Info Session Date and Location
February 28, 2005
Prestige Inn, Vernon Salon
4411 - 32nd Street, Vernon, B.C.

Attendees

<table>
<thead>
<tr>
<th>Name</th>
<th>Interest/Organization</th>
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<tr>
<td>Al Goettemoeller</td>
<td>Interested Citizen</td>
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<td>Josephine Brown</td>
<td>Interested Citizen</td>
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<td>Lois Maynard</td>
<td>Interested Citizen</td>
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<td>Wes Maynard</td>
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<td>Robert Maynard</td>
<td>Interested Citizen</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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<tbody>
<tr>
<td>Mary Algar</td>
<td>BC Hydro, Community Relations</td>
<td>Host</td>
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<tr>
<td>Brenda Goehring</td>
<td>BC Hydro, Power Planning &amp; Portfolio Management</td>
<td>Presenter</td>
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<td>Anne Cochran</td>
<td>Consultant</td>
<td>Facilitator, Workshop</td>
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<tr>
<td>Lindsay Fane</td>
<td>BC Hydro, Power Planning &amp; Portfolio Management</td>
<td>Technical Resource Options Support</td>
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<tr>
<td>Lexa Hobenshield</td>
<td>BC Hydro, Community Relations</td>
<td>Communications and Note taker</td>
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Discussion Highlights

1. Introductions / Overview
Mary Algar welcomed attendees to the 2005 Integrated Electricity Plan (IEP) regional information session in Vernon. She introduced the members of the IEP team and provided a
brief introduction to the purpose and process of the 2005 IEP, noting the importance BC Hydro places on receiving input from stakeholders about priorities and values in energy planning. She outlined the agenda for the evening.

2. IEP Presentation

Brenda Goehring delivered a presentation which provided an Overview of the Integrated Electricity Planning process. She described what an IEP is and explained why it is needed, particularly in the context of BC Hydro’s business planning and regulatory processes. She also outlined how BC Hydro develops an IEP, with a description of the key steps in the IEP process (establish objectives, demand/supply balance, inventory of resource options, portfolio evaluation, action plan). She then reviewed the 2004 IEP outcomes and highlights and feedback solicited from First Nations and stakeholders. Finally, she outlined the process and principles of stakeholder engagement for the 2005 IEP.

2.1 Questions and Discussion

Following is a summary of the points of clarification and discussion that took place during the presentation:

- **Support for co-generation.** A participant expressed support for co-generation as a way to use what would be "waste" hog fuel. In addition, support was expressed for transporting waste from old logging waste if it was cost-effective.

- **Private generation.** It was clarified that customers can generate electricity and through contracts, sell electricity to BC Hydro.

- **Solar energy as a resource option.** It was clarified that solar energy is a resource option in BC Hydro’s resource options database.

- **Municipal solid waste.** One participant expressed support for further investigation of generating electricity from the incineration of municipal solid waste.

- **Emissions.** It was confirmed that coal emissions are being addressed through new technology, and are improving. BC Hydro is investigating how to consider "downstream impacts", meaning the impacts as a result of the generating facility operations.

- **Electricity Rates.** There was concern about rising rates, especially the impact on seniors and others who may be on a fixed income.

- **BC Hydro as a public Crown corporation.** It was clarified that the provincial government is the shareholder (on behalf of B.C. residents) of BC Hydro. MLAs act as the public’s representatives to the shareholder. BC Hydro is regulated by the BC Utilities Commission (BCUC) to ensure it follows the operational guidelines which have been set out in the best interests of ratepayers.

- **Multiple Generation on streams.** It was clarified that BC Hydro does have more than one facility on some rivers. For example, the Columbia River has several BC Hydro dams that capture generating power on the B.C. portion of the river.

- **Acquisition process.** It was clarified that BC Hydro plans for new power from a variety of resource options, including: demand side management, Power Smart programs, resource smart programs (increasing efficiency of existing facilities) and calls for new energy. Under
the provincial government’s energy policy, new incremental energy is to predominantly come from Independent Power Producers (IPPs).

- **Canadian sovereignty.** It was clarified that BC Hydro’s contracts for electricity purchased from IPPs are predominantly with Canadian companies. Some IPPs may also seek funding from U.S.A. sources. As part of an interconnected transmission grid system, BC Hydro’s trading arm, Powerex, completes trade transactions with other jurisdictions in the western grid (Alberta and the western U.S. states). Transactions can also be completed within other jurisdictions, and in this case power does not cross our border. Several participants expressed a preference to keep electricity supply Canadian owned.

- **Trade for rate control.** There was support for trade as a means of keeping domestic rates lower.

- **Demand side management.** There was support for Power Smart programs that are an incentive to demand side management, for example, trading out old incandescent bulbs for new energy-efficient bulbs, and the fridge buy-back program.

3. **Group Exercise**

Mary explained the group exercise to the attendees. Attendees were asked to consider what their values and preferences around energy resources are and to consider the kind of trade-offs they would be willing to make.

The participants discussed and provided comments 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?

Following is a summary of the flip chart information and discussion during this exercise:

**Question 1 Discussion:**

**The most important factors in developing future electricity resources:**

- Public ownership of BC Hydro with an emphasis on Canadian IPPs.

- Acceptable (defined as additional impact on already dammed rivers) environmental impact. No fisheries or water course damage, and restoration and compensation for impacts over time.

- In constructing new dams, ensure there is no damage to fish stocks and provide upstream access for fish, for example fish ladders, and/or mitigate by enhancing or creating fish hatcheries upstream.

- When new sources of electricity are required, ensure people understand the breakdown of the various costs that make up the bill, that is, include an individual usage amount and a transmission component. Local employment is important, long term employment is preferable - consider qualifications required and the cost to the individual of meeting education requirements; union jobs and apprentice hires are preferable. Where a mix of experienced journeymen and apprentices work, there is a desire for senior staff to be local.
• Low cost electricity.
• Continued emphasis on Power Smart and conservation of electricity.

Question 2 Discussion:
What you are willing to pay more for:
• Reliability, but level of reliability depends on how much additional cost.
• Stable electricity prices.
• Voltage regulation and sufficient supply.

Order of importance:
• Reliability: priority #1 for three participants.
• Costs: priority #2 for three participants.
• Environmental Impact: priority #3 and then Social/Jobs.

Discussion that followed can be summarized as:
• Concern about rising electricity prices. Increasing electricity costs is a concern because natural gas prices have increased.
• Effect of drought on rates. It was clarified that over the long term BC Hydro is considering the effects of varying inflows to reservoirs, but that existing reservoir levels have no effect on recent rate increases. These increases are the first in ten years and reflect infrastructure and inflation cost increases.
• Support expressed for generation on existing impacted rivers.
• Support expressed for further investigation of tidal power (and other new sources of renewable environmentally friendly on and off grid supply).
• Public ownership. It was clarified that competitive calls for power ensure competition between resources to keep prices low.

4. Summary of Meeting and Next Steps

The group was informed that notes from tonight’s session would be posted on the BC Hydro IEP website www.bchydro.com/iep. The summary themes of this information session would also be provided to workshop participants in the next day’s workshop.

One attendee was interested in participating in the workshop and was invited to attend the session being held the following day in Vernon.