

# William J. Andrews

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November 21, 2008

Mark S. Oulton  
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BY EMAIL: [moulton@litigationchambers.com](mailto:moulton@litigationchambers.com)  
AND BY WEB FILING

Dear Sir:

Re: British Columbia Hydro and Power Authority, 2008 Long Term Acquisition Plan,  
BCUC Project #3698514, BCSEA-SCBC Information Request #1 to COPE 378

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Pursuant to the Regulatory Timetable in BCUC Order G-126-08, attached please find Information Request #1 by the intervenors B.C. Sustainable Energy Association and Sierra Club of B.C. to COPE 378.

Yours truly,

William J. Andrews



Barrister & Solicitor

Encl.

Cc. 2008 LTAP distribution list by email

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REQUESTOR NAME: B.C. Sustainable Energy Association and Sierra Club British Columbia  
INFORMATION REQUEST ROUND NO: 1  
TO: COPE 378  
DATE: November 21, 2008  
PROJECT NO: 3698514  
APPLICATION NAME: 2008 Long Term Acquisition Plan, BC Hydro

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**1.1.0 Reference: Exhibit C16-6, Direct Evidence of Dr. Marvin Shaffer, self-sufficiency requirement**

Dr. Shaffer says that “This hearing is not about the merits of the BC Energy Plan.” [p.3]

- 11.1 Please confirm that the self-sufficiency requirement is included in both the Energy Plan and in sections 64.01 and 64.02 of the amended *Utilities Commission Act*.
- 11.2 Does Dr. Shaffer agree that this hearing is not about the merits of sections 64.01 and 64.02 of the amended *Utilities Commission Act*?
- 11.3 Does Dr. Shaffer acknowledge that the self-sufficiency requirement may have benefits for BC Hydro ratepayers and for the public interest, separate from his critique of the financial cost of the self-sufficiency requirement?

**1.2.0 Reference: Exhibit C16-6, Non-firm and out-of-province resources**

Dr. Shaffer states:

“As a result of self-sufficiency, BC Hydro has eliminated in its LTAP any reliance on non-firm or out-of-province supplies for planning purposes, regardless of how advantageous or cost-effective some reliance on such supplies may be.” [p.4]

- 12.1 Is Dr. Shaffer suggesting that the Commission should require BC Hydro’s 2008 LTAP to include non-firm or out-of-province supplies for planning purposes?

**1.3.0 Reference: Exhibit C16-6, Burrard Generating Station**

Dr. Shaffer says that BC Hydro suggests that 6,000 GWh/y from Burrard for planning purposes “would be contrary to the **intent** of the self-sufficiency provision” and he responds, in part, that “Again, there is no evidence indicating that a firm capability of 6000 GWh (anything over 3000 GWh) for planning purposes would not be consistent with self-sufficiency but 3000 GWh would.”

- 13.1 Is it Dr. Shaffer’s view that 6000 GWh/y from Burrard for planning purposes is consistent with the **intent** of the self-sufficiency provision?
- 13.2 Does Dr. Shaffer see the question of whether 6000 GWh/y from Burrard for planning purposes would be contrary to the **intent** of the self-sufficiency provision as a question that can and should be resolved by evidence? If so, what form would such evidence take?

- 13.3 Is it Dr. Shaffer's view that the environmental and social licence aspects of engineering Burrard to be capable of base load operation at 6000 GWh/y would be resolved by an assurance from BC Hydro that its intention is not to generate significantly more electricity from Burrard engineered for 6000 GWh/y than from Burrard engineered for 3000 GWh/y?
- 13.4 Energy Plan Action Item #22 states: "22. Government supports BC Hydro's proposal to replace the firm energy supply from the Burrard Thermal plant with other resources. BC Hydro may choose to retain Burrard for capacity purposes after 2014." In Dr. Shaffer's view, is his proposal that Burrard be engineered to be capable of base load operation at 6000 GWh/y consistent with Action Item #22? If not, please reconcile this with Dr. Shaffer's statement that the LTAP hearing is not about the merits of the Energy Plan.

#### **1.4.0 Reference: Exhibit C16-6, Pricing Policy**

Dr. Shaffer proposes that the Commission require BC Hydro to "3. Develop strategies that address the impact of low average rates attracting new industrial load, for example by proposing to seek BCUC approval of major new loads above some threshold amount based on an assessment and justification of the impacts on existing customers and/or to pursue ways in which the customer base load in the two tier industrial rate structure could effectively be set at zero for major new electric intensive loads." [p.8]

- 14.1 To clarify, does the quoted example assume that the BCUC has jurisdiction to deny embedded cost prices to major new loads?
- 14.2 Is it Dr. Shaffer's view that under the current statutes and special directions the BCUC has jurisdiction to deny embedded cost prices to major new loads?
- 14.3 In Dr. Shaffer's view, is it possible to address "the impact of low average rates attracting new industrial load" without changing the existing statutes and special directions? If not, what changes would be required?
- 14.4 Can Dr. Shaffer provide examples from other jurisdictions where prices for service to major new loads are higher than prices to existing major loads, either in general or for the specific purpose of sending a marginal cost price signal?

#### **1.5.0 Reference: Exhibit C16-6, Run of river and wind resources**

- 15.1 What generation technology types does Dr. Shaffer say are comparatively undervalued by what he argues is BC Hydro's over-valuation of run of river and wind resources? Or are spot market imports what Dr. Shaffer sees as the alternative?

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