of the EPA review, and make the point that they are parties to a contract, and not required to prove anything. The review of the EPA is characterised as a challenge by the BCUC to prove cost effectiveness of the DPP solution, which BC Hydro has chosen to accept. The point is then made that they have no evidentiary standard to meet in terms of proving beyond a reasonable doubt that DPP is the best outcome, and that they have already proven that DPP is "a" cost-effective solution.

The argument is made that the Commission should focus on whether DPP is more cost-effective generation project in comparison to the VIGP, with cost-effectiveness encompassing reliability, despatchability, timing, and location.

In their next point, BC Hydro then capture the fundamental contradiction between this position and the purpose of the EPA review as determined by the Commission. The Commission decided to hear evidence on a number of issues "intended to inform the principal one, that being whether the Tier 1 option is cost-effective relative to the Tier 2 or No Award options to meet Vancouver Island's capacity deficiency starting in the winter of 2007/908".

Therefore, the principal issue of the EPA review is not to prove that DPP is the most cost-effective generation project in comparison to the VIGP, and the focus suggested by BC Hydro

can be disregarded. Clearly, the focus must instead be on evaluating the options available to meet Vancouver Island's capacity deficiency starting the in the winter of 2007/08.

This appropriateness of BC Hydro and the Commission focussing on solutions to the capacity deficiency of 2007 onwards is confirmed in the extract from Ms Van Ruyven's opening statement. She makes reference to agonising over the best means to serve the capacity shortfall, and to the most cost-effective solution now having been identified. Unfortunately for BC Hydro, we now know that the evidence from Ms Hemmingsen shows that in fact they have not identified the most cost-effective solution. This does not however detract from the fundamental fact that the issue to be resolved by BC Hydro is the pending capacity shortfall arising from de-rating the HVDC cables. It is in this context only that the Commission is obliged to determine the suitability of DPP. They must not be deflected from this by adopting any responsibility for resolving BC Hydro's long range planning issues.

BC Hydro further argues that DPP is more cost effective than Tier 2 or No Award alternatives, and that all proponents' projects were required to come forward on a level playing field, and that the contractual context creates legal and fairness obligations to those parties. It is worthy of note that "BC Hydro believes it is very important that the regulatory process not be employed to circumvent or undermine the competitive process once undertaken."

While it is clear from the hearing that many consider there was not a level playing field, BC Hydro must be taken at their word that the regulatory process must not be employed to undermine the competitive process once undertaken. Given that the outcome of that process did not arrive at the intended outcome, the approval for the EPA must be denied, as to do otherwise would be to subvert the Commission's own process. An unconditional approval as recommended by BC Hydro is not justified, and the BCUC must not become involved in providing incentives for a failed bidder to contract with BC Hydro, something which is only likely to be possible because DPP was the proponent for two tier 1 projects. BC Hydro acknowledged that it is fortuitous that the same proponent put forward a non-winning bid which included duct firing. The Commission must ignore this fortuitous fact, which BC Hydro say is critically important, and make their determination on the basis that DPP with duct firing is among the failed bids. It would be inappropriate to recommend an outcome where intervenors have not able to explore evidence on another alternative, because it was not a winning bid

The winning bid cannot be considered either the most cost effective, or the most certain, given that there is no contractual arrangement for gas supply and therefore BC Hydro's evidence on this point can only be deemed speculative. They are relying on the Commission's authority to impose a solution on Terasen if they cannot achieve a contract to their liking, and will justify this on the basis of having to supply DPP. That is inappropriate. The alternative of barging LNG can also be considered uncertain.

## Conclusion

- By disallowing the EPA, the Commission will achieve a number of things:
- They will restore public confidence in the process.
- They will permit a no award outcome which will facilitate implementation of immediate cost effective bridging options which can be implemented long before the 2007 capacity shortfall.
- They will avoid imposing the avoidable costs of a 25-35 year project as a means of achieving a solution to the short term problem of capacity shortfall.
- They will facilitate implementation of other smaller cost effective projects which were precluded by the design of the CFT process.
- They will potentially allow better solutions for after 2010, by keeping the focus on resolving only the short term problem of 2007 and not committing customers to an expensive long term project

The arguments that DPP represents the most reliable solution and necessary for N-1 contingency planning do not withstand scrutiny. It must be remembered that this is a planning issue, and there is no evidence that a violation of criteria would occur.

DPP may or may not be the best solution on a 20 year plus planning horizon but it should not be evaluated on that basis, it must be considered in the context of the immediate problem in order to measure whether it is the most cost effective solution to the problem at hand.

Given the history of VIGP and GSX, BC Hydro have a track record which is unfortunate in terms of considering their judgements of what projects constitute economically viable proposals. Fortunately, they have now seen the light and cancelled GSX due to increased gas costs over the lifetime of that project. The Commission had sufficient foresight to refuse VIGP in 2003.

I would ask the Commission to apply the same foresight to DPP by denying approval for the EPA. They must not be stampeded into either approving the EPA or endorsing a modified contract (thereby ignoring the flaws of the CFT process, the QEM model, and the exclusion of other failed bids) due to concerns about BC Hydro's long term needs. There are many solutions available, and it seems BCTC would be interested in many of those which BC Hydro has chosen to denigrate or ignore.

**A/ VIGP Decision page 11**

The Commission Panel accepts that GSXCCC's concern regarding transparency goes beyond the presentation of results and includes BC Hydro's forecast methodology and input assumptions (T3: 626). The Commission Panel is of the opinion that an understanding of the methodology and knowledge of the quality of input data as well as the effects of the drivers on the modelled results are important to assessing the forecasts. The Commission Panel considers that documents such as extracts from the annual Electric Load Forecast are inadequate as supporting materials, and that issues of lack of transparency apply to several areas, including weather normalization, backcasting, and assumptions that underlie input data.

**B/ VIGP Decision page 12**

**The Commission Panel expects BC Hydro to include the following components of the load forecast documentation in future CPCN applications for major project additions:**

- **a detailed explanation of the appropriateness of the selected forecast methodology compared to other alternative methodologies;**
- **an explicit listing of underlying assumptions and comments on the quality of input data and their sources of information;**
- **intermediate outputs of the modelling process and the verification procedures carried out to validate the modelled coefficients; and**
- **commentary on historical growth trends and implied growth rates and reasons for deviations from trends.**

**C/ VIGP Decision page 22**

The Commission Panel agrees with the analyses of CBT, JIESC and NorskeCanada that BC Hydro should explore load management with its customers to reduce the peaks and defer or negate the need for new facilities. At the same time, a contract with NorskeCanada for load curtailment will involve negotiations with respect to acceptable levels of compensation. Due to the investment cost involved and the issues on the pricing of curtailable energy, the compensation issue should first be mutually resolved by BC Hydro and NorskeCanada (Exhibit 10A, BCUC IR 3.1, IR 4.3). The Commission Panel concludes that no contracted demand reductions should be added to dependable supply for the purpose of the Application. Nevertheless, arrangements with NorskeCanada for short-term load curtailments are an attractive option in the event that BC Hydro needs to bridge a period until a resource like a 230 kV transmission line, other on-Island generation, or even VIGP can be completed.

**D/ VIGP Decision page 28**

Moreover, BC Hydro does not have committed resources, including load curtailment contracts, to meet this capacity shortfall.

**E/ VIGP Decision page 34**

**The Commission Panel finds that, after deducting sunk costs, a capital cost estimate of \$289 million in 2002 dollars should be used as the lower cost scenario and a cost estimate of \$319 million should be used as the higher cost scenario for analyzing the VIGP.**

#### **F/ VIGP Decision page 36**

**The Commission Panel concludes that a levelized capital charge of \$28 million per year for the lower cost scenario and \$32 million per year for the higher cost scenario should be used for VIGP.**

#### **F/ VIGP Decision page 42**

The extensive discussion in the hearing did not assist the Commission Panel in deciding whether VIGP is likely to operate as a baseload plant or a peaking facility. An analytical model that largely uses gas-fired CCGT facilities to forecast the cost of electricity can be expected to predict that VIGP will operate at a high utilization rate. At the same time, forward gas and electricity prices at a particular point in time are likely to have limited usefulness as a means of predicting the relationship between energy prices (and hence the economic heat rate) some years in the future.

As a starting point, the Commission Panel notes that the guaranteed availability of VIGP is expected to be approximately 92 percent. In the first year after its commercial operation date, the ICP had an availability of 79.9 percent and a utilization of 69.5 percent. The lower utilization was attributed to periods of economic dispatch, and there were no outages related to unavailability of gas supply (Exhibit 4E, BCUC IR 58.1 and 58.2). That is, about one-eighth of the availability of ICP was unused because it was not economic to run the plant.

#### **G/ VIGP Decision page 43**

VIGP would be a relatively efficient generating plant, but this advantage is likely to decline over the 25-year life of the facility. For example, the next generation of General Electric turbines, the 7FB model, will be more efficient than the unit chosen for VIGP. VIEC acknowledged that the difference in efficiency is significant (T10: 2150, 2151). Moreover, VIGP will also compete with more efficient gas-fired cogeneration facilities, with generation that is not gas-fired and with resources like wind and tidal power that do not have a fuel cost.

All of these factors are likely to cause some erosion of the utilization of VIGP. Furthermore, the utilization rate for VIGP will likely have an inverse relationship to gas prices, so that utilization would likely fall in a higher gas price world. **Therefore, the Commission Panel determines that utilization rates of 80 percent (1857 GWh per year) for a lower gas price scenario and 75 percent (1741 GWh per year) for a higher gas price scenario are reasonable for VIGP.**

#### **H/ VIGP Decision pages 52-53**

Treating potential GHG liability as a cost rather than as a credit for low GHG projects will simplify the comparison of alternatives from a least-cost or cost-effectiveness perspective. Including GHG liability costs in the comparison of alternatives will also address and give reasonable weight to the greenhouse gas emissions concern that several parties raised. **The Commission Panel determines that a GHG emission offset cost of \$3.60/MWh in real 2002 dollars should be used in the analysis of VIGP.**

### **I/ VIGP Decision page 57**

BC Hydro stated that it would seek approval for this option if approvals for VIGP and GSX were denied (Exhibit 6, IR NOCC 2.1; VIEC Final Argument, p. 23). In addition BC Hydro testified that on a technical basis the 230 kV line option is preferred as a first step (T5: 1068). BC Hydro also testified that it had performed a system study comparing the system dynamic performance of two 300 MW CCGTs located on the Island (in addition to the existing ICP) to one 230 kV transmission line and in this scenario the alternatives had a similar performance (Exhibit 4X). Both systems required similar amounts of load shedding under N-2 conditions, but the transmission system had a better frequency response under the 230 kV transmission line scenario. The study also demonstrated that system losses were greater for the two CCGTs scenario than the 230 kV transmission line option.

### **J/ VIGP Decision page 58**

The Commission Panel recognizes that the 230 kV line option may be the best reliability reinforcement if on-Island generation becomes prohibitively expensive.

### **K/ VIGP Decision page 61**

The Commission Panel notes that in the event Green Island uses the WTS tariff, this may alleviate some capacity shortfalls. However, for firm capacity benefits to be realized, BC Hydro needs to have the ability to dispatch the plant when required. Consequently, it would be beneficial for BC Hydro to purchase the output of this plant. Considering that the cost of power from the plant is being offered at \$60.10/MWh (which is much less than VIGP and is in line with the last Green Energy call), it would appear that this is an excellent opportunity for BC Hydro to contract with Green Island. Also, this generation resource could make an early contribution to improved operational reliability for Vancouver Island.

### **L/ VIGP Decision page 65**

Portfolio 1 is used as the reference case and consists of VIGP followed by a new 230 kV transmission line to Vancouver Island in 2010.

### **M/ VIGP Decision pages 67-68**

The results may simply indicate that the portfolio analysis is unable to distinguish between Portfolios 1 and 4. VIEC stated that NPV differences in the tens of millions of dollars are not significant, while a difference of \$152 million is a material difference (T5: 1097). Nevertheless, the results for Portfolio 4 raise questions about the usefulness of the portfolio analysis model for comparing resource alternatives submitted under the CFT.

### **N/ VIGP Decision page 72**

In addition, the need for careful and consistent design of portfolios is a concern as the proprietary nature of the model means that the Commission Panel and others are unable to validate that this has been done properly.

**0/ VIGP Decision page 73-74**

VIEC's portfolio analysis includes many variables, and there is a degree of subjectivity in terms of assessing the costs of the variables. The Commission Panel accepts that in the Application there are a myriad of inter-relationships which must be assessed, and VIEC has made its best effort to develop a model which can assess how different project options will impact the overall BC Hydro system. The following are some of the key variables which impact the portfolio analysis and the Commission Panel's concerns that relate to these variables.

**P/ VIGP Decision page 73**

**In future applications, the Commission Panel expects BC Hydro to use assessment models which can be made public so that the various components and assumptions can be assessed and tested by intervenors.**

**Q/ VIGP Decision page 74**

Currently, the usefulness of VIEC's sensitivity analysis of load forecast is limited since the portfolio analysis uses a Mainland CCGT as the default resource and focuses on resource location and resource timing rather than a diversity of resources.

**R/ VIGP Decision page 76**

**The Commission Panel considers that the results of the portfolio analysis are not conclusive.** While many of the scenarios favour VIGP and the development of gas generation on Vancouver Island, other scenarios support a new transmission line to the Island. The Commission Panel is particularly concerned with respect to the assumption that a CCGT located near Kelly Lake is representative of the competitive cost of additional resources on the Mainland. In the current natural gas price environment, BC Hydro may have many other resource options available at lower cost than a CCGT on the Mainland. Also, the Commission Panel has not received sufficient information with respect to the expected growth in consumption on the Mainland to verify the timing of resource additions required for system-wide loads.

**S/ VIGP Decision page 79**

**Based on the evidence and the Commission Panel conclusions in this Decision, the Commission Panel finds that VIEC has not established that VIGP is the most cost-effective means to reliably meet Vancouver Island power needs. Therefore, the Commission Panel denies the Application for a CPCN.**

**T/ VIGP Decision page 80**

**The Commission Panel agrees with VIEC that it is not concerned with achieving equity among competing private interests or even among competing utilities in its determination of the Application. In this Decision, the responsibility of the Commission Panel is to consider whether VIGP is the best resource addition for the needs of BC Hydro's customers.**

### **U/ VIGP Decision page 81**

It is the Commission Panel's impression that bidders into the CFT can anticipate a fair and transparent process, especially given BC Hydro's willingness to engage an Independent Reviewer and the Commission's eventual review of a CPCN application or EPA filing.

It will be BC Hydro's choice whether to proceed with the CFT recognizing that BC Hydro must develop sufficient information to identify the most cost-effective resource addition for Vancouver Island.

### **V/ VIGP Decision page 83**

However, given the Commission Panel's determination that the logical next resource addition is on-Island generation, it should be possible to develop a simplified NPV model specifically for the CFT. The NPV model should be available to bidders in advance and the Commission Panel believes it could be limited to on-Island generation costs, without the need to consider future impacts to electricity transmission or generation on the Mainland.

### **W/ VIGP Decision pages 83-84**

The Commission Panel accepts the position of most intervenors that sunk costs are not relevant to this project selection decision and should not be used in the NPV analysis, either as an addition to IPP project costs or included in the CFT Benchmark.

The CFT Benchmark inputs are being suggested by the Commission Panel only for the purpose of the CFT. A future Commission review of VIGP and GSX costs may result in findings that are different from those suggested by the proposed inputs for the CFT Benchmark.

### **X/ VIGP Decision pages 84-85**

NorskeCanada at page 15 of its Final Argument states: "There must be an assurance that the best combination of bids under the CFT Benchmark, up to the limits of the CFT, will be selected."

The Commission Panel anticipates that the sum of the viable tenders will provide BC Hydro with an aggregate Dependable Capacity of at least 150 MW, which would provide a buffer above the 116 MW required in 2007/08. The Commission Panel encourages BC Hydro to seek approval for projects with an aggregate capacity of at least 150 MW as long as each project is cost-effective, and the aggregate capacity is required to meet Vancouver Island and system load requirements. If the Dependable Capacity does not exceed 115 MW, then the Commission Panel expects that BC Hydro will need to consider other resource additions, including VIGP/GSX, CBG, Resource Smart, contracted load reductions and new peak shaving initiatives, for meeting the load requirements as set forth in Chapter 2.

### **Y/ VIGP Decision page 86**

The Commission Panel believes that it is important that the CFT be perceived as fair and open so that projects other than VIGP with GSX supply compete on a level playing field to meet the load requirements of Vancouver Island. The success of the CFT is also important to the enhancement of goodwill that may benefit future resource calls.