

NON-TREATY STORAGE - ADDITIONAL WATER STORED BEHIND MICA DAM

The Columbia River Treaty (CRT) required Canada to build a dam near Mica Creek that would create a reservoir (Kinbasket Reservoir) having 7 million acre-feet (MAF) of live storage as well as the Hugh Keenleyside dam (Arrow Lakes Reservoir) near Castlegar and the Duncan Dam (Duncan Reservoir) at Meadow Creek. BC Hydro designed and built Mica dam to store more water than was required under the CRT. As a result, an additional five MAF of usable storage is available at Mica. This extra storage is referred to as Non-Treaty Storage and the water can only be released from Hugh Keenleyside Dam across the Canada-US border under agreement between both BC Hydro and their US counterpart (Bonneville Power Administration, or BPA.)

One million acre foot (MAF) is the volume of one million acres of surface area to a depth of one foot and is equivalent to 1.23 cubic kilometres. The upper 3 metres (10 feet) of the 216 kilometre long Kinbasket Reservoir or the upper 2.4 metres (8 feet) or the 230 kilometre long Arrow Lakes Reservoir is approximately equivalent to 1 MAF.



RELEASE OF NON-TREATY STORAGE WATER COORDINATED BY CANADA AND US FOR MUTUAL BENEFIT

BC Hydro and BPA signed the first long-term Non-Treaty Storage Agreement (NTSA) in 1984 to provide mutual energy benefits and to address a dispute over the initial filling of Revelstoke Reservoir. The agreement was expanded in 1990 to increase power benefits for both countries. This agreement fully expired in January 2011.

BC Hydro and BPA have routinely negotiated short-term operating agreements to coordinate Treaty and Non-Treaty Storage for mutual benefit. Canadian benefits from these short term agreements have included increased power generation, protection of whitefish and trout eggs within Canada, and improved summer recreation levels for Canadian reservoirs.

RENEGOTIATION OF A NEW LONG-TERM AGREEMENT

BC Hydro and Bonneville Power Administration are now working to negotiate and sign a new long term NTSA by late summer 2011. An important step was reached on April 28, 2011, when BC Hydro and the Bonneville Power Administration (BPA) agreed on non-binding terms that set out the basis for a new NTSA. This Term sheet was approved by BC Hydro's Board of Directors on May 19, 2011.

BRITISH COLUMBIA BENEFITS FROM A NEW LONG TERM AGREEMENT

The Non-Treaty Storage Agreement is good for British Columbia as it will give BC Hydro more control over reservoir levels, and provide more energy benefits to B.C., thereby helping to meet the Clean Energy Act commitment to make BC electricity self-sufficient. The agreement will also give BC Hydro more operating flexibility to better balance the competing non-power interests on the Columbia including recreational activities, wildlife habitat, and fisheries.

BC HYDRO INVOLVES STAKEHOLDERS

Distributing the term sheet is part of BC Hydro's commitment to a transparent negotiation process. Prior to entering into a replacement NTSA with BPA, BC Hydro committed to discuss and analyze agreement options with interested stakeholders and First Nations.

In the fall of 2010, two engagement sessions were held with public stakeholders in the region. Approximately 30 stakeholders representing provincial and local governments and agencies, businesses, not-for-profit groups, and property owners attended the 1½ day sessions in Castlegar and Revelstoke. In parallel, BC Hydro held a series of separate meetings with First Nations. BC Hydro reported back to stakeholders and First Nations on the Term Sheet and renegotiation process in June 2011.

FOR MORE INFORMATION

The non-binding NTSA terms sheet and information about the NTSA Renegotiation process can be found at <http://projects.compassrm.com/ntsa/> or contact a BC Hydro Community Relations representative:

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