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October 2, 2017

BY ELECTRONIC MAIL

Commission Secretary
B.C. Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

Attention: Mr. Patrick Wruck

Dear Mr. Wruck:

**Re: BCUC – Site C – Inquiry – Order in Council 244 – August 2, 2017 – Request
for Materials**

The following correspondence details the Clean Energy Association of B. C.'s ("CEABC") efforts to obtain access to certain information from B.C. Hydro with respect to the Site C project:

1. CEABC letter of August 17, 2017 (Exhibit F18-1)¹ to the British Columbia Utilities Commission ("BCUC") requesting access to the information described therein.
2. BCUC's reply dated August 18, 2017 (Exhibit A-5)².
3. An e-mail from the CEABC to BC Hydro dated September 18, 2017 which is attached as Appendix C together with signed confidentiality declarations and undertaking forms all as copied to the BCUC.
4. A follow-up e-mail from the CEABC to BC Hydro dated September 25, 2017 which is attached as Appendix D as copied to the BCUC.
5. A reply e-mail from BC Hydro to the CEABC dated September 25, 2017 which is attached as Appendix E as copied to the BCUC.
6. A response e-mail from the CEABC to BC Hydro dated September 25, 2017 which is attached as Appendix F as copied to the BCUC.
7. A reply e-mail from BC Hydro to the CEABC dated September 25, 2017 which is attached as Appendix G as copied to the BCUC.

In a letter from the BCUC to BC Hydro dated September 19, 2017 (Exhibit A-11)³ it states:

¹ Appendix A

² Appendix B

“On September 7, 2017, the British Columbia Utilities Commission (Commission) issued a Panel letter detailing the process for parties to request access to confidential versions of British Columbia Hydro and Power Authority’s (BC Hydro) August 30, 2017 submission or Deloitte LLP’s independent reports (Letter A-7).

On September 14, 2017, BC Hydro filed a letter with the Commission stating that it does not consider the Commission’s standard confidentiality undertaking process to be sufficient for accessing confidential information to the Site C inquiry as it does not adequately protect BC Hydro’s customers against harm. BC Hydro instead requests that the Commission order the approach to redacted information outlined in its letter be taken. BC Hydro’s letter is filed as F1-2 on the Commission’s Site C Inquiry Submissions webpage.

The Panel approves BC Hydro’s proposed approach to disclosing confidentially redacted information described in detail in BC Hydro’s September 14, 2017 letter. The Panel finds the approach reflects a reasonable balance between providing proper protection to commercially sensitive information while allowing some access with appropriate safeguards.”

Appendix H should not be interpreted as BC Hydro has in its e-mail, Appendix E, to the CEABC, to restrict access to any information that is outside Categories A and B as described in Exhibit F1-2⁴. The CEABC is seeking access to information that will assist it in the preparation of its Final Submission in the BCUC’s review of Site C and its corresponding oral presentation. It is a matter of completing its due diligence for the reasons fully set out in Appendix A.

The CEABC understands BC Hydro’s concerns about commercially sensitive information but these concerns can be allayed by the Commission’s standard confidentiality undertaking process. The CEABC is not aware of any breach of this process ever occurring. Outside BCUC processes, access to commercially sensitive information is dealt with by BC Hydro on the basis of confidentiality agreements e.g. BC Hydro’s IPP renewal negotiations.

For clarity the CEABC has narrowed its request for access to information to the following all as more fully described in Appendix A, including footnotes and Appendices:

1. The Complete Model for the \$7.9 billion Site C project as it existed in September 2014 or in reasonable proximity thereto.
2. The Complete Model that was reviewed by KPMG LLP (“KPMG”) for the purposes of the qualified report it delivered to BC Hydro, dated October 20, 2014.
3. The Complete Model for the \$8.8 billion Site C project as it existed immediately after the date of the B.C. Government News Release dated December 16, 2017 entitled “Comparing the Options”.
4. The Complete Model for the \$8.8 billion Site C project as it exists today.

³ Appendix H

⁴ Appendix I. The CEABC was not seeking any information of the type described in Category C.

5. The Complete Model(s) that were used to calculate the figures shown in Table 24 – Benefit of the Project: Sensitivity Analysis Summary in the Evidentiary Update dated September 13, 2103 that BC Hydro filed in the Site C Joint Review Panel process.
6. The Complete Models (s) that were used to calculate the figures in the Backgrounder issued by the Province of B.C. and BC Hydro concurrently with a press release dated December 16, 2014 entitled “Comparing the Options” i.e. the figure in the table “Site C Cost to Ratepayers (before changes) and the \$96/MWh, \$85/MWh, \$64 to \$67/MWh and \$110 to \$130 /MWh figures on page 3. If any of these figures were calculated by the B.C. Government using its own models, the CEABC requests the BCUC to require the B.C. Government, as soon as possible, to provide the complete models and/or calculations and that interested parties be allowed access to the same. If necessary this access could be subject to confidentiality agreements.
7. The Complete Model(s) that were used to calculate the \$630 million cost if there is a one-year delay in the Site C Project.
8. Bids for the Generating Station and Spillway Civil Works (RFP issued September 23, 2016).

Access to models should be to the working models and assumptions. It must be noted that KPMG was provided access by BC Hydro to the model described in item #2.

In addition to the duty to complete its due diligence the CEABC is concerned that to its knowledge that neither the BCUC nor Deloitte LLP has directly reviewed the critical information that the CEABC is seeking access to. The BCUC hearing record will be incomplete without it.

By this letter the CEABC is requesting that the BCUC obtain from BC Hydro⁵ pursuant to paragraph 4 of BCUC Order G-120-17 or section 82(2) of the Utilities Commission Act, the above described information, and subsequently allow the CEABC access to this information in accordance with the broad powers established by section 82(2).

Your prompt attention to this matter will be greatly appreciated as time in of the essence.

All of which is respectfully submitted.

Yours truly,

CLARK WILSON LLP

Per: 

David Austin

DAA/lmd

Encl.

⁵ Or if the necessary provide this access to any B.C. Government information described in Item #6.

CLARK WILSON LLP

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August 17, 2017

Commission Secretary
B.C. Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

Attention: Mr. Patrick Wruck

Dear Mr. Wruck:

**Re: BCUC – Site C - Inquiry – Order-in-Council 244 – August 2, 2017 – Request
for Materials**

Introduction

By this letter the Clean Energy Association of B.C. (“CEBC”) is requesting that the British Columbia Utilities Commission (“BCUC”) obtain from BC Hydro pursuant to paragraph 4 of BCUC Order G-120-17 or section 82(2) of the Utilities Commission Act the below described models, contracts and reports pertaining to the Site C project. And subsequently to allow the CEBC and other interested party’s access to them, in accordance with the broad powers established by section 82(2). The CEBC cannot speak on behalf of the BCUC or other interested parties but it assumes that this material, and in the case of the interested parties access to it, would be as valuable to them as to the CEBC. The material is the numeric core of the Site C project and would provide the CEBC and other interested parties with the means to engage in the consultation required by section 3(d) of the Terms of Reference¹ including commenting on the BCUC’s preliminary Site C report, and to file their evidence.

Complete Models

The CEBC requests the BCUC to require BC Hydro, as soon as possible, to provide to the BCUC the complete working versions of the models and/or calculations (“Complete Models”) described immediately below. The CEBC further requests the BCUC to allow interested parties access, as soon as possible, to the Complete Models. If necessary this access could be the subject to confidentiality agreements in order to protect any commercially sensitive information.

This access, and access to the contracts and quarterly reports described in more detail below is necessary to ensure that there is an “*open and transparent inquiry for the Site C project*” which is the standard established for this inquiry by the Chair & CEO of the BCUC in a News Release dated August 3, 2017². In particular the Complete Models are the numeric roadmap to the Site C project.

Access is requested to:

¹ Order in Council 244, August 2, 2017

² See Attachment 1

1. The Complete Model for the \$7.9 billion Site C project as it existed in September 2014 or in reasonable proximity thereto.
2. The Complete Model that was reviewed by KPMG LLP (“KPMG”) for the purposes of the report it delivered to BC Hydro, dated October 20, 2014 (“KPMG Report”)³ The scope of KPMG’s was very limited and for example did not include⁴:

“1. assessing or verifying the commercial risks associated with the Project, nor commenting on the possibility of the financial projections contained in the Financial Model of being achieved

5. assessing the completeness of the Assumptions or inputs used in the Financial Model”.

3. The Complete Model for the \$8.8 billion Site C project as it existed immediately after the date of the B.C. Government News Release dated December 16, 2014⁵.
4. The Complete Model for the \$8.8 billion Site C project as it exists today.
5. The Complete Model(s) that were used to calculate the figures shown in *Table 24 – Benefit of the Project: Sensitivity Analysis Summary in the Evidentiary Update dated September 13, 2103* that BC Hydro filed in the Site C Joint Review Panel process⁶.
6. The Complete Models (s) that were used to calculate the figures in the Backgrounder entitled “Comparing the Options” (“Backgrounder”)⁷ i.e. the figure in the table “Site C Cost to Ratepayers (before changes) and the \$96/MWh, \$85/MWh, \$64 to \$67/MWh and \$110 to \$130 /MWh figures on page 3. If any of these figures were calculated by the B.C. Government using its own models, the CEABC requests the BCUC to require the B.C. Government, as soon as possible, to provide the complete models and/or calculations and that interested parties be allowed access to the same. If necessary this access could be subject to confidentiality agreements.
7. The Complete Model(s) that were used to calculate the \$630 million cost if there is a one-year delay in the Site C Project⁸.

The availability and access to these models is necessary for the BCUC, CEBC and other interested parties to conduct the necessary due diligence with respect to the following portion of the Site C Terms of Reference:

“Given the energy objectives set out in the Clean Energy Act, what, if any, other portfolios of commercially feasible generating projects and demand-side management initiatives could provide similar benefits (including firming; shaping; storage; grid reliability; and maintenance of reduction of 2016/17 greenhouse gas emission levels) to ratepayers at similar or lower unit energy cost as the Site C project?”

The CEBC is concerned that BC Hydro and/or the Government may have made some abnormal adjustments or incorrect inputs and assumptions when calculating the unit energy cost of Site C and alternative portfolios and when comparing the two. This comparison must be on a “level playing field

³ <https://www.sitecproject.com/sites/default/files/kpmp-llp-letter-o.pdf>

⁴ KPMG Report, page 2

⁵ See Attachment 2

⁶ <http://www.ceaa-acee.gc.ca/050/documents-eng.cfm?ti=evidentiary+update&no=&cat=&date1=&date2=&explore=1&evaluation=63919&go=Search>

⁷ See Attachment 3

⁸ See Attachment 4

basis". For example, in the below table the PV Cost difference between a portfolio without Site C minus with Site C is negligible.

Table 24 – Benefit of the Project: Sensitivity Analysis Summary

Difference in PV Cost (Portfolio without Site C minus with Site C) (\$F2013 million)	Clean Generation Portfolios		Clean + Thermal Generation Portfolios	
	F2024	F2026	F2024	F2026
Base Case (Mid Gap, Mid-Market Price [Scenario 1], WACC Differential = 2%, Wind Integration Cost = \$10/MWh	630	880	150	390
Large Gap	Note 1	Note 1	2,260	Note 1
Small Gap	(1,040)	(705)	(1,280)	(907)
WACC Differential = 1%	420	672	20	233
High Market Price (Scenario 3)	830	1,028	470	656
Low Market Price (Scenario 2)	450	755	(90)	217
Project Capital Cost +10%	360	650	(120)	170
Wind Integration Cost (\$15/MWh)	720	Note 1	222	Note 1
Wind Integration Cost (\$5/MWh)	530	Note 1	92	Note 1

Note

1. The benefit of the Project in this scenario is expected to be higher than the comparative portfolio for the same sensitivity.

Yet in the Backgrounder, It says:

“When considering the impact on ratepayers, the costs of delivering the electricity must be accounted for. In addition, as IPPs are intermittent, the cost of backing them up with firm energy sources (e.g. natural gas) must be included. Also, IPPs do not have the same ability to store energy and take advantage of high prices on the export market, which reduces trade revenues.

Accounting for all these factors, the final cost to ratepayers is \$64 to \$67/MWh for Site C and \$110 to \$130/MWh for IPPs.”

In order to understand how the results of the PV Cost analysis and the unit energy cost are so markedly different with the alternatives being approximately twice as costly as the Site C project according to the figures in the Backgrounder, the CEBC needs access to the above Complete Models to conduct the due diligence necessary to ascertain whether any abnormal or incorrect inputs have been made in the Complete Models. Or whether these models are deficient because they do not contain a line item for a necessary input(s).

To further illustrate the rationale behind this request, it is very important to understand if the unit energy cost identified in the Backgrounder assumes that the energy and capacity from clean generation came into service at the same time as Site C. If it does (as in the case of the block analysis used in BC Hydro’s 2013 Integrated Resource Plan to calculate the adjusted unit energy costs to compare Site C to other renewable sources), clean generation which can be built to match load would be severely disadvantaged. Unlike Site C, the surplus energy and capacity from the clean generation would not have to be sold at whatever price could be obtained in the export market because with the ability to match load, the surplus wouldn’t exist.

With access to the Complete Models the CEBC, the BCUC and other interested parties could determine whether any abnormal adjustments have been made. It is imperative that there be an open and

transparent assessment of, per the Terms of Reference, the: *“portfolios of commercially feasible generating projects and demand-side management initiatives”* that are the alternatives to Site C.

Contracts and Bids

The CEBC also requests that the BCUC require BC Hydro to provide to the BCUC the complete contracts and contents of the bids (“Contracts”) described below. The CEBC further requests the BCUC to allow interested parties access to the Contracts. If necessary this access could be the subject to confidentiality agreements in order to protect any commercially sensitive information.

The availability and access to the Contracts is necessary so that when the BCUC consults with the CEBC and other interested parties with respect to the following portions of the Site C Terms of Reference, these parties will have completed their due diligence and the consultations will be meaningful:

“(a) the commission must advise on the implications of:

- (i) completing the Site C project as currently planned,*
- (ii) suspending the Site C project while maintaining the option to resume construction until 2024, and*
- (iii) terminating the construction and remediating the site;*

(b) more specifically, the commission must provide responses to the following questions:

- (i) After the commission has made an assessment of the authority's expenditures on the Site C project to date, is the Commission of the view that the authority, in respecting the project, currently on time and within the proposed budget of \$8.335 billion (which excludes the \$440 million project reserve established and held by the province)?*
- (ii) What are the costs of suspending the Site C project, while maintaining the option to resume construction until 2024, and what are the potential mechanisms to recover those costs?*
- (iii) What are the costs to the ratepayers of terminating the Site C project and what are the potential mechanisms to recover those costs?”*

Access is also required to verify Complete Model inputs and assumptions.

For example, the Contracts need to be examined for any break fees and apportionment of risk such as geotechnical risk. In this respect: *“Has a geotechnical baseline been established for site conditions?”* If yes: *“Who will bear the additional costs if the site conditions are worse than expected?”* Another example is the responsibility for delays. BC Hydro has taken on the role of General Contractor for the Site C project with the result that the cause of delays becomes very significant. What are the consequences if the cause of a delay results from BC Hydro’s failure to properly manage a contract or to provide information in a timely manner? Are liquidated damages payable? Is additional time given to the contractor to perform? What are the financial consequences if BC Hydro is required to provide this additional time to perform? Have the necessary contingencies been included in the relevant Complete Models?

At the broader level the below table prepared by the CEBC shows that as compared on a \$/megawatt basis to other standalone major hydro projects currently under development in Canada, Site C is a low cost outlier. Even as compared to BC Hydro's John Hart project which is a brownfield redevelopment. This outlier status could be a function in part of how risks have been allocated in the Contracts with BC Hydro taking on risks in order to obtain lower "top line" prices that later significantly increases because of the risk allocation. Access to these contracts will allow the BCUC, CEBC and other interested parties to do the necessary due diligence to assess the level of risk allocation.

Project	Capacity (MW)	Cost (\$billions)	Cost (\$/MW)
Muskrat Falls, NL*	834	12.7	15,000,000
Keeyask, MB*	695	8.7	12,500,000
John Hart, B.C. ⁹	132	1.4	10,600,000
Site C, B.C.*	1,100	8.8	8,000,000
Site C, B.C.	1,100	8.335 ¹⁰	7,600,000

* Approximate current level of completion: Muskrat Falls (70%); Keeyask (50%); Site C (10%)

Access is requested to the following contracts:

- (a) Worker Accommodation (Awarded September 28, 2015).
- (b) Main Civil Works (Awarded December 21, 2015).
- (c) Site Preparation – North Bank (Awarded July 23, 2015).
- (d) Ministry of Transportation and Infrastructure Public Road Improvements (Awarded July 23, 2015).
- (e) Turbines and Generators (Awarded April 6, 2016).
- (f) Bids for the Generating Station and Spillway Civil Works (RFP issued September 23, 2016).

Reports Filed with the BCUC

The CEBC requests that it and other interested parties be given access, with this access if necessary the subject of confidentiality agreements in order to protect any commercially sensitive information, to the complete Site C reports that BC Hydro has filed with the BCUC ("Reports"). This access is required for the same reasons as access to the Contracts – the consultation that the BCUC is required to undertake with the CEBC and other interested parties must be meaningful and verification of assumptions and inputs in the relevant Complete Models.

⁹ John Hart Generating Station Replacement cost \$1,093 plus seismic upgrade cost of \$408.2 million as per BC Hydro's response to CEBC Information Request 1.17.1 with respect to BC Hydro's Fiscal 2017-Fiscal 2019 Revenue Requirements Application This response states in part: "At the time of the Certificate of Public Convenience and Necessity filing for the John Hart Generating Station Replacement in 2012, the John Hart Dam Seismic Upgrade was considered a Future Project. The \$286 million presented at that time as an upper bound estimate, was also a planning allowance for which there is no defined level of accuracy.....The difference in planning cost allowance from 2012 to now is due to the inclusion of a new cost allowance to reflect the finding that previous remedial options at both the Middle Earth fill Dam and North Earth fill Dam are either infeasible, or on their own are insufficient to meet the seismic performance objectives." The increase from \$286 million to \$408.2 million is 43%.

¹⁰ Terms of Reference 3(b)(i)

Provision of Summaries

The provision of summaries to the CEBC of the Complete Models, Contracts and Reports will not be adequate. In the BCUC's review ("2006 Review") of BC Hydro's 2006 Amended and Restated Long-Term Electricity Purchase Agreement ("LTEPA") with Alcan, BC Hydro requested that this agreement be kept confidential for reasons of commercial sensitivity¹¹. In lieu of the LTEPA, BC Hydro provided what can be broadly described as summary information¹². Ultimately BC Hydro withdrew its claims of confidentiality¹³. As compared to the summary information, the actual LTEPA provided far more relevant and material information to the CEBC than the summary information. The actual information was an integral part of the CEBC's submissions and probably others.

Confidentiality

In relation to confidentiality, the CEBC assumes that KPMG was given access to the financial model that was the subject of the KPMG Report pursuant to a confidentiality agreement. Effectively the precedent has been set for similar access for the CEBC and other interested parties.

Geotechnical Risks

As the geotechnical risks associated with the Site C project are critical to its final cost, the CEBC urges the BCUC to contact the World Bank, headquartered in Washington D.C. for the names of consultants that it uses for this type of work. A review of BC Hydro's geotechnical assumptions by a suitably qualified world renowned expert(s) is essential.

Deadlines

The CEBC understands that the BCUC must carefully review the requests that CEBC has made in this letter but the timeframe for filing evidence is August 30, 2017 and the CEBC would appreciate receiving a response as promptly as possible.

All of which is respectfully submitted.

Yours truly,



David Austin on behalf of the Clean Energy Association of B.C.

DAA/lmd

Encl.

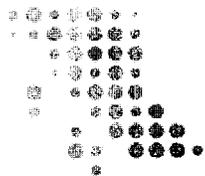
cc: potential interested parties
BC Hydro

¹¹ 2006 Review, Exhibit B1-A

¹² 2006 Review, Exhibit B-3, page 2

¹³ 2006 Review, Exhibit A-4, Reasons for Decision, page 1

Attachment 1



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British Columbia
Utilities Commission

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NEWS RELEASE – BCUC Initiates Site C Inquiry Following Government Direction

August 3, 2017

Vancouver – The British Columbia Utilities Commission (BCUC) has initiated an inquiry into BC Hydro's Site C project, as directed by the Provincial Government in an Order-in-Council (OIC) on August 2, 2017.

The scope of the inquiry is set out in the government's Terms of Reference for the OIC, which is available on the BCUC's Site C Inquiry webpage: <http://www.bcuc.com/Sitecinquiry.html>. The BCUC has been directed to examine the impact on BC Hydro ratepayers associated with continuing, suspending or terminating the Site C project.

The inquiry will be handled in two phases. In the first phase, the BCUC will gather information and produce a preliminary report. Next week, parties will be invited to submit data and analysis within the scope of the Terms of Reference, to be considered for inclusion in the preliminary report. The deadline to submit data and analysis is August 30, 2017. Updates on the process for phase one will be posted on the BCUC's Site C Inquiry webpage.

In the second phase, the BCUC will seek public input on the preliminary report developed from the first phase. The BCUC will issue the preliminary report, addressing the specific issues set forth in the Terms of Reference, by September 20, 2017, and a final report by November 1, 2017. We will invite comments on the preliminary report from all interested parties before issuing the final report. We will conduct open houses around the province to provide people with the opportunity to comment. Interested parties can also make submissions on the BCUC's website.

More details on the logistics of the inquiry and how you can participate can be found on the BCUC's Site C Inquiry webpage.

"We are committed to an open and transparent inquiry of the Site C project," says David Morton, Chair & CEO of the BCUC, "and I encourage British Columbians to participate."

BC Hydro received approval from the provincial government to begin construction on Site C, an \$8.8 billion project to construct a third dam and generating station on the Peace River in northeast BC, in December 2014. Site C is an exempt project under the *Clean Energy Act*, which means that the BCUC previously had no jurisdiction over the project. However, under section 5 of the *Utilities Commission Act*, the Lieutenant Governor in Council can set terms of reference and direct the BCUC to inquire into any matter.

The BCUC is a regulatory agency responsible for oversight of energy utilities and compulsory auto insurance in the province of British Columbia. It is the BCUC's role to balance the interests of customers with the interests of the businesses we regulate. The BCUC carries out fair and transparent reviews of matters within its jurisdiction and considers public input where public interest is impacted.

CONTACT INFORMATION:

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Website: <http://www.bcuc.com>



BRITISH
COLUMBIA

NEWS RELEASE

For Immediate Release
2014PREM0128-001896
December 16, 2014

Office of the Premier
Ministry of Energy and Mines and Responsible for Core
Review

Site C to provide more than 100 years of affordable, reliable clean power

VICTORIA – Premier Christy Clark announced today the Province has approved the Site C Clean Energy Project, concluding it will provide British Columbia with the most affordable, reliable clean power for over 100 years.

“Affordable, reliable, clean electricity is the backbone of British Columbia’s economy. Site C will support our quality of life for decades to come and will enable continued investment and a growing economy,” said Premier Clark.

B.C.’s population and economy are growing, and the demand for power is expected to increase by 40% over the next 20 years. Site C will be required even with BC Hydro’s ambitious Power Smart programs that are targeted to meet 78% of future electricity growth.

“British Columbia has the third-lowest electricity rates in North America and we need to meet our future needs in a way that keeps rates down,” said Bill Bennett, Minister of Energy and Mines. “It’s clear that to keep rates low, we must choose the option of building Site C.”

Over the first 50 years of Site C’s project life, ratepayers will save an average of \$650 to \$900 million each year, compared to alternatives - this amounts to average annual savings of approximately six to eight per cent for the typical household. The project will generate a century of low-cost power, providing enough electricity for about 450,000 homes per year – an eight-per-cent increase in supply to BC Hydro’s system in 2024.

As the third project on the Peace River, the firm energy it provides will support the development of more independent power projects (IPPs) by backing-up intermittent resources, such as wind. IPPs currently provide 25% of B.C.’s electricity and will continue to play a vital role in meeting the province’s energy needs.

“Site C is essential to keeping the lights on while maintaining low rates for our customers,” said Jessica McDonald, president and CEO of BC Hydro. “This project will build on the success of our existing hydroelectric system and benefit British Columbians for generations to come.”

The capital-cost estimate for the project has been updated to \$8.335 billion, and government has also established a project reserve of an additional \$440 million to account for events outside of BC Hydro’s control that could occur over an eight-year construction period, such as higher than forecast inflation or interest rates, for a total of up to \$8.775 billion. The reserve is subject to provincial Treasury Board approval.

The project, which has undergone a thorough and independent multi-year environmental assessment process, will start construction in summer 2015 and will provide approximately

10,000 direct construction jobs.

"Today's announcement is a historic milestone and we look forward to building this important provincial project," said Susan Yurkovich, executive vice-president responsible for Site C. "We will continue to work with First Nations, communities and landowners to ensure that we deliver on our commitments and realize the many benefits of this project."

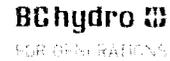
To view backgrounders, please visit:

- Growing Demand for Electricity:
http://www.newsroom.gov.bc.ca/downloads/Growing_Demand_for_Electricity.pdf
- Site C Capital Cost Estimate:
http://www.newsroom.gov.bc.ca/downloads/Site_C_Cost_Estimate.pdf
- Comparing the Options:
http://www.newsroom.gov.bc.ca/downloads/Comparing_the_Options.pdf
- About Site C: http://www.newsroom.gov.bc.ca/downloads/About_Site_C.pdf
- Labour Requirements for Site C and LNG:
http://www.newsroom.gov.bc.ca/downloads/Site_C_and_LNG.pdf

Media Contact:

Media Relations
Ministry of Energy and Mines
250 952-0628

Connect with the Province of B.C. at: www.gov.bc.ca/connect



BACKGROUND COMPARING THE OPTIONS

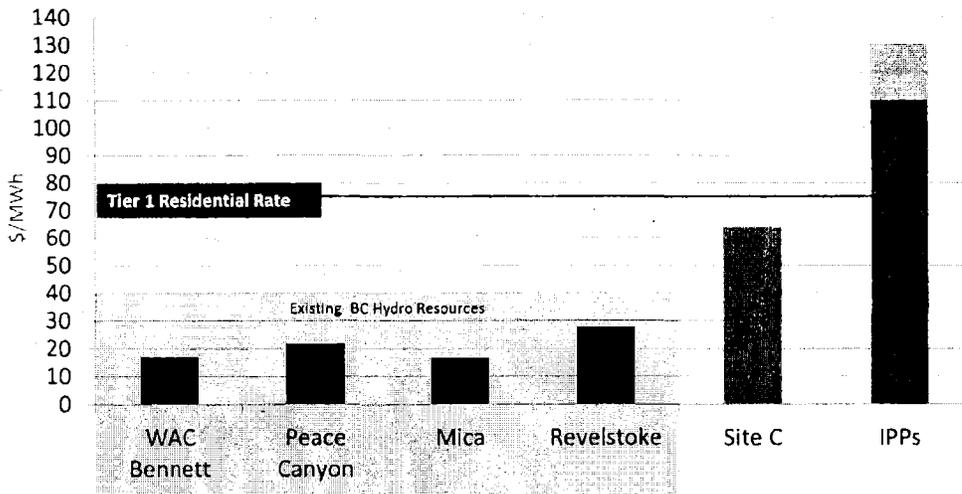
Site C provides the lowest cost electricity compared to alternatives and will deliver significant benefits for ratepayers.

Hydroelectric Dams are Cost Effective

Large hydro projects are cost-effective because after an upfront capital cost, they have low operating costs for more than 100 years and their costs to ratepayers decrease over time.

Today, the cost of electricity produced by B.C. Hydro's large hydroelectric facilities is far lower than the rate that residential customers pay for their power. BC Hydro's large hydroelectric facilities offset the costs of other more expensive new generation in the system.

Site C will provide more than a century of the same affordable, reliable and clean electricity that the W.A.C. Bennett, Peace Canyon, Mica and Revelstoke dams provide today, and will help keep overall electricity costs down and rates low.

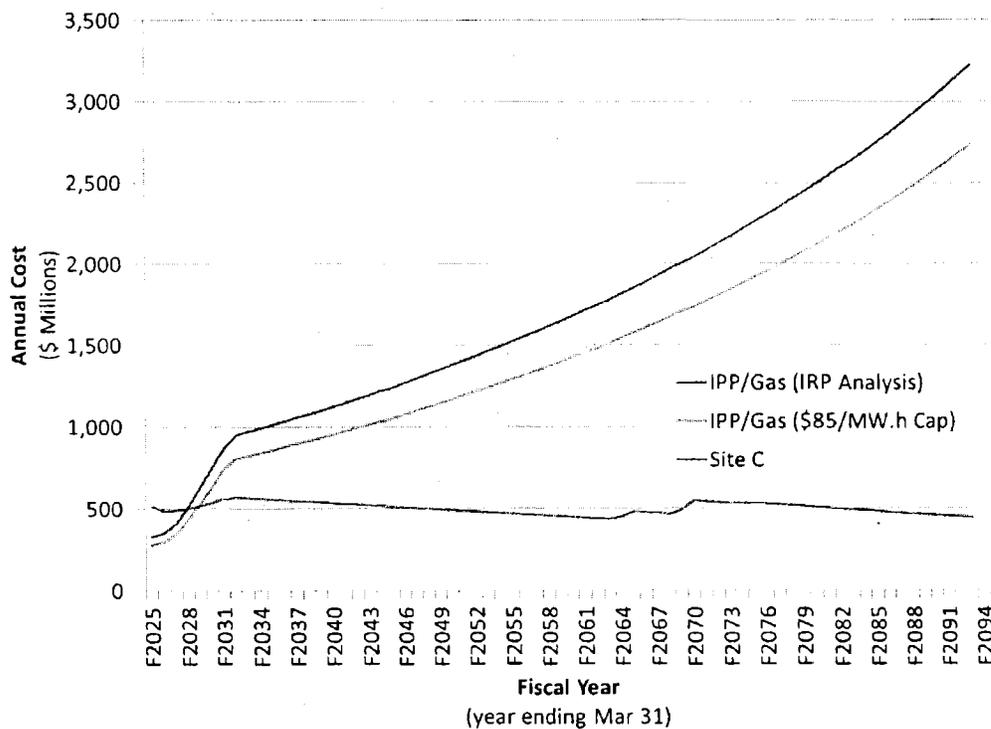


Site C - Significant Ratepayer Benefits

Like BC Hydro's other large hydroelectric facilities, the cost advantages of Site C will grow over time, resulting in significant benefits to ratepayers, compared to alternatives.

Over the first 50 years of Site C's project life, ratepayers will save an average of \$650 to \$900 million each year, compared to a portfolio of Independent Power Projects (IPPs) backed up by natural gas. This amounts to average annual savings of approximately 6 to 8 per cent for the typical household, compared to alternatives.

Over the long-term, as the capital costs of the project are paid down, the annual ratepayer savings will continue to increase each year for more than 100 years.



Impact on Ratepayers

The cost to ratepayers of the energy produced by a project depends on the capital costs as well as the ongoing operating costs and expected service life.

The cost to ratepayers for Site C reflects changes implemented as part of the government's 10 Year Plan for BC Hydro, as well as the updated capital cost estimate.

Site C Cost to Ratepayers (before changes)	\$83 / MWh
Under the 10 Year Plan, the amount of net income that BC Hydro is required to earn each year will now be tied to inflation and will no longer increase when new assets like Site C are added to the system.	- \$26 / MWh
The 10 Year Plan also reduced water rental charges for BC Hydro.	- \$1 / MWh
The capital cost estimate for Site C has been updated from \$7.9 billion to \$8.335 billion.	+ \$2.25 / MWh
Government has established a project reserve of an additional \$440 million to account for events outside of BC Hydro's control that could occur over an eight-year construction period, such as higher than forecast inflation or interest rates. The reserve will be managed by the provincial Treasury Board.	+ \$2.50 / MWh (if fully utilized)
Updated Site C Cost to Ratepayers	\$58 - \$61 / MWh

BC Hydro's Integrated Resource Plan, approved in November 2013, calculated a cost to ratepayers for IPPs of \$96 / MWh. Government also conducted extensive consultations with the independent power industry to ensure its analysis reflected recent advances in technology and efficiency. Following these consultations, government adopted a cost of \$85 / MWh for IPPs in its analysis.

When considering the impact on ratepayers, the costs of delivering the electricity must be accounted for. In addition, as IPPs are intermittent, the cost of backing them up with firm energy sources (e.g., natural gas) must be included. Also, IPPs do not have the same ability to store energy and take advantage of high prices on the export market, which reduces trade revenues.

Accounting for all of these factors, the final cost to ratepayers is \$64 to \$67 / MWh for Site C and \$110 to \$130 / MWh for IPPs.

Contact: Jake Jacobs
Media Relations
Ministry of Energy and Mines and Responsible for Core Review
250 952-0628

Connect with the Province of B.C. at: www.gov.bc.ca/connect

1 year delay of Site C dam project would cost \$630 million says BC Hydro

NDP wants to send the project to the province's utilities commission to review its economic viability

The Canadian Press Posted: Jun 07, 2017 11:56 AM PT Last Updated: Jun 07, 2017 11:56 AM PT

The president of BC Hydro says a one-year delay in the Site C hydroelectric dam project would cost \$630 million, with construction in limbo as the NDP is poised to form a minority government in British Columbia in the coming weeks.

The NDP, which has signed a deal with the Green party to bring down Premier Christy Clark's Liberal government, wants to send the project in northeastern B.C. to the province's utilities commission to review its economic viability.

At a briefing on Wednesday, hydro president Jessica McDonald echoed previous claims by Clark on the cost of delaying, and said bids for contracts for the realignment of a highway are set to go out June 15 and a bridge construction tender is scheduled to be issued at the beginning of July.

McDonald says two homes—one owned by local farmers and the other a rental property—are in the direct path of the \$8.8-billion dam.

NDP Leader John Horgan recently wrote to McDonald asking that the Crown corporation suspend the evictions for the two homes and urging it not to sign any new contracts for the project until a new government has gained the confidence of the legislature after last month's election.

On Tuesday, Clark sent letters to Horgan and Green Leader Andrew Weaver telling them the evictions are necessary as part of the road and bridge construction projects that are needed to divert a river in September 2019.

Weaver attended Wednesday's briefing in Victoria, a day after he and Horgan replied to Clark's letters questioning her claim that any delay could postpone the diversion by a year and cost taxpayers \$600 million.

In April, 2017, a 120,000 signature petition opposing the construction of the Site C dam was delivered to the federal government. (Glen Kugelstadt/CBC)

The premier has asked Horgan and Weaver to reply by Saturday on whether they still want to put the evictions on hold. She says a decision to proceed must be made by June 15 in order to maintain the river diversion schedule.

In his reply, Horgan writes he was surprised to receive the letter from Clark.

"In it, you made unsupported claims about additional costs associated with asking BC Hydro not to sign major contracts until a new government takes office," he says.

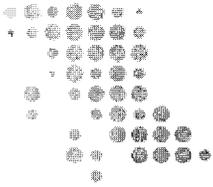
"If you are truly concerned about this timeline, there is a simple solution: recall the legislature immediately and face a confidence vote so British Columbians can get the new government they voted for."

But Clark says the project is likely to progress past the "point of no return" before a review can be completed.

Clark didn't define what she meant, nor did she explain how she reached the \$600-million figure in her letter. Her press secretary Stephen Smart referred questions to BC Hydro, which declined to answer them on Tuesday.

In his letter, Weaver says he requires access to supporting evidence, including signed contracts, the project schedule and potential alternative project timelines before he can comment on what Clark "asserts" are delays to the dam's construction.

"Your government is turning a significant capital project that potentially poses massive economic risks to British Columbians into a political debate rather than one informed by evidence and supported by independent analysis."



bcuc
British Columbia
Utilities Commission

Patrick Wruck
Commission Secretary

Commission.Secretary@bcuc.com
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August 18, 2017

BCUC INQUIRY RESPECTING SITE C A-5

Sent via email

Mr. David Austin
Clark Wilson LLP
900-885 West Georgia Street
Vancouver, BC V6C 3H1
DAustin@cwilson.com

**Re: British Columbia Hydro and Power Authority – British Columbia Utilities Commission Inquiry
Respecting Site C – Project No. 1598922 – Request for Materials**

Dear Mr. Austin:

The British Columbia Utilities Commission (Commission) acknowledges receipt of a letter from the Clean Energy Association of BC (CEBC) dated August 17, 2017.

The scope and timeline of the Commission's inquiry is defined by the Terms of Reference established by the Lieutenant Governor in Council's Order in Council (OIC) No. 244 which requires delivery of a preliminary report outlining progress to date and preliminary findings by September 20, 2017 and a final report, including the results of the Commission's consultations, by November 1, 2017. These deadlines have required the Commission to adopt a more stream-lined approach to its process than is usually taken in the Commission's proceedings. The Commission has accordingly established a process for the Site C Inquiry pursuant to Order G-120-17 which allows for members of the public to make submissions of data and analysis that are relevant to the scope of the Site C Inquiry by August 30, 2017 and to provide comments on the Commission's preliminary report on or before October 11, 2017.

The Commission also notes that BC Hydro is required to make an evidentiary filing by August 30, 2017 as directed in Order G-121-17. The Commission's consultants are working closely with BC Hydro at this time to obtain the necessary information from BC Hydro to be able to provide independent reports to the Commission in advance of the Commission's preliminary report deadline of September 20, 2017. The Commission will not require BC Hydro to make available to CEBC or other participants the material requested by CEBC at this time as it will require BC Hydro to divert its attention from the primary tasks that must be accomplished by August 30, 2017 and September 20, 2017. If BC Hydro files evidence on a confidential basis, the Commission will then address requests for access to the information that has been filed on a confidential basis.

The Site C Inquiry is an open and transparent process; however, as an inquiry initiated under section 5 of the *Utilities Commission Act*, it is not a typical regulatory proceeding, and there is not adequate time to undergo all of the usual processes for testing of evidence.

Accordingly, CEBC's letter has been posted as a submission in the Site C Inquiry and the submissions contained within which are relevant to the scope of the inquiry will be considered by the Panel in preparing the preliminary

report. CEBC also has the opportunity to provide additional data and analysis in further submissions if it so chooses on or before August 30, 2017.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

SW/kn

Appendix C

From: David Austin
Sent: Monday, September 18, 2017 3:19 PM
To: bhydroregulatorygroup@bhydro.com
Cc: 'Commission Secretary BCUC:EX'
Subject: Request for Confidential Information - Site C

Further to the British Columbia Utilities Commission's letter of September 7, 2017, Exhibit A-7, regarding its inquiry respecting Site C – Project No. 1598922 (“Inquiry”) the Clean Energy Association of B.C. (“CEABC”) requests access on a confidential basis to the following documents:

1. Main Civil Works Contract including first and second amendments.
2. Turbine and Generator Contract
3. Worker Accommodation Contract
4. Project Cash flow Model and Forecast
5. MCW Executed Change Orders

These documents are referenced in Exhibit A-8, “Site C Construction Review - Appendix A – List of Documents Reviewed” .

In addition on page of the “Site C Construction Review” there is a reference to “Appendix K of the business case for FID”. It is also referenced in Appendix A “169 Site C Review – Deloitte Questions – August 2017 – 13 Appendix K. pdf”. The CEABC requests access on a confidential basis to the entire business case including Appendix K and if is not included in this business case or otherwise, the Site C Financial Model in electronic form that supported this business case.

Access on a confidential basis is also requested to:

1. PDF titled “Site C Historical Savings” sent by BC Hydro on August 25, 2017.”

This document is referenced in Exhibit A-9, “Site C Alternative Resource Options and Load Forecast - Appendix B – List of BC Hydro documents reviewed”.

The CEABC is making the above request so that it can complete the due diligence required to complete its Final Submission in the Inquiry.

Attached are the Confidentiality Declaration and Undertaking Form for each of David Austin and Jim Weimer who are consultants for the CEABC.

Regards,



bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1395
F: 604.660.1102

Confidentiality Declaration and Undertaking Form

In accordance with the Commission's Rules of Practice and Procedure, please provide a completed form to the Commission Secretary at commission.secretary@bcuc.com. If email is unavailable, please mail the form to the address above. The party who filed the document confidentially must also be provided a copy of this form.

Undertaking

I, DAVID AUSTIN, am representing the party CLEAN ENERGY ASSOCIATION OF B.C. in the matter of BCUC INQUIRY RESPECTING SITE C

In this capacity, I request access to the confidential information in the record of this proceeding. I understand that the execution of this undertaking is a condition of an Order of the Commission, and the Commission may enforce this Undertaking pursuant to the provisions of the *Administrative Tribunal Act*.

I hereby undertake:

- (a) to use the information disclosed under the conditions of the Undertaking exclusively for duties performed in respect of this proceeding;
- (b) not to divulge information disclosed under the conditions of this Undertaking except to a person granted access to such information or to staff of the Commission;
- (c) not to reproduce, in any manner, information disclosed under the conditions of this Undertaking except for purposes of the proceeding;
- (d) to keep confidential and to protect the information disclosed under the conditions of this Undertaking;
- (e) to return to the applicant, BC HYDRO, all documents and materials containing information disclosed under the conditions of this Undertaking, including notes and memoranda based on such information, or to destroy such documents and materials within fourteen (14) days of the Commission's final decision in the proceeding; and
- (f) to report promptly to the Commission any violation of this Undertaking.

Signed at VANCOUVER this SEPTEMBER 7, 2017

Signature: David Austin

Name (please print): DAVID AUSTIN

Representing (if applicable): CLEAN ENERGY ASSOCIATION OF B.C.



British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.563.1385
F: 604.660.1102

Confidentiality Declaration and Undertaking Form

In accordance with the Commission's Rules of Practice and Procedure, please provide a completed form to the Commission Secretary at commission.secretary@bcuc.com. If email is unavailable, please mail the form to the address above. The party who filed the document confidentially must also be provided a copy of this form.

Undertaking

I, JAMES WEIMER, am representing the party CLEAN ENERGY ASSOC. OF B.C. in the matter of BCUC INQUIRY RESPECTING SITE C

In this capacity, I request access to the confidential information in the record of this proceeding. I understand that the execution of this undertaking is a condition of an Order of the Commission, and the Commission may enforce this Undertaking pursuant to the provisions of the *Administrative Tribunal Act*.

I hereby undertake:

- (a) to use the information disclosed under the conditions of the Undertaking exclusively for duties performed in respect of this proceeding;
- (b) not to divulge information disclosed under the conditions of this Undertaking except to a person granted access to such information or to staff of the Commission;
- (c) not to reproduce, in any manner, information disclosed under the conditions of this Undertaking except for purposes of the proceeding;
- (d) to keep confidential and to protect the information disclosed under the conditions of this Undertaking;
- (e) to return to the applicant, BC HYDRO, all documents and materials containing information disclosed under the conditions of this Undertaking, including notes and memoranda based on such information, or to destroy such documents and materials within fourteen (14) days of the Commission's final decision in the proceeding; and
- (f) to report promptly to the Commission any violation of this Undertaking.

Signed at VANCOUVER this SEPT. 7, 2017

Signature: J. Weimer

Name (please print): JAMES L. WEIMER

Representing (if applicable): CLEAN ENERGY ASSOCIATION OF B.C.

Appendix D

From: David Austin [<mailto:DAustin@cwilson.com>]
Sent: 2017, September 25 1:24 PM
To: BC Hydro, Regulatory Grp
Cc: 'Commission Secretary BCUC:EX'
Subject: RE: Request for Confidential Information - Site C

May I please have a response to my September 18th e-mail.

Cheers,

Appendix E

From: James, Fred [<mailto:Fred.James@bchydro.com>]
Sent: Monday, September 25, 2017 2:08 PM
To: David Austin
Cc: BC Hydro, Regulatory Grp
Subject: FW: Request for Confidential Information - Site C

Hello Mr. Austin.

On September 14, 2017 BC Hydro proposed to the BCUC a process for the disclosure of confidential information that had been redacted in the BC Hydro filing and the Deloitte Reports (Letter F1-2). On September 19, 2017 the BCUC issued letter A-11 agreeing with BC Hydro's proposal. The links below will take you to these two documents.

As per the protocol set out in Letter F1-2, once BC Hydro has received a signed Attestation from yourself we will provide you with un-redacted confidential information in Categories A and B.

http://www.siteinquiry.com/wp-content/uploads/2017/09/DOC_90174_F1-2_BC-Hydro_Site-C-Submission.pdf

http://www.siteinquiry.com/wp-content/uploads/2017/09/DOC_90175_A-11_Access-to-Confidential-Submissions.pdf

Appendix F

From: David Austin
Sent: Monday, September 25, 2017 2:18 PM
To: 'James, Fred'
Cc: BC Hydro, Regulatory Grp; 'Commission Secretary BCUC:EX'
Subject: RE: Request for Confidential Information - Site C

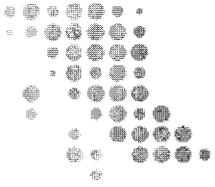
While the links are appreciated they are not an answer to my specific requests which were sent prior to September 19th. Could you please provide a response to each of the individual items listed in my e-mail of September 18th rather than providing references to Categories A and B.

Cheers,

Appendix G

From: James, Fred [<mailto:Fred.James@bchydro.com>]
Sent: Monday, September 25, 2017 4:21 PM
To: David Austin
Cc: BC Hydro, Regulatory Grp; 'Commission Secretary BCUC:EX'
Subject: RE: Request for Confidential Information - Site C

Hello Mr. Austin. The confidential information that you are requesting in your email of September 18 falls outside of the Confidential Information outlined in Categories A and B that BC Hydro will be providing to parties, as set out in Letter F1-2. BC Hydro will not be providing any confidential information to parties, other than the Commission, beyond the information that is outlined in Categories A and B.



bcuc
British Columbia
Utilities Commission

Patrick Wruck
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F: 604.660.1102

September 19, 2017

BCUC INQUIRY RESPECTING SITE C A-11

Sent via eFile

**Re: British Columbia Hydro and Power Authority – British Columbia Utilities Commission Inquiry
 Respecting Site C – Project No. 1598922**

On September 7, 2017, the British Columbia Utilities Commission (Commission) issued a Panel letter detailing the process for parties to request access to confidential versions of British Columbia Hydro and Power Authority's (BC Hydro) August 30, 2017 submission or Deloitte LLP's independent reports (Letter A-7).

On September 14, 2017, BC Hydro filed a letter with the Commission stating that it does not consider the Commission's standard confidentiality undertaking process to be sufficient for accessing confidential information in the Site C Inquiry as it does not adequately protect BC Hydro's customers against harm. BC Hydro instead requests that the Commission order the approach to redacted information outlined in its letter be taken. BC Hydro's letter is filed as F1-2 on the Commission's Site C Inquiry Submissions webpage.

The Panel approves BC Hydro's proposed approach to disclosing confidentially redacted information described in detail in BC Hydro's September 14, 2017 letter. The Panel finds the approach reflects a reasonable balance between providing proper protection to commercially sensitive information while allowing some access with the appropriate safeguards.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

SW/pw

Fred James
Chief Regulatory Officer
Phone: 604-623-4046
Fax: 604-623-4407
bchydroregulatorygroup@bchydro.com

September 14, 2017

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 1598922
British Columbia Utilities Commission (BCUC or Commission)
Inquiry Respecting Site C
British Columbia Hydro and Power Authority (BC Hydro)
Confidential information Redacted in the BC Hydro Filing and
Deloitte Reports

BC Hydro writes further to the Commission's letter of September 7, 2017 which contemplates a process whereby interested parties are able to make a request of BC Hydro for access to confidential information that had been redacted in BC Hydro's August 30, 2017 Filing (**Filing**) or the Deloitte Report "Site C Construction Review" dated September 8, 2017 (**Deloitte Report**). The process contemplates individuals being granted access upon signing an undertaking of confidentiality. We have significant concerns about the adequacy of this approach in the current circumstances. We are writing to propose a higher level of protection for some of the redacted information.

Overview

BC Hydro has used the undertaking process in prior proceedings, and it can work well in certain circumstances. The Commission has also recognized, however, that there are circumstances when protecting those who would be harmed by the release of information merits limiting disclosure to the Commission only. We submit, for the reasons outlined below, that the Commission's standard undertaking is insufficient protection against harm to BC Hydro's customers. We respectfully request that the Commission order the following approach to redacted information in BC Hydro's Filing and the Deloitte Report:

September 14, 2017
 Mr. Patrick Wruck
 Commission Secretary and Manager
 Regulatory Support
 British Columbia Utilities Commission
 Confidential information Redacted in the BC Hydro Filing and
 Deloitte Reports

Category	Nature of Information	Reference	Proposal
A	Granular detail on physical remediation cost categories	Some redactions in Appendices P and O and Deloitte Report	Commission's standard undertaking, modified only to make clear that any party in receipt of the information may, in BC Hydro's discretion, be excluded from bidding on remediation work.
B	Granular detail on other suspension and termination cost categories (except as related to benefit agreements with First Nations addressed in Category C) Information in the Deloitte Report on the Project budgets, contingency, and critical path	Some redactions in Appendix O, and Deloitte Report	Limit access to the Commission itself. In the alternative, limit access to the Commission itself unless a requestor is a lawyer who meets the following three requirements: (a) declares he or she is not, and will not be, personally representing a contractor with respect to work on Site C, and (b) provides a binding solicitor's undertaking to BC Hydro that the information will not be disclosed to anyone other than an expert who: (i) will be filing analysis in Phase 2 of this process, (ii) has signed the Commission's undertaking and provided it to BC Hydro, and (iii) declares he or she is not, and will not be, personally representing a contractor with respect to work on Site C; and (iv) undertakes to provide any expert report to BC Hydro prior to publication to ensure confidential information has been redacted.
C	Load and business information of individual industrial customers Details of benefit agreements with individual First Nations	Redactions in Appendix J and some in Appendix O and Deloitte Report	Limit access to the Commission itself.

We submit that this nuanced approach is fair, balanced and appropriate in the circumstances.

Our submission in support of this request is organized around the following points:

1. The vast majority of BC Hydro's Filing and the Deloitte reports are public, and the redactions cover the minimum amount of information necessary to avoid harm.
2. BC Hydro is providing further information on a public website.
3. The release of any of the redacted information in the Filing or the Deloitte Report will harm BC Hydro and our customers, and the harm they would suffer is significant. There are two groups of ratepayers that would be harmed:
 - ▶ individual industrial customers that have provided to BC Hydro in confidence sensitive information about their operations in order to assist BC Hydro's load forecasting (Category C); and
 - ▶ BC Hydro customers generally, who ultimately pay when disclosure compromises BC Hydro's ability to negotiate favourable resolutions to issues or disputes with contractors, to procure future contracts or negotiate future benefit agreements with First Nations. (Category A, B and C).
4. We are generally unable to identify those who would be able to use the information to the detriment of BC Hydro and our customers, or the sufficiency of the steps those requestors will take to protect information.
5. Access to the redacted information would add limited value to most requestors in terms of their ability to participate in this process. While customer-specific business information (Category C) is redacted, the aggregate industrial loads are public. Vetting the information redacted in Categories A and B relating to work upon termination or suspension, would require technical expertise in engineering, construction and environmental reclamation.

1 The Vast Majority of the Filing and Deloitte Reports Are Public

We recognize that there is value in public disclosure of information. The vast majority of the filed information is public.

- There are only three appendices in BC Hydro's Filing that include redacted information, and only limited portions of those Appendices have been redacted. BC Hydro has redacted the minimum amount of information from these appendices that is necessary to avoid harm.
- The Deloitte report on load forecasting has no redactions, and there are very limited redactions in the other Deloitte Report.

2 Deloitte's Source Documents Are Published on Website

BC Hydro is providing a significant amount of additional information on a public website. It houses documents relied upon by Deloitte LLP, other than those containing

commercially sensitive information. The web page can be accessed at www.siteproject.com/submissions.

3 The Harm to Our Customers Would Be Significant

The information that has been redacted is highly sensitive to individual industrial customers and BC Hydro and our customers generally. The harm that will flow from this information being released is very significant.

Category C Redactions: Customer-Specific Business Details and Benefit Agreements With Individual First Nations

Appendix J provides information on the current load forecast and developments that have occurred since we prepared the current load forecast. The public version of Appendix J redacts information on large industrial customer-specific loads and service requests since this information is commercially sensitive for our customers. The fact that this information is highly sensitive is self-evident in reviewing the public version. For instance:

- The load of an individual customer can be used to estimate output levels, e.g., to assess whether production is to be ramped-up / down or discontinued.
- Information about the timing of new customer projects can be used by competitors.

In some cases we have been able to obtain customer consent to provide the information publicly, and in those cases we have included the information in the public version. The other customers have not consented.

BC Hydro has a long history of working with industrial customers to develop load forecasts. That process requires mutual trust. The long-standing practice has been to treat this information as confidential. The industrial customers are providing this information to BC Hydro with a reasonable expectation that their information will not become public.

With respect to details of the Impact and Benefit Agreements with individual First Nations, the terms of those agreements are confidential. BC Hydro remains in negotiations with other First Nations with respect to future impact and benefit agreements. BC Hydro's negotiation position would be prejudiced if the terms of the existing agreements were disclosed.

***Category A and B Redactions: Cost Details and Assumptions,
Contractor Claims Upon Termination or Suspension and Critical
Path Detail***

The redacted portions of Appendices O and P and the Deloitte Report, include the following:

- Appendix O provides detailed information on the cost estimate for termination and suspension scenarios. The cost categories, work descriptions, and aggregated amounts are in the public version. However, we have redacted the more specific and granular information. Deloitte has made similar redactions.
- Appendix P is the report of Hemmera Envirochem Inc., an external consultant retained to provide an expert assessment on the permitting and environmental work that would have to be completed in the event of termination or suspension. The vast majority of their report has been made public, with only the dollar amounts for various scopes of work in the event of a termination or suspension redacted.
- The Deloitte Report provides details of claims made by BC Hydro's contractors, BC Hydro's budget and contingencies for ongoing and future contracts, and critical path information regarding future Project work.

The harm to BC Hydro and our customers generally in the event that the above information were to become public is as follows:

- In the case of the environmental remediation scope and estimates, public disclosure would compromise our ability to obtain favourable pricing in the event we need to procure this work.
- In the case of other specific information regarding suspension and termination, public disclosure would harm our negotiations should suspension or termination result in any claims or disputes related to existing construction contracts or benefit agreements. Simply put, the information provides a "road map" to potential claimants to maximize their claims in the event of suspension or termination.
- In the case of other Project information such as contract budgets, contingency amounts, and critical path information, it would harm BC Hydro's negotiation position in future procurement work and benefit agreements as it provides bidders with information on BC Hydro's "bottom line" negotiation position.

4 We Cannot Identify Those Who Would Benefit at the Expense of Customers

The significant risk of harm from disclosure is compounded by the fact that, we are generally unable to identify those parties who may be able to benefit from accessing the information to the detriment of BC Hydro and our customers. A vetting process and background check is impractical in the current context, and is not properly a role that can be fulfilled by BC Hydro in any event.

For instance, we will not know if a person requesting information is employed by a Site C contractor.

Moreover, there is nothing in the Confidentiality Declaration and Undertaking, as currently worded that would prevent someone from requesting the information for the legitimate purposes of this proceeding, while also potentially being in a position to benefit from access to that information in another context to the expense of BC Hydro. For instance, if an employee of a potential future bidder on BC Hydro work obtains information about BC Hydro's budgets for spending, the information learned in this process cannot be "unlearned" when it comes time to bid on future work.

We wish to be clear that, in expressing this concern, we mean no disrespect to those who have filed requests. We are merely pointing out that, because due diligence cannot be done effectively, the risk of harm to BC Hydro customers with the general approach currently contemplated by the Commission is amplified significantly.

5 Access Would Generally Have Little Impact on Meaningful Participation

Meaningful participation in this process does not require the public, whether on undertakings or otherwise, having access to granular details that are specific to BC Hydro's customers or contracts, or details of impact and benefit agreements with individual First Nations. The aggregate industrial loads are public, as are the general information regarding the types of benefits provided in the impact and benefit agreements. The Commission is in a position to vet the more granular information provided.

The information in Categories A and B relate to costs of remediation work in the event of suspension or termination, costs relating to existing contracts that would need to be terminated, or Project information relevant to ongoing and future contracts. Vetting that information would require legal and/or technical expertise in engineering, construction, and environmental reclamation. It would also require detailed knowledge of the current state of construction. For that reason, we believe it is reasonable to, at a minimum, impose additional requirements limiting disclosure to such information to lawyers for the purposes of instructing an expert.

Conclusion and Order Sought

Our proposed order takes a nuanced approach, recognizing the need to balance the public interest in disclosure against the need to protect BC Hydro and our customers from harm. We are proposing the highest level of protection over the information that is the most sensitive: customer specific information; information that relates to individual impact and benefit agreements with First Nations; and, granular information that would provide a road map to potential claimants in a termination and suspension scenario, or

September 14, 2017
Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Confidential information Redacted in the BC Hydro Filing and
Deloitte Reports

Page 7 of 7

bidders of future Project work. The details of remediation work are also sensitive and merit some form of protection through undertakings.

The requested treatment is consistent with past treatment of similar types of highly sensitive information in Commission proceedings. We respectfully submit that the public interest is well served by the proposed order.

Thank you for your consideration, and we look forward to receiving the Commission's direction.

The Commission's correspondence related to this proceeding should be directed to Fred James at 604-623-4046 or by email at bchydroregulatorygroup@bchydro.com.

Media or public inquiries should be directed to BC Hydro Media Relations at 604-928-6468.

Yours sincerely,



Fred James
Chief Regulatory Officer

fj/af