

BC Hydro Haida Gwaii/Queen Charlotte Islands Draft Request For Proposals Information Session

Tuesday December 09, 2008

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Haida Gwaii/ Queen Charlotte Islands RFP Background

**Grietje Van Dijk
Manager, Community Relations
Non-Integrated Areas**



| Time | Item | Presenter |
|-------------|--|------------------|
| 1:15 – 1:30 | Registration | |
| 1:30 – 2:00 | Background | Grietje Van Dijk |
| 2:00 – 3:00 | RFP Overview Next Steps Contacts | Linda Sahota |
| 3:00 – 3:15 | Break | |
| 3:15 – 4:30 | Questions and Answers | Team |



The BC Energy Plan provides policy direction for BC Hydro:

- Procure new electricity generation from the private sector on a cost-effective basis
- BC to be electricity self-sufficient by 2016
- Set an ambitious target, to acquire 50% of BC Hydro's incremental resource needs through conservation by 2020
- BC to maintain 90% of electricity from clean or renewable resources
- Zero GHG emissions from coal generation
- All new electricity generation will have zero net GHG emissions

Policy direction for Non-Integrated Areas:

- Consider alternative electricity sources and energy efficiency measures in energy planning for remote communities
- Expand the First Nations and Remote Community Clean Energy Program

- Communities distant from BC Hydro integrated system
- Electricity for local demand typically delivered by small diesel generating station
- Some communities are supplied in whole or part by Independent Power Producers (IPPs)

Two separate systems

North grid

- 1,400 customers
- 100% thermal supply
- BCH DGS: 7 units, 11.7 MW



South grid

- 1,650 customers
- Mixed supply
- BCH DGS: 7 units, 10.2 MW (approx 20%)
- EPCOR-owned small hydroelectric plant: 5.7 MW (approx 80%)

- Haida Gwaii CEP led by the Council of Haida Nation, with support from the Sheltair Group and participation of all Haida Gwaii communities, BC Hydro and the Ministry of Energy, Mines and Petroleum Resources
- Informs BC Hydro's electricity acquisition and conservation plans for Haida Gwaii
- Community vision “to be the first community in BC to fully meet electricity needs through demand side management and alternative energy sources”
- Objectives
 - Reduce dependence on diesel generation
 - Clean energy sources
 - Improve reliability
 - Allow for economic development and growth

Province-Wide / Integrated Grid

- Bioenergy Phase I and Phase II
- Standing Offer Program
- Clean Power Call

Non-Integrated Areas

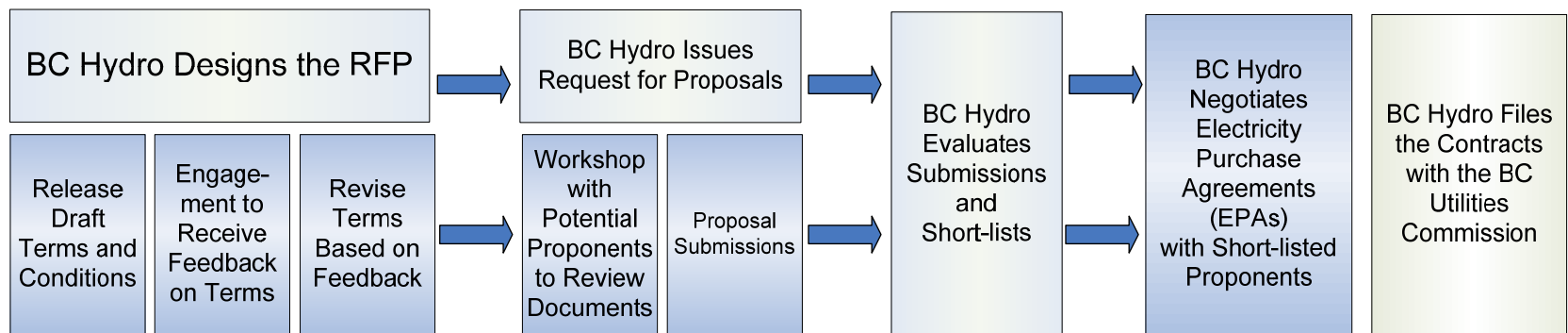
- Haida Gwaii/Queen Charlotte Islands draft RFP





Haida Gwaii/ Queen Charlotte Islands RFP

**Linda Sahota
Project Manager
Power Acquisitions**



We are here

Draft RFP

- **Meet communities' needs:** alignment with CEP objectives, values and preferences
- **Meet BC Hydro needs:** displace diesel generation with clean resources where cost effective
- **Open and Flexible:** able to accommodate a variety of potential solutions



- Competitive process
- Open to all clean resources
- Eligibility requirements
- 30 - 60 GWh/year long term opportunity
- Open to proven and developing technologies
- BC Hydro will consider a range of supply options
 - supply of non-firm energy,
 - supply of firm energy with associated non-firm energy, or
 - supply of capacity and associated firm energy

- BC Hydro will also consider alternate solutions
- BC Hydro may wish to acquire “residual rights” in respect of certain Projects
- Terms and EPA depend on solution brought forward

Registration:

- Proponents must be registered under this RFP not later than 30 days before the Proposal submission deadline.

Project Location:

- Projects must be located on Haida Gwaii/Queen Charlotte Islands, which for eligibility purposes includes adjacent tidal waters.

Generation Project Size:

- Projects must have an installed capacity larger than 50 kW.

Clean Energy:

- Project generation must be Clean Energy – the clean or renewable electricity guidelines published by the British Columbia Ministry of Energy, Mines and Petroleum Resources are available on the RFP Website.
- Note that nuclear-fuelled generation is ineligible.

New or Existing Generation:

- Project generating facilities may be new or existing,
- Capacity and/or generation projects currently under contract to BC Hydro is not eligible

Interconnection Study:

- A request for a Preliminary Interconnection Study must be filed with BC Hydro by the dates set out in the RFP Timetable.

Conformity of Interconnection Study and Proposal:

- Submitted Project must be consistent to the corresponding interconnection study conducted by BC Hydro.

Point of Interconnection:

- Projects must have a point of interconnection on the System.

Metering:

- Project output must be capable of being metered.

- BC Hydro expects to issue, before the Proposal submission deadline:
 - terms and conditions for EPAs and/or
 - other agreements, in the form of term sheets or in the form of Specimen EPAs.
- These documents will include terms and conditions of EPAs for each of:
 - non-firm energy supply,
 - firm and associated non-firm energy supply, and
 - capacity and associated firm energy supply.

- Current examples of BC Hydro's standard specimen EPAs for Clean Energy may be downloaded for review at the BC Hydro website
- Non-firm supply at www.bchydro.com/standingoffer
- Firm supply at www.bchydro.com/cleanpowercall

- The interconnection process consists of 4 key steps:
 1. Submit the generator interconnection application
 2. Preliminary interconnection study
 3. Impact design study
 4. implementation of connection
- Interconnection study costs are the responsibility of the proponent.
- System upgrade costs are the responsibility of BC Hydro.
- Proposal submissions are to comply with BC Hydro's technical interconnection requirements.
- Technical requirements and further details can be found in "BC Hydro 35kV and below Interconnection Requirements for Power Generators, February 2008" at www.bchydro.com.

- All awarded EPAs must be filed with BCUC pursuant to section 71 of the Utilities Commission Act
- BCUC will determine if EPAs are in the public interest
- Public interest considerations include:
 - Quantity, price and availability of energy being supplied
 - Comparison to alternate forms of energy
 - BC government's energy objectives
- BCUC may convene a public hearing
- EPAs are subject to BCUC Approval

- RFP Schedule 6 outlines submission eligibility requirements
- BC Hydro will evaluate proposal information for alignment with:
 1. Community objectives, values and preferences as expressed in the CEP
 2. BC Hydro's objectives, broadly encompassed by financial, environmental and social impacts
- Proposals risk attributes will also be assessed

- Provide written comments to BC Hydro by January 8, 2009 to:

By mail:

BC Hydro

10th Floor, 333 Dunsmuir Street

Vancouver, BC V6B 5R3

Attention: RFP Administrator (Haida Gwaii Power Call)

By email: power.acquisition@bchydro.com

By fax: (604)623-4335

- BC Hydro will review written comments submitted by Haida, other First Nations and stakeholders
- Next steps in this RFP will be announced in Spring 2009

Haida Gwaii/Queen Charlotte Islands

RFP Website

www.bchydro.com/hgqci

Or email us at:

power.acquisitions@bchydro.com