



June 10, 2009

Erica M. Hamilton  
Commission Secretary  
BC Utilities Commission  
[Commission.secretary@bcuc.com](mailto:Commission.secretary@bcuc.com)

**RE: Long Term Electricity Transmission Requirements Inquiry – comments on Staff Discussion Draft on Scope of the Inquiry**

Dear Ms. Hamilton,

I am writing to you on behalf of the Association for Mineral Exploration British Columbia (AME BC) and the Northwest Power Line Coalition (the Coalition), both of which I represent.

AME BC is particularly interested in the Inquiry as access to infrastructure (be it roads, rail or transmission) is critical for the health of the BC exploration industry which last year spent almost \$400 million across the province. We represent over 3000 members and 300 corporate members. The Northwest Power Line Coalition has a strong interest in the Inquiry as the Terms of Reference specifically refer to the proposed project. Moreover we believe considerable future demand and generation exists in the Northwest, along the proposed project and beyond. For these reasons AME BC and the Coalition hope to be active in the Inquiry.

I would like to provide the following comments with regard to the above referenced document:

1. For the large part, AME BC and the Hwy 37 Coalition agree with much of what staff considers to be in and out of scope for the purposes of the inquiry with the following possible exceptions.
2. When considering both assessment of generation and demand, staff comments imply transmission expansion as a response to potential or projected generation or demand. This possibly neglects a critical element of infrastructure development—the ability of infrastructure to drive demand and/or generation. It has been argued by some that public infrastructure is a necessary pre-condition for economic growth. Consideration should be given to the potential for new or improved transmission capacity to drive new generation or demand as opposed to simply a response to such demand. This is particularly true in the province’s less populated regions.
3. We note that on page seven it states “The Terms of Reference are silent on cost-allocation for transmission extensions...” And that “...staff consider cost-allocation issues to be out of scope...” We believe this assertion may need to be re-examined as one of the most significant concerns with the construction or expansion of transmission is how to finance it. Past objections to transmission expansion in underserved parts of British Columbia have dwelt on costs and indirectly, cost-allocation. Much public policy related to transmission in other North American jurisdictions (i.e. the California Renewable Energy Transmission Initiative) is designed to address concerns regarding transmission construction where ROI is not immediately clear but public policy objectives are (such as producing economic development or green energy). While specific

rate-design may make the Inquiry unwieldy, broad discussion on cost-allocation alternatives should not be excluded. Otherwise the inadvertent result may be that transmission need is identified only to have that need dismissed later for shorter term financial reasons.

4. We also note the staff discussion document is relatively quiet on issues related to what actors may or may not be involved in the ownership, financing, design and/or operation of transmission. We do not believe it should be assumed there is a single actor or entity that would necessarily assume these functions. In particular we note that First Nations may be interested in forms of equity participation or ownership—this is the case in the North West. We also note that a free-market for the design, construction, financing and operation of transmission may be in the best interests of generators and consumers, helping to ensure costs are managed and innovative solutions are applied. We accept this may be addressed by Section 9 of the Terms of Reference which allows transmission service providers to provide additional evidence., although section 9 is not referred to in the staff document. We submit that service providers should include “potential” service providers, possibly with experience in other jurisdictions.
5. On a minor point, the staff document, on page seven, discusses interties with the United States and Alberta. We point out that consumer demand (in particular by the mining and pipeline sectors) in the Yukon Territory and possible generation in that Territory should not be excluded from the discussion. This demand and generation may increase the significance of further transmission in Northern British Columbia.
6. Finally, as the Northwest Power Line Coalition includes representation from communities in Alaska, we encourage section 10 of the Terms of Reference to be considered to include potential generators and consumers from the State of Alaska.

Thank you in advance for your consideration of these points.

Sincerely,

Byng Giraud  
Senior Director, Policy & Communications  
Association for Mineral Exploration British Columbia

and  
General Secretary  
Northwest Power Line Coalition

Cc: Gavin C. Dirom, President & CEO, AME BC  
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