Info Session Date and Location
November 7, 2005
Riverlodge Recreation Centre,
654 Columbia St. Kitimat, B.C.
7:30 p.m. - 9:30 p.m.

Attendees and Interests

<table>
<thead>
<tr>
<th>Name</th>
<th>Interest/Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horst Klepsch</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>April MacLeod</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Angus MacLeod</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Leo DeSousa</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Gaetan Pozsgay</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Rick Belmont</td>
<td>CAW Local 2301</td>
</tr>
<tr>
<td>Fraser Young</td>
<td>Westburne and CAW Local 2303</td>
</tr>
<tr>
<td>Ed Goncalves</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Tony Nuzzo</td>
<td>Orca Electric</td>
</tr>
<tr>
<td>Mary Montero</td>
<td>Interested citizen</td>
</tr>
<tr>
<td>Jim Culp</td>
<td>North Coast Steelhead Alliance</td>
</tr>
<tr>
<td>John Denholme</td>
<td>Aurora Charters</td>
</tr>
</tbody>
</table>

BC Hydro/IEP Representatives

<table>
<thead>
<tr>
<th>Name</th>
<th>Department and Organization</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary Hemmingsen</td>
<td>Director, Power Planning and Energy Acquisitions, BC Hydro</td>
<td>Presenter</td>
</tr>
<tr>
<td>Rohan Soulsby</td>
<td>Manager Energy Plans and Supply Portfolios, BC Hydro</td>
<td>Presenter</td>
</tr>
<tr>
<td>David Conway</td>
<td>Manager Community Relations, BC Hydro</td>
<td>Host</td>
</tr>
<tr>
<td>Cam McAlpine</td>
<td>Consultant</td>
<td>Note Taker</td>
</tr>
</tbody>
</table>

Introduction and Overview

Dave Conway welcomed everyone on behalf of BC Hydro and introduced the IEP team members present: Mary Hemmingsen and Rohan Soulsby.
Rohan and Mary provided an overview of the IEP process, what BC Hydro has learned from First Nations and stakeholders in the process, the attributes considered in the electricity plan deliberation, and the strategies currently being considered.

Rohan and Mary discussed the IEP process, and the key questions explored by the Provincial IEP Committee (PIEPC), including the trade-offs between attributes across portfolios, and input from PIEPC, First Nations, regional stakeholder meetings and the public. Input received during the process can be viewed at www.bchydro.com/iep.

1. What is an Integrated Electricity Plan (IEP)?
   - A 20-year plan for meeting customer needs, but updated every two years.
   - Ensures we meet customer electricity needs while factoring in financial, social and environmental considerations.
   - As some existing electricity resources reach “end of life” and demand increases, new sources of supply and renewed effort to conserve are required.

2. What We Heard in the Process
   - Province-wide regional workshops and public information sessions in the spring
   - Province-wide First Nations workshops in the spring
   - Provincial IEP Committee (16 members representative of different interests)
   - Public polling and website / email input
   - Technical Resource Options meetings (to develop the characteristics of different electricity supply resources)

3. Five Key Planning Questions
   - How much to build: What degree of energy self-sufficiency is appropriate for BC Hydro to pursue?
   - What to build:
     - What overall resource mix should be pursued?
     - How much demand side management to pursue?
     - Future role of Site C?
     - Future role of Burrard Generating Station?
4. Proposed Strategies - Options and Trade-offs

- No preferred portfolio emerged that had support from all provincial committee members. However, “themes” emerged, which were reflected in four proposed strategies that are being considered in the development of a preferred portfolio.

- There was generally consensus that there should be self-sufficiency with a small buffer for insurance, and demand side management should proceed.

- Opinions on Burrard generally support maintaining for capacity.

- The two more contentious of the five key questions were: green vs. low-cost; and include Site C vs. exclude Site C.

- Strategy 1 is low land and aquatic impacts; Strategy 2 is low air emissions; Strategy 3 is diverse mix strategy; Strategy 4 is low-cost.

- Each of the proposed strategies includes provisions for upgrading current physical plants.

General Discussion - Comments and Questions

*Comments from participants:*

- Why are we giving away the right to produce power to the private sector? This should be a public resource for the public good.

- Alcan should not be allowed to sell power when its smelter is not running at full capacity.

- This is becoming a valuable commodity, and we should not be going down the road of private power production and sales.

- I would like to see emphasis on - and incentives for - increased Power Smart. I also want to see more run-of-river hydro and other green producers.

- I have very strong concerns about the future of BC Hydro as a public utility.

- How can BC Hydro guarantee savings achieved from upgrades to current BC Hydro assets are not simple passed onto private power producers, rather than back to ratepayers? BC Hydro should be building, owning and running the new assets.

- The electric resource should remain public. BC Hydro must not only distribute power, but must take responsibility for generating it to fulfil its obligation to provide electricity to everyone in the province.
• A new policy should be developed that promotes the use of 220-volt (240-volt) service as a standard rather than the current 110-volt (120-volt).

• I am totally opposed to Site C and to large hydro because of the land and water impacts. We have been told since the 1970s that we need these large-scale projects, and we have managed to find the energy elsewhere until now.

• The onus should be on the province to create an inventory of which rivers and creeks can be eligible for small hydro projects prior to any small hydro IPP developments going forward.

• Why are we selling off a very valuable resource? We should be developing these resources and selling the electricity for the benefit of ratepayers.

• There should be rate-based incentives and disincentives used to promote energy conservation.

• I’m concerned that the way BC Hydro conducts electricity trade through Powerex may contravene the Free Trade Agreement in that we have to guarantee a certain rate of flow of the energy we export.

• I’d like to see a cost-comparison that looks at what it would cost and what it would return to ratepayers if BC Hydro builds and generates future capacity versus purchasing it from IPPs.

**Questions and Answers**

• I believe Kemano Completion will happen eventually. How can BC Hydro tell Alcan or any other IPP if or where they can or cannot sell the power they generate using that water? What control does BC Hydro have over whether they export that power? Any IPP can purchase transmission capacity from BCTC, and has been able to for some time. However, BC Hydro can offer long-term contracts to IPPs and can then use the power it purchases to the benefit of its ratepayers.

While we can understand many of the concerns being voiced such as these, BC Hydro must work within the bounds of the provincial energy policy, which limits BC Hydro to improvements to its existing system and to investigating the possibility of developing Site C.

• Is it part of BC Hydro’s plan to refurbish the Burrard Thermal Generating Station? Three options for Burrard were considered during the IEP process: retire, maintain for capacity or refurbish and re-power. Three of the four proposed strategies that came out of the IEP process support maintaining Burrard for capacity. One suggests retiring the plant. None recommend re-powering.

• Why are we not acting more quickly to develop wind power as they are doing in Germany? How do they do it if we don’t? Germany pays approximately six times
as much for electricity as we do, so it is more cost-effective to produce. We have a large supply of heritage resources and have always used a mix of resources to ensure low-cost and reliable electricity supply.

- Is anything being done to improve the efficiency of existing facilities? BC Hydro is undertaking asset upgrades through its Resource Smart program.

5. Next Steps

An IEP will be filed by the end of the year, including an action plan on how to proceed. That will be turned into a Revenue Requirement Application (REAP). The IEP commences again in 2007.