

BC HYDRO RESOURCE OPTIONS QUESTIONNAIRE FOR THE LONG-TERM ELECTRICITY TRANSMISSION INQUIRY

Background

Resource options information is one of BC Hydro's inputs to the British Columbia Utilities Commission's Long-Term Electricity Transmission Inquiry process. BC Hydro hosted a workshop on July 23, 2009 to engage interested parties in the Resource Options component of the Inquiry. At this workshop, BC Hydro noted that a Written Comment Process would be made available for those interested in providing information on resource option potential.

Through this Written Comment Process, BC Hydro invites interested parties to provide information on resource option potential, if different than BC Hydro's data. This questionnaire is the first opportunity for First Nations and participants to provide comments and/or data to the Inquiry.

Questionnaire Confidentiality

By submitting this information to BC Hydro, please be aware that all information may be included in future BC Hydro submissions to the BC Utilities Commission as part of the Long-Term Electricity Transmission Inquiry with the exception of information submitted in Part A (Contact Information), and possibly the information submitted in Part D (Additional Project Data). Part A – Contact information will NOT be included in these submissions and will be kept confidential, but is being requested in the event BC Hydro needs to ask clarification questions on the information submitted. Part D – Additional Project Data will be included in these submissions unless the information is identified as confidential by selecting the appropriate option in Part D.

Questionnaire Instructions

- Please read the instructions and Appendix A (Definitions) and Appendix B (Region Map) prior to completing the Questionnaire.
- If you have multiple resources or projects that you wish to submit, please fill out one Questionnaire per resource or project.
- To complete the Questionnaire, please type your responses in the grey box fields, and click on the appropriate response for the drop-down lists.
- **IMPORTANT: Please save the completed Questionnaire in MS Word format. Other file formats cannot be accepted.**
- Respondents are encouraged to provide as much information on their project(s) as possible. If you have additional information you would like to provide, include it with your Questionnaire submission.
- To submit your Questionnaire, please follow these steps:
 1. Open an email and use the following email subject line, replacing “Company Name” and “Project or Resource Name” with your specific information: BC Hydro Resource Options Questionnaire Submission – *Company Name* – *Project or Resource Name*.
 2. Ensure the Questionnaire has been saved in MS Word format, and attach to the email. Please note that the Questionnaire file must be submitted as an attachment.
 3. Attach any supporting files to the email.
 4. Identify the total number of supporting files attached to your email.
 5. Submit the email to energy.planning@bchydro.com **by August 14, 2009**.

A. Contact Information – Required

Part A – Contact information will NOT be included in BC Hydro submissions to the BC Utilities Commission as part of the Long-Term Electricity Transmission Inquiry and will be kept confidential, but is being requested in the event BC Hydro needs to ask clarification questions on the information submitted.

Project Name (if applicable):

Company Name: Treaty 8 Tribal Association

Company Address: 10233-100 Avenue, Fort St. John, B.C., V1J 1Y8

First Name: Carly

Last Name: Chunick

Title: Legal counsel

Telephone (e.g., ###-###-####): 250-361-9469

Email: carly@devlingailus.com

B. General Comments – Optional

Please use this area for general comments on the BC Hydro Resource Options information presented at the *Long-Term Electricity Transmission Inquiry: BC Hydro Generation Resource Options Workshop* held on July 23, 2009:

We are concerned that BCTC and BC Hydro have developed the initial scenarios without any account of First Nations in British Columbia, undermining the Crown's duty of consultation and creating bias against First Nations' interests and rights from the start of this process. This lack of meaningful engagement of First Nations at these initial stages of the Inquiry process undermines the consultation process. First Nations should be engaged on a government-to-government basis and real consideration should be given to both the legal and practical realities of First Nations engaged in this process. Furthermore, this process, including these initial stages of resource identification and scenario development, must be guided by British Columbia's "New Relationship" with the First Nations of this province. Without this kind of engagement and consideration, the initial scenarios are necessarily flawed.

With respect to the Generation Resource Clusters developed by BC Hydro, the Exclusion areas that BC Hydro has identified only include legally protected areas like parks. However, to meet BC Hydro's obligation to consult, the generation resources options must consider areas identified by First Nations as inappropriate for development. It is premature to develop the resource clusters that are used by BCTC to develop its scenarios before particular no-go areas are identified by First Nations.

We understand that the transmission analysis has not yet been done. However, it is important to note that the scenarios should also account for areas identified by First Nations as inappropriate for transmission corridors. The appropriateness of transmission corridors should be read into the Terms of Reference. As pointed out by one participant at BCTC's August 5th Scenario Workshop, it is pointless discussing generation resource development if those resources cannot be linked to the transmission system. BCTC agreed and stated that the transmission analysis is still to come. However, irrespective of the Terms of Reference, the Crown has a duty to consult First Nations whenever their rights are potentially affected. Therefore, BCTC and BC Hydro have a duty to consult First Nations to the extent that any proposed transmission corridors have potential adverse impacts on treaty rights and Aboriginal rights and title.

With respect to BC Hydro's 2008 Long Term Acquisition Plan (the "2008 LTAP"), BC Hydro previously stated that it would be a key source of information in developing the scenarios. The Terms of Reference state that the Commission must consider the 2008 LTAP, "if accepted, or any other long-term resource plans filed and accepted under the Act, and electricity resource potential identified in any evidence filed in the inquiry." Given that the 2008 LTAP was not accepted, will BC Hydro nevertheless rely on information contained in the 2008 LTAP, and if so, to what extent? The Commission's decision respecting the 2008 LTAP rejects BC Hydro's demand side measure ("DSM") plan and, taken as a whole, suggests that BC Hydro has both overestimated the province's energy needs and underutilized existing electricity sources. None of initial scenarios presented at BCTC's August 5th Workshop account for the Commission's decision.

At its August 5th Workshop, BCTC said that it would factor in the cost of dealing with First Nations if it has quantifiable numbers. We are not in a position to provide quantifiable numbers at this stage however this should not excuse BCTC or BC Hydro from including these factors in a general sense in developing the resource options or scenarios. Different kinds of costs associated with consulting and engaging First Nations must be accounted for in the initial scenario development. These costs may relate to consultation, capacity funding and revenue sharing. It is important to note that some First Nations are better placed than others to engage meaningfully in

this process and in energy development generally, so capacity funding requirements will vary depending on the circumstances.

However, the cost of dealing with First Nations goes beyond the Inquiry process. Perhaps a more important factor is the cost of engaging First Nations in the long-term development of energy resources and the transmission system for the next 30 years. This will involve capacity funding, potential revenue sharing and compensation for loss of use and economic benefits. Each time that a new resource is developed, First Nations lose income or other economic benefits, either directly or indirectly, through the loss of that resource or impact on that area. The scenarios therefore should contemplate compensation for such loss of economic benefits through revenue sharing or other economic arrangements. The amount or percentage of revenue sharing is understandably uncertain at this time. However, this should not preclude BCTC and BC Hydro from developing scenarios that incorporate estimations of revenue sharing since other factors in the scenarios, like economic growth, are also based on estimations.

The scenarios are based on existing laws persisting for the next 30 years. This is an unrealistic and unhelpful assumption especially with respect to the law of treaty rights and Aboriginal rights and title. Although we cannot offer an accurate prediction, we note that Aboriginal law is constantly evolving. In addition to developments respecting treaty rights, Aboriginal rights and title and the duty to consult, the legal landscape in British Columbia is influenced by the Province's commitment pursuant to the "New Relationship". This commitment demonstrates that there is actual intention of the Crown to develop ways of working with First Nations that have not been pursued in the past. Modern treaties are being negotiated and historic treaties being settled. BCTC and BC Hydro should expect that their duty to consult and accommodate in certain areas or with particular Nations will be more onerous, negotiations with First Nations on a government-to-government basis will increase and the Province is likely to enter into revenue sharing agreements or other economic arrangements with First Nations. Ignoring these developments is unrealistic and potentially detrimental to the entire electricity planning process.

Lastly, we would like to comment on the conduct of BC Hydro's July 23rd Resource Options Workshop. Many questions/comments from the audience pertained to First Nations' interests made by First Nations' representatives. Our general sense was that none of the First Nations' representatives sought to block the Inquiry process. Rather, there seemed to be agreement that First Nations are willing to work with BC Hydro and BCTC provided that they are engaged on a government-to-government basis and provided with the capacity to do so. The concerns raised with respect to consultation and capacity funding were not given adequate consideration or response from the BC Hydro representatives, putting in question BC Hydro's "good faith" to consult with First Nations.

[*Additional information to support your comments may be submitted as electronic files. Please identify the files you are submitting:](#)

C. Resource/Project Data – Required

Resource/Project Description:	
Technical Information	
Primary Resource Type: (blank) ↓	If Other, describe:
Earliest Year Energy May Be Available:	Project Life: yrs
Average Annual Energy: GWh/yr	Design/Installed Capacity: MW
Average Heat Rate (if applicable): GJ/GWh	GHG Emission Intensity (if applicable): tonnes/GWh
Financial Information (provide in January 2009 Real \$)	
Unit Cost at Plant Gate: \$/MWh, AND/OR	\$/kW-yr
Location	
Nearest City/Town:	
Provide <u>one or more</u> of the following:	
Region:	(see map – Appendix B) (blank) ↓
Point:	Latitude (e.g., ##°##'N): , and Longitude (e.g., ###°##'W):
Polygon:	Minimum of three points (e.g., lat/long, lat/long, lat/long, lat/long)

Map:	File attached to email submission? (Blank) ↓
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D. Additional Project Data – Optional

Part D – Additional Project Data, will be included in future BC Hydro submissions to the BC Utilities Commission as part of the Long-Term Electricity Transmission Inquiry unless the information is identified as confidential by selecting the appropriate option below.

The information in Part D is being submitted confidentially: No – Not Confidential ↓

Level of technical analysis completed on the project: (Blank) ↓

Please describe your study (or studies) used in determining the potential, e.g., list key assumptions, data sources, consultant information, etc.

**These studies may be submitted as electronic files. Please identify the studies you are submitting:*

Firm Energy: GWh/yr Dependable Capacity: MW

Monthly Energy: provide GWh/month

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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Financial Information (provide in January 2009 Real \$)

Level of financial analysis completed on the project:(Blank) ↓

If Other, describe:

Please provide the key assumptions used in the Unit Cost (\$/MWh or \$/kW-yr) calculation:

**Additional information to support your Unit Cost calculation may be submitted as electronic files. Please identify the files you are submitting:*

Direct Capital Cost by Year (\$k):

Year 1	Year 2	Year 3	Year 4	Year 5
Year 6	Year 7	Year 8	Year 9	Year 10
Year 11	Year 12	Year 13	Year 14	Year 15

Fixed OMA: \$k/yr Variable OMA: \$/MWh excluding fuel cost, e.g., water rental

Fixed Taxes: \$k/yr Variable Taxes: \$/MWh

Fuel Cost (if applicable): \$k/yr

Please submit an electronic copy (MS Word format) of your completed questionnaire and any additional electronic files to energy.planning@bchydro.com by August 14, 2009.

Thank you for participating in the BC Hydro Resource Options Questionnaire for the Long-Term Electricity Transmission Inquiry.

APPENDIX A – Definitions

Average Energy	The estimate of energy that could be generated by a project over a long period of time (expressed conventionally in GWh/year).
Dependable Capacity	The amount of megawatts a plant can reliably produce when required, assuming all units are in service. Factors external to the plant affect its dependable capacity. For example, streamflow conditions can restrict the dependable capacity of hydro plants and fuel supply constraints can impact thermal plant dependable capacity. Planned and forced outage rates are not included.
Firm Energy	The energy that is available (i.e., equalled or exceeded) 100 per cent of the time, either for a given period such as 25 years, or for an analysis period such as a period covered by flow records.

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APPENDIX B – Region Map

For use in answering the Region Location in Part C of the Questionnaire.

