

# Reprint **Island Tides**

Visit [www.islandtides.com](http://www.islandtides.com) for more interesting articles on other BC, national & international topics

Reprint from Volume 25 Number 18

Sept 12, 2013

## Have your say on BCHydro's new directions

Patrick Brown

BCHydro's 2013, 20-year Integrated Resource Plan (IRP) appears to back off the expensive development of new generation by Independent Power Producers (IPPs), but still makes provision for electricity for the proposed natural gas fracking and liquefaction industry in northern BC.

No longer, however, does the IRP reflect a self-sufficiency target of the type imposed by the provincial government during the years of the Gordon Campbell premiership. No longer does it include limits on gas-fired generation. No longer does it require that new power be purchased from IPPs.

In fact, the new plan appears to reflect a provincial government policy which gives BCHydro increased strategic and financial freedom.

BCHydro needs the freedom, but the utility continues to be committed to the support of the LNG industry.

According to BCHydro, realizing its forecast depends on two things:

- moderating consumer demand through a successful 'demand-side management' conservation program; and
- the construction of a new hydroelectric dam on the Peace River at Site C, generating 5,100 GWh/yr of energy and 1,100 MW of dependable capacity by 2024.

The Plan sets out a portfolio of actions to meet the resulting forecast of provincial power needs and supply strategies. In total, it anticipates provincial power needs rising from 58,000 GWh/yr at present to 72,000 GWh/yr by 2033, while providing for LNG development and conservation.

The draft plan is now open for public written comments from September 3 to October 18. It specifically asks whether you support these policies.

### Power Conservation

The company has set targets of 7,800 gigawatt-hours in energy savings by 2021, which translates into 1,400 Megawatts of generation capacity, from 'conservation and efficiency measures'. These would apply to residential, commercial, and industrial users.

In the 'short term', BCHydro intends to 'investigate' incentive pricing to encourage new industrial and commercial customers.

### Power Generation

Over the past couple of weeks, BCHydro has abandoned a

number of contracts for future power with IPPs; these appear to be mainly projects which would likely not be realized for engineering, regulatory, or financial reasons. The remaining IPP contracts are to be managed to minimize short-term costs to BCHydro while ensuring the resultant power availability in the long term, when it may be needed.

The Site C generation capacity may not be available until 2024. A gap in peak capacity over the next few years may result. BCHydro intends to fill this gap through the purchase of power on the open market. The Plan also clearly indicates BCHydro's intent to claim hydroelectric power from the Columbia River Treaty, which is coming up for renewal.

To meet power needs reliably on the north coast BCHydro is considering natural gas-fired generation. This will back up supply from reinforcement of the Prince George—Terrace transmission line. In this area, BCHydro is keeping all options open.

The plan also recommends further development of the Revelstoke Generating Station and the GM Shrum Generating Station in order to make power available for future contingency needs. BCHydro asserts that having this power generated by facilities that it owns, rather than having to contract for it when needed, would be a more prudent course of action in the longer term.

### Previous Public Comment

BCHydro has published an extensive summary of the results of previous rounds of public, stakeholder, and First Nations. Some significant findings:

- if time-of-use rates were to be adopted, transparency in the BCHydro and government decision process would be paramount;
- the public is split almost evenly about the construction of Site C, other options in both conservation and generation must be given maximum consideration;
- a significant minority of participants questioned the strategy of buying power on the open market to fill any short-term capacity gap;
- public caution was expressed about planning for demand for future LNG plants, in case they did not materialize;
- First Nations favoured conservation, investing in BC

© Island Tides Publishing Ltd. This article may be reproduced with the following attribution, in its entirety, and notification to Island Tides Publishing Ltd.

*'This article was published (September 12, 2013) in 'Island Tides', an independent, regional newspaper distributing across the Strait of Georgia on the Gulf Islands and Vancouver Island.'*

Island Tides Publishing Ltd, Box 55, Pender Island, BC V0N 2M0 • 250-216-9961 • [islandtides@islandtides.com](mailto:islandtides@islandtides.com) • [www.islandtides.com](http://www.islandtides.com)

generation facilities, purchasing power from BC IPPs and making it easier for First Nations to participate in this industry, and preparing for potentially greater demand;

- BCHydro had not provided sufficient opportunity for consultation and feedback. First Nations in particular criticized it as a top-down approach, and had difficulty dealing with the volume of material; and

- BCHydro's Technical Advisory Committee expressed concern that ratepayers should not be subsidizing costs for infrastructure to serve LNG plants, and a new strategy is required to protect against 'any potentially undesirable consequences' of major LNG development.

BCHydro has published a most extensive summary of comments made in 2011 and 2012. It is too comprehensive to be summarized here; it can be found in Section 7 of the Draft IRP, available on the website.

### **Public Comment Via Your Computer**

BCHydro has provided an internet-based comment system which asks, on six screens, questions on the following subjects (not the exact wording):

- Do you agree with BCHydro's plans to support the projected LNG industry?

- Do you agree with maintaining, or possibly increasing, BC BCHydro's Demand Side Management (conservation) programs for residential, commercial, and industrial customers?

- Do you agree with building the Site C dam on the Peace River?

- Do you agree with BCHydro's plans to manage its current portfolio of Energy Purchase Agreements to maintain low customer rates?

- Do you support BCHydro's contingency plans to provide for unexpected demand?

Each screen provides room for your comments on the question and the reasons that back up your answer. The final screen provides room for further comments on any and all aspects of the IRP.

To access this, go to the BCHydro website and click on the 'On-line IRP Comment Form' under 'IRP Consultation Summer/Fall 2013'.

A toll free number 1-888-747-4832 has been provided for questions about the IRP or the comment system. The comment period extends to October 18. BCHydro says it will review written comments it receives during the comment period and those comments will 'help inform' the final IRP that will be submitted for government's approval by November 15. (Reading the extensive summary of the previous round of consultation should provide some assurance that your comments will be taken seriously.) 