

## GREEN POWER GENERATION

### ADDENDUM TO 2002/03 REQUEST FOR QUALIFICATIONS

Issued: 22 November 2002

The 2002/03 Green Power Generation Request for Qualifications is hereby amended in the following respect:

1. Section 4.5(a) of the 2002/03 GPG Qualification Statement is deleted and replaced with the following:

**“4.5 Reasonable Expectation of Rights to Develop or Utilize the Resource**

- (a) For projects where the energy source is water:
  - (i) provide written confirmation from Land and Water B.C. Inc. that the project has completed Step 1 of the *Land Act* and *Water Act* application process (refer to the Water Power Guidebook at the following Land and Water B.C. website – [www.lwbc.bc.ca](http://www.lwbc.bc.ca)); and
  - (ii) provide copies of all documents filed with the appropriate LWBC Service Centre to complete that Step 1.”

The change set out above is also applicable to the Word Document Template of the 2002/03 GPG Qualification Statement posted at [www.bchydro.com/greenipp](http://www.bchydro.com/greenipp).

## GREEN POWER GENERATION

### ADDENDA TO 2002/03 REQUEST FOR QUALIFICATIONS

Issued: 9 December 2002

#### 1. **GHG Intensity Adjustme nt**

At the 2002/03 GPG RFQ Workshop, BC Hydro communicated that biomass and biogas projects that meet the 2002/03 GPG Green Criteria would be considered to be “GHG-free” and that any project that BC Hydro determined, during the GPG RFQ and GPG CFT evaluation processes, would likely meet the 2002/03 GPG Green Criteria would receive a \$3.00/MWh GHG Intensity Adjustment for bid ranking purposes at the 2002/03 GPG CFT stage. This determination was based on findings of research BC Hydro conducted on GHG emissions from biomass and biogas projects that indicated that the GHG emissions from these types of projects were negligible. However, upon further review of the GHG intensity calculations for other proposed projects, BC Hydro has discovered that, in fact, the GHG emissions from biomass and biogas projects may not be negligible.

In light of this new information, BC Hydro has decided that projects participating in the GPG procurement process will not be required to provide GHG intensity calculations at the GPG RFQ stage. As in the 2002/03 Customer-Based Generation Call for Tender process, proponents of biomass and biogas projects that are short-listed for the 2002/03 GPG CFT process will be required to submit a GHG intensity calculation for BC Hydro review and approval before submitting a Tender for the project. Based on the results of that calculation, Bid Prices will be reduced for bid comparison purposes by up to \$3.00/MWh as described in the 2002/03 GPG RFQ.

All references in the 2002/03 GPG RFQ Workshop presentation to the fact that all projects that are short-listed for the 2002/03 GPG CFT process will be considered GHG-free and will receive the full \$3.00/MWh GHG Intensity Adjustment for bid comparison purposes are subject to the above comments.

In addition, the 2002/03 GPG RFQ is amended by deleting Section 5.3(g)(viii) from the 2002/03 GPG Qualification Statement. This change is also applicable to the Word Document Template of the 2002/03 GPG Qualification Statement posted at [www.bchydro.com/greenipp](http://www.bchydro.com/greenipp).

## 2. **Eligibility Requirements – 2002/03 GPG Green Criteria, “Project Type B” and “Project Type C”**

In the “Eligibility Requirements” set out in the 2002/03 GPG RFQ and in the 2002/03 GPG Green Criteria, BC Hydro stipulates that biomass and biogas projects must keep the use of supplementary, non-renewable fuels to a minimum. The 2002/03 GPG RFQ and the 2002/03 GPG Green Criteria state that that would typically mean 1 to 3% of “energy output”. Based upon further review of other proposed projects, BC Hydro believes that the determination of what constitutes minimal supplementary fuel use should be based on a percentage of “fuel heat input” rather than energy output. Accordingly, all references in the 2002/03 GPG RFQ and the 2002/03 GPG Green Criteria to “(i.e. typically 1 to 3% of energy output)” are deleted and replaced with “(i.e. typically 1 to 3% of fuel heat input)”.

This change will more accurately reflect industry’s understanding of the term “energy output”. As the effect of this amendment will be to allow more biomass and biogas projects to meet the 2002/03 GPG Green Criteria it is not anticipated that this change will have an adverse effect on any bidder. BC Hydro intends to make a similar amendment to the 2002/03 Customer-Based Generation (“CBG”) Call for Tender and the 2002/03 CBG Green Criteria.

## 3. **50 MW or Larger Projects**

In the “Eligibility Requirements” set out in the 2002/03 GPG RFQ, one of the “Mandatory Requirements” for hydrology projects is that by the date of submission of the 2002/03 GPG Qualification Statement, the developer has filed with the appropriate Land and Water B.C. Service Center all the necessary elements required to complete Step 1 of the *Land Act* and *Water Act* application process. It has come to the attention of BC Hydro that projects that will have a rated nameplate capacity of 50 MW or greater, and that are therefore subject to the requirements of the *Environmental Assessment Act*, may not have completed this permitting step at the time of submission of the 2002/03 GPG Qualification Statement as those projects cannot proceed to the permitting stage until they have secured a project approval certificate under the *Environmental Assessment Act*. Therefore, the 2002/03 GPG RFQ is amended in the following respects:

- (a) Under Eligibility Requirements, under the heading “Mandatory Requirements”, the paragraph headed “Reasonable Expectation of Rights to Develop or Utilise the Resource” is deleted and replaced with the following:

“In the case of (i) hydrology projects that will have a rated nameplate capacity of less than 50 MW and (ii) hydrology projects that will have a rated nameplate capacity of 50 MW or greater and that have received approval under the *Environmental Assessment Act*, the developer has filed with the appropriate Land and Water B.C. Service Center all the necessary elements required to complete Step 1 of the *Land Act* and *Water Act* application process (refer to the Waterpower Guide Book at the following Land and Water B.C. website: [www.lwbc.bc.ca](http://www.lwbc.bc.ca)). For other types of projects, BC Hydro must concur as part of the qualification process that the proponent is reasonably advanced in the process of obtaining rights to develop or utilise the necessary resource.”

- (b) Section 4.5 of the 2002/03 GPG Qualification Statement is deleted and replaced with the following:

**“4.5 Reasonable Expectation of Rights to Develop or Utilize the Resource**

- (a) For projects where the energy source is fresh water and (i) the project will have a rated nameplate capacity of less than 50 MW or (ii) the project will have a rated nameplate capacity of 50 MW or greater and the project has received approval under the *Environmental Assessment Act*:
- (i) provide written confirmation from Land and Water B.C. Inc. that the project has completed Step 1 of the *Land Act* and *Water Act* application process (refer to the Water Power Guidebook at the following Land and Water B.C. website – [www.lwbc.bc.ca](http://www.lwbc.bc.ca)); and
  - (ii) provide copies of all documents filed with the appropriate LWBC Service Centre to complete that Step 1.
- (b) For all other projects, provide documentation to demonstrate the status of the developer’s efforts to obtain rights to develop or utilise the necessary resource including, in the case of projects that will have a rated nameplate capacity of 50 MW or greater, documents to demonstrate that all the required information has been submitted to, and accepted by, the Environmental Assessment Office to initiate the review process under the *Environmental Assessment Act* and a description of the status of that review.

The changes set out above replace the changes in the 22 November 2002 Addendum and are applicable to the Word Document Template of the 2002/03 GPG Qualification Statement posted at [www.bchydro.com/greenipp](http://www.bchydro.com/greenipp).