

Chris Sandve
Chief Regulatory Officer
bhydroregulatorygroup@bhydro.com

April 25, 2024

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

Dear Patrick Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Electricity Purchase Agreement (EPA) Extension – Moresby Lake
Seventh Extension Agreement**

BC Hydro writes to advise the Commission that we entered into a further two-week extension agreement dated March 1, 2024, (**Seventh Extension Agreement**) for the EPA originally executed by the Queen Charlotte Power Corporation, dated December 9, 1988, as amended and restated by a series of agreements, and ultimately assigned to Atlantic Power Preferred Equity Ltd. (**Atlantic Power**) on November 2, 2011 (**Moresby Lake 1988 EPA**).¹

This Seventh Extension Agreement expired on March 14, 2024, and there will be no further extension agreements to the Moresby Lake 1988 EPA, as BC Hydro and Atlantic Power have entered into a long-term electricity purchase agreement for the Moresby Lake facility, which came into effect on March 15, 2024 (**Moresby Lake Renewal EPA**).

The BCUC Rules for Energy Supply Contracts for Electricity require BC Hydro to file the Seventh Extension Agreement with the Commission within 60 days upon entering into this agreement.² In accordance with these rules, BC Hydro is providing the Commission with a copy of the Seventh Extension Agreement, as Appendix A.

BC Hydro is currently preparing an application for both the Seventh Extension Agreement and the Moresby Lake Renewal EPA (**Combined Application**), which it expects to submit to the BCUC by May 14, 2024. The Combined Application will include

¹ The Seventh Extension Agreement is executed as between BC Hydro and Atlantic Power (Coastal Rivers) Corporation, an affiliate of Atlantic Power Preferred Equity Ltd. At all material times, Atlantic Power (Coastal Rivers) Corporation has retained legal title to the Moresby Lake EPA, and Atlantic Power Preferred Equity Ltd. has retained beneficial interest in the Moresby Lake EPA.

² Refer to section 1.1.2 of the BCUC's Rules for Energy Supply Contracts for Electricity.

information pertaining to both the Seventh Extension Agreement and the Moresby Lake Renewal EPA for filing under Section 71 of the *Utilities Commission Act* and will propose that the BCUC review both agreements in a single review process.

In accordance with BCUC Rules for Energy Supply Contracts for Electricity, at the time of filing, BC Hydro will provide notice of the Combined Application to parties that intervened in the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application and the Council of the Haida Nation.

For further information, please contact Alicia Henderson at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Chris Sandve
Chief Regulatory Officer

sh/kl

Enclosure

**BC Hydro Electricity Purchase Agreement (EPA) -
Moresby Lake Extension**

Appendix A

Extension Agreement No. 7

**EPA Extension Agreement #7
Moresby Lake Hydro Project**

THIS EXTENSION AGREEMENT ("Agreement") is made as of the 29th day of February, 2024 (the "Extension Date")

BETWEEN:

ATLANTIC POWER (COASTAL RIVERS) CORPORATION, a British Columbia company having a head office at 666 Burrard Street, Suite 1700 Park Place, Vancouver, BC V6C 2X8

("AP")

AND:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY, a corporation continued under the *Hydro and Power Authority Act*, R.S.B.C. 1996, c. 212, with its head office at 333 Dunsmuir Street, Vancouver, BC, V6B 5R3

("BC Hydro")

WHEREAS:

- A. Queen Charlotte Power Corporation (as seller) ("**QCPC**") and BC Hydro (as buyer) are parties to an electricity purchase agreement dated December 9, 1988 in respect of the purchase and sale of electricity generated at Moresby Lake hydroelectric station, as amended and restated by an electricity purchase agreement dated September 1, 1992, as further amended by a letter agreement dated July 7, 1993, and as further amended and restated by an electricity purchase agreement dated June 13, 1996 (collectively, the "**QCPC EPA**");
- B. Pursuant to an Acknowledgement of Assumption made as of July 23, 2004, QCPC assigned its beneficial interest in the QCPC EPA to Coastal Rivers Power Limited Partnership ("**CRRLP**") (the "**2004 Assignment**");
- C. QCPC, through a series of amalgamations and a name change, continued by operation of law as AP's current name, Atlantic Power (Coastal Rivers) Corporation;
- D. Pursuant to an Assignment and Assumption Agreement made as of November 2, 2011, CRRLP assigned its beneficial interest in the QCPC EPA to CPI Preferred Equity Ltd. now known as Atlantic Power Preferred Equity Ltd. (the "**2011 Assignment**");
- E. The Term of the QCPC EPA was extended by an EPA Extension Agreement dated August 31, 2022 entered into between Atlantic Power Preferred Equity Ltd. and BC Hydro (the "**Extension #1**");
- F. The Term of the QCPC EPA was extended by an EPA Extension Agreement dated February 28, 2023 entered into between AP and BC Hydro (the "**Extension #2**");
- G. The Term of the QCPC EPA was extended by an EPA Extension Agreement dated August 31, 2023 entered into between AP and BC Hydro (the "**Extension #3**");
- H. The Term of the QCPC EPA was extended by an EPA Extension Agreement dated November 30, 2023 entered into between AP and BC Hydro (the "**Extension #4**");

- I. The Term of the QCPC EPA was extended by an EPA Extension Agreement dated December 31, 2023 entered into between AP and BC Hydro (the “**Extension #5**”);
- J. The Term of the QCPC EPA was extended by an EPA Extension Agreement #6 dated January 31, 2024 entered into between AP and BC Hydro (together with the QCPC EPA, the 2004 Assignment, the 2011 Assignment, the Extension #1, the Extension #2, the Extension #3, the Extension #4 and the Extension #5 the “**EPA**”);
- K. At all material times, AP had retained legal title to the EPA;
- L. AP and BC Hydro have been and are in the process of negotiating a potentially new electricity purchase agreement;
- M. The EPA is due to expire on February 29, 2024 at 24:00 hours and AP and BC Hydro require additional time to complete negotiations on the terms of a new electricity purchase agreement prior to that date; and
- N. To facilitate negotiations, BC Hydro and AP wish to further extend the Term of the EPA for a 14-day period and BC Hydro and AP have agreed to such additional extension on the terms and subject to the conditions of this Agreement.

THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged by AP and BC Hydro, AP and BC Hydro (together, the “**Parties**” and each, a “**Party**”) hereby agree as follows:

1. BCUC Acceptance

If required, as determined by BC Hydro in consultation with AP, BC Hydro will file this Agreement with the British Columbia Utilities Commission (the “**BCUC**”) under section 71 of the *Utilities Commission Act* (British Columbia) (the “**UCA**”), for BCUC Acceptance, as an energy supply contract in accordance with BC Hydro’s usual filing practices within a reasonable period of time following the Extension Date. “**BCUC Acceptance**” means that the BCUC has issued an order accepting for filing, or approving, this Agreement under section 71 of the UCA as an energy supply contract either without conditions or subject to conditions that do not: (i) require as a condition of acceptance for filing or approval a material alteration to any material term or condition of this Agreement, or (ii) otherwise have an adverse effect on one or both of the Parties. If the Agreement is filed with the BCUC, BC Hydro will take all reasonable steps to secure BCUC Acceptance. AP will provide any assistance reasonably requested by BC Hydro to secure BCUC Acceptance.

2. Termination

- (a) If the Agreement is filed with the BCUC and BCUC Acceptance has not been issued for this Agreement on or before the date that is 60 days after the Extension Date, or such later date as BC Hydro, in its sole discretion, may from time to time elect by notice to AP, then at any time following such date either Party may terminate this Agreement by delivering notice of termination to the other Party, and such termination will be effective on the date that is 30 days after the date of delivery of such notice of termination, provided that a Party may not terminate this Agreement under this section if BCUC Acceptance is issued before the notice of termination is delivered to the other Party.

(b) If this Agreement is terminated by either Party in accordance with section 2(a), the Parties will have no further liabilities or obligations under, or in relation to, this Agreement.

3. EPA Amendment - Term

Section 3.1 of the EPA is hereby deleted in its entirety and replaced with the following:

“QCPC will supply Electricity generated by the QCPC Plant to BCH at the Point of Connection for a term (the “**Term**”) commencing on the 1st day of September, 1990 and ending on the earlier of i) the 14th day of March, 2024 at 24:00 hours, or ii) the effective date of a new electricity purchase agreement as may be agreed to by the Parties.”

4. General:

(a) Effectiveness; Continuation of Terms and Conditions

This Agreement will become effective as of the Extension Date. The Parties acknowledge and agree that except as specifically amended by this Agreement, all of the terms and conditions of the EPA continue in full force and effect and are hereby ratified and confirmed by the Parties.

Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the EPA or as a waiver of or consent to any further or future action on the part of either Party that would require the waiver or consent of the other Party.

(b) Interpretation

Capitalized terms not otherwise defined in this Agreement have their meanings ascribed to them in the EPA.

(c) Duly Authorized

Each of the Parties represent and warrant to the other that: (a) this Agreement has been duly authorized, executed and delivered, and (b) this Agreement constitutes a valid and binding obligation, enforceable against it in accordance with its terms.

5. Governing Law

This Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

6. Further Assurances

The Parties will, upon the reasonable request of the other Party, do, sign or cause to be done or signed all further acts, deeds, documents and assurances required for the performance of this Agreement.

7. Enurement

This Agreement enures to the benefit of, and is binding upon, the Parties and their respective successors and permitted assigns.

8. Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered by electronic transmission or otherwise, will be deemed to be an original, and all of which together will constitute one and the same document.

[signature page follows]

IN WITNESS WHEREOF this Agreement has been executed by a duly authorized representative of each of the Parties as of the Extension Date.


**ATLANTIC POWER (COASTAL RIVERS)
CORPORATION**

By: 
Authorized Signatory

Name: Nicholas Galotti

Title: Chief Operating Officer

**BRITISH COLUMBIA HYDRO AND POWER
AUTHORITY**

By: 
Authorized Signatory

Name: Chris O'Riley

Title: President & CEO