

Integrated Resource Plan

Chapter 7

Consultation

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1 This chapter provides a description of the consultations carried out by BC Hydro with
2 respect to the development of the Integrated Resource Plan (**IRP**) up to the date of
3 submission of the IRP on August 2, 2013.

4 **7.1 Overview of IRP Consultation**

5 Consultation on the IRP occurred in three broad phases. These phases, described
6 below, include: Foundations for Integrated Resource Planning, Input into the
7 Development of the IRP; and Feedback on the May 2012 Draft IRP.

8 *Foundations for Integrated Resource Planning – Gathering Key Technical Inputs*

9 In the initial phase of developing the IRP, BC Hydro focused on gathering key
10 technical inputs to the planning process and updating its inventory of potential
11 energy sources. BC Hydro engaged technical experts in seeking information on its
12 resource options data. BC Hydro also sought input from stakeholders and First
13 Nations on the design of the consultation process. During this phase, BC Hydro
14 established a Technical Advisory Committee (**TAC**) to provide detailed technical
15 input and to assist BC Hydro in creating a thorough and well-considered IRP.

16 Section [7.2](#) provides a high level description and summary of the outcomes of this
17 phase.

18 *Input into the Development of the IRP*

19 In March and April 2011, BC Hydro gathered First Nations, public and stakeholder
20 input into the development of the IRP prior to the development of a first draft plan.
21 This involved input on five key planning topics: potential future demand-side
22 management (**DSM**) options (i.e., conservation and efficiency options), electricity
23 generation options (including Site C), electrification, planning transmission and
24 export market potential. Two additional topics were covered with First Nations:
25 consultation process and opportunities for First Nations and rural communities'
26 involvement in clean energy development. Section [7.3](#) provides a high-level

1 summary of the outcomes from this phase of consultation and technical
2 engagement.

3 *Feedback on the May 2012 Draft IRP*

4 Subsequent to consultation in spring 2011, the B.C. Government amended the date
5 by which the IRP was to be submitted from December 2011 to December 2012 to
6 allow adequate time to consider amendments to the self-sufficiency policy, which in
7 turn informs the IRP. With new direction on self-sufficiency released on
8 February 3, 2012, in the form of amendments to the Electricity Self-Sufficiency
9 Regulation, BC Hydro completed its analysis, considered consultation input into the
10 development of the draft plan, and prepared a draft IRP. During the consultation
11 phase from May 28 to August 13, 2012, BC Hydro sought feedback on the draft IRP
12 from First Nations, public and stakeholders and TAC members. Section [7.4](#) provides
13 a high level summary of the outcomes from this phase of consultation.

14 In November 2012, the BC Government announced its intention to extend the IRP
15 submission deadline from December 2, 2012 to August 3, 2013, to allow more time
16 to assess and determine the future electricity requirements of the liquefied natural
17 gas (**LNG**) industry.

18 BC Hydro has since updated its Load-Resource Balance (**LRB**) based on the
19 December 2012 Load Forecast, and additional information regarding expected
20 electricity from existing resources and the future requirements of the LNG industry.
21 The updated outlook adjusts the need for new resources, which has resulted in
22 BC Hydro altering some IRP recommended actions.

23 [Table 7-1](#) lists the consultation documents that were created during the development
24 of the IRP. These documents describe the consultation processes and outcomes
25 summarized in this chapter and are found in the IRP Appendices, as well as the
26 BC Hydro website at www.bchydro.com/irp.

1

Table 7-1 List of IRP Consultation Documents

IRP Consultation Documents	Appendix
Terms of Reference	
Public and Stakeholder Terms of Reference (updated May 1, 2012)	Appendix 7A
Technical Advisory Committee – Terms of Reference (updated February 29, 2012)	Appendix 7B
Fall 2010	
2010 Resource Options Update Consultation Report (February 2011)	Appendix 3A-2
Spring 2011	
IRP Public and Stakeholder Consultation: Summary Report (Input Received March 1 to April 30, 2011) (May 2011)	Appendix 7C-1
• Appendices (May 2011)	Appendix 7C-2
IRP First Nations Consultation: Interim Report (May 25, 2011)	Appendix 7D
IRP Technical Advisory Committee Consultation: Submissions (Submissions Received on Consultation Topics, May 2011)	Appendix 7E
Spring/Summer 2012	
IRP Public and Stakeholder Consultation: Summary Report (Input Received May 28 to July 6, 2012) (August 2012)	Appendix 7F
IRP First Nations Consultation Report (September 26, 2012)	Appendix 7G
IRP Technical Advisory Committee Consultation: Submissions (Submissions Received on Consultation Topics, August 2012) (August 2012)	Appendix 7H

2

7.2 Consultation Process Design and Description

3

BC Hydro’s IRP consultation had three streams: a First Nations consultation stream, a public and stakeholder stream, and a technical stream. The consultation process designed for each stream is described in this section. [Figure 7-1](#) illustrates the consultation process and streams in relation to the timing and phases of plan development.

4

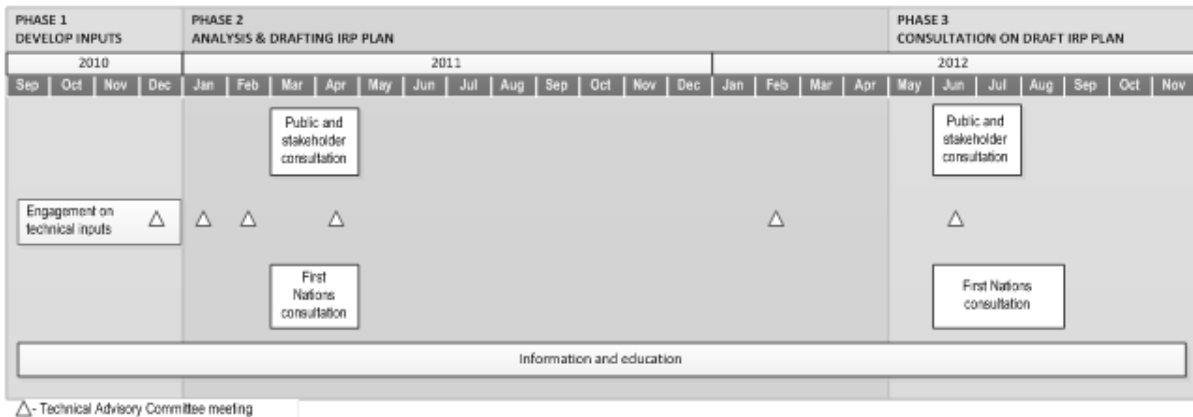
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Figure 7-1 Consultation Process Diagram



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7.2.1 Public and Stakeholder Consultation Process Design and Description

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As an input to the design of the public and stakeholder consultation process, BC Hydro held eight meetings with representatives from 19 different associations and groups to seek input into the process design. Specifically, these meetings helped to:

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7

8

- Provide stakeholders with some initial ideas of how BC Hydro may engage them on the IRP

9

10

- Understand from stakeholders what they would like to be consulted on and how they would most like to be consulted going forward

11

12

- Ensure that the consultation process for the IRP would meet stakeholder expectations and needs

13

14

Key themes from the discussions were:

15

- **Transparency:** Stakeholders asked that the process for developing the IRP be transparent and documentation be made publicly available

16

17

- **Environmental Footprint:** Some stakeholders expressed interest in having cumulative effects and regional land use planning addressed in the IRP

18

-
- 1 • **Export Strategy:** Stakeholders were interested in how BC Hydro would
2 develop an export strategy
 - 3 • **Transmission:** Some stakeholders expressed an interest in how transmission
4 could support exports
 - 5 • **Technical Advisory Committee:** Stakeholder support was expressed for the
6 creation of a technical committee to discuss the IRP at a detailed, technical
7 level
 - 8 • **Electrification:** Stakeholders were interested in how electrification would be
9 addressed in the IRP
 - 10 • **Demand-Side Management:** Stakeholders were interested in DSM options
11 and scenario analysis
 - 12 • **Rates:** A request was made that the long-term rate forecast be available for
13 review

14 To assist BC Hydro with the public and stakeholder consultation process, BC Hydro
15 asked Kirk and Co. Consulting Ltd. (**Kirk & Co**) to design, facilitate and report on the
16 public and stakeholder consultation process.

17 Following the initial meetings with representatives from stakeholder groups,
18 BC Hydro sought input on the proposed public and stakeholder consultation process
19 and associated topics through a feedback form. The form was emailed to over
20 230 individuals across the Province and 28 responses were received. Key themes
21 from the consultation feedback forms included:

- 22 • **Consultation Topics:** Participants showed a strong interest in all five proposed
23 IRP topics (conservation and efficiency, electricity generation options,
24 electrification, transmission planning and export market potential), with
25 electricity generation options receiving the most interest

-
- 1 • **IRP Updates:** Stakeholders wanted to receive updates on the IRP consultation
2 process through either email or the website
 - 3 • **Consultation Methods:** Stakeholders supported a number of methods of
4 consultation, including online ways to provide feedback, face-to-face
5 stakeholder meetings and public open houses. Several participants expressed
6 the desire to have the opportunity to participate in webinars.

7 In designing the IRP consultation process, BC Hydro considered best practices. For
8 example, it strove to provide stakeholders with opportunities to influence the design
9 of the consultation process, ensure the public was made aware of opportunities to
10 participate in consultation, and ensure materials were made available that would
11 encourage public understanding. In addition, it strove to ensure consultation was
12 only conducted on those topics where decisions could benefit from public input, and
13 input was used effectively to improve decisions. The process attempted to ensure a
14 range of consultation methods were used to maximize opportunities for participation.
15 Consultation Summary Reports were developed to provide participants, the public
16 and decision-makers with an analysis of the input received.

17 Details of BC Hydro's IRP public and stakeholder consultation process are outlined
18 in the Consultation Terms of Reference document included in Appendix 7A. They
19 include a description of the consultation process objectives, methods, approach to
20 reporting, and how input was to be used. Further details regarding stakeholder
21 feedback on IRP consultation design and feedback on the draft public and
22 stakeholder consultation plan is found at www.bchydro.com/irp.

23 Subsequent consultation activities included two rounds of consultation, one in
24 spring 2011, which collected input into the development of the IRP, and the other in
25 the spring/summer 2012, which collected feedback on the May 2012 Draft IRP.

26 The spring 2011 consultation round involved 14 regional multi-stakeholder meetings,
27 12 public open houses, one webinar and a print and online Consultation Workbook

1 and feedback form. Notice of opportunities to participate in consultation was
2 provided through a news release, newspaper advertising, radio ads, BC Hydro bill
3 insert, phone calls, emails, social media (Twitter), and the BC Hydro website.

4 The spring/summer 2012 consultation round involved 13 regional multi-stakeholder
5 meetings, five public open houses, two webinars and a print and online discussion
6 guide and feedback form. Notice of opportunities to participate in consultation was
7 provided through a news release, newspaper advertising, BC Hydro bill insert,
8 customer e-newsletter, phone calls, emails, the BC Hydro website, social media
9 (Twitter) and the BC Hydro employee intranet.

10 **7.2.2 First Nations Consultation Process Design and Description**

11 BC Hydro invited B.C.'s First Nations, Tribal Councils, and First Nations
12 organizations to participate in the development of the IRP through a province-wide
13 consultation process. BC Hydro also invited the BC First Nations Energy and Mining
14 Council (**BCFNEMC**) to participate in consultation on the development of the IRP.
15 The BCFNEMC has been formally mandated to guide the BC First Nations Energy
16 Action Plan (2007) by three First Nations provincial political organizations: the Union
17 of BC Indian Chiefs, the BC Assembly of First Nations, and the First Nations
18 Summit.

19 BC Hydro invited 15 First Nations and First Nations organizations from around the
20 province to attend a workshop in Vancouver on September 24, 2010, to seek their
21 input and advice on the design of the consultation process. Seven participants
22 attended the workshop where BC Hydro provided background information on the
23 IRP and outlined a proposed approach to consulting with First Nations on the IRP.
24 The input and advice received included:

- 25 • Increase the number of regional workshops from five to eight or nine, and
26 increase the amount of participant funding to attend workshops

-
- 1 • Provide First Nations with immediate notice of the development of the IRP and
2 hold a round of regional workshops in the fall of 2010 on the approach to
3 consultation and on the resource options update
 - 4 • Integrate the input and concerns raised in the public and First Nations
5 consultation streams
 - 6 • Prepare First Nations for informed discussion of the IRP in advance of the
7 regional workshops
 - 8 • Provide a non-technical explanation of what the IRP is and what it is not
 - 9 • Fund technical advisors trusted by First Nations for the duration of the
10 development of the IRP
 - 11 • Fund the BCFNEMC to coordinate with communities on the development of the
12 IRP
 - 13 • Provide opportunities to access financial resources at both the umbrella
14 organization and community level and provide funding to individual First
15 Nations to conduct their own studies or hire their own technical experts in
16 connection with the development of the IRP
 - 17 • Hold political level meetings involving First Nations and the B.C. Government
 - 18 • Consider measures to assist in building relationships

19 In developing its approach to consultation, BC Hydro considered the input and
20 advice received, along with other factors, including the scope and purpose of an
21 IRP, any legal requirements for First Nations consultation, the timelines associated
22 with legislated requirements to submit the IRP to the B.C. Government, and the cost
23 to BC Hydro's ratepayers. For example, First Nations were advised that BC Hydro's
24 IRP does not, by itself, commit BC Hydro to any specific capital project.

25 Implementation of the Recommended Actions requires subsequent government

1 agency and/or regulatory approvals, and will be the subject of consultation
2 requirements; refer to Chapter 8.

3 All B.C.-based First Nations were notified by BC Hydro about the development of the
4 IRP. Opportunities to provide input into the development of and to provide feedback
5 on a draft IRP occurred via two rounds of regional workshops in March 2011 and
6 June/July 2012. The workshop “pre-reading” material enclosed with the notification
7 letters was provided in advance to First Nations to enable more informed discussion
8 at the regional workshops, as per input and advice received from First Nations
9 during a consultation design workshop in September 2010. Participants in the
10 workshops were offered funding and reimbursement of travel expenses for their
11 attendance at these workshops. There was also an opportunity for First Nations to
12 provide written comments following both rounds of workshops. The BCFNEMC
13 submitted two reports as a result of its participation in these workshops.

14 First Nations were also invited to participate in the public and stakeholder
15 consultation stream. In addition, BC Hydro provided capacity funding for the
16 BCFNEMC to participate in both rounds of regional workshops and the TAC, which
17 is part of the technical consultation stream. The technical consultation stream, which
18 involved a 2010 Resource Options Report (**ROR**) Update process, also involved
19 three of 10 First Nations invitees, who attended the launch workshop for the ROR
20 Update on September 14, 2010, and three who attended the workshop presentation
21 of the draft results from the ROR Update on December 8, 2010. A representative
22 from the BCFNEMC attended both the September and December workshops.
23 Participant funding and reimbursement of travel expenses were offered to those
24 involved in the ROR Update process. The BCFNEMC submitted two reports as a
25 result of its participation in the technical consultation stream, and specifically in
26 relation to its involvement on the TAC.

27 Between January and April 2011, BC Hydro’s consultation activities on the IRP were
28 focused on sharing information on the planning process and receiving input from

1 B.C. First Nations on the development of the draft IRP, which centred around six
2 planning topics – the five topics used in all consultation streams, as well as an
3 additional topic relating to the development of clean and renewable energy in First
4 Nations communities. From May 2012, when the draft was first made available, until
5 August 2012, the focus of BC Hydro’s consultation activities were again to share
6 information on the planning process, including important updates since 2011, as well
7 as to seek First Nations’ feedback on the draft recommended actions.

8 **7.2.3 Technical Consultation Process Design and Description**

9 The technical stream focused on seeking input of a technical nature to improve the
10 overall quality of the plan. Participants were required to have specific technical
11 knowledge and information. The technical stream consisted of two parts:

- 12 • Detailed engagement on the technical aspects of British Columbia’s resource
13 options
- 14 • The formation of a TAC to assist in preparing a thorough and well considered
15 plan

16 **7.2.3.1 Resource Options Report Consultation Process**

17 The 2010 ROR consultation process involved people with technical expertise and
18 information on the supply-side and demand-side resource options in B.C. The
19 objectives of the 2010 ROR consultation process were to:

- 20 • Promote mutual understanding of the resource options data and continue to
21 foster constructive working relationships
- 22 • Seek input on the methodology used to update the resource options data and
23 attributes, where appropriate
- 24 • Seek input to accurately reflect resource option potential in the B.C. provincial
25 context

1 Engagement on individual resource options was launched at a workshop on
2 September 14, 2010, at which the scope and timing of the 2010 ROR was
3 described, amongst other topics. During the workshop, resource-specific break-out
4 sessions were held to introduce the proposed scope of updates. Participants then
5 had the opportunity to sign up and further participate in the resource-specific update
6 process. Resource-specific engagement sessions were scheduled by the BC Hydro
7 resource options task leads to review technical studies with interested participants
8 and contracted consultants. A report-out session was held on December 8, 2010,
9 during which participants were presented with the preliminary results on the draft
10 ROR and written comments were requested by December 31, 2010. A detailed
11 2010 ROR consultation report is included in Appendix 3A-2 of the ROR and is also
12 found at www.bchydro.com/irp.

13 **7.2.3.2 IRP Technical Advisory Committee Design**

14 The IRP TAC was created to seek ongoing, detailed, technical advice and feedback
15 from a group of knowledgeable stakeholders with significant interest, stake and
16 experience in BC Hydro's resource planning to ensure a thorough and well
17 considered plan. The Terms of Reference for the IRP TAC is included in
18 Appendix 8B.

19 The Committee, which was struck in December 2010, had a mandate to:

- 20 • Build a common understanding of the inputs, methodologies and analysis
21 associated with the IRP planning process
- 22 • Provide advice on how the IRP could respond to the 16 *Clean Energy Act*
23 (**CEA**) energy objectives
- 24 • Identify potential information gaps
- 25 • Identify potential process and policy gaps and constraints

1 Members were chosen based on:

- 2 • Their representation of an organization with a significant, province-wide, and
3 policy-focused interest and stake in the IRP
- 4 • Their broad (rather than specific) interest and stake in the IRP
- 5 • The individuals, and the organization(s) they represent, having an in-depth
6 understanding of BC Hydro's resource and electricity planning process, usually
7 demonstrated by their involvement in British Columbia Utilities Commission
8 (**BCUC**) regulatory processes

9 The organizations represented on the TAC are listed below:

- 10 • Association of Major Power Consumers (**AMPC**), representing BC Hydro's
11 industrial ratepayers
- 12 • BCUC staff
- 13 • BC Hydro (chair)
- 14 • BC Hydro (moderator)
- 15 • BC Sustainable Energy Association (**BCSEA**), representing BC Hydro's
16 environmentally-minded ratepayers
- 17 • Canadian Office & Professional Employees Union 378 (**COPE**), which
18 represents some BC Hydro employees
- 19 • Clean Energy Association of B.C. (**CEBC**), advocates for Independent Power
20 Producers (**IPPs**)
- 21 • Commercial Energy Consumers Association (**CECBC**), representing
22 BC Hydro's commercial ratepayers
- 23 • First Nations representative
- 24 • BCFNEMC

-
- 1 • B.C. Ministry of Energy and Mines staff
- 2 • Pembina Institute, an organization which among other things advances clean
- 3 energy solutions
- 4 • FortisBC Inc.

5 The TAC met six times in developing the IRP:

- 6 • **December 14, 2010:** Primary topics included the TAC terms of reference, the
- 7 load forecast, and the energy and capacity LRBs
- 8 • **January 27 and 28, 2011:** Primary topics included the risk framework, market
- 9 forecasts (greenhouse gases (**GHG**)), electricity spot market, renewable energy
- 10 credits (**RECs**) and natural gas price forecasts), DSM options, environmental
- 11 and economic development attributes and portfolio analysis
- 12 • **February 14, 2011:** Primary topics included the portfolio analysis and portfolio
- 13 comparisons, Horn River Basin and Fort Nelson planning issues, and further
- 14 feedback from the January 27 and 28 meetings
- 15 • **April 5 and 6, 2011:** Primary topics focused on preliminary portfolio analysis
- 16 results regarding DSM, the role of natural gas-fired generation, capacity
- 17 analysis and resource acquisition analysis
- 18 • **February 28 and 29, 2012:** Primary topics focused on portfolio analysis results
- 19 for the following - the appropriate DSM and IPP mix, Site C, acquisitions, the
- 20 northeast, LNG, electrification, export, transmission/clusters and short and
- 21 long-term capacity needs
- 22 • **June 18, 2012:** Primary focus was an introduction to the draft IRP

23 During the development of the IRP, the TAC provided ongoing feedback to

24 BC Hydro regarding IRP planning assumptions and analysis. This input was

25 considered on an ongoing basis by BC Hydro's planning team, and a summary of

1 this input and consideration, along with presentation materials for all meetings, can
2 be found at www.bchydro.com/irp.

3 At two junctures during the consultation process, committee members were asked to
4 provide attributed, written comments in parallel with First Nations, the public and
5 stakeholders. First, in March/April 2011 TAC members were asked for written input
6 on the consultation topics, so that it could be considered along with input gathered
7 from First Nations and the public and stakeholders. Then in spring/summer 2012,
8 TAC members were asked for written feedback on the draft IRP, again to be
9 considered along with the feedback received from First Nations, the public and
10 stakeholders.

11 **7.3 Summary of Input Into Development of the IRP:** 12 **Spring 2011**

13 The consultation that occurred in spring 2011 was designed to seek input into the
14 development of the IRP before it was first drafted, with a focus on the consultation
15 topics: conservation and efficiency, electricity generation options, electrification,
16 transmission planning and export market potential.

17 Note that the views represented in this chapter reflect the priorities and concerns of
18 the public, stakeholders and First Nations who participated in consultation at that
19 time. They may not be representative of the views of others, because participants
20 self-selected into the process.

21 **7.3.1 Summary of Public and Stakeholder Input into Development of the** 22 **IRP**

23 During the spring 2011 public and stakeholder consultation process, more than
24 700 people attended 14 stakeholder meetings, 12 open houses or participated in a
25 webinar. Participants completed 400 feedback forms and 51 written submissions
26 from which these highlights are taken. The complete BC Hydro Integrated Resource
27 Plan Public and Stakeholder Consultation Summary Report, May 2011, can be
28 found in Appendix 7C and also at <http://www.bchydro.com/irp>.

1 **Conservation and Efficiency:** BC Hydro asked participants to provide input
2 regarding the current commitment to conservation and a more-ambitious approach
3 that would require expanding BC Hydro's DSM programs, setting aggressive
4 conservation rates, and requesting that the provincial and federal governments bring
5 in new conservation codes and standards. A strong majority (75 per cent) of
6 participants agreed with the "Greater Conservation and Efficiency" approach to
7 meeting future demand for electricity in B.C. Support for the approach was mainly
8 attributed to BC Hydro's focus on conservation, energy efficiency, and alternative
9 forms of power generation. Some stakeholder meeting participants suggested that
10 more education and greater incentives are required to encourage energy
11 conservation. A few stakeholders cautioned BC Hydro against encouraging too
12 many codes and standards, preferring that BC Hydro provide greater incentives. A
13 few stakeholders expressed concerns about greater conservation and efficiency, as
14 they believe it puts a disproportionately higher burden on rural communities.

15 **Electricity Generation Options:** To seek feedback on the future generation
16 resource mix, BC Hydro offered participants three example portfolios that could meet
17 the anticipated increase in demand:

- 18 • **Example Portfolio 1:** Renewable Mix - This portfolio included clean or
19 renewable resources such as wind, run-of-river and biomass from IPPs, but
20 specifically excluded Site C
- 21 • **Example Portfolio 2:** Renewable Mix with Site C - This portfolio included
22 renewable resources as described in Portfolio 1 plus Site C
- 23 • **Example Portfolio 3:** Renewable Mix with Site C and Natural Gas-Fired
24 Generation - This portfolio included renewable resources as described in
25 Portfolio 1 and Site C, plus the natural gas-fired generation allowable within the
26 93 per cent clean or renewable objective provided in the *CEA*

1 Portfolio 1, the example electricity generation portfolio which included all clean or
2 renewable power but excluded Site C, received the strongest public agreement via
3 feedback forms. Fifty-eight per cent agreed with this approach, while 30 per cent
4 disagreed. Respondents who supported the approach referenced alternative energy
5 sources, the perceived smaller environmental impact and the exclusion of Site C as
6 reasons. Those that opposed Portfolio 1, the renewable portfolio, referenced
7 concerns over run-of-river projects and IPPs more generally, the exclusion of Site C
8 and rate implications.

9 Portfolio 2, which was a mix of renewables, including Site C, received support from
10 50 per cent of participants, and was opposed by 40 per cent. Some stakeholders in
11 Fort St. John strongly opposed inclusion of Site C in any resource portfolio and
12 suggested that natural gas fired-generation could be a superior alternative, given its
13 abundance in the Peace River region and its perceived low cost relative to other
14 resources.

15 Portfolio 3, the example electricity generation portfolio which included natural
16 gas-fired generation, had the strongest public opposition on the feedback forms
17 (opposed by 66 per cent and supported by 25 per cent of respondents). The most
18 prevalent concern was natural gas-fired generation and its higher GHG emissions.

19 **Electrification:** BC Hydro presented participants with two approaches to
20 electrification: the current Responsive Approach and a Proactive Approach, which
21 would require BC Hydro to work with government and other partners to encourage
22 electrification (such as by converting gasoline powered automobiles to electrical).

23 Fifty eight per cent of consultation respondents agreed with the approach to actively
24 pursue electrification, compared to 29 per cent who disagreed. Those who agreed
25 indicated they did so because it would decrease GHG emissions, because they
26 supported a switch to electrification, and because they supported a proactive
27 approach. Those who did not support the approach expressed a range of reasons,
28 including the increased demand for electricity, the need for improvements to electric

1 car technology, and the need for government and industry responsibility for
2 electrification (not BC Hydro). Many stakeholder meeting participants had concerns
3 that a proactive approach to electrification could significantly increase demand for
4 energy, which would require a significant new supply of energy, such as large hydro,
5 wind, run-of-river, etc. Several stakeholders voiced concerns about the limitations of
6 electric cars in rural communities.

7 **Transmission Planning:** BC Hydro offered two transmission planning options: a
8 Responsive Approach, in which BC Hydro develops transmission plans on a shorter
9 time horizon in response to need; or a Proactive Approach, in which BC Hydro
10 develops 30-year transmission plans in anticipation of need.

11 About half of participants agreed with the proactive approach to planning
12 transmission, while just over one-quarter disagreed with it and about one-fifth neither
13 agreed nor disagreed. Support for the proactive approach stemmed from
14 opportunities to realize long-term savings, reduce environmental impacts and
15 promote economic development through proactive thinking. Concerns were raised
16 around the risks of investing based on uncertain forecasts. It was thought there is a
17 need to encourage more regional power generation, and that ratepayers should not
18 bear transmission costs for private enterprise. Some stakeholder meeting
19 participants expressed a desire for BC Hydro to consider offsetting transmission
20 costs by locating electricity generation closer to demand. A few participants
21 encouraged BC Hydro to consider increasing opportunities for communities to
22 partner in the ownership of electricity generation and transmission projects.

23 **Export Market Potential:** BC Hydro presented two export options: the Traditional
24 Approach, in which BC Hydro exports surplus energy when the system has excess
25 water; and a Clean Generation for the Purpose of Export Approach, in which
26 BC Hydro would aggregate renewable energy from IPPs for the sole purpose of
27 finding and filling long-term export contracts.

1 Opinion was divided between participants who agreed with the enhanced export
2 approach (44 per cent) and those who disagreed with it (48 per cent). Those who
3 agreed with this approach stated the value of economic benefits, although caution
4 was also expressed that economic benefits may not be enough to justify the
5 environmental and social impacts of new generation. Supporters of exports also
6 appreciated the ability to sell green electricity, and B.C.'s abundant supply of natural
7 resources. Those that opposed it expressed concern over the environmental impact,
8 the need to ensure electrical sustainability and opposition to IPP development. Many
9 stakeholder meeting participants supported clean electricity generation for the
10 purpose of export, provided BC Hydro is first able to meet domestic electricity
11 requirements.

12 **7.3.2 Summary of First Nations Consultation Input into Development of** 13 **the IRP**

14 BC Hydro held nine First Nations regional workshops in March 2011, involving
15 BC Hydro presentations on the IRP followed by discussions facilitated by a neutral
16 facilitator. The workshops were attended by 121 participants representing 78 First
17 Nations, Tribal Councils and First Nations organizations, including the BCFNEMC.
18 BC Hydro also received written comments from participants in the First Nations
19 workshops, as well as two reports from the BCFNEMC containing key comments
20 and recommendations arising from their participation in the regional workshops and
21 the TAC.

22 Presented below are summaries of the input received in 2011 on the five planning
23 topics: conservation and efficiency, electricity generation options, electrification,
24 transmission planning, and export market potential, and one First Nations-specific
25 topic, clean or renewable energy development in First Nations communities. A
26 summary of input received via the consultation process has also been included. For
27 further details on input received, see Appendix 7D, IRP First Nations Consultation:
28 Interim Report dated May 25, 2011.

1 **Conservation and Efficiency:** There was widespread support among First Nations
2 participants for greater conservation and efficiency. However, a concern over the
3 cost of conservation was a recurring theme. There was a concern that First Nations,
4 many of whom are economically disadvantaged and live in homes that are not
5 energy efficient, would be burdened with higher electricity rates and unaffordable
6 energy efficiency upgrades. There was also a perception among some participants
7 that business and industry are not doing their part to conserve, as well as a
8 perceived conflict between economic growth and conservation. Many participants
9 expressed concern about the environmental impact of certain conservation and
10 efficiency measures, such as the potential impact of hazardous waste disposal (e.g.,
11 batteries and compact fluorescent light bulbs).

12 Recommendations included more funding for energy efficient upgrades and financial
13 incentives for conservation and efficiency through programs such as Net Metering.
14 There was also significant interest in education and engagement with First Nations
15 communities, especially with First Nations youth, to build capacity to participate in
16 greater conservation and efficiency. The BCFNEMC recommended that there be
17 funding for First Nations community energy managers to support energy
18 conservation in First Nations communities.

19 **Electricity Generation Options:** In the first round of regional workshops, BC Hydro
20 presented three example portfolios to participants. The purpose of the example
21 portfolios was to illustrate in a non-technical fashion, the key trade-offs that arise
22 between broad electricity generation options and to seek First Nations' input in order
23 to understand their general perspectives on these types of portfolios. The level of
24 discussion on portfolios and specific resource options varied between workshops. At
25 some sessions First Nations participants provided comments on the specific
26 example portfolios, but in most cases the input received was directed to the topic of
27 electricity generation options in general. None of the example portfolios received
28 significant support from First Nations and there were many requests for more
29 information on portfolios before expressing a preference. Many participants were

1 reluctant to provide input on preferences relating to portfolios without more
2 information on how the IRP might affect their communities. There was interest in
3 taking a First Nations territory view of planning rather than a province-wide view and
4 more involvement in the planning process.

5 There was a significant concern about increasing electricity rates and the cumulative
6 environmental impacts of generation development. On the other hand, there was
7 significant interest in economic development opportunities for First Nations in
8 relation to energy development and the associated jobs and revenue.

9 The BCFNEMC commented that First Nations strongly support clean or renewable
10 energy development in part because of climate change. However, the BCFNEMC
11 stated that the cost of future development projects must be taken into account in
12 long-term planning and that a focus on conservation and sustainability can help
13 ensure that rising electricity prices do not become a burden on residents or a barrier
14 to other types of economic development.

15 There was an interest in seeing more resource options included in the portfolios,
16 including solar, geothermal, biomass, wave and tidal, and there was significant
17 interest in community-based energy projects. There was a general preference for
18 developing clean or renewable resources with the exception of Site C, which many
19 participants did not consider “clean”. The recurring themes from the input on Site C
20 were either opposition, or that the consent of the impacted First Nations is required
21 for the project to proceed.

22 **Electrification:** The input of First Nations participants regarding electrification
23 varied. There was both support and opposition to taking a proactive approach to
24 electrification while others commented that there was a “disconnect” between the
25 benefits of electrification and the concerns of First Nations communities, many of
26 which are economically disadvantaged, in rural areas and not connected to the
27 electricity grid. There was a perception among many participants that electrification
28 will benefit urban areas at the expense of rural First Nations communities. The

1 BCFNEMC recommended that extending BC Hydro grid service to remote
2 communities should be a priority of electrification.

3 Opposition to electrification was primarily due to a concern that it may lead to higher
4 electricity rates and greater environmental impact on land through more generation
5 and transmission projects. While supportive of actions that reduce GHG emissions,
6 the BCFNEMC stated that the potential benefits of GHG emission reductions need to
7 be weighed against the environmental impacts of electricity generation and
8 transmission projects.

9 **Transmission Planning:** With some exceptions, there was a general preference for
10 a proactive approach to transmission planning provided that it is done with early
11 involvement and accommodation of the affected First Nations. Although the topic of
12 transmission planning involves potential future transmission infrastructure, many
13 participants were focused on compensation for the historical impacts of existing
14 transmission infrastructure on asserted First Nations rights and title.

15 Many participants indicated that transmission benefits urban communities at the
16 expense of rural First Nations communities. It was recommended that economic
17 development opportunities for First Nations be a consideration in transmission
18 planning. The BCFNEMC recommended that isolated communities currently served
19 by diesel generation should be a priority for new transmission access.

20 There was a concern about the cumulative environmental impacts of transmission
21 infrastructure. Recommendations included maximizing the use of existing
22 transmission lines and corridors and planning where not to build transmission lines.

23 **Export Market Potential:** Many participants expressed support for electricity
24 exports provided that First Nations share in the benefits, which were identified as
25 including revenue sharing, ownership interest in the export projects, and reduced
26 electricity rates. The BCFNEMC stated that the concept that economic benefits
27 would flow primarily to the B.C. Government is unacceptable.

1 Some participants opposed the acquisition of renewable energy from IPPs for the
2 purpose of export. They expressed several concerns, including that export of
3 electricity will put a greater strain on the environment and create economic risks.
4 The BCFNEMC noted that BC Hydro will have a substantial amount of clean and
5 renewable electricity available for export in most years, and stated that it is difficult to
6 understand how acquiring additional electricity resources to serve the export market
7 could result in economic benefits to B.C.

8 Whether exporting electricity or not, several participants indicated that domestic
9 need for electricity should not be subordinated to the electricity needs in other
10 jurisdictions.

11 **Clean or Renewable Energy Development in First Nations Communities:** There
12 was significant interest in creating revenue and jobs for First Nations communities
13 through participation in clean or renewable energy development. There was also
14 significant interest in connecting remote communities to the electricity grid or
15 alternatively having remote communities become energy self-sufficient through clean
16 or renewable generation projects that replace diesel generation. Apart from clean or
17 renewable energy developments, participants were also interested in employment
18 and business opportunities with BC Hydro.

19 There was a substantial amount of input on BC Hydro's power acquisition
20 processes. The input was directed at ensuring First Nations would benefit from clean
21 or renewable energy projects and that their asserted rights and title would be
22 respected and accommodated. There was frustration with BC Hydro's previous
23 power acquisition processes because of, among other things, the lack of success of
24 some First Nations proponents and the cost and complexity of the process for First
25 Nations proponents. In addition, there is a concern that First Nations will spend
26 limited resources participating in consultation with proponents in a power acquisition
27 process without any assurance of a corresponding benefit, because many

1 proponents seeking to consult with First Nations may not be awarded an Electricity
2 Purchase Agreement (**EPA**).

3 Recommendations included capacity building and incentives for First Nations, so
4 they could effectively participate in clean or renewable energy development and
5 changes to BC Hydro's power acquisitions processes to support First Nations
6 projects, such as a First Nations only power call. There was also a recommendation
7 to undertake a feasibility study (involving key First Nations participants) on how First
8 Nations can participate in clean or renewable energy development.

9 **Consultation Process:** At several of the regional workshops participants expressed
10 significant concern about the First Nations consultation process for the IRP. Almost
11 every participant who provided input on this issue did not consider the process
12 "consultation".

13 There was a concern about the legal implications of the word consultation and the
14 implications to First Nations resulting from their participation in the process. This
15 issue was compounded by the fact that the future implications of the IRP on
16 individual First Nations communities was unclear to participants and there was a
17 concern that it may be used to justify later decisions that First Nations might oppose.

18 There were a wide range of views regarding what was required for consultation to
19 occur. These included the following:

- 20 • Revenue sharing
- 21 • Compensation for past grievances
- 22 • Partnership between First Nations and BC Hydro in the decision-making
23 process for the IRP and earlier involvement from First Nations than is presently
24 the case
- 25 • An understanding of the impacts of the IRP from a First Nations territory
26 perspective

-
- 1 • Sufficient capacity funding available to individual First Nations, so they
 - 2 understand the technical aspects of the IRP, in particular the portfolios being
 - 3 developed by BC Hydro's energy planners
 - 4 • Involvement of senior leaders from BC Hydro and government in the process
 - 5 • Meetings with BC Hydro in individual First Nations communities

6 **7.3.3 Summary of Technical Advisory Committee Input into Development**

7 **of the IRP**

8 BC Hydro sought written input from the TAC on the planning topics, so it could be
9 considered with the input BC Hydro received through the First Nations and public
10 and stakeholder consultation streams.

11 As part of TAC Meeting No. 4 held on April 5 and 6, 2011, TAC members were
12 requested to respond to the same five consultation questions provided in the
13 feedback form of the IRP Consultation Workbook. Submissions, which can be found
14 in Appendix 7E, were received from:

- 15 • AMPC
- 16 • BCSEA
- 17 • CEBC
- 18 • CECBC
- 19 • BCFNEMC
- 20 • FortisBC
- 21 • The Pembina Institute

22 Note that the BCFNEMC submitted written comments both under the TAC and the
23 First Nations consultation stream, hence their written input is included within the First
24 Nations input summary above and is not duplicated in this section.

1 **Conservation and Efficiency:** Five of the six TAC members expressed support for
2 DSM. Three of the TAC members expressed support for cost-effective DSM, with
3 two of those wanting all possible cost-effective DSM to be implemented. In general,
4 there was interest in how BC Hydro defines cost-effectiveness and a desire to look
5 at how cost-effectiveness is measured. Two members were in support of more
6 aggressive DSM, and were willing to embrace a greater degree of uncertainty. One
7 TAC member did not support BC Hydro pursuing specially-designed conservation
8 rates and thought BC Hydro was taking on a role that was not appropriate.

9 **Electricity Generation Options:** Many TAC members were not ready to state
10 preferences on example portfolios until more detailed data was available. One TAC
11 member indicated that it is not the role of BC Hydro to foster regional development,
12 clean or renewable energy resource development, reduced GHGs, or any other
13 social objective through the purchase of new electricity supply. Another two noted
14 that more is needed from BC Hydro and the B.C. Government to help identify
15 potentially feasible geothermal generation resource locations while another member
16 stated that the most cost-effective option for procuring additional electricity should be
17 the one that is pursued. Another disagreed with BC Hydro's comment that a portfolio
18 of clean or renewable generation from IPPs would be higher cost than one involving
19 Site C and/or natural gas-fired generation. Another member drew attention to the
20 consideration of other environmental impacts, such as the impact of transmission
21 connections to these widespread generation sites.

22 Several TAC members acknowledged the value of Site C energy and capacity,
23 however they would like to see more information, stating it is premature to express
24 or imply acceptance of Site C pending the results of the environmental assessment,
25 First Nations consultation, updated cost estimates, the Minister's June 2011 review
26 of BC Hydro and the portfolio modelling.

27 Several TAC members supported continued examination of the role of natural
28 gas-fired generation under certain circumstances, however they were unwilling to

1 weigh in with a definitive preference until more information was available. While
2 many TAC members noted that natural gas-fired generation may play a role under
3 certain circumstances in the IRP, TAC members were also concerned about GHG
4 emissions and recognized the need for a comprehensive approach to meeting GHG
5 reduction targets. Two TAC members commented that other jurisdictions regard
6 natural gas-fired generation as a relatively clean fuel, and B.C. exports natural gas
7 to these jurisdictions. In addition, siting natural gas-fired generation closer to the
8 load would reduce transmission requirements and provide voltage support in
9 demand centres.

10 **Electrification:** Three TAC members supported taking a proactive role with
11 electrification with caveats, two were neutral expressing a need for more information,
12 and one disagreed with electrification stating the opinion that BC Hydro should be
13 responding to customer demand.

14 All members, with the exception of one, emphasized the need for a more
15 comprehensive look at electrification options including cost assessments and/or
16 impacts on taxpayers.

17 One member expressed a concern over electrification in the natural gas sector;
18 citing the need for the B.C. Government to take a more proactive approach to
19 planning in the regions and assessing the pace of development.

20 **Transmission Planning:** TAC members stated that a proactive approach to
21 transmission planning is complex and should balance BC Hydro's ability to serve
22 potential customer loads with the potential economic consequences of overbuilding
23 transmission. Some members stated that proactive transmission planning is key due
24 to the longer lead time, expense, permitting and consultation required. However,
25 TAC members clearly stated they support proactive planning and not necessarily
26 proactive building. Others stated that they needed more analysis.

1 **Export Market Potential:** TAC members were sceptical of the business case for
2 exports in the current climate. If exports proceed, concern was expressed that
3 cheaper supply alternatives would be used for exports and longer-term domestic
4 electricity needs would be met by more expensive options. Caution was also
5 expressed that all costs incurred by BC Hydro, including administrative and use of
6 existing transmission, must be taken into account, and BC Hydro should not enter
7 into EPAs until a profitable export agreement of matching length is executed.
8 Another member raised concern over the environmental impacts of building for
9 exports. One TAC member stated that the export of cost-effective and competitive
10 electricity affords B.C. tremendous opportunities for economic development,
11 employment and an opportunity to play a leadership role in reducing GHGs
12 throughout North America.

13 **7.4 Summary of Feedback on May 2012 Draft IRP:** 14 **Spring/Summer 2012**

15 BC Hydro during spring/summer 2012 sought feedback on the recommended
16 actions contained in the draft IRP released in May 2012. Participants in all the three
17 consultation streams were provided with a copy of the discussion guide and
18 accompanying feedback form either on line or in hard copy. The full draft plan was
19 also made available online. For discussion purposes, the 11 draft recommended
20 actions were grouped as follows under: Conserving More, Building More and
21 Reinvesting More, Buying More, and Preparing for Greater Demand, with questions
22 asked on the 11 recommended actions.

23 Note that the views represented in this chapter reflect the priorities and concerns of
24 the public, stakeholders and First Nations who participated in consultation at that
25 time. They may not be representative the views of the public and other stakeholders
26 more broadly because participants self-selected into the process.

1 **7.4.1 Public and Stakeholder Feedback on the May 2012 Draft IRP**

2 During the consultation period from May 28 to July 6, 2012, 366 participants
3 attended consultation events, 438 filled out feedback forms and 28 provided written
4 submissions. Consultation methods included 13 regional multi-stakeholder meetings,
5 five public open houses, two webinars and a print and online discussion guide and
6 feedback form. Notice of opportunities to participate in consultation was provided
7 through a news release, newspaper advertising, BC Hydro bill insert, customer
8 e-newsletter, phone calls, emails, the BC Hydro website, social media (Twitter) and
9 the BC Hydro employee intranet.

10 The complete BC Hydro IRP Public and Stakeholder Consultation Summary Report,
11 August 2012, is found in Appendix 7F and at <http://www.bchydro.com/irp>.

12 **Conserve More:** Consultation participants were asked to indicate their agreement
13 with the following recommended actions to conserve more by:

- 14 • Increasing BC Hydro's DSM energy savings target to 9,800 GWh/year by 2020
15 (1,000 GWh more than the existing DSM target) through conservation and
16 efficiency programs, incentives and regulations
- 17 • Exploring more codes, standards and rate options for savings beyond
18 9,800 GWh/year
- 19 • Encouraging less consumption during peak demand periods by pursuing
20 voluntary conservation programs that encourage residential commercial and
21 industrial customers to reduce energy consumption during peak periods

22 A large majority of participants strongly agreed with all three recommended actions
23 related to conservation (80 per cent, 72 per cent and 82 per cent agreement
24 respectively). Reasons for support included that conservation is the best choice
25 overall, we are wasteful with our resources, new building codes and regulations will
26 help conserve, there is a need to consider all options, and incentives to conserve will
27 help.

1 While many participants expressed a desire to maximize conservation by creating
2 more initiatives and programs, including more municipal programs, some questioned
3 whether BC Hydro's goals are achievable. Some participants suggested the use of
4 time-of-use rates as a means of encouraging conservation, and encouraged
5 BC Hydro to recommend them to the B.C. Government. However, some participants
6 had reservations and suggested that BC Hydro be transparent if it was considering
7 time-of-use rates. BC Hydro was urged to consider programs that did not place an
8 undue burden on those who may not be able to participate for economic reasons.

9 **Site C:** Consultation participants were asked to indicate their agreement with the
10 following recommended actions to build and reinvest more:

- 11 • BC Hydro recommended building Site C to add 5,100 GWh of average annual
12 energy and 1,100 MW of dependable capacity to the system for the earliest
13 in-service date, subject to environmental certification and fulfilling the Crown's
14 duty to consult and, where appropriate, accommodate Aboriginal groups.

15 Fifty one per cent of public consultation participants agreed with the
16 recommendation to build Site C, while 40 per cent disagreed. Reasons given for
17 support included that this is the best option, it is a clean energy option, it makes
18 economic sense, and they agree but have concerns about the environmental impact.
19 Reasons given for opposing the building of Site C included that there are
20 other/better options available, conservation is better, and concerns about the
21 environmental impacts.

22 **Revelstoke Unit 6 and Other Resource Smart Projects:** Consultation participants
23 were asked to indicate their agreement with the following two separate statements:

- 24 • Begin work to allow the sixth generating unit at Revelstoke Generating Station
25 (Revelstoke Unit 6) to be built by 2018, which would add about 500 MW of peak
26 capacity to the BC Hydro system

-
- 1 • Continue to investigate and advance cost-effective Resource Smart projects to
2 utilize the remaining untapped capacity in BC Hydro's existing hydroelectric
3 system

4 A majority of public participants (80 per cent) agreed with BC Hydro's
5 recommendation to begin work to build Revelstoke Unit 6. Those that disagreed with
6 this action felt that there were better options, including conservation.

7 The majority of public participants (83 per cent) agreed with the recommendation
8 that BC Hydro should continue to investigate cost-effective Resource Smart projects
9 to utilize untapped capacity within BC Hydro's existing system. Those that agreed
10 with the draft recommendation stated that Resource Smart is a good use of existing
11 infrastructure and it makes sense.

12 **Short-term Capacity Measures:** Consultation participants were asked to indicate
13 their agreement with combining readily available resources to meet a short-term
14 capacity gap by:

- 15 • Filling the short-term peak capacity gap from 2015 to 2020 with a combination
16 of market purchases first, power from the Columbia River Treaty second, and
17 extending the existing backup use of Burrard, if required and as authorized by
18 regulation

19 Fifty seven per cent of feedback form respondents agreed with the recommendation
20 to fill the short-term peak capacity gap with a combination of market purchases first,
21 power from the Columbia River Treaty second, and extending the existing backup
22 use of Burrard, if required and authorized by regulation. However, they cautioned
23 about the cost-effectiveness of this plan and expressed concerns about buying
24 power from the market rather than being self-sufficient. Of those that disagreed,
25 some opposed the use of Burrard and thought that other options should be explored.
26 Some public participants felt that conservation is a better option.

1 **Buy More:** Consultation participants were asked to indicate their agreement with the
2 recommended action to develop energy procurement options to acquire up to
3 2,000 GWh/year from clean or renewable energy producers for projects that would
4 come into service in the 2016 to 2018 time period. It was noted that final decisions
5 on the timing and the volume of energy would be made once there was more
6 certainty regarding new electricity loads.

7 The majority (64 per cent) of public participants agreed with the recommendation to
8 develop energy procurement options to acquire up to 2,000 GWh/year of clean or
9 renewable energy from energy producers for projects that would come into service
10 between 2016 and 2018. Stated reasons for agreement included: clean/renewable
11 energy is best; it is wise to develop multiple energy sources; this is logical/makes
12 sense. Reasons for disagreement included concerns about cost and opposition to
13 power being purchased from IPPs, with some individuals specifically opposing
14 run-of-river power projects. A key theme at stakeholder meetings was general
15 interest in the role IPPs play in relation to the BC Hydro system. In particular, they
16 were interested in the cost of buying power from IPPs compared to the cost of
17 BC Hydro hydroelectricity, the procurement process to obtain more energy, and the
18 future reliance on IPPs. In addition some stakeholder meeting participants were
19 interested in the use of more clean or renewable energy resources, and had
20 questions and suggestions regarding geothermal, run-of-river, solar, tidal and
21 wave-generated power. Some public participants expressed a desire for greater
22 regional and local generation utilizing energy sources closer to users, partly to offset
23 any electricity losses through long transmission routes.

24 **Prepare for Potentially Greater Demand:** Consultation participants were asked to
25 indicate their agreement with reinforcing the existing 500 kV line from Prince George
26 to Terrace to meet new demand on the North Coast.

1 They were also asked to indicate their agreement with BC Hydro continuing to work
2 with LNG developers to understand their electricity requirements and keeping
3 options open until further certainty on future requirements can be established by:

- 4 • Undertaking work to maintain the earliest in-service date for a new 500 kV
5 transmission line from Prince George to Terrace and Kitimat and from the
6 Peace River region to Prince George
- 7 • Developing procurement options for additional clean or renewable energy
8 resources, backed up by natural gas-fired generation (located only on the North
9 Coast, or both on the North Coast and across the province) for electricity that
10 could be delivered in the 2019 to 2020 timeframe, should it be needed.

11 The majority of public participants agreed with the recommendation to reinforce the
12 existing 500 kV transmission line from Prince George to Terrace to meet the
13 demand on the North Coast. The most common reasons for agreement were that
14 reinforcing this existing line was logical and necessary. Some participants who
15 disagreed with this option noted preferring the use of alternative energy sources,
16 opposing LNG development or stating that local generating facilities should be built
17 instead. Concern was also expressed that industry pay for the transmission. About
18 17 per cent of public respondents held a neutral position.

19 Forty eight per cent of public participants agreed with the procurement option
20 recommendation. These participants noted such support was on the condition that
21 BC Hydro explores other options, and that the procurement is cost efficient.

22 Thirty-five per cent disagreed with the procurement option. Reasons for
23 disagreement included lack of support for natural gas, opposition to LNG, and the
24 belief that industry should provide their own electricity/pay for it themselves.

25 Seventeen per cent of participants neither agreed nor disagreed.

26 A key theme at the stakeholder meetings was that participants wanted BC Hydro to
27 proceed cautiously in its approach to supplying the proposed LNG plants with

1 energy in case the demand for electricity does not emerge. As well participants did
2 not want residential rates to subsidize the cost of new energy for large industrial
3 users, including the proposed LNG plants. Participants indicated that they did not
4 want residential rates to be affected due to increased industrial demand. Some
5 participants at the stakeholder meetings also recommended that the proposed LNG
6 plants self-generate electricity using natural gas, rather than obtain their energy
7 supply from BC Hydro and increase demand on the system.

8 **7.4.2 First Nations Consultation Feedback on the May 2012 Draft IRP**

9 Between June 26 and July 13, 2012, BC Hydro hosted eight one-day workshops in
10 the same regional locations as in 2011 (except Castlegar). These workshops
11 included BC Hydro presentations on the IRP followed by discussions facilitated by a
12 neutral facilitator. Attendance at the 2012 regional workshops totalled
13 117 participants, representing 69 First Nations, Tribal Councils, and First Nations
14 organizations. A representative from the BCFNEMC attended seven of the eight
15 regional workshops in 2012.

16 In addition to verbal feedback received during the workshops, BC Hydro also
17 received written comments from participants in the First Nations workshops (First
18 Nations Feedback Form), as well as two reports from the BCFNEMC containing key
19 comments and recommendations arising from their participation in the regional
20 workshops and the TAC.

21 A high-level overview of the verbal feedback expressed by participants in the 2012
22 workshops and the level of agreement indicated in First Nations Feedback Forms¹
23 on the draft recommended actions is presented below. The overview is organized
24 according to the four broad sets of actions: conserve more, build and reinvest more
25 in existing assets, buy more made-in-B.C. power, and prepare for potentially greater

¹ Of the 117 First Nation participants in the 2012 workshops 26 provided a First Nations Feedback Form indicating their level of agreement with the recommended actions in the draft IRP.

1 demand. Additional feedback not specific to the draft actions is also included. For
2 further details on feedback received in 2012, including the two reports of the
3 BCFNEMC, see the First Nations Consultation Report, dated September 26, 2012,
4 in Appendix 7G and at <http://www.bchydro.com/irp>.

5 **Conserve More:** The First Nations Feedback Forms mostly indicated some level or
6 a strong level of agreement with Recommended Actions 1a, 1b, and 2 comprising
7 the “Conserve More” set of actions. Workshop feedback on the recommended
8 actions relating to conservation was also largely supportive, with many participants
9 expressing an interest in learning more about how to effectively monitor and modify
10 consumption and about the programs that BC Hydro has in place to help First
11 Nations offset some of the costs of these efforts.

12 There was concern among some participants that BC Hydro was not going far
13 enough with conservation from a sustainability perspective.

14 Recommendations included more education to support informed conservation
15 efforts, as well as specific suggestions to help reduce demand and electricity costs,
16 such as time-of-use rates, “peer pressure” tactics, free in-home consumption
17 tracking devices, and outreach to homeowners of inefficient rental properties.

18 **Build and Reinvest More in Existing Assets:** The First Nations Feedback Forms
19 indicated that for those that expressed a clear opinion, there was more
20 disagreement than agreement with Recommended Action 3 on Site C. However,
21 many respondents did not provide an opinion for this recommended action – it
22 received the highest number of “neither agree nor disagree” responses of all of the
23 recommended actions.

24 Similar feedback was received during the workshops. First Nations in most regions
25 were reluctant to express their own views in relation to Site C, and generally stated
26 that they supported whatever position First Nations local to the proposed Site C area
27 took in relation to Site C. First Nations workshop participants local to the proposed

1 Site C area expressed significant opposition to Site C. There was also a perception
2 among some participants that BC Hydro considered Site C a “done deal”. It was
3 suggested that there was a bias in favour of developing Site C, because of what was
4 viewed as a long-standing B.C. Government policy of maximizing the hydroelectric
5 potential of the Peace and Columbia rivers, and the prioritization of economic values
6 over other values. There was a view that these drivers have now left BC Hydro with
7 a lack of alternatives to Site C, and that the recommended action to proceed with
8 Site C makes no effort to address, or is even dismissive of, values that cannot be
9 measured using only economic indicators.

10 Among the First Nations Feedback Form respondents providing a clear opinion,
11 more agreed than disagreed with Recommended Action 4 pertaining to
12 Revelstoke Unit 6. However, taken together, the number of respondents who neither
13 agreed nor disagreed, somewhat disagreed, or provided no answer was equal to the
14 number that indicated agreement. Some workshop participants expressed
15 disagreement that the installation of Revelstoke Unit 6 would have no or minimal
16 environmental impact, and indicated that they were reluctant to provide feedback
17 without more information on the potential impacts of Revelstoke Unit 6. There was
18 also concern regarding the exemption of Revelstoke Unit 6 from the BCUC process.

19 Several workshop participants expressed that although they were being told that
20 Site C and Revelstoke Unit 6 were not yet confirmed and that their views on the
21 associated recommended actions were being sought, there was a perception that
22 the IRP had an undue reliance on Site C and Revelstoke Unit 6. This made these
23 projects appear inevitable, irrespective of feedback.

24 While no specific comments were received during the workshops on draft
25 Recommended Action 5 relating to additional Resource Smart opportunities, First
26 Nations Feedback Forms indicated a high level of agreement with this
27 recommended action, although it also received the highest number of

1 non-responses (no answer) among the “Build and Reinvest More” set of
2 recommended actions.

3 For Recommended Action 6 on market purchases, the Columbia River Entitlement
4 and Burrard, the First Nations Feedback Forms indicated that there were the same
5 number of respondents that agreed with this recommended action as there were
6 respondents that neither agreed nor disagreed, somewhat disagreed, or provided no
7 answer. Limited feedback was received during the workshops on this recommended
8 action and the feedback that was received was mixed. One workshop participant
9 expressed support for using the Columbia Treaty Entitlement as a short-term
10 solution given the lack of available short-term capacity options, while another
11 participant expressed concern about relying on the treaty when the United States
12 was decommissioning dams on the Columbia River, and that such reliance might
13 expose BC Hydro to potentially higher global market prices.

14 First Nations Feedback Forms indicated that the number of respondents who neither
15 agreed nor disagreed, somewhat or strongly disagreed, or provided no answer
16 outnumbered those that agreed with draft Recommended Action 7 pertaining to
17 transmission upgrades. Similar to concerns expressed in relation to Site C and
18 Revelstoke Unit 6, some workshop participants voiced the view that the transmission
19 upgrades appeared to be fully committed projects, even though participants were
20 being told that the IRP did not commit BC Hydro to any specific capital project.
21 Several workshop participants also stated that industrial customers should bear the
22 costs of the transmission upgrades, given that they appeared to be specifically for
23 the purpose of industrial development in northern B.C. and that rates for consumers
24 were already high enough.

25 **Buy More Made-in-B.C. Power:** A significant number of First Nations Feedback
26 Forms indicated agreement with draft Recommended Action 8 relating to developing
27 energy procurement options to acquire up to 2,000 GWh/year from clean or

1 renewable energy producers. A small but equal number either somewhat disagreed
2 or neither disagreed nor agreed.

3 Workshop participants expressed substantial interest in greater First Nations
4 involvement in clean or renewable energy production, but identified significant
5 barriers to greater involvement. Among these barriers was a lack of technical and/or
6 financial capacity to effectively participate or compete in power calls. There was also
7 significant concern on the part of some participants that there was a lack of
8 transmission system capacity on northern Vancouver Island to take on more
9 interconnections from IPP projects.

10 Participants felt strongly that BC Hydro should be doing more to help First Nations
11 overcome these barriers. Recommendations included involving First Nations earlier
12 in a power acquisition process, providing more information on how BC Hydro's
13 procurement process works, finding ways to help First Nations finance projects and
14 establishing First Nations procurement targets or rights of first refusal on
15 procurement opportunities in their region.

16 Workshop feedback also identified a preference for the generation of power close to
17 the consumption of that power, rather than its transmission to or from other regions.
18 It was suggested that IPP projects that are designed to supply power locally should
19 be evaluated differently than those that are designed to export power to other
20 regions of the province, such as the Lower Mainland. There was also interest in the
21 types of resource options BC Hydro would consider in an energy procurement
22 process.

23 **Prepare for Potentially Greater Demand:** On the whole, for this set of
24 recommended actions on "Prepare for Potentially Greater Demand," the First
25 Nations Feedback Forms indicated higher levels of agreement than disagreement,
26 where a clear opinion was provided. However, the levels of disagreement within this
27 set were relatively high compared to other sets of recommended actions, and taken

1 together with the number of “neither agree nor disagree” responses or
2 non-responses (no answer), clear agreement was limited.

3 Workshop feedback provided on this set of draft recommended actions was also
4 mixed. Several workshop participants expressed concern about the uncertainty
5 associated with this set of draft recommended actions, and the inability of First
6 Nations to consider and comment on what might affect them in the future without
7 what they felt was enough information on, or understanding of, the recommended
8 actions and their potential impacts. Several workshop participants indicated that
9 silence from First Nations did not mean consent.

10 With regard to Recommended Action 9a relating to a new transmission line from
11 Prince George to Terrace and Kitimat, there were specific concerns raised in the
12 workshops about the environmental and health impacts of a new high voltage line
13 and about BC Hydro subsidizing the extension of the grid to serve the LNG industry.
14 Some participants favoured the LNG industry producing its own electricity with
15 natural gas. Other participants were opposed to the use of natural gas for this
16 purpose. There were also several expressions of both concern with and interest in
17 the B.C. Government’s 2012 announcement to exempt natural gas-fired generation
18 from the *CEA* 93 per cent clean or renewable objective² when it is used by the LNG
19 industry to self-supply. First Nations Feedback Forms indicated more agreement
20 than disagreement among those providing a clear opinion, but the number of those
21 who agreed was equal to the total number of those who neither agreed nor
22 disagreed, disagreed, or provided no answer.

23 With regard to draft Recommended Action 9b relating to the additional procurement
24 of clean or renewable energy backed up by natural gas-fired generation, there was
25 an interest in future BC Hydro energy procurement, as well as in how BC Hydro
26 planned to approach procurement with First Nations specifically. Some participants

² Enshrined in the British Columbia’s Energy Objectives Regulation, B.C. Reg. 234/2012, deposited July 25, 2012.

1 expressed significant concern about a perceived lack of opportunities for First
2 Nations in clean or renewable energy development among the recommended
3 actions, and it was suggested that BC Hydro and First Nations should look at a “new
4 relationship” in the acquisition of power. There was also a concern that the power
5 acquisition process identified among this set of recommended actions would only be
6 needed to serve prospective LNG development, as there was a desire among some
7 First Nations to develop clean or renewable energy for the Province in general, not
8 just for LNG. The First Nations Feedback Forms indicated that among respondents
9 providing a clear opinion on this recommended action, most are in agreement.
10 However, the total number of respondents neither agreeing nor disagreeing,
11 disagreeing, or providing no answer outnumbered those who agreed.

12 For draft Recommended Action 10 relating to continued monitoring of the northeast
13 B.C. natural gas industry, workshop participants expressed the view that it would
14 make more sense for this industry to self-supply the gas for power rather than be
15 provided electricity. However, gas extraction by fracking was characterized as a big
16 environmental issue by some participants, and those participants did not consider
17 natural gas sustainable or renewable. First Nations Feedback Forms indicated that
18 the number of responses showing some level of agreement with this recommended
19 action was the highest among response categories, but the total number of
20 respondents neither agreeing nor disagreeing, disagreeing, or providing no answer
21 was higher than those showing some level of agreement.

22 The views of workshop participants on draft Recommended Action 11a, to work with
23 industry to explore pumped storage capacity options, ranged from unfavourable to
24 favourable. While one participant described the technology as “frightening” and
25 another viewed it as high cost with a low return, there was also the suggestion that
26 BC Hydro work with First Nations to establish pumped storage as a new First
27 Nations industry. Among the First Nations Feedback Form respondents, this
28 recommended action received the highest level of agreement among those for this

1 set of recommended actions, with a third of respondents neither agreeing,
2 disagreeing, or providing no answer.

3 A range of views were offered on draft Recommended Action 11b, to work with
4 industry to explore natural gas-fired generation options. Opposition to natural
5 gas-fired generation heard during the workshops stemmed from the view that it was
6 not sustainable or as cheap as some clean or renewable resources, once the cost of
7 cleaning up emissions was taken into account. There was also a concern about the
8 health effects of these emissions. On the other hand, support for natural gas-fired
9 generation was tied to the expectation that the costs would be borne by industry and
10 that the facilities could be situated close to where the electricity is consumed. There
11 was also the view that it was inconsistent to try to minimize the domestic use of
12 natural gas as a power source, while at the same time exporting it for non-domestic
13 use, as the emissions were all going into the same atmosphere. First Nations
14 Feedback Forms showed that the level of agreement with this recommended action,
15 while outnumbering other response categories, was slightly outnumbered by the
16 total number of responses that neither agreed nor disagreed, disagreed, or provided
17 no answer. In addition, this recommended action received the highest level of
18 disagreement among the recommended actions in the “Prepare for Potentially
19 Greater Demand” set.

20 **Additional Feedback:** In addition to feedback on the draft recommended actions,
21 participants at the workshops also provided feedback that was not specific to those
22 actions, but related in a more general way to the IRP, particularly in terms of
23 approach and assumptions. The additional feedback revolved around concerns with
24 the following key themes:

- 25 • The IRP consultation process, with the majority of this feedback indicating that
26 participants did not feel as though BC Hydro’s methods and timelines for
27 gathering feedback were adequate

-
- 1 • A lack of internal capacity within First Nations to review, understand, and
2 provide informed comment on a voluminous and technical draft IRP
- 3 • The perceived issues arising from using a province-wide planning approach,
4 which is considered a top-down approach, rather than planning that uses a
5 regional perspective or proceeds on the basis of First Nations territories (e.g.,
6 First Nations have no ability to comment on draft actions that may adversely
7 affect other First Nations territories, and BC Hydro has no ability to consider
8 Aboriginal and treaty rights, past grievances or revenue sharing)
- 9 • Increased opportunities/benefits to First Nations
- 10 • Inadequate and/or out-dated electricity service to many remote First Nations
11 communities, even those connected to the electricity grid
- 12 • Recommendations to BC Hydro to consider in its planning the
13 interconnectedness of everything, that what First Nations say to BC Hydro is
14 important to First Nations' survival, and how BC Hydro can improve its
15 relationship with First Nations, both in the big picture and in the day to day

16 **7.4.3 Technical Advisory Committee Feedback on the May 2012 Draft IRP**

17 BC Hydro sought written input from the TAC on the planning topics, so it could be
18 considered along with input BC Hydro received through the First Nations and public
19 and stakeholder consultation streams.

20 At TAC Meeting No. 6 held on June 18, 2012, TAC members were introduced to the
21 draft plan and provided with an opportunity to ask questions and seek clarification on
22 the draft plan. At that meeting, TAC members were requested to submit individual,
23 written comments on the draft IRP. They were also advised that the feedback would
24 be considered along with the feedback collected from First Nations and public and
25 stakeholder consultation, in BC Hydro's finalization of the plan for submission to
26 government by December 3, 2012.

1 Submissions, which can be found in Appendix 7H, were received from:

- 2 • AMPC
- 3 • BCFNEMC
- 4 • FortisBC
- 5 • CEBC
- 6 • CECBC
- 7 • The Pembina Institute
- 8 • BCSEA

9 **Conserve More:** TAC members generally supported the conservation
10 recommendations, however one member was sceptical that the DSM target level
11 would be achievable, and one member thought BC Hydro should be pursuing
12 electric load avoidance as a DSM measure.

13 Of the supporting members, three suggested that BC Hydro should pursue even
14 more conservation and efficiency with accelerated timelines. It was observed that
15 BC Hydro should pursue additional savings even if additional load does not
16 materialize, as the current plan does not meet the test of pursuing all cost-effective
17 and achievable conservation and efficiency levels. It was suggested that BC Hydro
18 should adjust the DSM plan to comply with the *CEA* 66 per cent target in the event
19 that LNG load materializes.

20 Committee members expressed differing views on the risks BC Hydro places on
21 potential conservation and efficiency shortfalls, with some members stating that
22 these risks are overstated, and another questioning the certainty of the existing
23 targets.

24 **Site C:** TAC members generally questioned the prudence (for different reasons) of
25 BC Hydro's recommendation to build Site C for its earliest in-service date. Two

1 members questioned the need for Site C for its earliest in-service date given future
2 load uncertainties, while others thought that more analysis on Site C was required to
3 establish its cost-effectiveness (e.g., against other options, such as natural gas,
4 increased DSM, and wind). Two members stated that a decision on Site C is
5 premature until First Nations concerns are adequately addressed.

6 **Revelstoke Unit 6 and Other Resource Smart Projects:** The TAC members who
7 provided comments on the Resource Smart topic (four of seven submissions) were
8 in support of the recommended actions, because of the relative cost-effectiveness
9 and low environmental impact.

10 **Short-Term Capacity Measures:** TAC members generally supported the actions to
11 meet the short-term capacity gap, with a few caveats:

- 12 • Two members wanted to see Burrard's future more clearly articulated, albeit
13 with divergent views on what the future role should be
- 14 • One member wanted the cost of additional transmission to repatriate the
15 downstream benefits to be examined
- 16 • One member supported increasing the use of bridging options in light of the
17 large uncertainties with the load forecast and therefore the potential risk of
18 stranded assets

19 **Buy More:** TAC members had a range of views on this action. Two members did not
20 support the action based on the view that energy was not needed (or greatly
21 diminished) and/or was not cost-effective. Other members generally supported clean
22 or renewable energy development, but wanted to see further analysis on:

- 23 • The volume and timing requirements
- 24 • Deliverability and cost of new supply risks
- 25 • Cluster analysis
- 26 • Additional resource portfolios (all gas and electric load avoidance)

1 Another member supporting clean or renewable energy development suggested that
2 it was important to consider the findings of the Merrimack Report³ to ensure better
3 accessibility of procurement processes for First Nations.

4 **Prepare for Potentially Greater Demand:** Regarding the transmission line
5 reinforcement and work to maintain the earliest in-service date of a new
6 transmission line, TAC members generally expressed support, however with a
7 number of strong caveats including:

- 8 • Ratepayers should not be subsidizing costs for new infrastructure caused by
9 LNG plants
- 10 • Public policy questions around these major developments still need to be
11 addressed (including the need for new transmission given a recent change in
12 government policy)
- 13 • A new strategy is needed to protect against any potentially undesirable
14 consequences of this major LNG development

15 TAC members' views on developing procurement options for additional clean or
16 renewable energy resources, backed up by natural gas-fired generation to power
17 North Coast industrial development ranged from support to concerns about the
18 potential rate impacts and environmental impacts associated with gas-fired
19 generation.

20 TAC members generally supported the Fort Nelson action to continue to monitor the
21 activity and keep options alive. Two TAC members expressed concern about the
22 environmental and rate impacts associated with serving large new natural gas
23 industrial loads in the northeast, asserting that ratepayers should not be subsidizing
24 this activity; others suggested that significant public policy questions need to be

³ BC Hydro retained Merrimack Energy Group Inc. (**Merrimack**) in September 2010 to conduct a review of BC Hydro's power procurement practices. Merrimack's 2011 report can be found at www.bchydro.com/energy-in-bc/acquiring_power/meeting_energy_needs/how_power_is_acquired.html.

1 addressed with these large developments, prior to determining appropriate actions
2 for BC Hydro.

3 TAC members generally supported pumped storage investigations with a few
4 qualifiers, namely:

- 5 • BC Hydro should also continue to explore other storage options
- 6 • Pumped storage would likely not be cost-effective
- 7 • Collaboration with First Nations on this activity was recommended

8 TAC members' views on exploring natural gas-fired generation were split. Some
9 supported the action as a cost-effective resource; others were concerned about the
10 environmental and/or cost risk associated with a natural gas strategy. One member
11 urged BC Hydro to reconcile the draft IRP and the new gas-fired generation policy
12 for LNG from the B.C. Government, as reflected in the July 2012 British Columbia
13 Energy Objectives Regulation.

14 **7.5 BC Hydro Response to Consultation Input to Date**

15 BC Hydro gathered input into the development of, and feedback on, its May 2012
16 Draft IRP. In November 2012, the BC government announced its intention to extend
17 the IRP submission deadline from December 2, 2012, to August 3, 2013, to allow
18 more time to assess and determine the electricity requirements of the LNG industry.
19 During this time, BC Hydro also updated its load-resource balance.

20 BC Hydro has used the consultation input received to date, along with final updates
21 to technical and financial data, to prepare this IRP for submission to the B.C.
22 Government. [Table 7-2](#), summarizes BC Hydro's response to the input received to
23 date on the recommended actions contained in this IRP. In particular, it compares
24 the May 2012 Draft IRP Recommended Actions to the Recommended Actions put
25 forward in this IRP, and how consultation undertaken to date, and in particular on the
26 draft IRP, aligns with the current Recommended Actions.

1 While this chapter and associated appendices summarize the input received under
2 each stream of consultation to the date of this IRP submission, it does not, and
3 cannot, fully capture the many less formal, but nevertheless valuable, conversations
4 that BC Hydro staff had with members of the public, stakeholders and First Nations
5 at the consultation events and the many points that BC Hydro's planners reflected
6 upon as they undertook the development and preparation of the IRP. BC Hydro
7 wishes to thank everyone who took the time to participate in the consultation
8 process for this plan and contributed their input.

Table 7-2 BC Hydro Response to Consultation Input from Spring 2011 and Spring/Summer 2012

TOPIC: CONSERVE - REDUCE ENERGY CONSUMPTION & ENCOURAGE LESS CONSUMPTION DURING PEAK DEMAND PERIODS			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	<p>Consultation participants were asked to indicate their level of agreement with a greater conservation and efficiency approach.</p>	<p>Consultation participants were asked to indicate their agreement with the following recommended actions to conserve more by:</p> <ul style="list-style-type: none"> Increasing our energy savings target to 9,800 gigawatt hours per year by 2020 (1,000 gigawatt hours more than the current plan) through conservation and efficiency programs, incentives and regulations; Exploring more codes, standards and rate options for savings beyond the annual target of 9,800 GWh/year Encouraging less consumption during peak demand periods by pursuing voluntary conservation programs that encourage residential commercial and industrial customers to reduce energy consumption during peak periods 	<ul style="list-style-type: none"> BC Hydro changed the DSM target Recommended Action from pursuit of Option 3 (defined as 9,800 GWh/year by F2021 in May 2012) to Option 2 (7,800 GWh/year of energy savings, with 1,400 MW of associated capacity savings, by F2021). BC Hydro also recommends targeting expenditures during F2014, F2015 and F2016 of approximately \$175 million, \$145 million and \$125 million respectively. BC Hydro amended the second DSM Recommended Action by removing the reference to rate options, but would continue to explore more codes and standards for savings beyond Option 2 levels The third Recommended Action remains unchanged
Public Input	<ul style="list-style-type: none"> A strong majority (75 per cent) of participants agreed with the Greater Conservation and Efficiency approach to meeting future demand for electricity in B.C Support for the approach was mainly attributed to BC Hydro's focus on conservation, energy efficiency, and alternative forms of power generation Some stakeholder meeting participants suggested that more education and greater incentives are required to encourage energy conservation A few stakeholders cautioned BC Hydro against encouraging too many codes and standards, preferring that BC Hydro provide greater incentives A few stakeholders expressed concern about greater conservation and efficiency as they believe it puts a disproportionately higher burden on rural communities 	<ul style="list-style-type: none"> A large majority of participants strongly agreed with all three recommended actions related to conservation (80 per cent, 72 per cent and 82 per cent agreement, respectively). Reasons for support included that conservation is the best choice overall as we are wasteful with resources, new building codes and regulations will help conservation, there is a need to consider all options, and incentives to conserve will help While many participants expressed a desire to maximize conservation by creating more initiatives and programs, including more municipal programs, some questioned whether BC Hydro's goals are achievable Some participants suggested time-of-use rates as a means of encouraging conservation, and encouraged BC Hydro to recommend them to the Government. However, some participants had reservations and suggested that BC Hydro should be transparent if it was considering time-of-use rates BC Hydro was urged to consider programs that did not place an undue burden on those who may not be able to participate for economic reasons. 	RESPONSE TO CONSULTATION INPUT
			<ul style="list-style-type: none"> BC Hydro acknowledges consultation participants' strong preference for conservation and efficiency to address future growth in electricity demand Consistent with this preference, conservation remains BC Hydro's first strategy to address growing demand for electricity. Given BC Hydro has sufficient energy in the near term to meet customers' requirements, BC Hydro recommends targeting conservation expenditures of \$445 million in the F2014 to F2016 period, while maintaining the ability to ramp up conservation initiatives, and associated energy savings when needed. This approach minimizes short term costs, while preserving the flexibility to ramp-up programs and continuing to maintain customer and industry partner commitments to conservation over the long term

TOPIC: CONSERVE - REDUCE ENERGY CONSUMPTION & ENCOURAGE LESS CONSUMPTION DURING PEAK DEMAND PERIODS			
First Nations Input	<ul style="list-style-type: none"> • There was widespread support among First Nations participants for greater conservation and efficiency, however, a concern over the cost of conservation was a recurring theme • Many First Nations expressed concern over the rate impact of conservation and efficiency initiatives, and were concerned that rates structures may not account for the unique circumstances that affect electricity consumption in First Nation communities • Many First Nations identified a need for significant energy efficient upgrades to First Nations homes and buildings, but were concerned that these upgrades would be unaffordable • The BCFNEMC indicated that Remote Community Electrification must be a first priority before efficiency and conservation can be considered in these off-grid communities • The BCFNEMC indicated that First Nations should be involved in DSM program design to ensure they are relevant to local conditions and First Nations can access them and take advantage of possible savings. The FNEMC had specific recommendations on addressing housing issues as well as coordination with other government goals and objectives. 	<ul style="list-style-type: none"> • First Nations were largely supportive of the recommended actions to conserve more provided that conservation programs are accessible to First Nations • The BCFNEMC indicated support for conservation provided that: programs are based on incentives rather than penalties; program design takes into account the circumstances of rural and off-grid communities; the need for business and economic development on First Nations lands is recognized; and accessibility for lower or fixed income people is ensured. In addition, it was recommended that First Nations should be directly involved in program design and delivery. • There was a concern among some First Nations workshop participants that, from a sustainability perspective, BC Hydro was not going far enough with conservation 	<ul style="list-style-type: none"> • In response to consultation feedback regarding customers' ability to respond to conservation signals, any support that BC Hydro may consider for mandatory conservation methods (e.g., conservation rates/ codes and standards) would be approached cautiously • Consistent with feedback from the public and TAC, BC Hydro will pursue conservation programs aimed at capacity savings. Voluntary conservation programs are an important, proactive response to the need for more clean capacity. BC Hydro will seek to confirm that these customer-oriented programs reliably achieve desired results. • BC Hydro acknowledges that First Nations have unique needs and challenges when it comes to taking advantage of conservation rates. The exploration of rate options beyond Option 3 levels has been removed from the recommendation.
TAC Input	<ul style="list-style-type: none"> • Five of the six members expressed support for DSM. Three of the TAC members expressed support for cost effective DSM, with two of those further wanting all possible cost effective DSM to be implemented. In general, there was interest in how BC Hydro defines cost effectiveness and a desire to look at how cost effectiveness is measured. • Two members were in support of more aggressive DSM, and were willing to embrace a greater degree of uncertainty • One TAC member did not support BC Hydro assuming a role of pursuing specially designed conservation rates and thought BC Hydro was taking on a role that was not appropriate 	<ul style="list-style-type: none"> • TAC members generally supported the conservation recommendations. One member was sceptical that the DSM target level would be achievable and one member thought BC Hydro should pursue electric load avoidance as a DSM measure • Of the supporting members, three suggested that BC Hydro should pursue even more conservation and efficiency with accelerated timelines. It was observed that BC Hydro should pursue additional savings even if additional load does not materialize, as the current plan does not meet the test of pursuing all cost-effective and achievable conservation and efficiency levels. It was suggested BC Hydro adjust the plan to comply with the 66 per cent target. • TAC members expressed differing views on the risks BC Hydro places on potential conservation and efficiency shortfalls, with some members stating that these risks are overstated and another questioning the certainty of the existing targets 	

TOPIC: BUILD THE SITE C CLEAN ENERGY PROJECT			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	<p>Consultation participants were asked to indicate their level of agreement with three example portfolios:</p> <ul style="list-style-type: none"> • One portfolio was comprised of all renewable energy sources, excluding Site C • The second portfolio was comprised of all renewables, including Site C • The third portfolio was comprised of renewables, Site C and gas-fired generation <p>From this input, views on the role of Site C in serving B.C.'s electricity needs were gathered. Please see the Buy section for a summary of comments received on Portfolio 1 and the Natural Gas section for comments received on Portfolio 3.</p>	<p>Consultation participants were asked to indicate their agreement with the following recommended actions to build and reinvest more:</p> <ul style="list-style-type: none"> • BC Hydro recommended building Site C to add 5,100 GWh/year of average energy and 1,100 MW of dependable capacity to the system for the earliest in-service date, subject to environmental certification and fulfilling the Crown's duty to consult and, where appropriate, accommodate Aboriginal groups 	<p>Recommended action is unchanged, except for an adjustment of the in-service date of Site C from fiscal 2022 to 2024.</p>
Public Input	<ul style="list-style-type: none"> • Portfolio 2, which was a mix of renewables, including Site C, received support from 50 per cent of participants, and was opposed by 40 per cent • Some stakeholders in Fort St. John strongly opposed inclusion of Site C in any resource portfolio and suggested that natural gas could be a superior alternative, given its abundance in the Peace River region and its low cost relative to other resources 	<ul style="list-style-type: none"> • 51 per cent of public consultation participants agreed with the recommendation to build Site C, while 40 per cent disagreed. • Reasons given for support included that it is the best option, it is a clean energy option, it makes economic sense, and they agree but have concerns about the environmental impact • Reasons given for opposition to building Site C included that there are other/better options available, they are concerned about the environmental impacts, and that conservation is better. 	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • BC Hydro acknowledges the mixed views on Site C held by participants in the IRP consultation. • BC Hydro understood that most First Nations participating in the consultation on the IRP were reluctant to express views on Site C, and instead deferred to the First Nations communities located in the area of the proposed Site C project. BC Hydro also acknowledges that First Nations participants in the consultation on the IRP that are local to the proposed Site C project area expressed significant opposition to Site C. BC Hydro is continuing consultation with Aboriginal groups whose interests may be affected by Site C and in some cases is currently negotiating Impact Benefit Agreements. • BC Hydro continues to recommend building Site C to add 5,100 GWh/year of average energy and 1,100 MW of dependable capacity to the system for the earliest in-service date of F2024, subject to: environment certification; fulfilling the Crown's duty to consult and where appropriate accommodate Aboriginal groups; and Provincial Government approval to proceed with construction. • BC Hydro recommends building Site C because analysis of alternative portfolios shows that Site C provides the best combination of financial, technical, environmental and economic development attributes and is the most cost-effective way to meet the need for energy and dependable capacity in the following decade. Site C would benefit from storage and regulation provided by upstream facilities; for example, it would generate approximately 35 per cent of the annual energy produced at the W.A.C. Bennett Dam, with five percent of the reservoir surface area.
First Nations Input	<ul style="list-style-type: none"> • Among First Nations workshop participants, there was substantial opposition to Site C. Many First Nations that were not from the area of the proposed Site C project expressed solidarity with the affected First Nations and indicated that the First Nations affected by the Site C dam should be meaningfully consulted and accommodated 	<ul style="list-style-type: none"> • First Nations in most regions were reluctant to express their own views in relation to Site C, and generally stated that they supported whatever position First Nations local to the proposed Site C area took in relation to the project. First Nations workshop participants local to the proposed Site C area expressed significant opposition to Site C • There was a perception among some First Nation workshop participants that BC Hydro considered Site C a "done deal". It was suggested that there was a bias in favour of developing Site C, because of what was viewed as a long-standing B.C. Government policy of maximizing the hydroelectric potential of the Peace and Columbia rivers, and the prioritization of economic values over other values. There was a view that these drivers have now left BC Hydro with a lack of alternatives to Site C, and that the recommended action to proceed with Site C makes no effort to address, or is even dismissive of, values that cannot be measured using only economic indicators. • The BCFNEMC reported that it does not support the inclusion of Site C in the IRP at this time, as its inclusion is inconsistent with the concept that the IRP is to provide overall direction, but not determine individual projects. The BCFNEMC said it is concerned that an approved IRP will be subsequently used by BC Hydro or Government to justify particular projects and reduce or eliminate the rigorous scrutiny that is normally required. 	

TOPIC: BUILD THE SITE C CLEAN ENERGY PROJECT			
TAC Input	<ul style="list-style-type: none"> Several TAC members acknowledged the value of the energy and capacity Site C offers however they would like to see more information before providing input, stating it is premature to express or imply acceptance of Site C, pending the results of environmental assessment, First Nations consultation, updated cost estimates, the Minister's review of BC Hydro and the portfolio modelling. 	<ul style="list-style-type: none"> TAC members generally questioned the prudence (for different reasons) of BC Hydro's recommendation to build Site C for its earliest in-service date. Two members questioned the need for Site C at its earliest in-service date given future load uncertainties, while others thought that more analysis on Site C was required to establish its cost-effectiveness (e.g., against other options such as natural gas-fired generation, increased DSM, and wind). Two members stated that a decision on Site C is premature until First Nations concerns are adequately addressed. 	<ul style="list-style-type: none"> Although included as a recommended action in the IRP, Site C continues to be subject to approval and consultation requirements. BC Hydro is continuing consultation with Aboriginal groups, stakeholders and the public on Site C. Site C is currently in the environmental and regulatory review stage, which includes a harmonized federal and provincial environmental assessment process, including a joint review panel process.

TOPIC: BUILD AND REINVEST - RESOURCE SMART OPPORTUNITIES			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	No questions about the topic were asked in 2011.	<p>Consultation participants were asked to indicate their agreement with the following Resource Smart Opportunities:</p> <ul style="list-style-type: none"> • Begin work to allow the sixth generating unit at Revelstoke Generating Station to be built by 2018, adding 500 megawatts of peak capacity to the BC Hydro system • Continue to investigate and advance cost-effective Resource Smart projects to utilize the remaining untapped capacity in BC Hydro's existing hydroelectric system 	<ul style="list-style-type: none"> • Revelstoke Unit 6 would continue to be advanced for its earliest in-service date, but as a contingency resource. • BC Hydro also recommends advancing GM Shrum Generating Station upgrade project Units 1-5 Capacity Increase, which is a Resource Smart project with the potential to gradually add up to 220 MW of peak capacity starting in F2021, as a contingency resource
Public Input		<ul style="list-style-type: none"> • A majority of public participants (80 per cent) agreed with BC Hydro's recommendation to begin work to build the sixth generating unit at Revelstoke Generating Station. Those that disagreed with this action felt that there were better options, including conservation. • The majority of public participants (83 per cent) agreed with the recommendation that BC Hydro should continue to investigate cost-effective Resource Smart projects to utilize untapped capacity within BC Hydro's existing system • Those that agreed with the draft recommendation stated that Resource Smart is a good use of existing infrastructure and it makes sense 	<p>RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • In line with strong support from consultation participants, BC Hydro is recommending advancing two Resource Smart projects through planning to preserve their earliest in-service-dates for contingency purposes • The key Resource Smart projects identified include a proposed GM Shrum Generating Station upgrade project, which would add up to 220 megawatts of peak capacity (called GMS Units 1-5 Capacity Increase), and Revelstoke Generating Unit 6, which has the potential of adding about 500 megawatts of peak capacity • Both Resource Smart projects add capacity with limited energy gains to the system. BC Hydro's capacity Load Resource Balance has changed since May 2012. BC Hydro compared Site C to portfolios that included Revelstoke Unit 6 and GMS Units 1-5 Capacity Increase and was found to be cost-effective. Given Site C is able to provide both cost-effective energy and capacity when it will be needed in the 2024 timeframe, these two Resource Smart projects are currently being advanced from a contingency planning perspective and also continue to be available to provide additional capacity in the future beyond Site C. • Resource Smart solutions, such as GMS Units 1-5 Capacity Increase and Revelstoke Unit 6, provide cost-effective capacity in a manner that has fewer impacts than other capacity alternatives that aren't able to take advantage of existing infrastructure in this way
First Nations Input		<ul style="list-style-type: none"> • First Nations workshop participants provided limited feedback on the recommended actions relating to Resource Smart. Some First Nations participants indicated that they were reluctant to provide feedback without more information. • Some First Nations disagreed with BC Hydro's characterization of the Revelstoke Unit 6 project as having no or minimal impact • There was a perception that BC Hydro's IRP places undue reliance on projects such as Revelstoke Unit 6 that are not yet approved • The BCFNEMC supports the focus on Resource Smart options, including the addition to the Revelstoke plant. To the extent such options increase efficiency and are cost-effective, they consider them a preferred approach to new construction, minimizing new land and environmental impacts, and maximizing overall system efficiency. 	
TAC Input		<ul style="list-style-type: none"> • The TAC members who provided comments on the Resource Smart topic (four of seven submissions) were in support of the recommended actions, because of the relative cost-effectiveness and low environmental impact 	

TOPIC: COMBINE READILY AVAILABLE RESOURCES TO MEET THE SHORT-TERM CAPACITY GAP			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	No questions about the topic were asked in 2011.	<p>Consultation participants were asked to indicate their agreement with combining readily available resources to meet a short-term capacity gap by:</p> <ul style="list-style-type: none"> Filling the short-term peak capacity gap from 2015 to 2020 with a combination of market purchases first, power from the Columbia River Treaty second, and extending the existing backup use of Burrard Thermal Generating Station, if required and as authorized by regulation. 	<ul style="list-style-type: none"> Recommended Action is unchanged, except BC Hydro is forecasting a reduced two-year reliance (F2022 to F2023) for about 200 MW
Public Input		<ul style="list-style-type: none"> 57 per cent of feedback from respondents agreed with the recommendation to fill the short-term peak capacity gap with a combination of market purchases first, power from the Columbia River Treaty second and extending the existing backup use of Burrard, if required and authorized by regulation Some of those that agreed encouraged the use of the Columbia River Treaty, and Burrard Thermal Generating Station. They also cautioned about the cost-effectiveness of this plan and expressed concerns about buying power from the market rather than being self-sufficient. Of those that disagreed, some opposed the use of Burrard and thought that other options should be explored Some public participants felt that conservation is a better option 	<p>RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> Because of the short-term need for capacity, BC Hydro recommends meeting the short-term peak capacity gap with cost-effective market purchases first, and power from the Columbia River Treaty second. Burrard continues to be available in accordance with the CEA for emergency backup purposes. Given the expected gap in peak demand is lower than originally forecast, BC Hydro is no longer including Burrard as a third option to fill this short term gap. Removal of this third option also reflects consultation participants' mixed views on the use of Burrard. BC Hydro recommends these short-term bridging options because they are more cost-effective than constructing alternatives that are initially required for only a short period. Reflecting some consultation participants' concerns that other options should be explored, BC Hydro is also recommending pursuing capacity savings from conservation initiatives that could see results in the near or mid-term.
First Nations Input		<ul style="list-style-type: none"> There was limited First Nations feedback on the recommended actions to fill the short term capacity gap In general, the BCFNEMC reported it supports these options, agreeing with use of available power from the Columbia River Treaty, and with back-up use of the Burrard as needed. The BCFNEMC also reported that the purchase of additional power on an interim basis is supportable, recognizing that it is likely unavoidable under current demand projections. The BCFNEMC reported that it questions, in light of overall commitments to green energy, why additional market purchases would be made ahead of using power from the Columbia River Treaty. The BCFNEMC noted that the purchases would most likely come from thermal, emission-generating sources, which would result in the displacement of GHG emissions to neighbouring jurisdictions rather than result in real reductions. 	
TAC Input		<ul style="list-style-type: none"> TAC members generally supported the actions to meet the short-term capacity gap, with a few caveats: <ul style="list-style-type: none"> Two members would like to see Burrard's future more clearly articulated, albeit with divergent views on what the future role should be One member wanted the cost of additional transmission to repatriate the Columbia River Treaty downstream benefits to be examined One member supported increasing the use of bridging options in light of the large uncertainties with the load forecast and therefore the potential risk of stranded assets 	

TOPIC: TRANSMISSION PLANNING			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	
	<p>Consultation participants were asked to indicate their level of agreement with a proactive approach to transmission planning which plans the transmission system in anticipation of future need.</p>		
Public Input	<ul style="list-style-type: none"> About half of participants agreed with the proactive approach to planning transmission, while just over one quarter disagreed with it and about one-fifth neither agreed nor disagreed Support for the proactive approach stemmed from opportunities to realize long term savings, reduce environmental impacts and promote economic development through proactive thinking Concerns were raised around the risks of investing based on uncertain forecasts, they thought there was a need to encourage more regional power generation, and that ratepayers should not bear transmission costs for private enterprise Some stakeholder meeting participants expressed a desire for BC Hydro to consider offsetting transmission costs by locating electricity generation closer to demand A few participants encouraged BC Hydro to consider increasing opportunities for communities to partner in the ownership of electricity generation and transmission projects 	<p>No questions were asked about transmission planning in this context in 2012. Questions about specific transmission projects to serve the North Coast were asked and are addressed under the "Transmission and Supply to LNG Industry" section.</p>	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> For generation-driven transmission, the IRP analysis showed only marginal economic and environmental benefits associated with prebuilding in areas with high generation potential. However, the assessment entails significant uncertainty with regards to the assumptions on generation potential. Therefore BC Hydro may undertake more detailed assessments as part of future acquisitions processes where the development potential in a specific region is better understood. This is consistent with cautions expressed by consultation participants around risking investments based on uncertain forecasts. BC Hydro acknowledges the importance of early consultation with First Nations on transmission infrastructure.
First Nations Input	<ul style="list-style-type: none"> While generally supportive of a proactive approach to transmission planning, First Nations emphasized that this must be combined with early First Nations consultation and accommodation The BCFNEMC was very supportive of a proactive approach to transmission planning, noting that it is possible to do so without fully committing to or actually constructing ahead of established triggers or thresholds, which reduces the risks of stranded asset investments The BCFNEMC noted that transmission disproportionately affects First Nations and rural lands, while serving the needs or interests of large demand centres elsewhere in the province, highlighting the need to involve First Nations at all levels of transmission planning The BCFNEMC indicated it favoured local First Nations involvement in smaller scale and distributed generation facilities, which may require proportionately less transmission than large scale facilities. (see related input and feedback under the Buy-Energy from B.C.-based Clean Energy Producers) 		
TAC Input	<ul style="list-style-type: none"> TAC members stated that a proactive approach to transmission planning is complex and should balance BC Hydro's ability to serve potential customer loads with the potential economic consequences of overbuilding transmission Some members stated that proactive transmission planning is key due to the longer lead time, expense, permitting and consultation required. However, TAC members were clear to state that they support proactive planning and not necessarily proactive building Others stated that they needed more analysis 		

TOPIC: BUY – ENERGY FROM B.C.-BASED CLEAN ENERGY PRODUCERS			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	<p>Consultation participants were asked to indicate their level of agreement with three example portfolios:</p> <ul style="list-style-type: none"> one was comprised of all renewable energy sources, excluding Site C; the second was comprised of all renewables, including Site C the third portfolio was comprised of renewables, Site C and gas-fired generation <p>From this question, views on buying energy from B.C.-based producers were gathered.</p> <p>Please see the Site C section for a summary of comments received on Portfolio 2 and the Natural Gas section for comments received on Portfolio 3.</p>	<p>Consultation participants were asked to indicate their agreement with the recommended action to develop energy procurement options to acquire up to 2,000 gigawatt hours from clean energy producers for projects that would come into service in the 2016 to 2018 time period.</p> <p>It was noted that final decisions on the timing and the volume of energy would be made once there was more certainty regarding new electricity loads.</p>	<ul style="list-style-type: none"> BC Hydro is no longer intending to acquire 2,000 GWh/year of clean or renewable energy resources that would come into service in the 2016 to 2018 time period BC Hydro would explore clean or renewable energy supply options and be prepared to advance a procurement process to acquire energy as required to meet LNG needs that exceed existing and contracted energy supply
Public Input	<ul style="list-style-type: none"> Portfolio 1, the example electricity generation portfolio which included all renewable power but excluding Site C, received the strongest public agreement via feedback forms. 58 per cent agreed with this approach, while 30 per cent disagreed. Respondents who supported the approach referenced alternative energy sources, the perceived smaller environmental impact and the exclusion of Site C as reasons. Those that opposed the renewable portfolio (Portfolio 1) referenced concerns over run-of-river projects, IPPs more generally, the exclusion of Site C and rate implications 	<ul style="list-style-type: none"> The majority (64 per cent) of public participants agreed with the recommendation to develop energy procurement options to acquire up to 2,000 gigawatt hours of clean energy from clean energy producers for projects that would come into service between 2016 and 2018 Stated reasons for agreement included clean/renewable energy is best, it is wise to develop multiple energy sources, and this is logical/makes sense Reasons for disagreement included concerns about cost and opposition to power being purchased from Independent Power Producers. Some individuals specifically opposed run-of-river power projects A key theme at stakeholder meetings was general interest in the role that IPPs play in relation to the BC Hydro system. In particular, they were interested in the cost of buying power from IPPs compared to the cost of hydroelectricity, the procurement process for obtaining more energy, and the future reliance on IPPs In addition some stakeholder meeting participants were interested in the use of more clean energy resources, and had questions and suggestions regarding geothermal, run-of-river, solar, tidal and wave-generated power Some public participants expressed a desire for greater regional and local generation utilizing energy sources closer to users, partly to offset any electricity losses through long transmission routes 	<p>RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> BC Hydro acknowledges consultation participants' support for clean or renewable energy from B.C.-based energy producers, and many participants' interest in more local generation solutions. BC Hydro also acknowledges many First Nations interest in greater involvement in clean or renewable energy development. (For further details on First Nations participation in clean or renewable energy, please see Table 1-1 in Chapter 1, which describes the IRP response to British Columbia's CEA energy objective to foster development in First Nations and rural communities through the use and development of clean or renewable resources). Based on the updated load forecast and energy load resource balance, BC Hydro has adequate supplies of energy in the near and mid-term Since BC Hydro has sufficient clean or renewable energy to meet domestic requirements, additional acquisition processes are not being recommended at this time. Further, BC Hydro recommends optimizing the current portfolio of IPP resources according to the key principle of

TOPIC: BUY – ENERGY FROM B.C.-BASED CLEAN ENERGY PRODUCERS			
First Nations Input	<ul style="list-style-type: none"> Many First Nations were reluctant to comment on portfolio preferences without knowing how the IRP would ultimately affect their individual communities. Although not expressing support for any particular example portfolio, in general First Nations participants preferred the development of clean and renewable resources with the exception of Site C. <i>(More specific input from Round 1 on Site C is set out in the Site C section above.)</i> Like some stakeholders and TAC members some First Nations indicated a preference for certain types of resources that appeared excluded from the example portfolio, including geothermal, solar, wave and tidal In addition to procurement and employment opportunities associated with independent power projects, many First Nations are seeking revenue sharing or ownership interests in proposed projects Many First Nations expressed interest in community based electricity generation. There was also interest expressed in a regional approach to portfolio planning 	<ul style="list-style-type: none"> Most First Nations workshop participants that expressed an opinion on the recommended action to buy more energy were supportive. There was substantial interest in greater First Nations involvement in clean or renewable energy development, but participants identified significant barriers to greater involvement. First Nations felt strongly that BC Hydro should be doing more to help First Nations overcome these barriers and become full participants in clean or renewable energy development. Several First Nation workshop participants expressed a preference for local generation rather than transmission to/from other regions Some First Nation participants were of the view that IPPs should be evaluated differently depending on the intended destination of power The BCFNEMC was also supportive of clean energy and privately owned and developed generation. The BCFNEMC identified important conditions that are essential to First Nations support for specific projects and a successful call for more IPP generation, specifically: (1) there should be First Nations opportunities for participation, including a possible preferential call for First Nations projects; (2) First Nations rights and title must be fully respected and mini-staking rushes for micro-hydro sites must be avoided, and unused water licenses should revert back to the Province or to local First Nations; and (3) the call process should be designed to encourage rather than discourage First Nations participation. 	<p>reducing near-term costs while maintaining cost effective options for long-term need. BC Hydro is committed to honouring IBAs with First Nations, and some of the IBAs involve negotiation of EPAs for energy generation projects.</p> <p>Note that should LNG industry's future energy needs emerge in a different way than currently envisioned or should load growth be higher than forecast, BC Hydro could need additional resources. BC Hydro recommends exploring clean or renewable energy supply options and being prepared to advance a procurement process to acquire energy from clean or renewable power projects as required to meet LNG needs that exceed existing and contracted supply.</p> <ul style="list-style-type: none"> With regard to interest in local generation solutions, BC Hydro focuses on local generation through acquisitions processes and is committed to local solutions in a number of ways including electrifying remote communities, maintaining the SOP for small projects and the Net Metering program, which encourages residential and small business customers to offset their own electricity consumption
TAC Input	<ul style="list-style-type: none"> Many TAC members were not ready to state preferences on example portfolios until more detailed data was available. One TAC member observed that it is not the role of BC Hydro to foster regional development, green development, reduced GHGs, or any other social objective through the purchase of new electricity supply Another two noted that more is needed from BC Hydro and the provincial government to help identify potentially feasible geothermal generation resource locations while another member stated that the most cost effective option for procuring additional electricity should be the one that is pursued Another disagreed with BC Hydro's comment that a portfolio of renewable generation from IPP's would be higher cost than one involving Site C and/or natural gas Another member drew attention to the consideration of other environmental impacts such as the impact of transmission connections to these widespread generation sites 	<ul style="list-style-type: none"> TAC members had a range of views on this action. Two members did not support the action based on the view that energy was not needed (or greatly diminished) and/or was not cost-effective. Other members generally supported clean energy development but wanted to see further analysis on: <ul style="list-style-type: none"> Volume and timing requirements; Deliverability and cost of new supply risks Cluster analysis Additional resource portfolios (all gas and electric load avoidance) Another member supporting clean energy development suggested that it was important to consider the findings of the Merrimack Report to ensure better accessibility of procurement processes for First Nations 	

TOPIC: TRANSMISSION AND SUPPLY TO LIQUEFIED NATURAL GAS (LNG) INDUSTRY		
2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
<p>No questions about the topic were asked in 2011.</p>	<p>Consultation participants were asked to indicate their agreement with reinforcing the existing 500-kilovolt line from Prince George to Terrace, including installation of new capacitors, to meet new demand on the North Coast. They were also asked to indicate their agreement with continuing to work with Liquefied Natural Gas (LNG) developers to understand their electricity requirements and keeping options open until further certainty on future requirements can be established by:</p> <ul style="list-style-type: none"> • undertaking work to maintain the earliest in-service date for a new 500 kilovolt transmission line from Prince George to Terrace and Kitimat and from the Peace River region to Prince George; • developing procurement options for additional clean energy resources, backed up by gas-fired generation (located only in the North Coast, or in both the North Coast and across the province) for electricity that could be delivered in the 2019 to 2020 timeframe, should it be needed 	<ul style="list-style-type: none"> • The Recommended Action concerning reinforcing the existing 500-kilovolt line from Prince George to Terrace, including installation of new capacitors (referred to as Prince George to Terrace Capacitors or PGTC), to meet new demand on the North Coast remains unchanged • Based on updated LNG requirements, BC Hydro is no longer undertaking work to maintain the earliest in-service date for a new 500 kilovolt transmission line from Prince George to Terrace and Kitimat and from the Peace River region to Prince George • As described above, BC Hydro is no longer intending to acquire 2,000 GWh/year of clean or renewable energy resources that would come into service in the 2016 to 2018 time period. BC Hydro would explore clean or renewable energy supply options and is to and be prepared to advance a procurement process to acquire energy as required to meet LNG needs that exceed existing and contracted energy supply.

TOPIC: TRANSMISSION AND SUPPLY TO LIQUEFIED NATURAL GAS (LNG) INDUSTRY		
Public Input	<ul style="list-style-type: none"> • The majority of public participants agreed with the recommendation to reinforce the existing 500 kV transmission line from Prince George to Terrace to meet the demand on the North Coast. The most popular reasons given for agreement were that reinforcing this existing line was logical and necessary. Some participants who disagreed with this option noted preferred the use of alternative energy sources, opposed LNG development, or preferred that local generating facilities should be built instead. Concern was also expressed that industry should pay for the required transmission. • 48 per cent of public participants agreed with the recommendation to undertake work to maintain the earliest in-service date for a new transmission line. 17 per cent neither agreed nor disagreed. When participants did agree, they noted that it was on the condition that BC Hydro explores other options, and that it is cost efficient. • 35 per cent disagreed with the recommendation regarding a new transmission line. Reasons for disagreement included lack of support for natural gas, opposition to LNG, and the belief that industry should provide their own electricity/pay for it themselves. • A key theme at the stakeholder meetings was that participants wanted BC Hydro to proceed cautiously in its approach to supplying the proposed LNG plants with energy, in case the demand for electricity does not emerge. As well participants did not want residential rates to subsidize the cost of new energy for large industrial users, including the proposed LNG plants. Participants indicated that they did not want residential rates to be affected due to increased industrial demand. • Some participants at the stakeholder meetings also recommended that the proposed LNG plants self-generate electricity using natural gas, rather than obtain their energy supply from BC Hydro and increase demand on the system 	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • BC Hydro has continued work to understand the future requirements of the LNG industry. While the potential for additional LNG facilities to locate in B.C. has strengthened, it appears that most LNG facilities will use direct-drive natural gas turbines to run the cooling process to convert natural gas to liquid form, but may require electricity from BC Hydro for ancillary activities. • At this time, BC Hydro is moving forward with the recommended action to advance PGTC, which entails the reinforcement of the existing 500 kV transmission line from Prince George to Terrace through new series capacitors and upgrades to substations, but is not moving forward with work on a new 500 kV transmission line from Prince George to Terrace. • With regard to the LNG industry's future energy requirements, BC Hydro has adequate supply to meet 3,000 GWh/year of LNG load and is committed to meeting the future requirements of this industry. BC Hydro continues to explore clean or renewable energy supply options and is prepared to acquire additional energy from clean power projects as required to meet the LNG industry's needs in excess of existing and contracted supply. It also recommends working with industry to explore natural gas supply options on the North Coast to enhance transmission reliability and to meet the LNG industry's requirements for dependable supply. The approach described above is consistent with participants' concerns expressed during consultation regarding the potential for stranded investments. It will

TOPIC: TRANSMISSION AND SUPPLY TO LIQUEFIED NATURAL GAS (LNG) INDUSTRY		
First Nations Input	<ul style="list-style-type: none"> • Similar to Site C and Revelstoke Unit 6, several First Nations workshop participants expressed concern that transmission upgrades appeared to be fully committed projects even though BC Hydro indicated that the IRP did not commit BC Hydro to any specific capital project • Some First Nations workshop participants indicated that industrial customers (not residential customers) should bear the cost of these upgrades • The BCFNEMC indicated it was supportive in principle of the proposed transmission upgrades; however, it also said the large amount of uncertainty regarding LNG facilities raised serious questions and highlighted the need for very timely and effective contingency planning • First Nations feedback on supplying electricity to power North Coast industrial development was mixed with some favouring it and others not. Factors influencing participants' positions were concern about increased rates, interest in greater opportunities for participation in energy development and concern about environmental impacts. Several First Nations expressed concern about the level of uncertainty associated with the "prepare for potentially greater demand" recommended actions. Some participants expressed significant concern about a perceived lack of opportunities for First Nations in clean/renewable energy development among the recommended actions. • The BCFNEMC reported that it takes no position on the LNG facilities, and is not opposed in principle to supplying them with electricity. However, it also stated that there is some degree of inconsistency in Government policies on clean energy and the energy supplied for the LNG Plants. • The BCFNEMC stated that transmission costs should be carried by the developers not customers (<i>see also feedback on Transmission Planning topic above</i>) • In regards to procurement, the BCFNEMC stated that generation located near demand is preferable and First Nations should be given first or full opportunity to develop generation projects 	<p>ensure BC Hydro is ready and able to serve new LNG customer load, while not unduly risking investment before commitments are made.</p> <ul style="list-style-type: none"> • BC Hydro acknowledges consultation participants' concerns regarding the potential rate pressures caused by serving the LNG industry. The B.C. Government's direction has enabled greater use of natural gas to reduce the cost of providing service to LNG, to ensure BC Hydro electricity supply can be competitive with the option of LNG producers self-supplying, and to support LNG producers in being competitive in the world market. • In addition, the government's LNG strategy committed to offsetting the increased expense of supplying new LNG facilities by ensuring that LNG developers contribute capital to infrastructure development and to the electricity supply required to serve each operation. • BC Hydro acknowledges that First Nations had diverse perspectives on electricity supply to North Coast LNG. Since the spring of 2012 BC Hydro has been engaged in consultation with First Nations in the area regarding the potential supply of electricity to LNG proponents. • BC Hydro is no longer consulting on a new 500 kV line from Prince George to Terrace and Kitimat and from the Peace River region to Prince George (as it is no longer recommended), but consultation continues with potentially impacted First Nations regarding reinforcement of the existing 500 kV line (PGTC)
TAC Input	<ul style="list-style-type: none"> • Regarding the transmission line reinforcement and work to maintain the earliest in-service date of a new transmission line; TAC members generally expressed support, however with a number of strong caveats including: <ul style="list-style-type: none"> – Ratepayers should not be subsidizing costs for new infrastructure caused by LNG plants – Public policy questions around these major developments still need to be addressed (including the need for new transmission given a recent change in Government policy) – A new <i>Insulate More</i> strategy is needed to protect against any potential undesirable consequences of this major LNG development. • TAC members' views on developing procurement options for additional clean energy resources, backed up by gas to power North Coast industrial development ranged from support to concerns about the potential rate impacts and environmental impacts associated with gas-fired generation. 	

TOPIC: POTENTIAL LARGE INDUSTRIAL DEMAND IN THE NORTHEAST FORT NELSON AND HORN RIVER BASIN			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON
	No questions about the topic were asked in 2011.	Consultation participants were asked to indicate their agreement with continuing to monitor the northeast natural gas industry and undertake studies to keep electricity supply options open, including transmission connection to the integrated system, and local gas-fired generation.	May 2012 Draft Recommended Action Vs. Current Recommended Action <ul style="list-style-type: none"> Recommended Action is unchanged
Public Input		<ul style="list-style-type: none"> Public participants expressed varied opinions on the recommendation to monitor the natural gas industry and undertake studies to keep electricity supply options open. 51 per cent of respondents agreed with this recommendation. Agreement came with conditions that: BC Hydro should explore other options; it is cost efficient; and BC Hydro should support conservation/cleaner options Those individuals that disagreed with this option stated that BC Hydro should consider other alternatives, or that industry should pay for their own power, as well as expressing opposition to gas-fired generation and the environmental impacts 	RESPONSE TO CONSULTATION INPUT <ul style="list-style-type: none"> The Fort Nelson and Horn River Basin regions are presently not part of BC Hydro's integrated electricity system, however these regions may experience significant future growth in electricity demand as a result of growth in the oil and gas sector BC Hydro acknowledges TAC and First Nations concerns surrounding increased rate-payer costs and the use of natural gas as a fuel. At this time Hydro is continuing to monitor development of the natural gas industry in the northeast and recommends continuing discussions with industry and undertaking studies to keep electricity supply options open.
First Nations Input		<ul style="list-style-type: none"> Several First Nations workshop participants expressed the view that it would make sense for the northeast natural gas industry to self-supply. The practice of "fracking" was considered a big environmental issue by some participants and those participants did not view natural gas as sustainable. The BCFNEMC reported that it is supportive of electrification of the natural gas industry provided First Nations and BC Hydro customers do not face tighter supply, higher costs, or more non-clean generation requirements. The BCFNEMC noted again that it perceives inconsistencies in government policies relating to clean energy and natural gas development. 	
TAC Input		<ul style="list-style-type: none"> TAC members generally supported the Fort Nelson action to continue to monitor the activity and keep options alive. Two TAC members expressed concern about the environmental and rate impacts associated with serving large new gas industrial loads in the northeast, asserting that rate payers should not be subsidizing this activity. Others suggested that significant public policy questions need to be addressed with these large developments prior to determining appropriate actions for BC Hydro. 	

TOPIC: PREPARE FOR POTENTIALLY GREATER DEMAND - PEAK CAPACITY RESOURCES – PUMPED STORAGE			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	No questions about the topic were asked in 2011.	Consultation participants were asked to indicate their agreement with exploring peak capacity resources by working with industry to explore pumped storage capacity options to reduce the lead time to in-service dates and to develop an understanding of where and how to site such future resources in the province should they be needed.	<ul style="list-style-type: none"> BC Hydro is no longer undertaking work to explore pumped storage capacity options
Public Input		<ul style="list-style-type: none"> 61 per cent of consultation participants agreed with this recommendation, while 15 per cent disagreed. Those that agreed often agreed strongly that this is an area that requires more exploration and is a good management of resources. Those that disagreed indicated they did so because pumped storage is inefficient. 	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> As part of good utility practice, BC Hydro continues to have a contingency plan in case electricity demand grows faster than forecast or if planned resources don't come online when expected Because Revelstoke Unit 6 is no longer needed as part of the base plan without LNG load, it is being brought forward as one of the additional capacity options for contingency purposes, along with the GMS Units 1-5 Capacity Increase The recommended action to work with industry to advance pumped storage as a contingency option is no longer included at this time, because of its high cost. Pumped storage remains within BC Hydro's inventory of long term resource options for future IRPs. BC Hydro notes that a large number of consultation participants, understandably, had little familiarity with pumped storage, given such a project has not been located in B.C. to date. Should such a recommended action move forward in the future, it should involve sharing the growing understanding about the potential of pumped storage with others, including First Nations.
First Nations Input		<ul style="list-style-type: none"> First Nations workshop participants viewed pumped storage both favourably and unfavourably. On the one hand there was concern about what was perceived as a high cost/low return resource and on the other hand there was interest in establishing pumped storage as a new industry for First Nations. The BCFNEMC would be supportive of pumped storage as a vehicle for First Nations investment, provided that facilities can be developed in an environmentally responsible manner, and with assurance of long-term need and appropriate rate design to ensure financial viability 	
TAC Input		<ul style="list-style-type: none"> TAC members generally supported pumped storage investigations with a few qualifiers, namely: <ul style="list-style-type: none"> BC Hydro should also continue to explore other storage options Pumped storage would likely not be cost effective BC Hydro should collaborate with First Nations on this activity 	

PREPARE FOR POTENTIALLY GREATER DEMAND - PEAK CAPACITY RESOURCES – NATURAL GAS			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	COMPARISON May 2012 Draft Recommended Action Vs. Current Recommended Action
	<p>Consultation participants were asked to indicate their level of agreement with three example portfolios:</p> <ul style="list-style-type: none"> • One was comprised of all renewable energy sources, excluding Site C • The second was comprised of all renewables, including Site C • The third was comprised of renewables, Site C and gas-fired generation <p>From this input, views on the role of natural gas in serving B.C.'s electricity needs were gathered.</p> <p>Please see the Buy section for a summary of comments received on Portfolio 1 and the Site C section for comments received on Portfolio 2.</p>	<p>Consultation participants were asked to indicate their agreement with exploring peak capacity resources by:</p> <ul style="list-style-type: none"> • Working with industry to explore natural gas-fired generation options to reduce the lead time to in-service dates and to develop an understanding of where and how to site such future resources in the Province, should they be needed. 	<ul style="list-style-type: none"> • Recommended Action is unchanged
Public Input	<ul style="list-style-type: none"> • The example electricity generation portfolio which included gas (Portfolio 3) had the strongest public disagreement on the feedback forms (opposed by 66 per cent and supported by 25 per cent of respondents). The most prevalent reason for disagreement was gas-fired generation and its higher greenhouse gas emissions. 	<ul style="list-style-type: none"> • 50 per cent of participants agreed and 35 per cent disagreed with this recommended action. • Those that agreed indicated that gas-fired generation is a good alternative, is logical and makes sense • Those that disagreed indicated opposition to gas fired generation, and concerns about environmental impacts 	<p>RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • As mentioned above, as part of good utility practice, BC Hydro continues to have a contingency plan in case electricity demand grows faster than forecast or if planned resources don't come online when expected • BC Hydro notes that while the province has a wealth of clean or renewable energy resources, cost effective options for meeting growth in peak demand with clean capacity are more limited. • BC Hydro recommends continuing to investigate natural gas-fired generation supply options to reduce their potential lead time to in-service and to develop an understanding of where and how to site such resources, should they be needed, given that this resource is cost-effective, flexible and proven • Any use of natural gas-fired generation will be planned in such a way to achieve the 93 per cent clean electricity objective for customer demand outside that designed to serve the LNG industry on the North Coast. In July 2012, the British Columbia's Energy Objective Regulation was deposited, which modifies the CEA Chapter 2(c) objective by providing that electricity to serve LNG demand is not included in the 93 per cent clean or renewable target. Refer to Chapter 1.2.4 in Chapter 1. This enables BC Hydro to ensure the LNG industry is competitive with other self-supplying LNG plants, while allowing for the use of cost-effective clean or renewable resources.
First Nations Input	<ul style="list-style-type: none"> • First Nations feedback on the example portfolio containing natural gas did not express either support or opposition to natural gas. However, several participants expressed concern about the impact of climate change. A small number of First Nation participants expressed interest in natural gas fired generation. One participant said this should be an interim measure provided that the generation facilities are located close to the consumers of the electricity thereby reducing transmission requirements and related impacts. • The BCFNEMC suggested that natural gas generation may still have a role to play in long-term energy planning; to be used during infrequent low-water years, as gas may provide cost-benefits, and improve reliability, and energy security. The BCFNEMC also submitted that natural gas may also have a role in helping to displace electricity that is currently imported from other jurisdictions that primarily use coal for generation. 	<ul style="list-style-type: none"> • First Nations workshop participants expressed a range of views on natural gas-fired generation options. Opposition to natural gas stemmed from the view that it was not sustainable, nor as cheap as some clean renewable resources once the cost of emissions are taken into account. There was also a concern about the health effects of natural gas. On the other hand, support for natural gas was tied to the expectation that the costs would be borne by industry and that the facilities could be situated close to where the electricity is consumed. • The BCFNEMC stated that extensive consultation will be required before any new natural gas projects could be brought on stream 	
TAC Input	<ul style="list-style-type: none"> • Several TAC members supported continued examination of the role of gas under certain circumstances, however they were unwilling to weigh in with a definitive preference until more information was available • While many TAC members noted a role that gas may play under certain circumstances in the long term plan, TAC members were also concerned about GHG emissions and recognized the need for a comprehensive approach to meeting GHG reduction targets • Two TAC members commented that other jurisdictions regard gas as a relatively clean fuel, and B.C. exports gas to them. In addition, siting gas fired generation closer to the load allows for less transmission requirements and provides voltage support in demand centres. 	<ul style="list-style-type: none"> • TAC members' views on exploring natural gas were split. Some supported the action as a cost-effective resource; others were concerned about the environmental and/or cost risk associated with a gas strategy • One member urged BC Hydro to reconcile the draft IRP and new gas-fired generation policy from the provincial government 	

TOPIC: ELECTRIFICATION			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION May to July 2012)	
	<ul style="list-style-type: none"> • Consultation participants were asked to indicate their level of agreement with a proactive approach to electrification, in which BC Hydro would work with government and other partners to facilitate and encourage increased electrification where it can reduce greenhouse gas emissions and benefits to customers 	No questions about the topic were asked in 2012.	
Public Input	<ul style="list-style-type: none"> • 58 per cent of consultation respondents agreed with the approach to actively pursue electrification, compared to 29 per cent who disagreed • Those who agreed indicated they did so because it would decrease GHG emissions, because they supported a switch to electrification, and because they supported a proactive approach • Those who did not support the approach expressed a range of reasons, including the increased demand for electricity, the need for the technology of the cars to improve, and the need for government and industry to be responsible for electrification, not BC Hydro. • Many stakeholder meeting participants had concerns that a proactive approach to electrification could significantly increase demand for energy, which would require a significant new supply of energy such as large hydro, wind, run-of-river, etc. • Several stakeholders voiced concerns about the limitations of electric cars in rural communities 		<p>RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • Within the IRP, BC Hydro examined the drivers of electrification, the potential impact of electrification on the system, and when electrification might occur. Analysis concluded that electrification will take time to gain momentum and that the potential costs and impacts of general electrification would be significant. Further, it is uncertain where and when electrification should be undertaken relative to other carbon mitigation measures. • BC Hydro will continue to work with the B.C. Government on the Province's Climate Action Plan
First Nations Input	<ul style="list-style-type: none"> • First Nations both supported and opposed electrification. Amongst their concerns were the rate impact of electrification and the environmental impacts of electricity generation and transmission infrastructure • There was a perception among several First Nations that there are conflicting policy objectives particularly with respect to reducing greenhouse gas (GHG) emissions and at the same time providing electricity to operations that extract carbon emitting natural gas for domestic sale or export • Some First Nations questioned the relevance of electrification to their communities, many of which are located in rural areas where electric cars are not viewed as practical and in some cases electricity service is unreliable. There was a perception among some First Nations that electrification will benefit urban areas at the expense of rural First Nations communities. There was a concern that First Nations will be impacted by the development of further generation and transmission infrastructure and will pay increased electricity rates notwithstanding their communities do not enjoy the same levels of electricity service as urban areas. • The BCFNEMC recommended that extension of reliable electricity service to all First Nations communities in the province should be a first priority • The BCFNEMC indicated that decisions on electrification should not impose pressure for unwanted developments, impacts, or costs on First Nations • The BCFNEMC stated that electrification should not become an industry incentive program at the expense of existing electricity consumers. New customers should pay full costs, including any marginal cost increases accruing to existing consumers 		
TAC Input	<ul style="list-style-type: none"> • Three TAC members supported taking a proactive role with electrification with caveats, two were neutral expressing a need for more information, and one disagreed with electrification stating the opinion that BC Hydro should be responding to customer demand • All members, with the exception of one, emphasized the need for a more comprehensive look at electrification options including cost assessments and/or impacts on taxpayers • One member expressed a concern over electrification in the natural gas sector; siting the need for the province to take a more proactive approach to planning in the regions and assessing the pace of development 		

TOPIC: EXPORT MARKET POTENTIAL			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	
	<p>Consultation participants were asked to indicate their level of agreement with BC Hydro undertaking an assessment of the export market demand for clean or renewable energy</p>	<p>An update was provided in the 2012 consultation Discussion Guide. No questions about the topic were asked in 2012.</p>	
Public Input	<ul style="list-style-type: none"> Opinion was divided between participants who agreed with the enhanced export approach (44 per cent) and those who disagreed with it (48 per cent) Those who agreed with this approach stated the value of economic benefits although caution was also expressed that economic benefits may not be enough to justify the environmental and social impacts of new generation. Supporters of exports also appreciated the ability to sell green electricity, and B.C.'s abundant supply of natural resources. Those that opposed it expressed concern over the environmental impact, the need to ensure electrical sustainability and opposition to IPP development Many stakeholder meeting participants supported clean electricity generation for the purpose of export, provided BC Hydro is first able to meet domestic electricity requirements 		<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> Market conditions do not justify the development of new, additional clean or renewable resources for the export market. Refer to section 5.8 of Chapter 5 for detailed analysis. BC Hydro will continue to monitor export market conditions for potential export opportunities going forward as market conditions could change As per long-standing practice, BC Hydro will continue to optimize the revenue generated by the sale of any electricity that is surplus to domestic requirements
First Nations Input	<ul style="list-style-type: none"> Similar to feedback from stakeholders and the public, First Nations were divided on the issue of BC Hydro acquiring additional renewable energy produced in B.C. for the sole purpose of export First Nations workshop participants that were open to supporting electricity exports indicated that their support was dependent on First Nations becoming full participants in export, including revenue sharing and jobs First Nations that opposed electricity exports were concerned about the impact of electricity export on the environment and on First Nations rights and title. They were also concerned that electricity export will undermine domestic electricity supply at competitive rates. The BCFNEMC offered the following considerations in relation to electricity export: (1) the priority must be domestic requirements; (2) that there be financial protection from rate increases; (3) First Nations must be protected from unwanted development; and (4) First Nations participation as beneficiaries of export development is essential. The BCFNEMC indicated that they did not see an economic benefit to B.C. acquiring additional electricity for export at this time 		
TAC Input	<ul style="list-style-type: none"> TAC members were skeptical of the business case for exports in the current climate. If exports proceed, concern was expressed that cheaper supply alternatives would be used for exports and longer term domestic electricity needs would be met by more expensive options Caution was also expressed that all costs incurred by BC Hydro, including administrative and use of existing transmission are taken into account, and BC Hydro does not enter into an IPP purchase agreement until a profitable export agreement of matching length is executed. Another member raised concern over the environmental impacts of building for exports. One TAC member stated that the export of cost effective and competitive electricity affords B.C. tremendous opportunities for economic development, employment and an opportunity to play a leadership role in reducing greenhouse gases throughout North America 		

TOPIC: FOSTER DEVELOPMENT IN FIRST NATION AND RURAL COMMUNITIES THROUGH THE USE AND DEVELOPMENT OF CLEAN OR RENEWABLE RESOURCES			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	
First Nations Input	<p>First Nations participants were asked for their input on the BC energy objective to foster development in First Nation and rural communities through the use and development of clear or renewable resources</p> <ul style="list-style-type: none"> • There was substantial interest in greater First Nations involvement in clean or renewable energy development in order to create revenue and jobs in First Nations communities, but First Nations workshop participants identified significant barriers to greater involvement. First Nation participants underlined that BC Hydro should be doing more to help First Nations overcome these barriers and become full participants in clean or renewable energy development. • There was also significant interest in connecting remote communities to the electricity grid or alternatively having remote communities become energy self-sufficient through clean or renewable generation projects that replace diesel generation • Apart from clean or renewable energy development, First Nation workshop participants were also interested in employment and business opportunities with BC Hydro • The FMEC recommends that BC Hydro review procurement and energy purchase related policies to facilitate First Nations developments and reduce financial or other barriers that currently discourage First Nations participation • The FNEMC also states that projects must be suitable for local conditions and be supported by the community 	<p>This consultation topic was part of the 2011 First Nations consultation only.</p> <ul style="list-style-type: none"> • There were similar views expressed by First Nations in the second round workshops concerning their interest in benefiting and directly participating in economic development opportunities, including clean or renewable energy projects • It was stated that First Nations should be viewed as partners and receive something back from BC Hydro for the development of First Nations resources • There was an interest in receiving clean and reliable energy in First Nations communities. Many noted that electricity infrastructure upgrades were needed to support reliable power in their communities so as to support development and attract new investment. • Outages were a particular concern, especially in remote communities 	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <p>The following are some of the initiatives BC Hydro has undertaken to advance this CEA objective.</p> <ul style="list-style-type: none"> • BC Hydro is continuing with the Standing Offer Program (SOP). BC Hydro is required to establish and maintain the SOP pursuant to the CEA. • In response to specific requests from a number of First Nation workshop participants, BC Hydro has made resource options data for the province available in a downloadable GIS database posted on the BC Hydro website at: http://www.bchydro.com/energy-in-bc/meeting_demand_growth/irp/document_centre/reports/final_ror.html <p>BC Hydro programs outside the IRP.</p> <ul style="list-style-type: none"> • Apart from the IRP, and more broadly than the specific objective relating to clean or renewable energy development, BC Hydro has a number of initiatives that respond to Aboriginal interests, including: <ul style="list-style-type: none"> – Remote Community Electrification (RCE) – BC Hydro's Aboriginal Education and Employment Strategy (AEES) – Aboriginal Procurement – Distributed Generation self-assessment toolkit for First Nations – Net Metering program

TOPIC: CONSULTATION PROCESS			
	2011 CONSULTATION QUESTION (March to April 2011)	2012 CONSULTATION QUESTION (May to July 2012)	
	Although the consultation process was not a topic on the agenda, First Nations participants voiced concerns respecting the consultation process and these were subsequently reflected in the Interim First Nations Consultation Report	This consultation topic was part of the 2011 First Nations consultation only.	
First Nations Input	<ul style="list-style-type: none"> • First Nations objected to the use of the term “consultation” to describe BC Hydro’s process to seek their input and feedback on the IRP • There was a concern about the legal implications of the word consultation and the implications to First Nations from their participation in the process. Some First Nation participants expressed concern that the IRP would be used to justify later decisions when, in their view, consultation had not occurred. • There was a wide range of views regarding what was required for consultation to occur. These included: <ul style="list-style-type: none"> – Revenue sharing – Compensation for past grievances – Partnership between First Nations and BC Hydro in decision-making – An understanding of the impacts of the IRP from a First Nations territory perspective – Sufficient capacity funding to individual First Nations so they could fully understand the technical elements of the IRP – Involvement of senior leaders from BC Hydro and government in the process – Meetings with BC Hydro and individual First Nations communities. 	<ul style="list-style-type: none"> • There were similar views expressed by First Nations in the second round workshops concerning consultation. There were additional concerns expressed about the limited window for providing written comments. • There was also appreciation expressed for the information presented in the workshop although it was clarified by some participants that the workshops were discussion and did not involve decision-making • There were requests that BC Hydro advise First Nations how their input and feedback had been considered in the development of the IRP • There were concerns about the capacity of different First Nations to digest and develop an informed understanding about the IRP and to engage in a meaningful dialogue on it • There was disappointment that the planning process did not proceed from a First Nations territorial view. The non-territorial approach was seen by some as producing a plan based on economic imperatives. 	<p style="text-align: center;">RESPONSE TO CONSULTATION INPUT</p> <ul style="list-style-type: none"> • BC Hydro is committed to consulting with First Nations on projects or programs that could impact their Treaty or asserted rights and title • The IRP does not, by itself, commit BC Hydro to any specific capital projects. Recommended action items will be subject to subsequent approval and consultation requirements. • In a consultation with a First Nation on a specific capital project BC Hydro will consider requests for capacity funding • BC Hydro did not undertake separate consultation processes with individual First Nations on the development of the IRP because the IRP addresses planning considerations for BC Hydro’s entire service area