Fort Nelson Long-term Resource Plan



Fort Nelson Generating Station Photo credit: Ryan Sparshu

Fort Nelson First Nation Meeting – April 8, 2024

Presenters: Alex Tu and Jen Thompson



Agenda

- What is a long-term resource plan (LTRP)?
- What we heard from First Nations and the community
- The draft plan for feedback
- Discussion and next steps



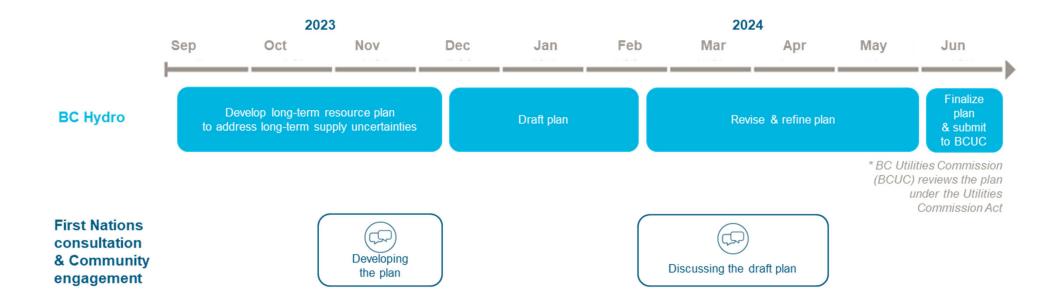
What is a long-term resource plan?

The earliest planning BC Hydro undertakes to meet future customer electricity needs

- Looks out into the future (up to 20 years), considers relevant policies and legislation and is submitted to the B.C. Utilities Commission
- Any specific projects are subject to separate consultation and approval processes
- Includes:
 - An assessment of future customer electricity needs
 - Plan to meet future needs, e.g., investments in infrastructure, acquisitions
 - Future technologies that we're exploring



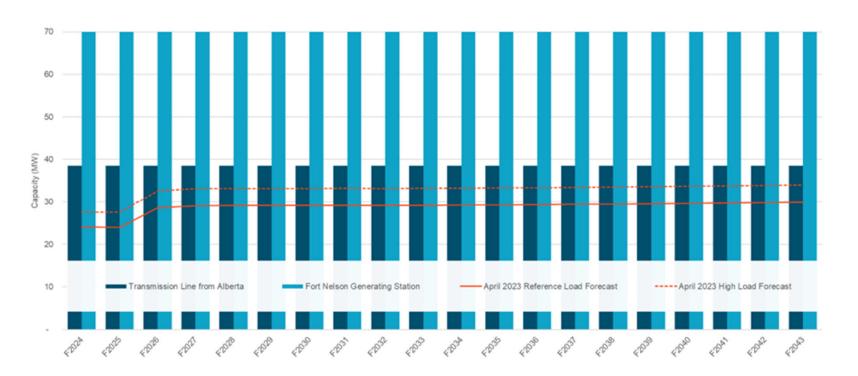
We're working towards completing the Fort Nelson Long-term Resource Plan in spring 2024





The Fort Nelson system

We have enough supply for 20 years and we're planning on decarbonization





What we heard: Planning objectives

General support for our planning objectives, while making sure that reliability of supply remains the paramount focus of the long-term resource plan

What we heard	How is this incorporated into the draft plan
Energy security is a top-of-mind concern, especially considering the wildfires and drought of the past few years.	We will plan to the same level of service as the integrated system and the rest of North America; ensuring reliable supply even if the largest source of generation is out.
	Wildfire risk is addressed by BC Hydro's operational plans to ensure the Fort Nelson Generating Station is ready – including learnings from last summer.
Moving towards green energy is important to the community.	We are looking to decarbonize how we produce electricity and we'll prioritize clean or renewable cost-effective solutions. This includes advancing a geothermal pilot.



What we heard: Risks & uncertainties

Concern about long-term risks to secure supply, as well as short-term risks to the operation of existing generation

What we heard	How is this incorporated into the draft plan
Climate change regulations are coming and likely will impact the region.	We'll be decarbonizing the Fort Nelson electricity system to align with future regulation.
Need to be able to electrify a potential expansion of oil and gas operations in the region.	We monitor load growth and economic projects in the region, and we'll respond by initiating a new long-term resource plan if we see early warning signs.



What we heard: Options

Some options are more attractive than others

What we heard	How is this incorporated into the draft plan
Geothermal seems to have the most potential.	The draft plan includes BC Hydro taking action to advance and learn from the existing geothermal initiative at Clarke Lake.
Carbon capture might be further along than anticipated.	The draft plan includes BC Hydro taking action to understand what carbon capture would look like when incorporated to the Fort Nelson Generating Station.
Expressed interest in biomass , depending on how it is implemented.	We continue to monitor electricity resource options and if technology changes quickly, we will respond by initiating a new long-term resource plan.



How we're preparing for a low-carbon future

Our draft plan has four main elements to ensure we are prepared

- 1. Support the advancement of a geothermal pilot
- 2. Investigate carbon capture technology and its application at Fort Nelson Generating Station
- 3. Continue to monitor and assess other electricity resource options
- 4. Timing of the next long-term resource plan



Advancement of a geothermal pilot

A geothermal pilot will give us knowledge and operational experience with a resource new to B.C.

2024 and onwards

Monitor geothermal progress towards a workable technical solution to the problem of natural gas in the reservoir.

2025 - 2032

Pilot geothermal generation of up to 10 MW to confirm reliable and cost-effective operation.

2030 - 2032

Evaluate total sustainable geothermal generation potential from the Clarke Lake reservoir.



How does this action to explore the advancement of a geothermal pilot align with your values and interests?



Investigate carbon capture technology at FNGS

Investigations and studies will help us understand how this emerging technology can be incorporated into our existing facility

2024

Forward-looking assessments and technical review of carbon capture approaches for combined cycle gas-turbine facilities.

2025

Engineering and feasibility studies to determine appropriate scale and approach to carbon capture for the Fort Nelson Generating Station (FNGS).

2026 - 2031

Investigate what would be required, and if favourable, to advance a pilot for carbon capture technology (possibly at a sub-scale level) at the Fort Nelson Generating Station.



How does this action to investigate carbon capture technology align with your values and interests?



Monitor and assess other resource options

Helping us understand if conditions substantially change that would make these alternatives more attractive

Monitoring and assessment

- Advancements in the use of renewable natural gas.
- Sequestration and utilization advancements, discussions and potential collaborations with industry.
- Industrial activities and the status of transmission connections to the integrated system and/or transmission to Alberta.
- Status of biomass opportunities.
- Other intermittent renewable resources (e.g., solar, wind), and
- An assessment of demand-side measures (such as Power Smart programs that promote efficient use of electricity) prior to the next Fort Nelson Long-term Resource Plan.







Timing of the next long-term resource plan

We'll take between now and 2032 to improve our understanding of the supply options available

2032 is our expected timing for the next long-term resource plan

- We see changes are coming to the Fort Nelson system by 2042 when we'll need to re-examine the role of the Fort Nelson Generating Station.
- Some of our options to replace or augment the Fort Nelson Generating Station will take up to 10 years to deploy, so our decision about which option makes sense is due by 2032.
- We'll take between now and 2032 to improve our understanding of the supply options available.
- However, if things change, we'll act earlier.





Thank you and expected next steps

We'll look to file with the B.C. Utilities Commission in June 2024

March and April 2024 First Nations, community, and stakeholder engagement sessions

April 12, 2024 Survey closes – view it at <u>www.bchydro.com/FortNelsonLTRP</u>

June 2024 Submit final Fort Nelson Long-term Resource Plan

to the B.C. Utilities Commission

Contact us at energy.planning@bchydro.com





