Info Session Date and Location
February 8, 2005
Fairmont Hotel Vancouver, Saturna Island Room
900 West Georgia St., Vancouver, B.C.

Attendees and Interests

<table>
<thead>
<tr>
<th>Name</th>
<th>Interest/Organization</th>
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<tbody>
<tr>
<td>Stephen Gibson</td>
<td>GPSI</td>
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<tr>
<td>Mannik Deherian</td>
<td>Public</td>
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<tr>
<td>Ju Dong Lee</td>
<td>Public</td>
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<td>Richard Siegenthaler</td>
<td>BC SEA</td>
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<td>Donald Hague</td>
<td>Public</td>
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<td>Pascal Poudenx</td>
<td>Public</td>
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<td>Paul Lancaster</td>
<td>Alpha Tech</td>
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<td>Tony Duggleby</td>
<td>Sea Breeze Corp</td>
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<td>Barry Hubbard</td>
<td>Consultant</td>
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<td>Liz Kelly</td>
<td>EAGA</td>
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<td>Mary McWallis</td>
<td>Public</td>
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<td>Ken Ruffelli</td>
<td>Public</td>
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<td>Monique Stevenson</td>
<td>Public</td>
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<td>Isabel Minty</td>
<td>Public</td>
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<tr>
<td>Beverly Tanchak</td>
<td>BC Citizens for Public Power</td>
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<td>Stan Jans</td>
<td>Public</td>
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<td>Susan Todd</td>
<td>Public</td>
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<td>Penny Cochrane</td>
<td>Public</td>
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<tr>
<td>Lisa Prescott</td>
<td>BC Transmission Corporation (BCTC)</td>
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<td>Nader Razi</td>
<td>Alpha Technologies</td>
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BC Hydro/IEP Representatives

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<tr>
<th>Name</th>
<th>Organization &amp; Department</th>
<th>Role</th>
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<tr>
<td>Arlene Shwetz</td>
<td>Community Relations, BC Hydro</td>
<td>Host/Facilitator</td>
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<tr>
<td>Randy Reimann</td>
<td>Power Planning and Portfolio Management (P3M), BC Hydro</td>
<td>IEP Presenter</td>
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<tr>
<td>Lindsay Fane</td>
<td>Power Planning and Portfolio, BC Hydro</td>
<td>Technical Resource</td>
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<tr>
<td>Victoria Grant-Smith</td>
<td>External Consultant, BC Hydro</td>
<td>Note taker</td>
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Discussion Highlights

The following is a summary of the key discussions:

- **Public ownership of BC Hydro**: Participants want BC Hydro to be accountable to B.C. residents, and have respect for public ownership of the resources (air, water, minerals) as owned by B.C.

- **Sustainability of power** must reflect environmental, social and economic values.

- **Renewable resource technologies**: Participants expressed the need for BC Hydro to focus on new renewable resource technologies.

- **Improved efficiency**: Participants indicated their preference that BC Hydro, through Power Smart, limit its big plants versus many small plants.

- **Choices made around portfolio options may increase price**: Participants raised concerns about this assumption.

- **The role of the BC Utilities Commission (BCUC)** is to act as a regulatory control for BC Hydro to ensure that price adjustments are undertaken for the right reason, set correctly and to ensure reliable power.

- **Potential price increases**: There was discussion about the thought that through the use of Independent Power Producers (IPPs), BC Hydro would lose control of pricing.

- **IEP process**: Participants discussed the IEP process, including who was represented at regional workshops and how they were selected, and how contributions from First Nations and regional stakeholder workshops are going to be utilized, and the lack of a weighting system between the two.

1. **Welcome and Introductions**

Arlene Shwetz, BC Hydro Community Relations representative, formally welcomed participants to the 2005 Vancouver Integrated Electricity Planning (IEP) information session, and introduced the IEP team members. She gave a brief introduction to the 2005 IEP of which the purpose is to develop a long-term plan to meet BC Hydro’s customer’s needs. The plan will set direction for short-term and medium-term planning, and is a complex process that involves making some trade-offs. The stakeholder engagement process is designed to assist BC Hydro to determine factors which are important to consumers (for example, cost, environment and regional specific issues). The 2005 IEP builds on the previous 2004 IEP process. Future First Nations and stakeholder IEP engagement processes will be developed from the 2005 IEP. Input from the public is encouraged.

2. **IEP Presentation**

Randy Reimann encouraged participants to be involved throughout the development of the 2005 IEP. He gave a presentation on the IEP process, providing a brief overview of the purpose
and lessons learned from the 2004 IEP process, and the development and implementation of the 2005 IEP process. The outcome of the IEP process was defined as a preferred portfolio, which is a mix of resource options, and which would best meet with the needs of BC.

2.1 Questions and Discussion

Is there a weighting system for feedback from First Nations and general stakeholders included in the process? BC Hydro replied that comments and input from First Nations and general stakeholders will be collected at regional information sessions and workshops over the next three weeks. Then the information from these sessions will be provided to the Provincial IEP Committee (PIEPC) where they will discuss impacts, trade-offs, and identify preferred portfolios. There is no explicit weighting of input from the First Nations and stakeholder engagement processes. However, once the Resource Options Report is completed and portfolios built, the portfolio information will be provided through a second round of regional workshops for comment. Comments from the second round of workshops will be fed back to the PIEPC.

Participation in Regional Workshops and Information Sessions: Participants raised concern about how attendees were selected to attend regional sessions, and if there had been any system to support community representation. BC Hydro stated that attendees were invited to participate by advertisement in papers and news releases, and nominated themselves for inclusion. All participants are welcome, following the same principles as the PIEPC.

Technical workshops: The first workshop was held in December. This session was geared towards participants who wanted to talk more about technical aspects. There are a number of technical work group sessions, with the next in early March which will look at dependable capacity, volumes and financial analysis. Details will be available on the BC Hydro website.

BC Hydro states that it is a vertically integrated utility, however what about BC Transmission Corporation (BCTC)? BC Hydro’s response was that the BCTC is a separate entity, however, BC Hydro still buys and owns transmission and delivers the end product to customers.

Do the forecast figures include population growth and consider consumption changes through demand-side management? Forecasts are done with and without Power Smart (demand-side management). How are potential changes (that is, preference for electric vehicles) included? BC Hydro’s response was that they are not sure this specific item is included; generally, forecasts look at consumption trends.

How much does Power Smart affect portfolio development? Are certain goals set? BC Hydro responded that demand-side management is included in portfolio composition, and is therefore one of the resource options available for consideration by PIEPC.

Participants felt that a limited amount of resource options were offered. They would like more information about wind, tidal and wave. Participants also wanted to know more about efficient, clean energy options. BC Hydro said that this is the purpose of the 2005 IEP; to engage with stakeholders, determine their preferences of appropriate resources and feed this into developing the 2005 preferred portfolio.
Some participants felt that BC Hydro has not been listening. A participant stated that citizens have been saying they want renewable energy resources for a long time and felt that the shift in priorities has to happen at the senior level of BC Hydro management. BC Hydro should be acquiring new resources from IPPS, which meet the right criteria, such as least cost.

What percent does Power Smart play as part of the resource basket? BC Hydro’s response was that it did not have a figure at the session, but Power Smart has a good track record and is a resource option on the table for the preferred portfolio. There was general concern that Power Smart has been dropped from the 2004 IEP. BC Hydro’s response was that Power Smart will be put on the table as an option for the PIEPC, and BC Hydro would not predetermine what and how the PIEPC should compile the preferred portfolio, so as not to constrain them.

Who is BC Hydro’s watchdog? Who is going to make sure that British Columbians’ interests in provincial resources are protected? (Questions were raised over past actions of BC Hydro, including privatization): BC Hydro responded that the regulatory responsibility lay with the British Columbia Utilities Commission (BCUC) which is responsible for making sure that price adjustments are undertaken for the right reason, set correctly and to ensure reliable power. Participants felt that public decisions were being made behind closed doors and not being communicated to the public.

Will BC Hydro’s purchase from IPPs affect costs? Participants raised concern that the competition created by using IPPs may cause problems for customers (that is, cost increase and shortages). Some participants felt that IPPs would manipulate prices and availability, thus creating victims of citizens. They also felt that benefits that previously went to B.C. residents would now go to private companies and short-term decisions would negatively affect the long term benefits of B.C. residents.

3. Group Exercise
The facilitator requested three small discussion groups be created. Each group was asked to appoint a scribe and then discuss and compile responses to two questions.

Question1: In developing future electricity resources, what are the most important factors to you?

Group 1:
- Public ownership and public oversight: The group stated that BC Hydro should be accountable to all B.C. citizens, not just customers as owners of the resource. The group added that they were not unanimous regarding ownership, but there was an overall consensus.
- The group stated that sustainability of power must reflect environmental, social and economic values.
- Efficiency: The group stated that savings can be gained through the system’s efficiency; for example, Site C can supply more power than many small plants. They were concerned that small plants are inefficient in terms of direct and indirect costs (reliability is important). Ageing systems need to be updated and repaired in a timely manner.
• The group suggested that BC Hydro should have respect for public ownership of the resources (air, water, minerals) as owned by B.C., not just respect of the energy.

Group 2:
The group characterized problems into four groups and considered how important each characteristic was to each individual. Each problem was given a ranking of 1, 2, 3 or 4 with 4 as Least Important and 1 as Very Important. The group’s overall responses were as follows:

• Ensure economic growth: 3
• Price of electricity: 2
• Environment: 4
• Reliability of supply: 3

Group 3:
The group defined key topics and, through a voting system, determined a priority listing of key issues:
1. Sustain the environment.
2. Promote outreach programs and conservation.
3. Maintain public ownership and high standards; develop accountability and small projects (either IPP or BC Hydro).
4. Develop Research and Development, innovative products, and promote relationships with First Nations.
5. Maintain affordability.

Question 2: Which of these factors would you be willing to pay more for? Group 1:
• The group did not accept the assumption in the question. The participants were concerned that it’s not necessarily a matter of cost, but more a problem of management.
• Remove ideological constraints on managing our public resources to ensure that citizens reap benefits both now and in the future.
• The group feels BC Hydro is hampered by poor management, going through at least 10 restructuring processes in the last 20 years. It is not allowing good ideas to benefit B.C. residents.

Group 2:
The group prioritized how much more they would be willing to pay by voting on amounts their group suggested. Most participants in Group 2 voted that they would be willing to pay 20% more, followed (in descending order) by:
• 100 % more
• 5 % more
• 50% more

4. Next Steps
Randy Reimann thanked participants for their input. Information relating to the IEP process can be seen on line at the BC Hydro website. A second round of regional sessions is planned for the fall, reporting back on PIEPC progress.
Contact details:

- Website: [www.bchydro.com/iep](http://www.bchydro.com/iep)
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