2005 Integrated Electricity Plan

Regional Information Session
Tonight’s Agenda

6:30   Introduction
6:40   Overview of Integrated Electricity Planning
7:15   Break Out Groups
8:15   Group Report Back and Discussion
8:45   Meeting Summary
9:00   Meeting Close
Overview of Integrated Electricity Planning and Engagement Plan for 2005
What is an Integrated Electricity Plan?

• A long-term plan that describes how BC Hydro will meet its customers’ needs for electricity

• Plan covers 20 years, updated every 2 years

• Ensures we meet customer electricity needs while factoring in financial, social and environmental considerations
Why does BC Hydro need an IEP?

- Electricity consumption is growing at about 1.5% per year
- Process to determine when new electricity resources are needed
- Explores the requirements from a whole system approach
- Required by regulator (Utility Commission)
Steps for BC Hydro’s Integrated Electricity Plan

Steps:
1. Establish Objectives
2. Demand/Supply Balance
3. Inventory of Resource Options
4. Portfolio Evaluation
5. Action Plan
• Customer Reliability of Supply
  – Electricity self-sufficiency for domestic needs
• Environment
  – No net incremental environmental impact
  – Foster a conservation culture resulting in a reduction in electricity intensity
• Financial
  – Maintain low cost position in North America
• Enable Western Opportunities
  – Continue to leverage trade opportunities
IEP determines how BC Hydro plans to fill the gap between demand and supply.
## Key Resource Options by Region

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<th>Lower Mainland</th>
<th>North</th>
<th>Vancouver Island</th>
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• Investigates a number of portfolios and moves toward a “preferred portfolio”
• Identifies short term steps (actions and decisions) to meet the long-term vision of the preferred portfolio
• Informs BC Hydro’s business planning (what we do) and capital expenditures (and how much we spend)
• Supports regulatory filings to the BC Utilities Commission:
  – Resource Expenditure and Acquisition Plan (REAP) (next filing 2005)
  – Revenue Requirements (next filing 2006)
Overview - Regulatory Requirements

Long Term Electricity Planning

- Stakeholder Engagement on Resource Options
- File Resource Options Report

- Stakeholder Engagement on Portfolio Selection / Analysis
- IEP / Action Plan

- Resource Calls
- Resource Expenditure and Acquisition Plan
- Revenue Requirements Application

Denote a process that is filed with the BCUC for approval.
2004 IEP Outcome & Highlights

• First comprehensive IEP in 10 years
  – Provided to BCUC on March 31, 2004
• Did not seek to establish a preferred portfolio, but rather a series of options feasible
• Provided direction to pursue
  – Power Smart
  – Call for Tenders on Vancouver Island
  – Investigation of Burrard, Site C options
• Stakeholder Engagement
  – Informed and solicited feedback on the 2004 IEP
General First Nations Feedback

- Engage earlier
- Address historical grievances
- Interest in remote electrification and reliability of service to First Nation communities
- Concern about impacts of transmission lines
- Interest in revenue sharing
- Consider environmental impact and full cost accounting (life cycle costing)
General Stakeholder Feedback

• Consider triple bottom line in planning
• High value on the environment but have a higher priority for maintaining reliability, and low cost power
• Support independent power producers, economic development in BC
• Public Ownership of BC Hydro
2004 General Feedback from the Lower Mainland

- Concern about air pollution
- Cost should include a full life cycle cost analysis
- Prices do not create incentive for power conservation
- Support for electrical self sufficiency
2004 General Feedback from Vancouver Island

- Cost should include a full life cycle cost analysis
- Keep costs low, but support economic development
- Reliability should be the 4th bottom line
- Provide support for R&D on renewable technologies
- Serving domestic load should be priority
2004 General Feedback from the North

- Low cost is important, but not at the cost of reliability and the environment
- Environmental goals are important but not at the cost of increased rates
- Mixed views on building for export
- Strong support for high reliability
2004 General Feedback from the Interior

• Reliability is important to economic viability of our businesses
• Support for Resource Smart
• Support trade for additional profits to keep rates low
• Recognition of trade off between reliability and costs, maintaining current level of reliable service is more important.
• Environmental impact should not be a deterrent to economic growth
• Strong support for use of generation technologies that use waste products
How your input will be used

• 2005 IEP aims to:
  – Build on what was learned from stakeholders during the 2004 IEP engagement process, while
  – eliciting input on values around electricity choices for B.C.'s future.
Stakeholder Engagement

2005 IEP Stakeholder Engagement

Survey/ Website
Regional
First Nations
Provincial IEP Committee
Resource Options Workshops

Broad Public Input
Regional Information and Facilitated Sessions
Input as requested
Selected Committee to undertake facilitated decisions analysis process
Open session to provide broad review of inputs to the IEP process

Resource Options Report

Survey/ Website
Regional
First Nations
Provincial IEP Committee

2005 IEP / Action Plan
Integrated Electricity Plan

Questions & Answers
Break Out Groups

- Assign a Leader, Reporter, Recorder and Time keeper
- Small group discussion on the following questions:

1. In developing future electricity resources, what are the most important factors to you?
2. Which of these factors would you be willing to pay more for?
Group Discussion
Thank you!

• For more information
• visit our website: www.bchydro.com/iep
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• email [link]

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