



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

Fort St John Workshop # 1 – July 8, 2009

Quality Inn Northern Grand,
Fort St. John, B.C.

Attendees	
Fort Nelson First Nation	Treaty 8 Tribal Association
Klusklus First Nation	BC First Nations Energy & Mining Council (FNEMC)

BC Hydro/BC Transmission Corporation Representatives

Name	Organization	Responsibility
Suromitra Sanatani	BC Hydro, First Nation Consultation Project Manager Long-Term Electricity Transmission Inquiry	Project Manager, First Nation Consultation Long-Term Electricity Transmission Inquiry
Vesta Filipchuk	BC Hydro, Senior Aboriginal Relations Coordinator	Coordinator/Records
Jane Newlands	BC Transmission Corporation	Presenter
Cam Matheson	BC Hydro, Energy Planning	Presenter

Neutral Facilitator

Name	Organization	Responsibility
Dan George	Four Directions Management Services	Neutral Facilitator



Welcome and Introductory Remarks

Dan George

Dan George opened the session by acknowledging the meeting was being held in the traditional territory of the participating First Nations. Participants were welcomed to the first session of the Long-Term Electricity Transmission Inquiry - First Nation Consultation, which will involve three rounds of workshops. The participants held a moment of silence and then introduced themselves and their organizations.

Dan George reviewed the agenda and explained that his role is to keep discussions on topic and make sure input is recorded accurately. He asked the participants to: listen generously to one another; build on the ideas of others and ensure that we challenge ideas and not people; and look for solutions. He encouraged the participants to provide their views as the process is only as strong as the input they provide.

Comments and Discussion

All

Consultation & Accommodation

Participants indicated that the workshop is not a consultation process but an information sharing session. They are participating at this point in order to learn about the long-term plans and to take information back to their respective Chiefs, Councils and community members so that they can provide input later. Participants stressed that in order for consultation to be meaningful, it must occur at the community level and should consider and make accommodation for impacts on First Nations' rights and title.

Participants noted that it is important to consult at a community level and to provide a variety of ways and venues for First Nations to bring forward information after discussions within their communities (i.e. community meetings), which would be an ideal opportunity for direct participation by members. One participant indicated that their First Nation was in the process of developing its own consultation policy, which might be helpful in providing some guidance on the needs and methods for consultation. They were also developing a traditional land use study, which should be considered in the process.

A participant expressed concern about the significant exploration and industrial activity in the north and the need to ensure consultation is adequate and appropriate.

Inquiry Process

A question was raised about whether a legal opinion on the duty to consult has or will be undertaken. The First Nations Energy and Mining Council (FNEMC) representative indicated there are discussions going on about whether the BC Utilities Commission (Commission) has the



responsibility to consult or whether it is the body that determines the adequacy of consultation. Participants were told that this may be clarified at the Commission's July 24th, 2009 Procedural Conference.

Participants also asked about the roles of BC Hydro and BC Transmission Corporation, including their duty to consult. Participants were told BC Transmission Corporation and BC Hydro operate under a Master Agreement which governs their relationship and their roles with respect to First Nations.

Participants were also informed that this Inquiry process is different from a consultation about a specific project. The Inquiry is the first time that discussions about long-term (30 year) transmission planning is occurring and as such, there is a lot to learn about how to work together. Ultimately, the information gathered will be used by the Commission to make recommendations to government on the need for and possible future approach to long-term electricity transmission planning.

Northeast Transmission/Supply to Fort Nelson

A participant raised the issue of oil and gas development in the northeast and the need for power. BC Hydro indicated that they are tracking demand in the area and are exploring three options – supply from Alberta, local generation (upgrade and expansion of existing Fort Nelson generating station) or expansion of BC Hydro's transmission system.

Participants encouraged BC Hydro and BC Transmission Corporation to visit the community. It was stressed there is a lot of exploration and industrial activity in the area including IPP and gas developments. As a result, there is significant potential for impacts on First Nations interests and consultation is required.

Remote Community Electrification

A participant noted that they are not connected to the grid and are dependant on diesel. They would like to change their power supply source and are interested in remote community electrification opportunities.

Alternative Energy

Participants expressed interest in alternative energy sources and in the future development of biomass, geothermal, ocean/tidal, nuclear and carbon sequestration.

Discussions around these alternatives included:

- **Biomass:** Questions were raised about the use of the fibre from mountain pine beetle infested trees and the "shelf life" of this material (i.e., there may be a 10-year window to use the fibre) and the lifespan of biomass projects due to long-term fibre supply. In the Fort Nelson area, there is concern about the use of fibre in their territory in

*Meeting notes are intended to capture main themes of the conversation.
They are not intended to be a verbatim transcript of the proceedings.*



particular because the mill has closed and this material might go to waste. BC Hydro indicated that they are currently in phase two of their biomass energy call.

- **Geothermal:** Participants expressed interest in the availability of geothermal power and asked why there are not more of these types of facilities. BC Hydro informed participants that there is a geothermal project near Pemberton, but the investigative drilling and the setting up of the infrastructure for a facility is very costly. As a result, the cost of energy is currently too high for geo-thermal to be competitive in BC Hydro's call process.
- **Ocean/Tidal:** Participants discussed whether or not tidal power is considered to be intermittent. Participants asked why tidal power is not being developed. BC Hydro indicated that given that the technology is still under development, it was currently not economical. Participants were informed that the First Nations Energy and Mining Council (FNEMC) has a joint venture agreement with MacDonald Dettwiler to undertake research on the development of B.C. tidal energy.
- **Nuclear:** Participants asked why B.C. is not considering at nuclear energy. Participants were advised that public policy prohibits the inclusion of nuclear energy in B.C.'s supply portfolio.

Imports/Exports & Regulation of Energy

Participants were interested in understanding imports and exports, the role of the National Energy Board (NEB) in regulating imports and exports, NEB import and export statistics, why they differ from BC Hydro's numbers, the import and export balance, and the Columbia River Treaty and its obligations.

- **Imports and Exports:** Participants were informed that in B.C., 90% of energy is hydroelectric. BC Hydro buys and sells electricity daily to optimize the use of the hydroelectric system. This enables Powerex, BC Hydro's trading partner, to purchase when prices are low and sell when prices are high. The amount of electricity imported and exported in any one year depends on B.C.'s water supply. BC Hydro may need to import more during a low water year and export more in a high water year.

B.C. is interconnected to the Western grid. Electrons do not follow political boundaries and transmission systems have been built to serve domestic needs. Interconnection to the Western grid is needed for system support and security.

Current project development is not focused on export but on how best to meet domestic energy needs and the Province's goal of self-sufficiency by 2016. However,



part of what will be reviewed during this Inquiry is the potential for export and what that will mean in terms of infrastructure requirements including transmission lines.

- **National Energy Board (NEB):** NEB approval is required when a facility is built (i.e. transmission lines, underwater cable, pipeline etc.) that crosses a provincial and/or international border. Powerex is responsible for energy exports in B.C. The NEB reports on all exports such as those made by Fortis. BC Hydro's numbers differ from the NEB because BC Hydro only captures its own exports.

Benefits to First Nations

Participants asked if BC Hydro has policies in place to ensure First Nations are involved, in a substantive way, in the energy business. Reference was made to the Premier's commitment that First Nations will play a substantive role in the new green economy. In light of this, participants wondered where there might be opportunities for more joint ventures and other long-term sustainable economic activities.

In terms of power acquisition, participants noted that BC Hydro should implement a preferred purchase policy from Independent Power Producers (IPPs) that have First Nations ownership and or partnerships. There was also a question about how BC Hydro assesses the adequacy of First Nations consultation when they purchase from IPPs. Participants were told that BC Hydro has a set of criteria they use to screen IPPs. First Nation consultation is included in that criteria.

A participant was interested in whether there have been any joint ventures between First Nations and BC Hydro. An oil and gas industry agreement was cited as an example of a possible model. It was noted that BC Hydro has not built any major facilities for many years and that there has not been significant transmission added to the system for over 20 years. Participants indicated that they are interested in opportunities joint ventures and that that should be explored as new transmission lines are built. Atlin was cited as a good example of how First Nations were involved in the energy business. This program was sponsored by EcoTrust and the federal and provincial governments' Alternative Energy programs.

Power Smart

A question was asked about whether BC Hydro has a specific Power Smart program for First Nations communities. Participants were informed that there is a program to encourage energy conservation and efficiency, and these programs are being offered to First Nation communities.

Environment and Social/Cultural

Participants raised a number of environmental and social/cultural concerns.

- **Shale-Bed Gas Development:** Participants said that there had been a lack of consultation with First Nations on shale gas development in the north, and there is a



concern about the long-term environmental and cultural impacts and cumulative effects of this development.

- **Transmission Lines:** Participants stated that transmission line rights-of-way allow for the introduction of invasive plant species which impact traditional use activities. Participants are concerned about transmission corridors through parks and protected areas.
- **Archaeological Areas:** There is concern about the effects of development on archaeological areas (e.g., Site C preparatory work).

Cultural and Sacred Sites: Participants noted that they would like BC Hydro and BC Transmission Corporation to make a commitment to avoid impacts on First Nations cultural sites and sensitive areas.

Energy Supply & Planning

Participants noted their interest in understanding the geographical distribution of energy supply in the province. It was explained that the vast majority of demand for electricity is in the Lower Mainland and on Vancouver Island. To supply these areas, the history has been to have long transmission corridors that enable delivery of electricity from distant generation, primarily from the Peace River and the Columbia River basin regions. These corridors are challenging to maintain because of their remoteness.

BC Hydro noted that they submit a Long-Term Acquisition Plan (LTAP) to the Commission every two years. This document presents the supply and demand forecasts and reviews the resource options that are available. Supply demand and resource options are being considered as part of the Inquiry. The Inquiry is not looking at how to meet the Province's Energy Plan's self-sufficiency by 2016 requirement; this is done in BC Hydro's LTAP.

Site C Development

Participants asked who makes the decision on whether or not to develop Site C. It was explained that Site C is being investigated and that the Province has reserved the right to make a decision on Site C.

Independent Power Producers & Economic Opportunities

A participant noted that the Premier says he wants First Nations to be involved in the economy, but it is not clear how this will be done with BC Hydro. It is difficult for First Nations to enter the market because the same people seem to be accessing the economic opportunities. BC Hydro informed participants that the calls for power will be open and that proponents need to build First Nation consultation into their bids. First Nation involvement is one of the criteria projects are assessed on.



A question was also asked about whether there is a requirement for IPPs to have Impact Benefit Agreements. Concerns were also expressed about the way the environmental assessment process occurs because it does not require the level of First Nation involvement and compensation that First Nations believe is appropriate. As a result, First Nations want the Province to implement policies that are designed to encourage First Nation partnerships in order to create economic opportunities for First Nations.

Additional Information Needs

Dan George

The facilitator asked participants what additional information they need to be involved in this process. The information needs they identified were:

- Understanding of how BC Utilities Commission will ensure consultation is carried out.
- Information on the long-term energy potential in the Fort Nelson area.
- Development of a strategy for invasive plants and ecosystems.
- More information about BC Hydro/BCTC long-term plans including the LTAP and Capital Plan.
- Understanding around the roles and responsibilities of BC Hydro and BCTC.
- More information about what submissions to the Commission might look like.
- Access to shape files to input to Treaty 8 GIS data.
- Government-to-government discussions.
- Input into study design - not just an opportunity to review the results.

Summary and Wrap-up

Dan George/Suromitra Sanatani

The Facilitator reviewed his notes and confirmed they would be incorporated into the meeting notes. He thanked participants for attending the workshop and asked them to fill in the workbook and feedback forms.

Suromitra Sanatani also thanked participants for coming to the workshop and welcomed them to contact her if they had any questions about the consultation process. She indicated that



meeting notes would be posted on a website and that a letter will be sent to participants notifying them when the notes are posted.