

## PURSUING EXPORT OPPORTUNITIES

The Clean Energy Act will give BC Hydro necessary tools to maximize British Columbia's clean energy potential to secure and create new jobs while ensuring that B.C. ratepayers and taxpayers receive the highest possible benefits from those resources, without risk or cost to B.C. ratepayers.

For decades, British Columbia has been a leading North American supplier of clean, reliable and competitively priced electricity. Traditionally, BC Hydro has provided for domestic electricity demand as well as short-term trade that has provided benefits such as lower electricity rates and hundreds of millions of dollars towards provincial revenue, which in turn help fund government programs such as health care and education

With many states and provinces seeking to reduce greenhouse gas emissions by replacing electricity generated by hydrocarbon-based fuel sources such as coal, British Columbia is uniquely positioned to offer clean, reliable power at competitive prices, which in turn can result in new investments and job creation in regions across the province.

B.C. has a growing renewable power production sector which has expertise in building and delivering clean power from wind, run-of-river, geothermal, solar, tidal and biomass projects.

The *Clean Energy Act* includes the export of electricity as an objective. It will provide the opportunity for BC Hydro, in addition to supplying domestic needs, to work in partnership with renewable power producers to actively seek opportunities to sell clean, reliable electricity to neighbours in Canada and the U.S.

### Partnership to Develop New Long-Term Opportunities for Clean Power

Under the *Clean Energy Act*, BC Hydro will be able to secure long-term export power sales to jurisdictions seeking clean energy. To achieve that, BC Hydro will work to secure economically viable export contracts and partner with renewable power producers to generate need to meet those contracts without risk or cost to B.C. ratepayers.

Under current policy, BC Hydro does not contract for long-term export power sales. Under the new *Clean Energy Act*, BC Hydro will be able to secure long-term export power agreements at market rates that make the

#### The Benefits of Trade

BC Hydro has traded energy with Alberta and the U.S. for decades.

B.C. and jurisdictions such as California have different seasonal peaks that allow their systems to complement one another. B.C.'s energy use peaks in the winter when temperatures are coldest; California's energy use peaks in the summer when temperatures are highest.

Under the *Clean Energy Act*, BC Hydro will be able to aggregate clean and renewable energy and offer customers outside B.C. the opportunity to secure long-term agreements for clean power at competitive prices.

best use of our available clean energy. BC Hydro will fill those contractual energy needs with clean power calls that produce new power from renewable power projects in regions across B.C.

To secure these opportunities, BC Hydro will partner with renewable power producers to market B.C. clean energy, and leverage the hydro system's unique "firming and shaping" capabilities.

Historically, BC Hydro has issued domestic calls for power to help meet domestic customers' demand and to reduce the dependency on imported power with the goal of achieving electricity self-sufficiency by 2016. In addition, BC Hydro has been able to optimize the hydro system and uses our system's flexibility to sell periodic surpluses when prices are high and buy when prices are low. This optimization generates revenue that helps keep domestic rates low.

Firming: Supplement the output of an intermittent resource (e.g., wind, run-of-river, solar) with a firm source of power (e.g., large hydro) to ensure total energy provided is sufficient to reliably meet customer demand.

Shaping: A service where the variability of output from intermittent supply resources (e.g., wind, run-of-river, solar) can be molded so that it meets the timing and volume needs of customer demand on the electricity system.

### **Benefits for First Nations and Resource Dependent Communities**

Resource-dependent communities will especially benefit from the pursuit of new export opportunities through new clean energy investments and job creation. These communities – hit hard by the effects of the mountain pine beetle and the economic downturn – can leverage their resources to produce low-carbon electricity, such as bioenergy. Other rural areas have resources such as wind, run-of-river and other clean resources, which can be developed to create jobs and benefits in every region of the province.

Several First Nations have participated in BC Hydro's calls for clean power. The new First Nations Clean Energy Business Fund will facilitate further First Nations participation in renewable power production.

### **Ensuring ratepayers are protected**

Under this new framework, ratepayers will not be subsidizing export power sales. In fact, the *Clean Energy Act* explicitly requires the B.C. Utilities Commission to ensure that any expenditure associated with exports is not included in domestic rates. The affordable rates that are one of the benefits of B.C.'s existing and future heritage assets will, by law, continue to flow exclusively to British Columbians.