1.0 Reference: Response to BCUC IR 1.6.2: Hydro Quebec has a similar resource portfolio and has issued wind-only RFPs in 2003 and 2005 for 1000 MW and 2000 MW, respectively.

1.1.1 Given the leading role that Hydro Quebec is playing in the development of wind energy and in particular its growing expertise in wind hydro integration, what does BC Hydro see as the benefits and limitations in comparing future supply portfolios with other Canadian utilities with similar resource portfolios and long term goals?

RESPONSE:

BC Hydro reviews its plans in light of other utilities' planning processes and published material (i.e., more than just Canadian utilities) and meets with those utilities regularly, to understand resource planning trends and tools. With respect to Hydro-Quebec in particular, BC Hydro does not consider its mandate to be comparable and therefore considers any data informative but not necessarily relevant to B.C.

1.0 Reference: Response to BCUC IR 1.6.2: Hydro Quebec has a similar resource portfolio and has issued wind-only RFPs in 2003 and 2005 for 1000 MW and 2000 MW, respectively.

1.1.2 Would BC Hydro consider a wind-only CFT as a means to evaluate the potential for wind generation in BC?

RESPONSE:

While BC and Quebec may have similar resource portfolios, they have different policy approaches and frameworks related to wind development. In Quebec the government has directed Hydro Quebec to acquire certain volumes of wind energy. In B.C., the 2002 BC Energy Plan provides the policy framework under which BC Hydro acquires power. The 2002 Energy Plan provides for more opportunities for the private sector, purchases on a cost-effective basis, a 50 per cent voluntary BC Clean Electricity target and open competition among all resource types.

In designing the F2006 Call, BC Hydro sought input from potential wind developers that resulted in significant revisions to call provisions (e.g. caps on Liquidated Damages, relaxed delivery obligations, revised pricing for non-firm energy). As a result of these efforts approximately 600 MW of potential wind capacity from six different projects (not including alternate versions of these projects) was tendered in the F2006 Call.

For the forthcoming F2007 and F2009 calls BC Hydro is considering a range of options related to wind projects including allowing developers to opt for terms tailored to their resource, and will build on the experience gained from the F2006 Call.

2.0 Reference: Exhibit B-1A, 2006 IEP, p. 7-55 lines 10-12 "This additional capacity creates new opportunities for BC Clean Electricity and Green Energy intermittent resources by increasing BC Hydro's ability to shape the energy in the system."

1.2.1 Has BC Hydro modeled the expected increase in its ability to shape the energy in the system? If so, please provide the study.

RESPONSE:

BC Hydro has modeled the net system benefits of the addition of Revelstoke Unit 5 as described in Exhibit B-1A Appendix E pages 4-9. BC Hydro has not modeled the system benefit of additional units beyond Revelstoke Unit 5.

2.0 Reference: Exhibit B-1A, 2006 IEP, p. 7-55 lines 10-12 "This additional capacity creates new opportunities for BC Clean Electricity and Green Energy intermittent resources by increasing BC Hydro's ability to shape the energy in the system."

1.2.2 How does BC Hydro plan to optimize the use of the additional capacity? Please provide all analyses and studies that support the conclusion, including the criteria for comparison.

RESPONSE:

If new capacity projects are built, BC Hydro would incorporate the new projects into all system studies and optimize the use of its entire system in the same way that BC Hydro currently optimizes the system.

2.0 Reference: Exhibit B-1A, 2006 IEP, p. 7-55 lines 10-12 "This additional capacity creates new opportunities for BC Clean Electricity and Green Energy intermittent resources by increasing BC Hydro's ability to shape the energy in the system."

1.2.3 Has BC Hydro studied wind integration services such as the one developed by BPA (in which the base charge for storage and shaping service is $6.00/MWh) in determining the optimal cost and conditions for integrating wind power with hydro storage? Please provide analyses or studies carried out.

RESPONSE:

Please refer to the response to JIESC IR 1.12.1.

2.0 Reference: Exhibit B-1A, 2006 IEP, p. 7-55 lines 10-12 "This additional capacity creates new opportunities for BC Clean Electricity and Green Energy intermittent resources by increasing BC Hydro's ability to shape the energy in the system."

1.2.4 Reflecting the above, does BC Hydro plan to incorporate firming in future CFT's? Please explain.

RESPONSE:

BC Hydro incorporated firming provisions into the F2006 Call by providing evaluation credits for hourly firm energy (please refer to the response to BCUC IR 1.185.1).

For the F2007 call and future calls, BC Hydro plans to consult with stakeholders and potential bidders concerning firming approaches to be used in those calls.

2.0 Reference: Exhibit B-1A, 2006 IEP, p. 7-55 lines 10-12 "This additional capacity creates new opportunities for BC Clean Electricity and Green Energy intermittent resources by increasing BC Hydro's ability to shape the energy in the system."

1.2.5 Would BC Hydro consider a CFT for energy that does not distinguish between firm and non-firm sources?

RESPONSE:

In general, BC Hydro places higher intrinsic value on firm energy given the demand/supply situation associated with the integrated electricity system. However, in the future there may be times when BC Hydro solicits only energy (without distinguishing between firm and non-firm), particularly for smaller-sized projects as was done for the 2003 Green Power Generation call.