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**BCUC Inquiry into British Columbia's Long-Term  
Transmission Infrastructure**

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**Consultation Report No. 2 to the BCUC**

**October 2009**

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## **1. Introduction**

This report is submitted to the British Columbia Utilities Commission (**BCUC**) pursuant to the direction provided by the BCUC reasons for decision attached as Appendix A to the BCUC Order No. G-108-09 (September 16, 2007). This is the second monthly report filed with the BCUC.

There have been few developments in First Nation consultations since the filing of the October 1, 2009 report.

## **2. Background**

### **2.1 Postponement of the Regional Workshops for the Parallel Consultation**

Due to the delay in the filing of the initial information of BC Hydro and the British Columbia Transmission Corporation (**BCTC**) with the Inquiry the Round 2 regional workshops have been postponed. The Round 2 regional workshops will be re-scheduled when the initial information of BC Hydro and BCTC has been filed.

## **3. Consultation Activities since October 1, 2009**

In a letter dated October 8, 2009 BC Hydro and BCTC notified all First Nations that the Round 2 regional workshops have been postponed (refer to Appendix A for the template of the letter). First Nations who had representatives registered for the Round 2 workshops were also notified by telephone and/or by email that the Round 2 regional workshops had been postponed.

With the exception of the October 8 2009 letter to all First Nations (refer to Appendix A) the consultation activities since October 1, 2009 have consisted of communications with individual First Nations. These communications have related primarily to the delay in the regional workshops and capacity funding.

### **3.1 Capacity Funding**

#### **3.1.1 *Travel Funding***

BC Hydro has notified First Nations that, in cases where they were unable to get a refund for travel costs to attend a previously scheduled Round 2 regional workshop session, BC Hydro will reimburse them for their travel costs.

#### **3.1.2 *Capacity Funding for Studies and Technical Reviews***

In the October 8, 2009 letter BC Hydro and BCTC notified First Nations that, given the delays in the filing of BC Hydro and BCTC's initial evidence, the original deadline for receiving proposals for study or technical review funding will be revised and First Nations will be advised of the new date as soon as possible. Some First Nations have requested more time between the filing of the initial evidence and the deadline for funding proposals, with a few suggesting that a month may be appropriate. The schedule for receiving proposals for capacity funding is currently under review.

## **4. Key Issues Raised by First Nations**

### **4.1 First Nations Energy and Mining Council (FNEMC)**

Based on the First Nations' input in Round 1, the FNEMC has suggested that the scenarios could be tested, adjusted and weighted against "filters" that may represent key First Nations interests. BCTC and BC Hydro are currently working with the FNEMC to discuss, among other things, how the filter-related information/data could be collected through the consultation process this fall and winter. More information on the filters proposed by the FNEMC can be found in the August 12, 2009 document with comments on BCTC's scenario development workshop (refer to Appendix B).

## **5. Consultation Planned for Round 2 Including a Response to First Nation Input from the First Round Consultation**

The consultation planned for Round 2 was described in section 5 of Consultation Report No. 1 to the BCUC dated October 1, 2009. Once the initial information of BC Hydro and BCTC has been filed, BC Hydro and BCTC will consider what changes to Round 2 are necessary, including the new schedule for regional workshops.

Suromitra Sanatani  
First Nation Consultation Project Manager  
Aboriginal Relations & Negotiations  
BC Hydro  
6911 Southpoint Drive  
Burnaby, BC V3N 4X8

October 8, 2009

Chief  
First Nation  
Mailing Address  
Sent by facsimile to:

**IMPORTANT NOTICE**

Dear Chief:

**RE: Consultation on BC Hydro and BC Transmission Corporation's Long-Term Electricity Transmission Inquiry Evidence and Information**

We regret to inform you that due to unavoidable delays in the filing of BC Transmission Corporation and BC Hydro's initial evidence, we are postponing our second round of workshops previously scheduled for October and November. These workshops will be rescheduled when the initial evidence has been filed.

We appreciate that you may have already set the day aside and made travel arrangements to attend a workshop. BC Hydro will reimburse you for your travel arrangements where you are unable to get a refund. Please fill out the attached travel expense claim form and provide us with receipts for airfare and hotel cancellation fees.

The original deadline set for proposals for capacity funding for technical reviews and studies is October 15, 2009. Given the delays in the filing of BC Transmission Corporation and BC Hydro's initial evidence, we will be revising this date and will advise as soon as possible.

If you have any questions, please do not hesitate to contact us by email at [Transmission.Inquiry@BCHydro.com](mailto:Transmission.Inquiry@BCHydro.com) or by phone at 1-877-461-0161, extension 3.



We continue to look forward to the opportunity of working with you on long-term transmission planning in the near future. Thank you for your patience in this matter.

Sincerely,

*S. Sanatani*

Suromitra Sanatani  
First Nation Consultation Project Manager  
Aboriginal Relations and Negotiations

Attachment

cc: Sheila Reynolds, Manager, Aboriginal & Corporate Relations, BC Hydro  
Claire Marshall, Manager, Aboriginal Relations, BC Transmission Corporation



OFFICIAL  
SUPPORTER

**Consultation on BC Hydro & BC Transmission Corporation's Long-Term  
Electricity Transmission Inquiry Evidence and Information –  
Participant Funding Travel Cancellation Expense Claim Form**

**Date/Location of Cancelled  
Consultation Workshop:** \_\_\_\_\_

**Name of Designated Representative:** \_\_\_\_\_

**First Nation/Tribal Council:** \_\_\_\_\_

<b>Date</b>	<b>Detail of Expenses</b>	<b>Amount</b>
	Flight Cancellation Fee	
	Hotel Cancellation Fee	
	<b>Total:</b>	

I hereby certify that all expenses claimed were incurred in preparation to attend a BC Hydro/BC Transmission Corporation workshop related to the British Columbia Utilities Commission's Long-Term Electricity Transmission Inquiry.

\_\_\_\_\_  
Signature of Claimant

\_\_\_\_\_  
Date

Reimbursement cheques for Travel Cancellation Expenses will be issued to the applicable First Nation, Tribal Council or First Nation Organization. Please attach receipts.

Please return this completed to:

**Rhea Halfnight LeFlufy  
Aboriginal Relations and Negotiations  
BC Hydro  
6911 Southpoint Drive – 16<sup>th</sup> Floor  
Burnaby, BC V3N AX8**

August 12, 2009

## **BCUC INQUIRY INTO BC'S LONG TERM TRANSMISSION INFRASTRUCTURE BC FIRST NATIONS ENERGY & MINING COUNCIL INTERVENTION**

### **Comments on BCTC Scenario Development Workshop**

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#### **Overview:**

The BC First Nations Energy and Mining Council (BCFNEMC) attended the Scenario Workshop hosted by BCTC on August 5, 2009. BCFNEMC appreciates BCTC developing and hosting the workshop. In general, BCFNEMC found the workshop to be a useful and instructive overview of the scenario development process envisioned by BCTC. Based on our review of the material provided at the workshop, we have several comments. A number of our comments may be relevant for all participants while some address concerns specific to First Nations interests.

In addition to the comments, we are providing a preliminary discussion of the BCFNEMC's analytical approach to the identification and development of future scenarios. While we expect that the analytical approach to the material will evolve throughout the Inquiry process, we are providing this discussion at this time so that the utilities may begin to address this information as part of their September filing. It is understood that some of the analyses described in this submission may require a qualitative approach, while others will lend themselves more easily to quantitative assessments. The BCFNEMC believe that it will assist their intervention if the utilities can provide preliminary comments and information related to these topics as part of the September filing.

#### **Comments on Initial Scenario Development**

Following the presentations at the workshop on August 5, 2009, and our subsequent review of the material, we offer the following comments on the initial scenario developments presented by BCTC:

1. **Policy Decisions vs. Credible Future Conditions:** As noted by certain presenters at the workshop, the initial scenarios seem to mix or confuse broad potential future conditions (e.g. high economic growth or low economic growth) with specific policy directions that could be undertaken (e.g. aggressive GHG targets or a non-wires approach to future energy development). The major potential source of confusion here, in our view, is mixing the effects of decisions that can be made by governments or other entities (such as aggressive GHG targets or a decentralized approach to future generation developments such that transmission requirements are minimized) with potential future characteristics that there is less ability for governments or other entities to influence directly. In our view the policy decisions more readily lend themselves to the development of specific scenarios, while the other potential future characteristics may more appropriately be treated as sensitivities to be explored within each scenario.
2. **Heavy External Policy Focus:** At present, the scenarios seem to place heavy emphasis on external policies (i.e. external to British Columbia), while not clearly addressing specific policy directions from the BC government as expressed in 2007 Energy Plan. While we appreciate the

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distinction drawn by Dr. Orans between policy directions and legislation, in our view each of the proposed scenarios appears to be planning for a somewhat different future than envisioned by the 2007 Energy Plan. While it seems reasonable to consider how energy planning may be influenced by different policy choices, it seems prudent to include a scenario more fully reflecting implementation of the 2007 Energy Plan.

3. **Heavy Emphasis on Inter-jurisdictional Trade Development and Expansion:** All of the proposed scenarios seem to place considerable emphasis on future export development and expansion. In our view undue focus on export considerations will proportionately reduce focus on internal considerations. As noted in Attachment A to the Commission's Order G-86-09, the Commission must consider "...potential future market opportunities to export clean or renewable or low-carbon electricity to other jurisdictions that is surplus to the requirements of load-serving utilities in British Columbia". The Terms of Reference seem focused, at least initially, on inter-jurisdictional trade based on resources that are surplus to the requirements of British Columbia. The scenarios outlined at the August 5<sup>th</sup> workshop seemed more focused on a regional (Canada and US) approach to supplying the lowest cost resources to the region given policy considerations that are external to British Columbia. We are concerned that this approach seems to be pre-empting the debate around the question of "should we export more"?

Obtaining First Nations support for use of lands and water to satisfy domestic energy needs is one thing; obtaining support for the use of lands and water to increase export business may be quite another. In our view this requires clarification. There may be options to define scenarios that focus on the demand and energy implications of a high export objective scenario and a low export objective scenario, while still respecting the 2007 Energy Plan objectives related to electricity self-sufficiency, including insurance.

Finally, we note a concern that the scenarios at present do not appear to give explicit recognition or reference to incorporation of First Nations concerns or interests. The BCFNEMC approach to ensuring First Nations interests are recognized and incorporated across all scenarios is discussed further below.

### **Incorporation of First Nations Interests into Scenario Development**

It should be recognized by the utilities and the Commission that First Nations interests are a reality that must be addressed in all potential future energy developments. The implications for First Nations interests should be understood for all scenarios. The BCFNEMC is interested in understanding and evaluating each scenario from the perspective of First Nations interests. Therefore the BCFNEMC believes the best analytical approach is one based on developing different First Nations filters that can be applied to each scenario. The filters are intended to be used as a lens through which the implications for First Nations interests of each scenario can be evaluated.

In developing an initial list of First Nations filters, the BCFNEMC has relied upon the BC First Nations Energy Action Plan, input from First Nations representatives attending BCH/BCTC regional meetings, and internal analysis. The BC First Nations Energy Action Plan was developed through a First Nations Energy Summit held in 2007 and attended by over 200 people including Chiefs and other First Nation delegates, government, industry, labour and NGO representatives.

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The BCFNEMC propose that all scenarios should be able to be tested, adjusted, and weighed against filters that represent key First Nations interests. It is acknowledged that some of these filters may require a qualitative assessment, while others will more readily lend themselves to quantitative assessments. The BCFNEMC has identified the following initial filters to represent key First Nations interests:

1. **Recognition and integration with First Nations legal and treaty rights and title:** A key principle for First Nations in energy development is respect, recognition and accommodation. This includes addressing cumulative impacts of development. The identification of potential conflicts with First Nations interests will be a key determinant of future success or failure of energy development scenarios.
  
2. **Recognition of First Nations land use initiatives, including sensitivity and accommodation of areas designated as "inappropriate for development" by First Nations:** First Nations consider development of and respect for ecosystem stewardship planning initiatives as pre-requisites to all stages of energy developments. As previously noted, in our view the scope of areas "inappropriate for development" should be broadened to include lands under active negotiation or interim protection. Identifying potential conflicts with First Nations interests will be a key determinant of the ability to develop future energy initiatives.
  
3. **Consistency with the goals of sustainability, maintaining healthy ecosystems and emphasis on renewable and green power:** First Nations view themselves as caretakers of the land and resources with a responsibility to be stewards of their territories. The BCFNEMC will be interested in understanding the degree to which different scenarios facilitate or obstruct the achievement of these objectives. For example, understanding the geographic location and extent of potential energy developments for each scenario will be of interest. It may also be feasible to evaluate scenarios based on the likely amount and timing of habitat disturbance.
  
4. **Opportunity for First Nations economic participation:** First Nations must share in economic benefits from energy development in all its stages. The BCFNEMC will be interested in understanding and assessing the degree to which different scenarios and policy choices can facilitate or enhance First Nations economic participation in energy development, including equity participation, revenue sharing, employment and business opportunities.
  
5. **Consistency with First Nations community and regional development needs or priorities:** First Nations are concerned with ensuring that capacity and opportunities exist for all First Nations communities. The BCFNEMC will be interested in evaluating each scenario from this perspective, including issues related to the extension of energy services into underserved regions and communities.

The BCFNEMC will be interested in analysis of the scenarios relative to these filters. The BCFNEMC would be assisted in these analyses by having the utilities provide their initial perspectives on each scenario with respect to these filters, including any data in support of those perspectives, as part of the September

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filing. As much as possible, having information available in a format and location (for example a web-based data base) that is accessible to intervenors will be of assistance. It is expected that details with respect to protocols for file formats and addressing any proprietary or commercially sensitive material can be worked out through subsequent discussions with the utilities, First Nations and other inquiry participants.

The BCFNEMC reiterates that this proposed approach is preliminary and will evolve throughout the Section 5 Transmission Inquiry process, including further discussions with First Nations throughout the Province. The BCFNEMC is also willing to work with BCTC/BCH to explore how these filters and concepts can be integrated into the utility's filings and planning. We believe working together with the utilities will add value to the BCUC process.

Finally, the BCFNEMC notes again a need for a collaborative approach to land-use planning, and a corresponding need for capacity within First Nations to allow full participation. We also note that we and others have raised issues related to past infringements of development. While we acknowledge that these may be beyond the scope of scenario development, these issues are relevant for the current Inquiry process, including addressing any determinations that may be made by the Commission. Without attention to these topics, First Nations land-use issues will put at risk any scenarios or developments that might be developed or approved by utilities, the Commission or government.