

Sea Breeze Pacific Regional Transmission System Inc. Information Request No. 1.1.0 Dated: 08 December 2004 BC Hydro Response issued 21 December 2004	Page 1
British Columbia Hydro and Power Authority Call for Tenders for Capacity on Vancouver Island Review of Electricity Purchase Agreement	

1.0 Reference: None

- 1.1.0 Given that BC Legislation requires BC Hydro to acquire energy from new resources at least cost, what information is provided in the application released to the interveners that allows them, BCUC or the public to make this determination?

RESPONSE:

BC Hydro's Report on the CFT Process contains information outlining the Quantitative Evaluation Methodology (QEM), which was used to determine which portfolio was the most cost effective, that being the one with the lowest Net Portfolio Cost on an NPV basis. As per the design parameters of the CFT, all eligible resources had to meet the size thresholds (25 to 300 MW) and constitute new, dependable capacity in the form of on-Island generation utilizing proven technology.