Info Session Date and Location
February 24, 2005
Holiday Inn, Blanshard Room
3020 Blanshard St., Victoria, B.C.

Attendees

<table>
<thead>
<tr>
<th>Name</th>
<th>Interest/Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steve Baillie</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Ian Bass</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Ludo Bersch</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>P Bishop</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>F Noel Black</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>R Blazek</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Don Brown</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>James Campbell</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Robert Cavard</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Heather Clarry</td>
<td>B.C. Sustainable Energy Association (BC SEA)</td>
</tr>
<tr>
<td>Amy Chen</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Heather Clarry</td>
<td>B.C. Sustainable Energy Association (BC SEA)</td>
</tr>
<tr>
<td>Christopher Doyle</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Doreen Gee</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>R Gillespie</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Ed Hale</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Peter Justo</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Bruce Mackenzie</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Jerome Mhepyha</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Craig Murray</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Kenji Oglmato</td>
<td>B.C. Sustainable Energy Association (BC SEA)</td>
</tr>
<tr>
<td>Richard Pearson</td>
<td>B.C. Sustainable Energy Association (BC SEA)</td>
</tr>
<tr>
<td>Rob Shirkey</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>C Tait</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>J Taylor</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Dennis Thomas</td>
<td>Interested Citizen</td>
</tr>
<tr>
<td>Larry Wartel</td>
<td>B.C. Sustainable Energy Association (BC SEA)</td>
</tr>
</tbody>
</table>
Discussion Highlights

1. Introductions / Overview
Ted Olynyk welcomed attendees to the 2005 Integrated Electricity Plan (IEP) regional information session in Victoria. He 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. He outlined the agenda for the evening.

1.1 Question
Following is a question that was asked during the introduction:

Opportunity for Question and Answer. Clarification was provided that there would be a question and answer session during this info session.

2. IEP Presentation
Brenda Goehring delivered a presentation to provide an Overview of Integrated Electricity Planning. 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 and 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:
The presenter provided clarification about specific resource options and resource option attributes definitions and status of resource options including:
- clean energy definition
- large hydro as a resource option
- the status of Site C
- definition of biomass
- status of operating facilities
- electricity trading
- the definition of cogeneration
- tidal and wave energy
- Demand Side Management
- small hydro development potential for northern Vancouver Island

Post meeting note: There are seven in-service small hydro projects (including one on Gabriola Island) and a further nine under development (including Duke Point).

- **Accenture service provision.** Information about the fees paid for services rendered is available in BC Hydro’s Financial Information Act on the website at www.bchydro.com/rx_files/policies/policies15974.pdf

- **BC Hydro’s “No Net Incremental Environmental Impact” goal.** Clarification was sought about how the no net incremental environmental impact goal relates to the Duke Power Project. No net incremental environmental impact is a BC Hydro goal. If BC Hydro develops or acquires new resources with negative environmental impacts, it will try to mitigate or offset those impacts. This is not a regulatory requirement, but a BC Hydro “bold” goal, and BC Hydro is in the process of exploring how to achieve this goal over a 20-year time horizon.

- **Consideration of climate change on long term planning.** Clarification was sought on how BC Hydro has taken changing weather patterns and increasing rainfall into account in its long-term plans. BC Hydro monitors snow pack and rainfall data, which helps it monitor the impacts of climate change when compared against extensive historic data. This can then be considered in BC Hydro forecasts for its large reservoirs.

- **Priority of Stakeholder Feedback-General Stakeholder Feedback.** Clarification was sought about the order of priority of stakeholder feedback from the 2004 IEP process outlined in the presentation. The participant commented that she believed “public ownership of BC Hydro” should be a higher priority.

Post meeting note: Bullets on this slide were not in any order of priority.

- **Policy for private ownership of new power sources.** It was clarified that the policy of independent power producer development of new power sources is from the government under its 2002 Energy Plan, and is monitored by the BC Utilities Commission.
Definition of public ownership of BC Hydro. Participants expressed support for public ownership of BC Hydro, which includes being involved in decision-making and direct return of revenues to the public. There was a desire for a more democratic and transparent process, and a general distrust of the intentions of the provincial government which provides direction to BC Hydro.

Green energy contracts. Team members responded to a participant query about how many contracts for green energy had been successfully met. More than 70 proponents have contracts with BC Hydro for green energy, and 26 are now commercially operating from two calls in 2001 and 2002. It was clarified that the amount of energy procured through the calls for power is based upon the domestic demand anticipated by BC Hydro.

Public input. One participant commented that BC Hydro is not interested in public input and competition. He expressed the opinion that entities that function in this manner cannot survive.

Demand Side Management (DSM). One participant commented that BC Hydro supports consumption through its low rates and should be doing more to encourage demand side management.

Provincial IEP Committee selection process. The IEP team clarified that more than 800 invites were issued to stakeholders whom BC Hydro thought would be interested in energy planning, inviting them to provide a candidate for the Provincial Integrated Electricity Plan Committee (PIEPC). In addition, this information was placed on the website at www.bchydro.com/iep. A participant expressed the opinion that it would have been good to advertise generally. The IEP team acknowledged this comment and advised it will consider this for future processes. The IEP team also acknowledged that the timeline for responding to the PIEPC application process was short. This has been reflected in feedback to BC Hydro.

Guidelines for purchasing energy outside B.C. In response to the following participant question, “Do BC Hydro’s acquisition terms of reference take into account impacts of resources purchased outside the province?” The team responded that BC Hydro is investigating how to consider the downstream impacts of its energy supply choices. BC Hydro produces an annual Greenhouse Gas (GHG) report that explores ways in which the corporation is managing its GHG emissions.

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

The participants were divided into groups to discuss and provide 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 reported back to the large group by the breakout groups:

3.1 Group 1 Report Out

The most important factors in developing future electricity resources include:
The reporter began by indicating that the group considered more than just developing new resources, but also the history of demand and the development of new resources:

- Conservation was the most important factor that individuals were willing to pay for regarding future supply.
- This was followed by environmental impact which was divided into the following four categories:
  - Air quality: particulates and GHG emissions
  - Flooding (not a likely issue for residents in Victoria)
  - Aesthetics
  - Reliability and predictability: defined as local and systemic stability (for example, outage due to downed wire = local reliability; eastern U.S.A. blackout = systemic reliability); predictability (for example, if I have advance notice of outages or shortages, then I can manage my own demand)

The remaining factors included:
- Sustainability.
- Renewable generation (defined as non fossil fuels, and continuing to work into the indefinite future).
- Public ownership of the transmission and production of electricity, public ownership of transmission is more important than production.

3.2 Group 2 Report Out

The group identified the following as the most important factors in developing future electricity resources:

- Public ownership where excess profits are returned to the public.
- Management of global climate change- creating efficient production and small production close to demand.
- Rates control with a process to re-invest revenue in a centre of excellence for sustainable power. Keep rates low.
- Sustainability by not using fossil fuels.
- Good customer service - including transparency regarding policy and financials.
- Reliability.
- Demand management by investing in initiatives (before investing in new capital projects), and by managing the demand and the time of use. Europe is a good role model and is ahead of BC Hydro in this respect. BC Hydro should be learning from them.
- Rates should be designed so that people pay more for what they use, thereby raising awareness and understanding of how much energy people do use.
- Individual accountability around energy use (for example, time of use, demand management).
- Public understanding of BC Hydro policies and business conduct from three perspectives:
-- Service to customers and rates
-- Values - transparency around profits / revenues
-- Public ownership too tied to provincial government

Comment: While participants thought all of the above themes were important, they stressed the environment was of greatest importance and the need for sustainability of resources.

The group was willing to pay more for:

- The group indicated that they didn’t want to pay more for their power. They pointed out, however, that higher rates would provide an incentive for conservation. The group suggested implementing a rate structure that would support this (e.g., peak rates at a time when conservation required).
- The group indicated that they want to be able to provide feedback as customers on rate changes.

Discussion that followed the report-out can be summarized as follows:

- **BC Hydro revenues and profits.** Participants indicated that they want BC Hydro’s revenues tracked and profits returned to the public. They also indicated that they support an increased rate for consumption during peak times. Finally, they indicated that they would like to see profits spent on sustainable development as opposed to being allocated to general government coffers.

- **BC Hydro as a Crown agency.** Participants indicated that they believe BC Hydro is too politically tied to the provincial government. They believe BC Hydro should be more independent. They don’t want to see new policy directions every four years. One participant suggested BC Hydro run as an Authority (in much the same way as BC Ferries).

4. Summary of Meeting and Next Steps

The group was informed that notes from the information session would be posted on the BC Hydro IEP website [www.bchydro.com/iep](http://www.bchydro.com/iep). The results of this meeting would also be provided to workshop participants during the next day’s workshop.

Additional questions during the closing were as follows:

- **Duke Power Project efficiency rate.** In response to a participant question, BC Hydro will confirm Duke Power Project’s thermal efficiency rate.

  Post meeting note: the Duke Power Project will achieve an overall thermal efficiency of approx. 54-55%.

- **Rate structure changes.** In response to a participant question, BC Hydro will provide more information about phasing in of the recently approved rate structure.

  Post meeting note: The 4.85% rate increase was effective on all bills issued by early December 2004. The difference between the 4.85% permanent rate increase and a 7.23% interim rate increase (in effect since April 1, 2004) was paid back to customers, with interest, on bills issued after January 15th, 2005.