

British Columbia Utilities Commission Information Request No. 1.15.1 Dated: April 13, 2005 British Columbia Hydro & Power Authority Response issued April 29, 2005	Page 1
British Columbia Hydro & Power Authority 2005 Resource Expenditure and Acquisition Plan ("REAP")	

15.0 Reference: 2005 REAP, p. 2-31

The 2005 REAP states on page 2-31 that "BC Hydro will update cost estimates for repowering." and that "BC Hydro has completed an economic analysis of Burrard. BC Hydro is managing O&M and capital expenditures at Burrard to support the plant being able to provide capacity to 2014."

1.15.1 Please provide the summary of economic analysis referenced above.

RESPONSE:

The economic analysis that BC Hydro completed was in the context of determining the value of the existing Burrard plant. Based on the forecast for gas and electricity prices, the analysis concluded that the existing Burrard is valuable in providing voltage support and capacity. Shutting down Burrard would incur a site restoration cost estimated to be \$50 million and any decision on shutdown would need to consider the minimum 5 year lead time to replace Burrard's capacity and voltage support. A high level review of site value for repowering was conducted and it was concluded that any assessment for a significant change of Burrard is best conducted within an integrated planning process in order for stakeholder input to be included.

As a result of the economic analysis, the decision has been made to maintain Burrard for three units on standby to provide capacity and three units on recall. However, because of uncertainty in the level of expenditures required to maintain that capability in the long term, it was decided to choose ten years (or F2014) as a reasonable period in which to base spending decisions at Burrard. This assumption will be reviewed annually as new operational and planning information becomes available.