

Results

- Competition saved \$50 - \$110 M compared to BCH's VIGP option (assuming gas @ \$5/GJ CDN and expected in-service date)
- For Tier 1 (reliable, date certain supply)
 - premium of \$7 M over Tier 2
 - premium of \$90 M over “no CFT” but 140 MW of Temp Gen
- At \$7/GJ CDN gas price and expected in-service:
 - premium of \$26 M over Tier 2
 - premium of \$78 M over “no CFT” but 140 MW of Temp Gen
- However, if 1 year delay:
 - premium of \$22 M over Tier 2
 - premium of \$47 M over “no CFT”

Key Observations

- Compared to March analysis; directionally consistent
 - However, differential between Tier 2 and Tier 1 has collapsed
- Pay a premium for reliable date certain supply of between \$7 M and \$26 Million, in best case cable timing, depending on gas forecast
 - Tier 2 and no CFT are less reliable
 - Under Tier 2: [REDACTED] evaluated as moderate TX risk
 - No CFT and delay in cables under Tier 2 assume significant volumes of Temp Gen with risks of permitting and cost escalation
- Other considerations [REDACTED]
[REDACTED]

Approach to Analysis

- Without CFT, system requires energy and capacity in 2010 or earlier
- So comparison involves advancing supply on VI relative to mainland with similar capacity and energy balances
- For high gas price scenarios - assumption is limited dispatch of CCGT and replacement with market proxy resource at EIA price