Request for Expressions of Interest (the “RFEOI”)

Clean Electricity Projects on the North Grid of Haida Gwaii

1. Introduction

The purpose of this RFEOI is to improve BC Hydro’s understanding of the potential clean or renewable electricity projects on Haida Gwaii to displace some or all of the diesel-generated electricity on the North Grid (defined in section 2). This enhanced understanding will assist BC Hydro in identifying next steps towards the development of such projects.

2. Background

Located off the northwest coast of British Columbia, Haida Gwaii is not connected to BC Hydro's integrated system. Haida Gwaii's electricity needs are currently served by BC Hydro’s Non Integrated Area by two separate generation-distribution systems. BC Hydro provides power to the northern grid that serves Old Masset, Masset and Port Clements through its diesel generating system in Masset (“North Grid”). The southern grid that serves Skidegate, Queen Charlotte City, Tlell and Sandspit receives power from a private hydroelectric plant that is backed up by BC Hydro's diesel generation station in Sandspit (“South Grid”).

Cost-effective, reliable, clean electricity is desired by the Haida Gwaii community and BC Hydro to displace some or all of the diesel-generated electricity on Haida Gwaii’s North Grid. The BC Hydro technical requirements are to meet a load demand that ranges from a low of approximately 1.5 MW in the summer to a peak of approximately 5 MW in the winter.

This RFEOI is being developed and advanced because BC Hydro remains committed to pursuing cost-effective and reliable electricity generated by clean or renewable resources as part of the effort to reduce the use of diesel-generated electricity on the North Island of Haida Gwaii. In addition, an ideal project would maximize the displacement of diesel fuel, have minimal adverse local impacts, satisfy the technical needs of the North Grid, meet the electricity demand of customers, and demonstrate significant benefits for the communities of Haida Gwaii.

BC Hydro typically uses an RFEOI process in cases where the number and types of potentially viable projects is not known. It is used for information gathering. The RFEOI itself does not result in a contract such as an electricity purchase agreement (EPA) with BC Hydro, nor does the RFEOI include a commitment by BC Hydro to any further commercial process (as described in Section 9 below) which is required before an EPA may be signed.

The Haida Gwaii RFEOI is designed to achieve the following objectives:

1) Gather information (market intelligence) regarding potentially interested parties with clean or renewable electricity projects on Haida Gwaii;

2) Ascertain viability of the potential projects by undertaking a high-level screening assessment performed by BC Hydro (from an early state conceptual development perspective). The focus of this stage 1 screening will largely be on meeting BC Hydro’s system needs. This screening will include items such as technology, suitable site locations available, track record of proponent, amounts of diesel offset, etc.; and

3) Help inform a determination on whether or not to develop a potential commercial process on Haida Gwaii to acquire electricity and, if so, the appropriate next steps.
3. RFEOI Contents

The RFEOI includes the following Schedules, which are posted with this RFEOI on, and may be downloaded from, the RFEOI Website:

- Schedule 1  RFEOI Timetable
- Schedule 2  Technical Information
- Schedule 3  RFEOI Form

BC Hydro may amend the RFEOI, including Schedules, from time to time by the issue of Addenda.

4. What is BC Hydro looking for from projects from this RFEOI?

Proposed projects must have the following characteristics:

- **Clean or Renewable**: electricity generated by the project must come from clean or renewable resources (as defined in the Clean Energy Act);
- **Project Size**: project must have an installed plant capacity of greater than 1 MW and with a maximum of up to the peak load requirements of the North Grid of Haida Gwaii;
- **Interconnection**: project must have a proposed point of interconnection to the North Grid on BC Hydro’s distribution system in the Haida Gwaii Non-Integrated Area. Connection at the Massett Diesel Generating Station substation is preferred and in many cases will be the only acceptable alternative. Any project that continues in any further potential commercial process would be required to undertake the necessary interconnection studies.

It is preferable that proposed projects meet BC Hydro’s criteria for being proven technology. Specifically, Respondents should be able to demonstrate three years of commercial operation in three jurisdictions.

Respondents should review the Technical Information requirements for Haida Gwaii that is part of the RFEOI package to fully understand the nature of the load on the North Grid and thereby match their project attributes to the needs of the system.

5. Responses and Information Requests

In order to submit a response to this RFEOI, please complete the attached form by filling out each field that is represented by a blue box. Use the drop down menus to make selections provided in the form. Please save the completed document in PDF format. Additional documentation may be provided but will be considered at the sole and absolute discretion of BC Hydro.

If two or more entities are cooperating in the submission of a response to this RFEOI, the response must be in the name of one Respondent, which will be considered by BC Hydro to be the prime Respondent. The response should identify all firms cooperating in the RFEOI process, their qualifications, and their respective roles.

BC Hydro may, after the submission of a RFEOI response, request additional information from Respondents regarding their proposed projects.

6. Closing Date and Time / Address for Responses

The closing date and time for the submission of responses to this RFEOI is **4:00 p.m. (Pacific Prevailing Time)**
**Time** on November 23, 2012. Late responses may be considered at the sole and absolute discretion of BC Hydro. However, BC Hydro is not obligated to consider late responses. Additional background material and documentation and studies may be provided.

Completed RFEOI Forms in PDF format must be delivered electronically or by hard copy as follows: (1) electronic copy delivered to the e-mail address set out at section 8 below (Subject: Haida Gwaii RFEOI) or (2) single hard copy (or electronic copy of the response in PDF format on CD or flash drive (memory stick)) delivered to the following address:

BC Hydro  
10th Floor, 333 Dunsmuir Street  
Vancouver, BC V6B 5R3  
Attention: Haida Gwaii RFEOI

BC Hydro may, at its sole and absolute discretion, accept responses that are non-compliant or delivered to the incorrect email address or mailing address, but BC Hydro is not obligated to do so.

7. **General Terms and Conditions**

7.1 **No Responsibility for Costs.** Respondents are solely responsible for the risk and cost of preparing and submitting responses to this RFEOI. BC Hydro shall not be responsible for any liabilities, costs, expenses, losses or damages incurred or suffered by a Respondent by reason of its participation in this RFEOI process.

7.2 **No Representations.** The information contained in this RFEOI is for information purposes only and is not intended to be relied upon by Respondents. BC Hydro makes no representations or warranties, express or implied, as to the accuracy or completeness of such information.

7.3 **No Contractual or Legal Obligations.** This RFEOI is not intended to constitute, or be interpreted as, a call for tenders or proposals. This RFEOI is not intended to constitute or be interpreted as a pre-qualification process. Submission of a response to this RFEOI is not intended to, nor does it, create any contractual or other legal obligations or duties whatsoever owed to any Respondent or project proponents by BC Hydro, including any obligation or duty to accept or reject information, to enter into negotiations or decline to enter into or continue negotiations, or to award or decline to award a contract. Without restricting the generality of the foregoing, no contractual relations shall exist between BC Hydro and any Respondent to this RFEOI, except that by submitting a response to this RFEOI a Respondent acknowledges and accepts the provisions of this section 7 (General Terms and Conditions).

7.4 **Freedom of Information and Protection of Privacy Act.** BC Hydro is subject to the *Freedom of Information and Protection of Privacy Act*, RSBC 1996, c.165 ([http://www.gp.gov.bc.ca/statreg/stat/F/96165_01.htm](http://www.gp.gov.bc.ca/statreg/stat/F/96165_01.htm)), and the associated regulations, as the same may be replaced, amended or supplemented from time to time (“FOIPPA”). Respondents are requested to identify any information or records submitted in their responses that they are supplying to BC Hydro in confidence and consent to constitute trade secrets or commercial, financial, labour relations, scientific or technical information, the disclosure of which could reasonably be expected to harm significantly their, or a third party’s, competitive or negotiating position or result in any undue financial loss or gain. BC Hydro shall not be liable for disclosure, pursuant to a request under the FOIPPA, of any information or record submitted by a Respondent that is not identified by that Respondent as provided above.

7.5 **Ownership and Confidentiality of Information.** All information, including any documents submitted to BC Hydro by a Respondent in connection with this RFEOI, becomes the property of
BC Hydro and will not be returned to Respondents. Responses will be received and held by BC Hydro in confidence, subject to the following exceptions: (i) provisions of the FOIPPA and any other applicable legal or regulatory requirements that may require disclosure of such information, including disclosure, at BC Hydro’s discretion, to the British Columbia Utilities Commission (BCUC); (ii) disclosure by BC Hydro to the B.C. Government and its employees and advisors; and (iii) disclosure of information (excluding pricing information) to local First Nations and their representative organizations and to local communities. BC Hydro is not responsible for the receipt or confidentiality of any documents delivered by facsimile transmission or email.

7.6 Future Process. Participation in this RFEOI and the submission of a response to this RFEOI is not a pre-condition to participation in a subsequent commercial process, if any, as discussed in section 8. If BC Hydro decides, at its sole and absolute discretion, to implement a subsequent commercial process, BC Hydro may invite proponents who did not participate in this RFEOI to participate in such subsequent process.

8. Communications

All communications in respect of this RFEOI must be directed to RFEOI Administrator at mailto:HaidaGwaii.RFEOI@bchydro.com. BC Hydro is not responsible for any instructions or information given to any Respondent except as made or authorized through the administrator.

All communications should originate from the contact person identified on the RFEOI Form submitted.

If two or more entities are cooperating in the submission of a response to this RFEOI, all discussions, communications, or correspondence related to the response will be between BC Hydro and the prime Respondent only.

9. Post-RFEOI Process

Upon completion of the RFEOI, BC Hydro will better understand the potential for clean or renewable electricity projects on Haida Gwaii to displace diesel on the North Grid. It is possible that the RFEOI may demonstrate that a further commercial process is not warranted (e.g., there are no viable clean or renewable projects).

If the RFEOI process reveals viable projects, BC Hydro may, at its sole and absolute discretion, decide to proceed to a commercial process. BC Hydro may not, and is not obligated to, proceed with a subsequent commercial process even if there are viable projects.

A commercial process could involve any of following potential options:

1) a competitive process with evaluation criteria (e.g. Request for Proposals);
2) bilateral discussions with one party; or
3) bilateral discussions with multiple parties.

If BC Hydro were to proceed to a commercial process, and an EPA were to be concluded, an EPA would be subject to filing and approval by the BCUC to demonstrate, among other things, a cost-effective price for electricity and that consultation with First Nations has been adequate.