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GSX—the beat goes on

Williams Pipelines, BC Hydro's partner in the proposed construction of the Georgia Strait Crossing natural gas pipeline, continues to pursue permits for the pipeline on the US side of the border. And BC Hydro continues to entertain bids for natural gas turbine-generated power on Vancouver Island.

But meanwhile, Terasen Gas Vancouver Island (TGVI) is plowing ahead with its application to construct a liquid natural gas storage facility near Ladysmith to provide increased natural gas supply capacity on Vancouver Island. Terasen claims that it can supply the Island with sufficient natural gas, even enough to feed electrical generation facilities, at a lower cost than the proposed GSX pipeline.

Hydro, whose proposal to build a 265 megawatt gas turbine generating plant at Duke Point near Nanaimo was turned down by the British Columbia Utilities Commission as too expensive, went looking for private sector bidders to supply additional power to Vancouver Island, starting in 2007. At present, proposals for five natural gas-powered plants are being considered, along with a biomass plant.

Norske Canada, operators of several pulp mills on the Island and consumer of one-quarter of the Island's electricity, withdrew from the bidding process. They had proposed co-generation plants at their mills. As consumers, they said, they are now satisfied that there will be an ample supply of electricity in the future.

At least one of the natural gas plants put forward appears to

be almost identical to the original BC Hydro Duke Point proposal. It is a 255 MW gas-fired turbine on the same site, proposed by a 50/50 partnership of Epcor Power Development and Calpine Canada (recently purchased by Prime West Energy Trust of Calgary). The other four natural gas plants are proposed by Duke Point Power (Nanaimo), ENCO Power Co. (Nanaimo), Calpine (Campbell River) and Epcor (Ladysmith). At least two of these proposals are for smaller 'peaking' plants.

The biomass plant is proposed by Green Island Energy of Gold River. Hydro expects to conclude at least one 25-year electricity purchase agreement by October.

Meanwhile, in Bellingham, Whatcom County has started holding hearings on granting county permits to Williams. The pipeline route crosses Whatcom County on its way from the Sumas pipeline hub to the Strait of Georgia. Whatcom County and a number of its citizens oppose the pipeline for environmental reasons, and say there seems to be no benefit to the County.

Williams says that it has no need to apply for county permits, because the Federal Energy Review Commission (FERC) has already issued permits, and the County missed legal deadlines in objecting to the pipeline route. The Washington State Attorney General's office has filed an appeal against the FERC ruling. Part of their argument is that while FERC has jurisdiction over interstate pipelines, GSX is not interstate, but international. Stay tuned. ☞

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