

Mr. Robert J. Pellatt
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

September 9, 2005

Re: Project 3698388
British Columbia Hydro and Power Authority (“BC Hydro”)
Resource Expenditure and Acquisition Plan (“REAP”)
Global Cogenix Industrial Corporation Intervenor Evidence

We support the approval of the F2006 Call for Power per the Supplemental F2006 Call Evidence submitted by BC Hydro to the BCUC, dated July 8, 2005. We are suggesting that this Call should be released as soon as is possible and that if the Call is further delayed, the cost of acquiring power will be amended.

Our Company intends to submit a proposal for Small Projects together with other run of river proponents, for projects per BC Hydro’s CFT conditions. We understand a strong competition for the 200 GWh minimum amount of power that BCH will be purchasing from small project bidders. BC Hydro has indicated that they will only be purchasing 200 GWh from these proponents, which of course we feel this minimum 200 GWh should be increased.

If the call is delayed, our directors and shareholders would again be penalized due to the substantial investment in the proposed projects.

We feel that the Negotiated Settlement Process should be settled without reference to other BC Hydro policies. Since BC Hydro will be filing an Integrated Electricity Plan in November we suggest that discussion on overall strategy and long-term plans then be dealt with.

Since BC Hydro is importing large amounts of Power to meet the needs of British Columbia there should not be a delay to BC Hydro from acquiring power from British Columbia I.P.P.’s.

With respect to this current CFT, the following process has been followed:

- Need to issue CFT in 2005 was indicated in 2004 Integrated Electricity Plan;
- The CFT process was proposed as part of BC Hydro’s REAP submission dated March 7, 2005;
- BC Hydro has responded to Information Requests from the BCUC and from intervenors;

- A number of workshops and stakeholder sessions were conducted to obtain stakeholder input;
- BC Hydro revised the CFT process per Stakeholder input and submitted Supplemental Call Evidence on July 8, 2005
- Current Negotiated Settlement Process.

If CFT is approved, EPA's awarded as part of the process will be submitted to the BCUC for approval per Section 71(3) of Utilities Commission Act. We suggest that this process should be sufficient to satisfy the regulatory process.

We understand that there are a number of general planning issues that are important to some intervenors, including the need to purchase a much larger amount of electricity from IPPs and that the required Commercial Operation Date should be extended so that larger project sizes could participate. However, both of these issues are long-term electricity planning issues. BC Hydro's need to acquire large amounts of power over a long-term period should be part of the IEP filing in November. BC Hydro have indicated that they do need 1000 GWh by 2009. BC Hydro have put together a process for doing so including extensive stakeholder input and accordingly, it is suggested that they should be given approval to proceed.

We are opposed to extending the required Commercial Operation Date because it could lead to further delays and perhaps resulting in no power acquired by BC Hydro for the foreseeable future. We as other IPP developers have scheduled the development of our projects on BC Hydro's stated need for acquiring power in the short-term period. We have expended funds on acquiring environmental permits, paying for BCTC to determine interconnection requirements, obtaining strong community and First Nations support and spending a considerable amount of funds in engineering design. Extending the Commercial Operation Date would result in further costs.

As an IPP we are interested in continuing to work with BC Hydro and stakeholder groups to further streamline the process for future calls. We do agree with comments of other intervenors in that the process is more complicated than it needs to be and that the EPA could be further simplified and optimized. We expected this Call to be released in the Summer of this year and many IPP developers have scheduled their development work to suit. Delaying the Call further in order to get additional changes and improvements will not assist the project proponents that are ready to submit bids.

In summary we suggest that all intervenors support the F2006 Call and that they instead provide the appropriate data to the F2007 Call

Yours truly,

"A.W. Lilly"

Arthur W. Lilly