Introduction and Agenda

• What is an Integrated Electricity Plan and why are we doing one?
• How are we getting input on the IEP?
• What have we heard in the process?
• What are your thoughts on BC’s energy future?
• What are the next steps?
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
### IEP Process

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First Nations and Stakeholder Input to the 2005 IEP

First Nations Input as requested

Dec 04 - Apr 05

Technical Resource Options
Open sessions to provide broad review of inputs to IEP process

Resource Options Report

First Nations Selected Committee undertook facilitated decision analysis process

Provincial

Regional Information and facilitated sessions

Regional

Public Website / Polling

First Nations

Provincial

Regional

Public

Sep 05 - Nov 05

2005 IEP: 20-year study, 10-year Action Plan

Filed with BC Utilities Commission - Public Hearing Process
Input - First Nations

• Small hydro, biomass and Power Smart most desirable
• Placed high value on environment - land and flooded land, and GHG emissions
• Cost - least important attribute
• Employment & economic development opportunities are important to First Nations
Input - Your Region

• **Resource Options**
  – Support for a diverse portfolio
  – Imports and exports important to keep rates low
  – Encourage research and development
  – Support for Power Smart (not unanimous)
  – Coal generation not favoured
  – Biomass had some support, but with caution (fuel supply
  – Solar should be included

• **Attributes**
  – GHG emissions most important (except Campbell River thought GHGs overstated)
  – Local air emissions a concern
  – Temporary jobs not paramount
  – Sensitive to gas price risk
  – Least important was number of projects
Normalized Swing Weights for Attributes: Median by Region

Attributes

Value

Adjusted UEC
GHG
Impacted Land - Footprint
Inundated Land (Water)
Local Emissions (Nox)
Permanent Jobs
Temporary Jobs

Regions:
- All Regions
- Abbotsford
- Campbell River
- Castlegar
- Cranbrook
- FN Abbotsford
- FN Kamloops
- FN Nanaimo
- FN Nanaimo
- FSJ 1
- FSJ 2
- Kamloops
- Kitimat
- Nanaimo
- Revelstoke
- Squamish
- Vancouver
- Vernon
- Victoria
Examples of “What Matters” in Electricity Planning

- **Social Impacts**
  - Regional Equity, Ownership Structure, Employment

- **Environmental Impacts**
  - Land Impacts (across six categories)
  - Air Impacts
    - GHG Emissions (upstream, in BC, net of exports)
    - Local Air Emissions (across seven emissions)
  - Aquatic Impacts (on fish habitat)

- **Financial**
  - Average Costs (including GHG offset costs), Cost risk

- **Other**
  - Resource Diversity, % Green Energy, Reliability of Supply
Input - Public

- Wind turbines - High support expressed
- Power Smart - High support expressed
- Small hydro - High support expressed
- New large hydro - Medium support expressed
- Gas plants - Medium support expressed
- Coal plants - Low support expressed
- Site C dam - Medium support expressed
Input - Technical

- Demand Side Management: key questions addressed regarding calculation of costs, evaluation of savings, and new technologies. Suggestions made for rate design and energy efficiency technologies, programs and tools.

- Environmental attributes: Discussion about the difficulties and challenges of representing planning level information on environmental impacts. Discussion about the treatment of upstream impacts.

- Reliability & planning criteria: Improved understanding of planning criteria.
## Example of Key Resource Options by Region

<table>
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<tr>
<th></th>
<th>Interior</th>
<th>Kootenays</th>
<th>Lower Mainland</th>
<th>North</th>
<th>Vancouver Island</th>
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<tbody>
<tr>
<td>Biomass</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>Biogas</td>
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Input - Provincial

• Provincial IEP Committee
  – Sixteen diverse participants representing a wide range of interests (First Nations, customer groups, environmental & social groups, BC Hydro, IPP Association, etc)
  – Met six times over fourteen days from December, 2004 to September, 2005.
  – Received input from:
    • 2004 IEP
    • Resource Options Workshop
    • Regional IEP Workshops
    • First Nations Workshops
    • subject area experts
    • BC Hydro electricity planning team
Five Key Planning Questions

- Addressed five high level questions:
  - What degree of energy **Self Sufficiency** is appropriate for BC Hydro to pursue?
  - 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**?
## Proposed Strategies - Options and Tradeoffs

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Proposed Strategies - Common Elements - cont’d

• Cost Risk
• Site C and past grievances
• Capacity Projects
• Transmission Projects
## Proposed Strategies - Outcomes

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Next Steps

November 2005 | March 2006 | Late 2006/2007

File IEP (with the Action Plan as the last chapter) → Revenue Requirement Application → Initiate 2007 IEP

Continuation of Programs like Power Smart
Continuation of Competitive Acquisition Process
Continuation of Individual Project Development

Feedback will inform future IEP Engagement, competitive acquisition processes, and individual project development
Any further questions or comments?

Thank you for participating in this discussion

Your views are appreciated