

<b>Vanport Sterilizers Inc.</b> Information Request No. <b>1.1.0</b> Dated: <b>April 5, 2007</b> British Columbia Hydro & Power Authority Response issued <b>May 18, 2007</b>	Page 1 of 1
British Columbia Hydro & Power Authority <b>Revelstoke Unit 5 CPCN Application</b>	<b>Exhibit:  B-3</b>

**1.0 Reference: Richard Tennant e-mail of April 5, 2007**

- 1.1.0 With respect to pumped storage and the upcoming 07 Call, what is your policy on allowing merchant or IPP to access to your reservoirs, or, to permit the operation of such plants on or near your reservoirs, or, to purchase their water or, to permit the sale of such water or power on the open market as long term, firm energy?

**RESPONSE:**

**BC Hydro is in the process of designing the 2007 Call. There will be two major opportunities for First Nations and stakeholder input into the 2007 Call design, including eligibility criteria:**

- **First, the 2007 Call (and other acquisition processes such as the call for Bioenergy) will be the subject of a stakeholder engagement process with First Nations, customer groups, independent power producers and other interested parties commencing in late May or early June 2007. Vanport Sterilizers Inc.'s interest in the 2007 Call has been noted and it will be notified of the upcoming 2007 Call stakeholder engagement sessions in due course.**
- **Second, once BC Hydro has considered comments resulting from the First Nation and stakeholder engagement process, it will issue draft 2007 Call terms and conditions and mandatory criteria in July 2007 which may be modified to take into account First Nation and stakeholder comments. The 2007 Call terms and conditions and mandatory criteria will then be re-issued in the fall of 2007 to form the basis of a BCUC-sponsored Negotiated Settlement Process.**

<b>Vanport Sterilizers Inc.</b> Information Request No. <b>1.2.0</b> Dated: <b>April 5, 2007</b> British Columbia Hydro & Power Authority Response issued <b>May 18, 2007</b>	Page 1 of 1
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## **2.0 Reference: Richard Tennant e-mail of April 5, 2007**

- 1.2.0 Given the CRD and senior governments are proposing to spend \$1.2 billion for conventional sewage treatment in Victoria, and, given that half of the proposes cost could otherwise be dedicated to upgrading storage and generation to receive treated effluent at the nearby hydro plant, then what is the rational for your argument that this is not an economical or technically viable alternative or that such an option could not be comparable to Revelstoke 5 as the most cost-effective capacity option?

### **RESPONSE:**

**BC Hydro interprets the proposed alterative suggested in the preamble of this IR to be similar to a pumped storage facility. BC Hydro has assessed pumped storage as an alternative to Revelstoke Unit 5 as described in Exhibit B-1, Section 4.3.2.3.**

**BC Hydro has initiated a high level technical review of the idea put forward by Mr. Tenant in this and previous BC Hydro regulatory proceedings. BC Hydro plans to include a pumped storage hydro project on the Jordan River in its next ROR.**