

**Date Submitted:** March 22, 2019

**Proceeding name:** BC Hydro EPA's – Sechelt, Brown Lake and Walden North

**Are you currently registered as an intervener or interested party:** Yes, Interested Party

**Name (first and last):** Greg Peterson

**City:** Toronto

**Province:** Ontario

**Email:** [gpeterson@capstoneinfra.com](mailto:gpeterson@capstoneinfra.com)

**Phone number:** 416-649-1312

**Comment:**

Capstone Infrastructure Corporation is the owner of MPT Hydro LP / Sechelt Creek generating station and submits this letter in support of the EPA renewal. Also attached is a letter of support for the renewal from shíshálh Nation. Further details are included in the letters.

March 22, 2019

**Re: EPA Renewal for Sechelt Creek Hydro Facility**

Dear Mr. Patrick Wruck, Commission Secretary and Manager, Regulatory Support, British Columbia Utilities Commission:

Capstone Infrastructure Corporation (Capstone), the owner of MPT Hydro LP is providing this letter in support of the 16 MW run-of-river Sechelt Creek Hydro facility (the Facility) seeking an EPA renewal from BC Hydro that is currently under review by the British Columbia Utilities Commission (BCUC).

The EPA renewal is in the public interest, and in addition to the valuable contribution to the electricity system that BC Hydro has described, it:

- helps to ensure the economic benefits resulting from the long-term partnership between Capstone and shíshálh Nation are realized demonstrating the crown's effort towards reconciliation with Indigenous peoples;
- provides a recognized environmental benefit through its salmon spawning program;
- contributes meaningfully to the local economy; and
- provides a valuable product to BC Hydro ratepayers.

**The EPA renewal for the Facility ensures the economic benefits resulting from the long-term partnership between Capstone and shíshálh Nation are realized, demonstrating the crown's effort towards reconciliation with Indigenous peoples**

The Facility has been operating on shíshálh Nation traditional territory for over 20 years and continues to deliver safe, reliable, emission-free renewable energy to residents and businesses in lower mainland BC. In March 2017, Capstone and shíshálh Nation completed an agreement which recognizes and gives effect to shíshálh Nation's indigenous rights and title in view of the facility's ongoing operation in their territory, enshrines collaborative decision-making and governance, and will result in equity ownership and profit sharing for the project, which will provide significant economic benefits to shíshálh.

**The Facility provides a recognized environmental benefit through its salmon spawning program**

The Sechelt Creek Hydro Facility is recognized for its world class environmental attributes, including the efforts made to protect and build anadromous salmonids in Sechelt Creek through the ongoing monitoring of the man-made spawning channel and improvements made to river habitats. As a result of the Facility's operation, because of the successful reintroduction of the salmon population, commercial fishing has returned to Salmon Inlet for the first time in over 60 years.

The Facility's significant environmental benefits have been recognized locally, nationally and internationally for its commitment to social, environmental and technical excellence. In 2005 the project won the UNESCO International Hydropower Association (IHA) Blue Planet Prize at the United Nations Conference of parties on Climate Change, ahead of 97 participating countries<sup>1</sup>. The project also received awards for environmental excellence from the Clean Energy Association of BC in 2013, the Sunshine Coast Conservation Association in 2016, and was selected by BC Hydro to present to a delegation of US Senators and other dignitaries from California to demonstrate how run-of-river projects can exist in harmony with the environment.

---

<sup>1</sup> For more information, visit <http://www.regionalpower.com/development/blue-planet-prize/>

### **The Facility contributes meaningfully to the local economy**

The operation of the Sechelt Creek hydro facility generates positive economic impacts in BC and within the surrounding communities through direct expenditures on goods and services, creation of employment opportunities and generation of tax revenues for local, provincial and federal governments. In 2015 the operation of the Facility was found to contribute \$1.1 million annually to provincial GDP, \$700,000 in tax revenues, and 6 local full-time equivalent (FTEs) positions<sup>2</sup>. Capital expenditures associated with the facility are projected to total \$1.1 million in BC over five years (2016 to 2020) and are expected to support an additional cumulative 8.5 FTEs of employment, and roughly \$800,000 in provincial GDP and \$300,000 in tax revenues for all levels of government<sup>3</sup>.

The return of salmon has resulted in increased wildlife in the area boosting eco-tourism and spin off business from local tourism operators such as kayak and canoe rental companies and wildlife tours. According to the Strategic Business Plan 2015-2019 published by the Sunshine Coast Tourism organization, Aboriginal cultural tourism, fishing and outdoor adventure have been identified as key trip-motivating travel experiences in the Sechelt region<sup>4</sup>. The re-opening of commercial fisheries (noted previously) supports jobs for local fishermen, while supporting spinoff benefits for those engaged in processing, packaging and retail and wholesale activities. The operation of the facility has helped diversify the economy of the surrounding communities by providing and enabling other sources of employment in communities that may have traditionally relied on forestry and logging. The facility has created many opportunities for local business in the fishing, construction and transportation industries, and regional tax revenues supported by the facility has helped to fund schools, libraries and other facilities in the region.

### **The Facility provides a valuable product to BC Hydro ratepayers**

The Facility is located in lower mainland close to BC Hydro's load center which results in low transmission losses, delivers a high proportion of its annual energy during BC Hydro's peak load months (57% capacity factor in December and January), and a lower-than-average proportion of energy during freshet (Sechelt at 33% vs. small hydro average of 43%<sup>5</sup>) and has a high annual capacity factor of over 60% with reliable annual output. In addition, the project has been operating since 1997 without incident and has a confirmed useful life of over 40 years by a qualified Independent Engineer.

*For the many significant reasons outlined above, the continued operation of this Facility is in the public interest, respects the title rights of shísháhlh Nation, provides a meaningful and valuable contribution to the local community, the BC economy, and the BC Hydroelectricity system. Capstone encourages the BCUC to consider the exceptional environmental attributes and significant social and economic contributions this Facility is making to the communities of lower mainland BC during its EPA renewal review.*

Sincerely,



David Eva  
CEO, Capstone Infrastructure Corporation

---

<sup>2</sup> Economic and Community Impacts of the Sechelt Creek Hydro Facility: Final Report Prepared for MPT Hydro LP by MNP LLP, April 2017

<sup>3</sup> Economic and Community Impacts of the Sechelt Creek Hydro Facility: Final Report Prepared for MPT Hydro LP by MNP LLP, April 2017

<sup>4</sup> Sunshine Coast Tourism Strategic Business Plan 2015-2019, Sunshine Coast Tourism, 2015. Retrieved from [http://www.sunshinecoastcanada.com/images/pdf/2a-SCT\\_Business\\_Plan\\_2015.pdf](http://www.sunshinecoastcanada.com/images/pdf/2a-SCT_Business_Plan_2015.pdf)

<sup>5</sup> BC Hydro 2013 Integrated Resource Plan, Page 3C-3



# shíshálh Nation

October 25, 2018

British Columbia Utilities Commission  
Suite 410, 900 Howe Street,  
Vancouver, BC V6 2N3

Dear David Morton:

shíshálh Nation understands that the British Columbia Utilities Commission (BCUC) is currently undertaking a review of the EPA renewal for the 16 MW run-of-river Sechelt Creek Hydro Facility (the “Facility”). shíshálh Nation is offering this letter of support for the Facility’s EPA, underscoring the positive relationship shíshálh has developed with Capstone Infrastructure Corporation (“Capstone”) and the various benefits (including economic, environmental, and social) which the Facility has and will continue to provide to the Nation should the EPA be successful.

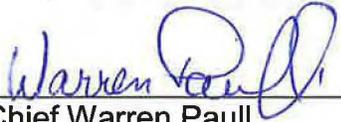
shíshálh believes that a successful EPA for the Facility will serve to uphold B.C.’s legislated energy objectives (per s.2(l) *Clean Energy Act*, SBC 2010 , c 22), as well as encourage ongoing reconciliation , co-management of resources in shíshálh swiya (water, fish, and renewable energy), shíshálh economic and commercial development (both direct and indirect), and meaningful self-government for shíshálh. These are all objectives that have been enabled by the shíshálh / British Columbia Foundation Agreement, and will be brought to life by shíshálh input into agreements like the EPA which will provide meaningful opportunity and ability for shíshálh to govern and exercise its rights (including economic rights) in the shíshálh swiya.

shíshálh and Capstone have worked collaboratively since the Facilities inception, and will continue to work collaboratively on baseline assessments, ongoing review, monitoring, and adaptive management. A good example of this collaborative environmental management is the Facility’s salmon spawning program which has contributed to reintroduction of a successful salmon fishery in the inlet, which benefits shíshálh and shíshálh members in many ways.

Throughout the partnership process with Capstone, shíshálh has also gained valuable experience in the renewable energy industry which shíshálh will continue to use to develop Tsain-Ko (shíshálh’s corporate arm), as well as train and employ shíshálh members and member contractors.

shísháhlh supports the Facility and a successful EPA which will allow for the ongoing benefits contemplated in the long term shísháhlh/Capstone partnership.

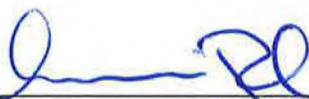
Sincerely,

  
\_\_\_\_\_  
Chief Warren Paul

  
\_\_\_\_\_  
Councillor Corey August

  
\_\_\_\_\_  
Councillor Selina August

  
\_\_\_\_\_  
Councillor Keith Julius

  
\_\_\_\_\_  
Councillor Alvina Paul