

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-43-08

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**British Columbia Hydro and Power Authority ("BC Hydro")
2008 Standing Offer Program and
Negotiated Settlement Process**

BEFORE: A.J. Pullman, Commissioner March 19, 2008

O R D E R

WHEREAS:

- A. BC Hydro filed on December 14, 2007 pursuant to Section 45(6.1)(b) of the Utilities Commission Act (the "Act") an application for the Standing Offer Program ("SOP"); and
- B. Policy Action No. 11 of the Provincial Government's 2007 Energy Plan: A Vision for Clean Energy Leadership ("2007 Energy Plan") directs BC Hydro to establish a standing offer for clean electricity projects up to 10 megawatts ("MW"); and
- C. BC Hydro seeks an order pursuant to Section 45(6.2)(b) of the Act, which determines expenditures of \$514,000 required to conduct the implementation phase of the SOP, including administration and program review for the first two years, are in the interests of persons within British Columbia who receive, or may receive, service from BC Hydro; and
- D. By Order No. G-169-07 dated December 19, 2007, the Commission established a Regulatory Timetable for the SOP comprising the filing of Information Requests and the responses thereto by BC Hydro; a Workshop held on February 13, 2008 in Vancouver, B.C.; followed by a Negotiated Settlement Process ("NSP") commencing on February 13, 2008; and
- E. The NSP took place on February 13 to 15, 2008 with the participation of Commission staff, wherein a Settlement Agreement was proposed and agreed to by BC Hydro and the parties participating in the NSP discussions. The Settlement Agreement was circulated to the participants in the NSP for their review and comments by March 7, 2008; and
- F. On March 7, 2008, the Settlement Agreement and the Letters of Comment and the Letters of Support on the proposed Settlement Agreement from the parties participating in the NSP discussions were released to the Commission and to registered Intervenor. The Settlement Agreement and the letters from the participants in the NSP are attached as Appendix A to this Order; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
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- G. Intervenors who did not participate in the NSP were requested to file Letters of Comment or Letters of Support on the Settlement Agreement by March 14, 2008. None of the Intervenors, who did not participate in the NSP, filed letters; and
- H. The Commission has reviewed the Letters of Comment and Letters of Support received and notes that although there is a majority of support for the proposed Settlement Agreement, the support comes with certain comments; and
- I. The Commission notes that the Hagwilget Village Council and Northern Engineered Wood Products Inc. did not fully support the proposed Settlement Agreement and these letters are included in Appendix A to this Order; and
- J. The Commission notes that no letters were received that opposed the proposed Settlement Agreement; and
- K. The Commission considers that approval of the Settlement Agreement is in the public interest.

NOW THEREFORE the Commission orders as follows:

1. The Commission approves pursuant to Section 45(6.2)(b) of the Utilities Commission Act expenditures in the amount of \$514,000 required by BC Hydro to conduct the implementation phase of the SOP, including administration and program review for the first two years, and determines that these expenditures are in the interests of persons within British Columbia who receive, or may receive, service from BC Hydro.
2. The Commission approves the Settlement Agreement attached as Appendix A to this Order.
3. The Commission directs BC Hydro to provide to the Commission in final form, reflecting changes that have been agreed as set out in the Settlement Agreement, a copy of the following SOP documents: Rules; Standard Form Electricity Purchase Agreement; and Application Form and to post these documents in final form to its website, in a timely manner, together with a copy of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of March 2008.

BY ORDER

Original signed by:

A.J. Pullman
Commissioner

Attachments

BC Hydro
2008 Standing Offer Program – Section 45 Application
Negotiated Settlement Agreement

Introduction

On 14 December 2007 BC Hydro filed its SOP Application pursuant to section 45(6.1) (b) of the *Utilities Commission Act* (**the Act**) requesting that the British Columbia Utilities Commission (**Commission**) issue an Order pursuant to section 45(6.2) (b) of the *Act* that determines expenditures of \$0.5 million required to conduct the implementation phase of the SOP are in the interests of persons within British Columbia (**B.C.**) who receive, or who may receive, service from BC Hydro. The Application seeks \$0.5 million required to conduct the implementation phase of the Standing Offer Program (SOP), including administration and program review for the first two years.

The SOP is targeted to acquire two products, energy and “Environmental Attributes”. The SOP is expected to make an aggregate contribution to BC Hydro’s need for new energy resources as described in Chapter 3. BC Hydro estimates the SOP will contribute 90 to 900 gigawatt hours (GWh) per year of clean, renewable electricity to the BC Hydro grid from projects awarded Electricity Purchase Agreements (EPAs) over the next two years. The price being offered for SOP energy is based on BC Hydro’s Fiscal 2006 Open Call for Power (F2006 CFT), as prescribed in the 2007 Energy Plan.

The 2008 Standing Offer Program – Section 45 Application Workshop was held in Vancouver, BC on February 13, 2008. BC Hydro and a group of Intervenor participants participated in a NSP on February 15, 2008, and reached a Settlement Agreement, which is described in this document.

Issue Changes

In **Issue 4**, \$3.90/MWh NU deduction has been removed. **Issue 5** addresses the application of British Columbia CPI. The changes made to the original wording of **Issue 6** are underlined. BC Hydro confirms that the proposed new wording for Issue 6 is acceptable to the Provincial Government. The proposed changes to **Issue 7** of the Draft NSA (“BC Hydro Incentives”) are to clarify the eligibility requirements governing SOP projects and BC Hydro incentives. The changes made to the original wording of Issue 7 are underlined.

Vanport Sterilizers Inc.

BC Hydro notes that Directive No. 21 of the BCUC’s 2006 Integrated Electricity Plan/Long-Term Acquisition Plan Decision (page 218) is clear that BC Hydro is to include a pumped storage hydro project on the Jordan River in its next Resource Options Update, and thus BC Hydro sees no need to revise the NSA to include a reference to the pumped storage review.

A number of adjustments as a result of the NSP had to be made to the base price because of the BC CIP and the absorption of the INU (adjustments are summarized in revised Table 5-3).

BC Hydro’s letter address the above in detail is attached as Appendix B (with BC Hydro’s permission, BCUC has revised the INU to \$87,500 not the \$87,000 as shown in the letter).

The following Parties participated in the NSP discussion:

Participant	Party
Jason Fisher	Davis LLP Newpro
Richard Norton	Newpro
Eugene Kung	BCPIAC
Colin Fussell	BCPIAC
Jim Quail	BCPIAC
Leigha Worth	BCPIAC
Chris Lague	Tembec/JIESC
Pierre Lamarche	Howe Sound Pulp & Paper
Brian Wallace	Bull Housser & Tupper
Daniel T. Potts	JIESC
Kirke MacMillan	Chemtrade
Chris Weafer	Owen Bird/Commercial Energy Consumers B.C. ("CEC")
David Craig	CEC
Kris Kingston	K&A for Hagwilget Village Council
Vernon Joseph	Hagwilget Village Council
Nicole Prior	British Columbia Hydro and Power Authority
Brian Williston	British Columbia Utilities Commission
Dennis Fitzgerald	Catalyst Paper
Lawrence Robinson	Canadian Western Bank
Greg Sunell	Synex Energy Resources Ltd.
Leon Cender	British Columbia Hydro and Power Authority
Sammy Chow	British Columbia Hydro and Power Authority
Frank Lin	British Columbia Hydro and Power Authority
Craig Godsoe	British Columbia Hydro and Power Authority
Randy Reimann	British Columbia Hydro and Power Authority
Bill Peterson	British Columbia Hydro and Power Authority
William Andrews	BCSEA <i>et al.</i>
Jim Weimer	IPPBC
David Austin	IPPBC
Richard Tennant	Vanport Sterilizers
David Perttula	Terasen Gas Inc.
Edmond Leung	Terasen Gas Inc.
Stephen Kukucha	Atla Energy
Craig Folkstad	British Columbia Hydro and Power Authority

Paul Miller
Don Flintoff
Dal Scott
Bill Grant

Boughton Law Corporation
British Columbia Utilities Commission
Highland Valley Copper
British Columbia Utilities Commission

APPENDIX A
to Order No. G-43-08
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Settlement Agreement

The 2008 Standing Offer Program – Section 45 Application, including the Update, as filed, is accepted subject to the following:

Table 1: SOP Negotiated Settlement

	Issue	Original Proposal	Settlement
1.	Previous, Current and Future Electricity Purchase Agreements (EPAs) with BC Hydro	As set out in section 3.4 of the Standing Offer Program Draft Rules (Rules) (Exhibit B-1-1), projects that had an EPA signed in 2006 are not eligible to apply to the SOP, regardless of any termination or expiry of the EPA (SOP Application, section 4.2.7).	Section 3.4 of the Rules will not be amended as it is intended to prevent gaming. However, prior to finalization of the SOP Negotiated Settlement Agreement BC Hydro will discuss with Synex a possible exception to section 3.4 of the Rules for Synex's McKelvie Creek small hydro project.
2.	Existing Contracts with BC Hydro	Section 3.4 of the Rules provides that an existing generation facility or an increase in Nameplate Capacity of an existing facility is not eligible if some of the generation from the existing facility is under contract to BC Hydro (SOP Application, sections 4.2.5 and 4.2.6).	Section 3.4 of the Rules will be amended to provide that an existing generation facility or an increase in Nameplate Capacity of an existing facility may be eligible for the SOP if some of the generation from the existing facility is under contract to BC Hydro as determined by BC Hydro in its sole discretion. This change will be reflected as appropriate for all configurations set out in section 3.4 of the Rules that include a Common Generation Facility.
3.	Interconnection Network Upgrades (INU) costs	BC Hydro will be responsible for up to \$200,000/megawatt (MW) of nameplate capacity with respect to the INU costs (SOP Application, section 4.2.9).	Section 5.7 of the Rules and Appendix 3 of the SOP <i>pro forma</i> EPA will be amended to provide that BC Hydro will be responsible for up to \$87,500/MW of nameplate capacity with respect to INU costs.
4.	SOP Base Price for Electricity	As set out in section 5.2.5 and Table 5-3 of the SOP Application, there is a Network Upgrade (NU) deduction of \$3.90/megawatt hour (MWh).	The \$3.90/MWh NU deduction is eliminated. The elimination of the \$3.90 NU deduction, combined with the \$87,500/MW INU cap discussed above, result in an additional net cost to ratepayers of up to \$1.50/MWh. A revised Table 5-3 is attached. <u>Figure 7 of the Rules will be updated to reflect the updated Table 5-3.</u>
5.	Consumer Price Index (CPI) and	The SOP Application, section 5.2.3 and section 4.1 of the	The CPI, <u>All Items (Not Seasonally Adjusted)</u> for British Columbia for <u>December</u>

	Escalation	Rules provide that 100 percent of the SOP base price for electricity would be escalated at CPI for Canada (referred to as “ Canadian CPI ”) annually up to the year in which an EPA was signed; after an EPA is signed, 50 per cent of the escalated base price is further escalated at Canadian CPI annually on January 1 st of each year. The SOP Application, section 4.3.9 and section 4.2 of the Rules provide that 100 per cent of the Environmental Attributes price will be escalated at Canadian CPI annually.	<u>in the year immediately prior to the year for which the relevant calculation is being conducted</u> will be substituted for the Canadian CPI but escalation will remain the same in all other respects.
6.	High Efficiency Co-generation Eligibility and Fuel Attestation	<p>Co-generation with an overall efficiency (heat and electricity production) in excess of 80 percent (High Efficiency Co-generation) is eligible for the SOP pursuant to Policy Action No. 11 of the 2007 Energy Plan.</p> <p>With respect to SOP projects that are capable of fuel switching, which may include High Efficiency Co-generation, Developers must submit to BC Hydro an annual fuel attestation pursuant to Appendix 5 of the EPA (Exhibit B-1-1) confirming the fuel types used for generation of electricity delivered to BC Hydro pursuant to the SOP. Failure to comply with this requirement may result in BC Hydro suspending payments under the SOP EPA until such time as the Developer delivers the required confirmation. Pursuant to section 8.2 of the SOP EPA, BC Hydro has inspection and audit rights with respect to SOP projects.</p>	<p>High Efficiency Co-generation is eligible for the SOP. Appendix 5 to the SOP <i>pro forma</i> EPA will be amended to reflect the following:</p> <p>For purposes of the SOP:</p> <ul style="list-style-type: none"> • Annual fuel attestations providing that Developers of High Efficiency Cogeneration using natural gas or oil to generate electricity for delivery to BC Hydro pursuant to the SOP must provide information demonstrating compliance with Policy Action No. 18 (zero net greenhouse gas (GHG) emissions) and Policy Action No. 19 (zero net GHG emissions by 201 6) of the 2007 Energy Plan, as applicable <u>with respect to fuel used to generate the electricity in excess of the GBL for delivery to BC Hydro;</u> • Annual fuel attestations providing that Developers of High Efficiency Cogeneration using coal to generate electricity for delivery to BC Hydro pursuant to the SOP must provide information demonstrating compliance with Policy Action No. 20 of the 2007 Energy Plan (zero GHG emissions) <u>with respect to fuel used to generate the electricity in excess of the GBL for delivery to BC Hydro.</u> <p><u>Failure to comply with this requirement may result in BC Hydro suspending payments under the SOP EPA. Pursuant to Section 8.2 of the SOP EPA BC Hydro has inspection and audit rights with respect to SOP projects</u></p>

7.	BC Hydro Incentives	Section 3.4 of the Rules provides that “projects that consist of or include an electricity generator that received or is eligible to receive funding (whether or that funding has been applied for) through a Load Displacement or Demand Side Management (“DSM”) program with BC Hydro are not eligible”.	Section 3.4 of the Ruled will is amended as follows: <u>"Customer owned generation will not be eligible to participate in the SOP if any of the planned improvements have or will be funded through a load displacement or DSM program provided by BC Hydro".</u> <u>BC Hydro notes that pursuant to Section 9.7 of the Rules acceptance or rejection of an application and the decision to offer an EPA to a Developer is solely at the discretion of BC Hydro, and that this right could be exercised to prevent double dipping.</u>
8.	Setting Generation Baselines (GBL)	BC Hydro set out general guidelines regarding the setting of GBLs in its response to BCUC IR 1.26.3 (Exhibit B-3).	BC Hydro will set a GBL for each month based on 3 years of historical monthly energy data and the maximum take obligations would be limited to approximately 10 MW. A GBL will only be revised if an existing third party energy supply agreement expires. BC Hydro will continue discussions with JIESC and individual Developers with respect to the setting of GBLs.
9.	Two Year Review	The SOP will be subject to a review two years after the date the Commission issues an Order determining that expenditures of \$0.5 million for the implementation phase of the SOP are in the interests of persons within B.C. who receive, or who may receive, service from BC Hydro.	As part of the two year review, BC Hydro will produce and circulate a report on the SOP, including take up under the SOP. In addition, the SOP will be the subject of the two year review, including but not limited to: <ul style="list-style-type: none"> • An updated load/resource balance; • The acquisition of freshet energy; • The Revenue Requirement of not requiring 100 per cent load displacement; • The participation of prototype and near commercial technologies, and different pricing for different technologies (e.g. feed-in tariffs); and • The use of the same escalation rate for small hydro and clean thermal facilities.

Revised Table 5-3 Base Price for Energy

	VI	LM	KN	CI	PR	NC	SI	EK
(7) Base Price 2007 \$ (Unlevelized)	83.23	82.87	79.36	76.62	69.11	70.53	71.42	75.15
<i>2007 to 2008 escalation (100% CPI)</i>	<i>0.99</i>	<i>0.99</i>	<i>0.95</i>	<i>0.92</i>	<i>0.83</i>	<i>0.84</i>	<i>0.85</i>	<i>0.90</i>
Base Price (2008\$)	84.23	83.86	80.31	77.53	69.94	71.37	72.27	76.05

See BC Hydro letter in Appendix B for the full evolution of the Base Prices.



Craig Godsoe
Solicitor and Counsel
Legal Services
Phone: (604) 623-4403
Fax: (604) 623-3606
craig.godsoe@bchydro.com

28 February 2008

CONFIDENTIAL

Mr. Don Flintoff
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

don.flintoff@bcuc.com

Mr. Bill Grant
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

bill.grant@bcuc.com

Dear Sirs:

**Re: British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro) - 2008 Standing Offer
Program (SOP) Negotiated Settlement Process (NSP) and the Draft Negotiated
Settlement Agreement (NSA)**

BC Hydro has received the 27 February 2008 e-mail of Terasen Utilities commenting on the Draft NSA and has been asked by BCUC staff to respond to Terasen Utilities' request for clarification. In addition, BCUC staff has sought clarification concerning Table 5-3. This letter provides the requested clarification. In all cases changes have been underlined to permit comparison to the original wording of the Draft NSA. BC Hydro is of the view that the proposed changes to the Draft NSA add clarity and are consistent with the intent of the parties.

Issue 4

The proposed change confirms that the SOP Rules will be amended to reflect the updates to Table 5-3.

Original Wording per the Draft NSA	Proposed Wording
The \$3.90/MWh NU deduction is eliminated. The elimination of the \$3.90 NU deduction, combined with the \$87,000/MW INU cap discussed above, result in an additional net cost to	The \$3.90/MWh NU deduction is eliminated. The elimination of the \$3.90 NU deduction, combined with the \$87,000/MW INU cap discussed above, result in an additional net cost to



ratepayers of up to \$1.50/MWh. A revised Table 5-3 is attached.	ratepayers of up to \$1.50/MWh. A revised Table 5-3 is attached. <u>Figure 7 of the Rules will be updated to reflect the updated Table 5-3.</u>
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Issue 5

The proposed change to the Draft NSA responds to Terasen Utilities' request that the source of the British Columbia Consumer Price Index (**BC CPI**) be clearly identified.

Original Wording per the Draft NSA	Proposed Wording
The CPI for British Columbia will be substituted for the Canadian CPI but escalation will remain the same in all other respects.	The CPI, <u>All Items (Not Seasonally Adjusted)</u> for British Columbia <u>for December in the year immediately prior to the year for which the relevant calculation is being conducted</u> will be substituted for the Canadian CPI but escalation will remain the same in all other respects.

Table 5-3

Table 5-3 has been amended to identify the source of BC CPI and to confirm Line 1 of the Table is stated in 1 January 2006 dollars.

Revised Table 5-3 Base Price for Energy

	VI	LM	KN	CI	PR	NC	SI	EK
(1) Starting Price (2006\$)*	78.40	78.40	78.40	78.40	78.40	78.40	78.40	78.40
(2) Time of day/month	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
(3) Losses	-4.56	-4.89	-4.20	-5.49	-10.91	-10.59	-9.01	-5.63
(4) Improvements to transmission system:								
NU	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CIFT	0.00	0.00	-3.87	-5.05	-6.43	-5.47	-6.24	-6.24
(5) Levelized Base Price (2006\$)	75.34	75.01	71.84	69.35	62.56	63.84	64.65	68.03
2006 to 2007 escalation (100% CPI)**	1.56	1.55	1.49	1.43	1.29	1.32	1.34	1.41
(6) Levelized Base Price (2007\$)	76.90	76.56	73.32	70.79	63.85	65.16	65.99	69.43
(7) Base Price 2007 \$ (Unlevelized)	83.23	82.87	79.36	76.62	69.11	70.53	71.42	75.15
2006 to 2008 escalation (100% CPI)**	2.48	2.47	2.36	2.28	2.06	2.10	2.13	2.24
Levelized Base Price (2008\$)	77.82	77.48	74.20	71.63	64.61	65.94	66.78	70.26
Base Price 2008 \$ (Unlevelized)***	84.23	83.86	80.31	77.53	69.94	71.37	72.27	76.05

* Stated in January 2006 dollars.

**The CPI used to determine the annual escalation is based on the CPI, All Items (Not Seasonally Adjusted) for British Columbia for December in the year immediately prior to the year for which the relevant calculation is being conducted.

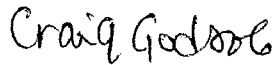
***Award Price for energy for SOP EPAs issued in 2008.

Environmental Attributes

In its 27 February 2008 e-mail, Terasen Utilities also raised a concern that the additional year (2008) of CPI increases for Environmental Attributes "not be overlooked in the year to year setting of the SOP prices to be paid". BC Hydro is of the view that there is no need to address this concern in the Draft NSA. As noted by Terasen Utilities in its e-mail, "in the end there was no change to the treatment of Environmental Attributes". BC Hydro notes that both section 6.3 of the SOP Electricity Purchase Agreement and Section 4.2 of the Rules (Exhibit B-1-1) clearly spell out the escalation treatment of the Environmental Attributes price. Escalation will commence in 2008 and will be effective as of 1 January in each year.

For further information please contact Craig Godsoe at 604-623-4403.

Yours sincerely,

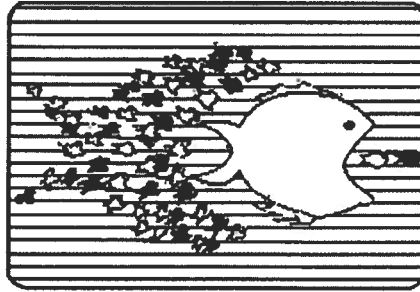


Craig Godsoe
Solicitor & Counsel

c. NSP Participants

**The
British Columbia
Public Interest
Advocacy Centre**

208-1090 West Pender Street
Vancouver, BC V6E 2N7
Tel: (604) 687-3063 Fax: (604) 682-7896
email: bcpiac@bcpiac.com
<http://www.bcpiac.com>



Sarah Khan	687-4134
James L. Quail	687-3034
Ros Salvador	488-1315
Leigha Worth	687-3044
Barristers & Solicitors	
Eugene Kung	
Articled Student	

March 4, 2008

VIA EMAIL

Erica Hamilton
Commission Secretary
BC Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mesdames/Sirs:

Re: Project No. 3698490 British Columbia Utilities Commission (BCUC) British Columbia Hydro and Power Authority (BC Hydro) Standing Offer Program (SOP)

We continue to represent BCOAPO et al. in this proceeding.

Our clients have instructed us that they are prepared to consent to the Negotiated Settlement Package which was finalized by Mr. Bill Grant, becoming an Order of the Commission in the full resolution of this Application.

However, our clients wish to register their views that a far preferable final outcome would have involved less net contribution by BC Hydro's ratepayers to the cost of upgrading the system in order to integrate projects which may be developed pursuant to this program. While this is a substantial concern, in the balance, our clients are prepared to give their consent as noted above.

Yours truly,

BC PUBLIC INTEREST ADVOCACY CENTRE

Original in file signed by:

Jim Quail
Barrister & Solicitor

cc: parties of record

March 5, 2008

Ms Erica M. Hamilton
Commission Secretary
B.C. Utilities Commission
6th Floor - 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Dear Ms Hamilton:

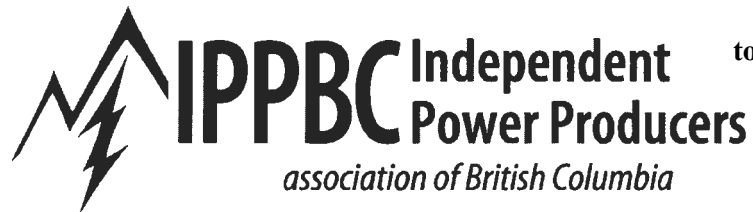
**Re: BC Hydro – 2008 Standing Offer Program – Section 45 Application
Confidential Negotiated Settlement Agreement**

The final Negotiated Settlement Agreement (“NSA”) circulated with a forwarding letter dated February 29, 2008 accurately represents the agreement reached by the parties who actively participated in the Negotiated Settlement discussions and the IPPBC accepts it.

The IPPBC wishes to note the following:

1. The cost of incremental firm transmission should not be applied in any circumstance except where generating capacity is being supplied and paid for. It also has the effect of creating a bias against northern and interior projects.
2. The Standard Offer price is based on the levelized reference price from the 2006 CFT which is then adjusted to compensate for the fact that the allowed price escalation is only 50% of CPI whereas a levelized price, by definition escalates at 100% of CPI. This adjustment is inadequate for the term of any electricity purchase agreement that exceeds 20 years. IPPs are inadvertently being encouraged to seek shorter term electricity purchase agreements.
3. It is reasonable to adjust for losses for deliveries to the Lower Mainland but the methodology used leads to price penalties for northern and interior regions that are inordinately higher than in other processes e.g. Alcan 2007 EPA. This creates another bias against northern and interior projects.

Ultimately, the market in the way of responses from power producers is going to



determine whether the Standing Offer Program is a success, especially on the question of whether the price offered is sufficient.

Yours truly,

"Original signed by David Austin"

David Austin on behalf of the IPPBC

Cc: All Parties, BC Hydro



Pulp Group
Skookumchuck Operations

P.O. Box 4000
Cranbrook BC V1C 7H7

APPENDIX A
to Order No. G-43-08
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Téléphone : (250) 422-3261
Télécopieur / Fax : (250) 422-3085

Mr. William Grant
British Columbia Utilities Commission
6th floor, 900 Howe Street
Vancouver, BC, V6Z 2N3

05 March 2008

Dear Sir,

Re: Negotiated Settlement Agreement (NSA) for the BC Hydro 2008 Standing Offer Program.

Tembec has reviewed and hereby supports the NSA as issued 29 Feb. 2009 under the BCUC Log No. 23276.

Regards,

Chris Lague
Project Engineer and Energy Coordinator
Tembec, Skookumchuck Operations

March 5, 2008

British Columbia Utilities Commission
6th Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

Re: British Columbia Hydro and Power Authority ("BC Hydro") Application for Approval of Standing Offer Program ("SOP") and Negotiated Settlement Process ("NSP") ~ Project No. 3698490

Negotiated Settlement Agreement ("NSA") dated February 29, 2008

I write on behalf of the Terasen Utilities in the matter of the BC Hydro SOP application and the NSA dated February 29, 2008. The Terasen Utilities are registered intervenors in this proceeding and participated in the SOP NSP held February 13 – 15, 2008.

The Terasen Utilities accept the February 29, 2008 NSA in its entirety.

The settlement reached by the NSP participants represents an introductory implementation of Policy Action Item 11 of the British Columbia 2007 Energy Plan ("BC Energy Plan"). The Terasen Utilities commend BC Hydro for a comprehensive SOP application. Bill Grant and Commission staff are also to be commended for their skilled facilitation of the negotiated settlement process.

The Terasen Utilities note that the intent of Policy Action 11 of the BC 2007 Energy Plan was to facilitate the development of distributed clean energy projects in British Columbia to support the goal of self-sufficiency and help promote innovation in British Columbia. If the SOP NSA is approved by the Commission, the initial implementation of the SOP will be limited to proven technologies. The Terasen Utilities look forward to the two-year review of the SOP at which time consideration will be given to expanding the SOP to include near commercial technologies and differentiated pricing by technology type (per Item 9 of the NSA). These possible enhancements will assist in the SOP becoming a means of promoting British Columbia innovation as anticipated in Policy Action 11.

Yours very truly,

TERASEN GAS INC.



David Perttula

Cc (e-mail only): BC Hydro
Parties to the NSP



Mar 5, 2008

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Attention: William J. Grant


Dear Sir:

Re: **British Columbia Utilities Commission ("BCUC")
British Columbia Hydro and Power Authority (BC Hydro) – 2008 Standing Offer
Program (SOP) Negotiated Settlement Process (NSP)**

Howe Sound Pulp & Paper Limited Partnership (HSLP) has reviewed the final NSA circulated under Mr. Bill Grant's cover letter dated February 29, 2008 and hereby acknowledges support for that agreement.

Yours truly,

Howe Sound Pulp and Paper Limited Partnership
By its General Partner, HSPP General Partner Ltd.

By: 
Pierre Lamarche
Manager Energy

"The obligations of Howe Sound Pulp and Paper Limited Partnership (the "Partnership") hereunder shall not be binding upon nor shall resort hereunder be had to the property of the limited partners of the Partnership but shall only be binding upon and resort shall only be had to the property and assets of the Partnership and HSPP General Partner Ltd."

Mill Office: 3838 Port Mellon Highway, Port Mellon, B.C., Canada V0N 2S0
Telephone (604) 884-5223 Facsimile (604) 884-2170 E-mail hsppcomments@hspp.ca Web www.hspp.ca
Registered Office: 100 – 1700 West 75th Avenue, Vancouver, B.C., Canada V6P 6G2
Telephone (604) 661-5241 Facsimile (604) 661-5235 E-mail info@canfor.ca Web www.canfor.ca



SYNEX ENERGY RESOURCES LTD.

1444 Alberni Street, Ste 400
Vancouver, BC, Canada V6G 2Z4
Phone: (604) 688-8271 Fax: (604) 688-1286

APPENDIX A
to Order No. G-43-08
Page 15 of 29

By mail and email

March 4, 2008

File: Y1102-10

William J Grant
British Columbia Utilities Commission
Box 250, Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY ("BC HDYRO")
PROJECT NO. 3698490/ORDER NO. G-169-07
2008 STANDING OFFER PROGRAM ("SOP") - SECTION 45 APPLICATION
NEGOTIATED SETTLEMENT PROCESS

Synex Energy Resources Ltd. confirms its acceptance of the Negotiated Settlement Agreement ("NSA") for the SOP distributed under cover of a letter dated February 29, 2008 from William J Grant.

Yours truly,
SYNEX ENERGY RESOURCES LTD.

Greg Sunell
President

Cc Donald Flintoff (by email)
Standing Offer Registered Participants (by email)

William E Ireland, QC
Douglas R Johnson*
Allison R Kuchta*
James L Carpick*
Michael P Vaughan
Gary M Yaffe
James H McBeath
Scott H Stephens

D Barry Kirkham, QC*
James D Burns*
Susan E Lloyd*
Christopher P Weafer*
Gregory J Tucker*
Jonathan L Williams*
Sherri A Robinson
Ramneek S Padda

Robin C Macfarlane*
Duncan J Manson*
Daniel W Burnett*
Paul J Brown*
Heather E Maconachie
Greg A Fabbro
Paul A Brackstone

J David Dunn*
Alan A Frydenlund*
Harvey S Delaney*
Patrick J Habert*
Harley J Harris*
Michael F Robson*
Elizabeth A Reid

Carl J Pines, Associate Counsel*
R Keith Thompson, Associate Counsel*

Hon Walter S Owen, OC, QC, LLD (1981)
John I Bird, QC (2005)

* Law Corporation
* Also of the Yukon Bar

OWEN • BIRD

LAW CORPORATION

PO Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, BC
Canada V7X 1J5

Telephone 604 688-0401
Fax 604 688-2827
Website www.owenbird.com

Direct Line: 604 691-7557
Direct Fax: 604 632-4482
E-mail: cweafer@owenbird.com
Our File: 23841/0019

March 5, 2008

VIA ELECTRONIC MAIL

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Erica M. Hamilton, Commission Secretary

Dear Sirs/Mesdames:

**Re: British Columbia Hydro and Power Authority ("BC Hydro")
2008 Standing Offer Program ("SOP") and Negotiated Settlement Process
Project No. 3698490**

We are counsel to the Commercial Energy Consumers Association of British Columbia ("CEC"). We have reviewed the Negotiated Settlement Agreement ("NSA") and supporting documents provided to us on February 29, 2008 with respect to the above-noted matter.

The CEC intervened in this proceeding by letter of January 14, 2008, submitted Information Requests by letter of January 18, 2008 and participated actively in the confidential Negotiated Settlement Process held on February 13, 14 and 15, 2008, and which resulted in the NSA. The CEC accepted the draft SOP NSA providing one comment which was subsequently dealt with to our client's satisfaction.

The CEC's interests in this 2008 SOP proceeding are that our members, which are commercial class customers of BC Hydro, comprise a significant portion of BC Hydro's rate base, and whose interests and rates will be affected by this application. The CEC has concluded that the SOP NSA, as a package, provides for the cost-effective acquisition of clean and renewable energy for the benefit of BC Hydro ratepayers in accordance with the 2007 BC Energy Plan.

The CEC acknowledges the efforts of BC Hydro to consult with stakeholders in this process prior to the filing of its application.

OWEN · BIRD

LAW CORPORATION

March 5, 2008

Page 2

If you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Yours truly,

OWEN BIRD LAW CORPORATION

Christopher P. Weafer

Christopher P. Weafer

CPW/jlb

cc: William J. Grant, BCUC

cc: Donald Flintoff, BCUC

cc: BC Hydro

cc: Registered Intervenors



**Bull, Housser
& Tupper LLP**

3000 Royal Centre . PO Box 11130
1055 West Georgia Street
Vancouver . BC . Canada . V6E 3R3
Phone 604.687.6575 Fax 604.641.4949
www.bht.com

Reply Attention of:	R. Brian Wallace
Direct Phone:	604.641.4898
Direct Fax:	604.646.2622
E-mail:	RBW@bht.com
Our File:	07-3815
Date:	March 5, 2008

BY EMAIL

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Vancouver, BC V6Z 2V3

Attention: Erica M. Hamilton
Commission Secretary

Dear Sirs/Mesdames:

**Re: British Columbia Utilities Commission (“BCUC”)
British Columbia Hydro and Power Authority (BC Hydro) – 2008 Standing Offer
Program (SOP) Negotiated Settlement Process (NSP) and the Draft Negotiated
Settlement Agreement (NSA)**

We write on behalf of the Joint Industry Electricity Steering Committee (“JIESC”).

The JIESC participated in the NSP in this matter and has reviewed the final NSA forwarded to NSP participants on February 29, 2007. The JIESC supports the NSA and urges the Commission to approve it.

Yours truly,

Bull, Housser & Tupper LLP

A handwritten signature in cursive script, reading 'R. Brian Wallace'.

R. Brian Wallace

RBW/sg/1641525

**Vanport Sterilizers Inc.
1032 Delestre Ave.
Coquitlam,, B.C.
V3K 2H2
tel;. (604) 936 3705
email; sterilizers@excite.com**

5 March, 2008

ATTN. Mr. Bill Grant, BC Utilities Commission

Dear Mr. Grant,

RE; Acceptance of Negotiated Settlement Agreement

Vanport has reviewed the Agreement and we consent, with the following qualifications, to the Negotiated Settlement Agreement as presented.

We believe that BC hydro should be held accountable for both its apparent lack of concern about the impact of the SOP on securing low cost base-load needed for operating any pumped storage, and, for its actions in response to our proposals for building pumped storage on both the Jordan River, and, at Britannia Mines.

BC Hydro also needs to be queried about its failure to consider a proposal to build a bio-refinery at Woodfibre to produce bio-fuels and Soils-from-Wastes for forestry, whereby it has opted instead to buy into promoting a phony waste disposal crisis in order that it can continue to freeload energy that is non-competitively generated from GHG/dioxin-spewing 'waste-to-energy' incinerators. To add insult to injury, the proposed SOP will charge higher rates for this low grade energy while it also buys costly energy from inefficient direct-burn biomass plants being falsely touted as 'carbon- neutral, clean energy generators'. We also believe consideration should have been given to our proposal that carbon taxes and municipal waste disposal fees should only go toward creating integrated waste disposal/pumped storage plants equipped to capture and store carbon while also producing large volumes of liquid hydrogen from recycled sewage and industrial wastewater.

Pg.2

In any event, Vanport is well aware of its managerial limitations in this business and is, therefore, prepared to trust the Commission to decide the wisdom of approving the SOP without first demanding a comparative pricing analysis with merchant pumped storage and/or before first demanding that BC Hydro finishes its review of a pumped storage project on the Jordan River.

We respectfully suggest that, when the SOP is reviewed in two years, consideration be given to the option of allowing generators an either/or option of selling their electricity to a 'carbon-controlled' pumped storage plant that is granted market priority over heritage electricity.

We hope that this 'qualified' consent will entice BC Hydro to open the door to allow for our involvement in developing pumped storage plants.

When you release our Letter of Comment, please exclude our letter of "Clarification" dated 29 February.

Thank you for the opportunity to participate in this proceeding.

Sincerely,

**Richard Tennant,
President**

William J. Andrews
Barrister & Solicitor

1958 Parkside Lane, North Vancouver, BC, Canada, V7G 1X5
Phone: 604-924-0921, Fax: 604-924-0918, Email: wjandrews@shaw.ca

March 3, 2008

Erica Hamilton, Commission Secretary
British Columbia Utilities Commission
Vancouver, BC
By email: Commission.Secretary@bcuc.com

Dear Madam:

Re: British Columbia Hydro and Power Authority
Standing Offer Program
BCUC Order No. G-169-07
BCUC Project No. 3698490

I am writing on behalf of the B.C. Sustainable Energy Association, Sierra Club of Canada (British Columbia) and Peace Valley Environment Association (BCSEA, *et al*). The purpose of this letter is to express BCSEA, *et al*'s position regarding the 2008 Standing Offer Program (SOP) Final Negotiated Settlement Agreement (NSA) dated February 29, 2008.

For reference, BCSEA, *et al* intervened in this proceeding by letter of January 14, 2008,¹ submitted Information Requests of BC Hydro by letter of January 18, 2008,² and participated in the confidential Negotiated Settlement Process (NSA) held on February 13, 14 and 15, 2008.

BCSEA, *et al* accept the SOP NSA.

BCSEA, *et al*'s interests in this 2008 SOP proceeding are as BC Hydro ratepayers and as public interest environmental and energy policy organizations. BCSEA, *et al* have concluded that the SOP NSA, as a package, provides for the cost-effective acquisition of clean and renewable energy for the benefit of BC Hydro ratepayers in accordance with the 2007 *BC Energy Plan*.³

Three comments. First, regarding NSA Item 6, amending the SOP *pro forma* EPA Appendix 5, concerning high-efficiency co-generation projects that are capable of fuel switching and that are eligible for the 2008 SOP, BCSEA, *et al* are confident that fuel attestation will not be misused to disguise incremental increases in carbon emissions contrary to the 2007 Energy Plan. BCSEA, *et al* will look to the two-year review (NSA Item 9) to provide reassurance on this topic.

Second, BCSEA, *et al* look forward to the two-year review in general, and, in particular, regarding the proposed examination of "the participation of prototype and near-commercial technologies, and different pricing for different technologies (feed-in tariffs)." The SOP is (unobjectionably) limited to "proven generation technology," which is rigorously defined to require at least three generation plants generating electricity for a period of not less than three years.⁴ Other programs, such as the B.C. Innovative and Clean Energy Fund (ICE), are designed

¹ Exhibit C-16-1.

² Exhibit C-16-2.

³ *BC Energy Plan: A Vision for Clean Energy Leadership*, at <http://www.energyplan.gov.bc.ca/>.


⁴ Exhibit B-1, section 4.2.4, p.4-4, footnote 3.

BC Hydro Standing Offer Prog. March 3, 2008

to support pre-commercial energy technologies and commercial technologies not currently used in B.C. It will be important to ensure that as these innovative and clean energy technologies mature there is no gap between support from programs such as ICE and eligibility for BC Hydro's standing offer program. Whether preventing such a gap requires adjustment of the development programs such as ICE or adjustment of the "proven generation technology" clause of a future standing offer program is a discussion that might occur in the SOP two-year review.

Third, the Standing Offer Program is, of course, a supply-side initiative. BCSEA, *et al*'s support for the SOP NSA is based on BCSEA, *et al*'s confidence that BC Hydro is simultaneously pursuing the development and expansion of demand-side management (DSM) programs. BCSEA, *et al* look forward to the Commission's examination of Hydro's DSM proposals, among other things, in the upcoming 2008 Long Term Acquisition Plan (LTAP) proceeding.

Yours truly,
William J. Andrews



Barrister & Solicitor

cc. Don Flintoff
Distribution List by email



Craig Godsoe
17th floor, Legal Services
Phone: (604) 623-4403
Fax: (604) 623-3606

3 March 2008

Ms. Erica M. Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

**Re: British Columbia Utilities Commission (BCUC)
British Columbia Hydro and Power Authority (BC Hydro) – 2008 Standing
Offer Program (SOP) – Section 45 Application – Negotiated Settlement
Agreement (NSA)**

BC Hydro confirms its acceptance of the SOP final NSA distributed under cover of Mr. Grant's letter dated 29 February 2008. Nineteen parties and BCUC staff participated in the three day Negotiated Settlement Process (NSP). BC Hydro respectfully submits that the BCUC ought to approve the NSA without modification.

BC Hydro would like to thank Mr. Bill Grant and BCUC staff for their facilitation of the NSP, and the other participants in the NSP for the efforts made to reach a successful conclusion.

Yours truly,

A handwritten signature in black ink that reads "Craig Godsoe". The signature is written in a cursive, slightly slanted style.

Craig Godsoe
Solicitor and Counsel



FROM THE OFFICE OF Jason Fisher
DIRECT LINE 604.643.6437
DIRECT FAX 604.605.3504
E-MAIL jfisher@davis.ca

FILE NUMBER 72702-00001

February 27, 2008

DELIVERED BY E-MAIL

PRIVATE AND CONFIDENTIAL

Mr. Bill Grant
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Box 250
Vancouver, BC Canada V6Z 2N3

Dear Mr. Grant:

Re: B.C. Hydro's SOP Application

Thank you for the copy of the Negotiated Settlement Agreement received on Friday, Feb. 22, 2008.

Newpro has reviewed the Agreement and for the reasons expressed in its letter of Feb. 14, 2008 it cannot consent to the Negotiated Settlement Agreement as presented. Newpro requests that the following restriction be included under the Eligibility Requirements (Article 3) of the SOP Draft Rules (Exhibit B-1-2):

Projects utilizing wood residue- are eligible if, in addition to meeting the criteria set out under Section 3.0, they utilize wood residue that has no other commercial use or is the alternative with the lowest environmental impact and with no other higher-order use.

Newpro submits that in light of the above requirement, BC Hydro would also need a fuel attestation from Sellers with biomass energy projects much in the same way as they do from high-efficiency co-generation projects. For that purpose, Newpro suggests the following amendments to Appendix 5 of the Draft EPA (Exhibit B-1-1), [additions in bold]:

- In the case of Projects that are capable of using alternate fuel sources to generate energy, **including Projects utilizing wood residue that are capable of utilizing more than one type of wood residue**, the Seller will be required to deliver to BC Hydro, on each anniversary of COD, written confirmation from the Seller together



Page 2 of 2

with supporting documents (including third party certification(s)) as requested by BC Hydro, acting reasonably, to confirm the fuel types and quantities used in the Seller's Plant during the immediately preceding 12 month period and the Seller shall ensure that all fuel used by the Seller is such that the energy will be considered Clean Energy and, in the case of Projects utilizing wood residue, that the Seller's Plant utilized wood residue that has no other commercial use or is the alternative with the lowest environmental impact and with no other higher-order use.

- If the Seller fails to comply with the foregoing requirements, BC Hydro may suspend payments under the EPA until such time as the Seller delivers the required confirmation and/or switches to a fuel that will ensure the energy will be considered Clean Energy and, in the case of Projects utilizing wood residue, that the Seller's Plant utilizes wood residue that has no other commercial use or is the alternative with the lowest environmental impact and with no other higher-order use. Breach of these requirements is a "material default" for the purposes of subsection 9.1(h) of the EPA.

Newpro regrets that it is unable to support any Negotiated Settlement Agreement that fails to take the concerns of existing users of wood residue into account in evaluating the eligibility of biomass energy projects.

Yours truly,
DAVIS LLP

Per:

A handwritten signature in black ink, appearing to read "J Fisher", written over a horizontal line.

Jason Fisher
JRF/jrf

cc: Donald Flintoff
Client

02-27-08;03:37PM;

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Hagwilget Village Council

Po Box 460 New Hazelton, BC V0J 2J0
Ph: (250) 842-6258 Fax: (250)842-6924

February 27, 2008

By email: Bill.Grant@bcuc.com
Don.Flintoff@bcuc.com
Commission.Secretary@bcuc.com

CONFIDENTIAL

Mr. William J. Grant
Transition Advisor, Regulatory Affairs & Planning
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Grant:

Re: BC Hydro 2008 SOP and Negotiated Settlement Process

We write in response to your February 25, 2008 letter of invitation to provide comments and edits on the Draft SOP Negotiated Settlement Agreement.

First, in behalf of Hagwilget Village Council, we wish to thank BCUC and BC Hydro for the opportunity to participate with other intervenors in the NSP for the 2008 SOP. We believe we were able to present the position of Hagwilget Village Council clearly and reasonably.

As we were unable to participate on Day 3 of the NSP, we provided our parting comments at 3:30 p.m. on Day 2. Our comments included a statement to the effect that as we are representing Hagwilget Village Council, we are able to speak for northern First Nations and other northern British Columbian's interests. We expressed our conviction that the concept of the SOP is a positive step for our Province and for electricity purchasing ratepayers. However, we expanded on this by stating clearly that unless all British Columbian IPP's were being offered the same rate throughout the Province, we would be unable to support the Agreement.

With regard to the statement in the last paragraph of page 1 of the Negotiated Settlement Document, we are therefore unclear as to the unanimous agreement mentioned there.

Second, with regard to the draft Settlement Agreement itself, we provide the following comments:

- Items 1 through 4. We agree to the settlement on these items.
- Item 5. We agree with CPI BC however we would make two points:

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- The cost of our project has increased 8% between Feb 2006 and Dec 2007. This is not reflected in the actual CPI, so we request the use of CPI BC be re-evaluated after the initial two-year period.
- We suggest that the 100% portion of the CPI escalation being applied and being subject to line losses and CIFT is inappropriate. The concept of the 100% CPI escalation is to address cost issues during the pre-construction and construction phases. The current format values the CPI construction price increases differently in real dollar terms depending on location in the Province. We do not believe this is the intention. We would suggest the 100% CPI escalation be a fixed dollar value, based on a 100% CPI multiplier of one price, and that this not be subject to area based reductions. As it stands, the non-LM and non-VI projects would become less competitive in comparison to LM and VI projects with regard to increasing cost pressures. This is clearly demonstrated on Table 5-3 provided in the Agreement where the real dollar CPI adjustments are different for each area. We do not have an issue with escalation of the 50% portion, which would apply after the project has been constructed.
- Items 6 through 8. We agree to the settlement on these items.
- Item 9. We agree to the two-year review however we have two concerns:
 - What would be the purpose and therefore the result of a review of the acquisition of freshet energy? Small hydro is the most cost effective method of local generation and any additional move to limit its development in our view would be short-sighted.
 - The concept of paying different rates for different technologies would appear to throw out the notion of "simple and fair" and we advise against it.
- Table 5-3. We have several concerns. Overall, we reiterate our position in our February 7, 2008 letter and in our verbal presentations that there should be one price for all. We expand on this below:
 1. We would recommend that under the SOP, the typical, small, distribution-connected and distribution system-servicing projects be considered for exemption from the loss calculation. For an example to illustrate this point, our distribution-connected project is at the end of the distribution line and could provide power to the local demand centre with lower losses (9km) than does the Alcan power that comes from the other direction through the distribution system (34km) and that after having come through the transmission system. To our local community, our project would reduce losses, not increase them. To downtown Vancouver, the losses are a matter of debate; Vancouver needs electricity regardless of where it is generated.
 2. As we live in our local communities, we cannot agree to the Agreement with losses being charged for delivery of power to downtown Vancouver. In coming to this conclusion, we carefully re-considered the alternative of an SOP with pricing that includes losses, which we would have been willing to accept for an initial two-year period (on the understanding our NC project will not be financially viable in the interim, only because of its NC location). As part of that alternate consideration, we would have asked that:

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1. Losses be calculated accurately at this time. The 10.57 loss from NC is in our view excessive in light of the Alcan loss.
 2. The concept of including losses in the Base Price determination be eliminated in future if it became clear that non-VI and non-LM projects were not being offered under the SOP in reasonable proportion to all SOP projects. We would have requested the term "reasonable" be interpreted by non-VI and non-LM developers.
 3. First Nation accommodation be considered in loss elimination.
In our view, the alternative outlined above would have been a bottom line for us to consider accepting losses as part of the Agreement pricing.
 3. We had asked BC Hydro and the intervenors that consideration be given to reviewing the Revised Figure 5-1 on p. 421 of 638 in BC Hydro's February 1, 2008 Letter filing responses to Information Request No. 1 from the Commission. This Figure clearly demonstrates the cost effectiveness for SOP LM and we had asked that the Figure be revised to demonstrate the cost effectiveness for SOP NC with one base price for producers across the Province, with all losses from NC added. We feel this would provide ample evidence that one price for all is not costly. We ask that this be explored and if it already has, that we be provided with the revised Figure and given some indication of the discussion. We apologize for being unavailable to discuss this on Day 3.
 4. We entirely disagree with the application of CIFT to SOP projects. In view of our intervenor role in behalf of local communities, we cannot, on principle, sign on to the Agreement as long as CIFT remains. IPPBC, in our view, presented a clear case on Day 2 and our question, "What will actually be built with the money taken from developers for the CIFT?" has gone unanswered. The determination of CIFT is especially onerous for long term (i.e., 40-year) contracts. The CIFT is punitive to non-LM and non-VI developers. It is simply unfair and we cannot agree to its inclusion.
- Overall, the issue is fairness in pricing. There should not be two classes of British Columbians: those that live in Vancouver and those who do not.

Third, we acknowledge that BCUC and B.C. Hydro both understand the risks with regard to First Nations rights and we believe we made our concerns known to other participants in this regard. However, we see no advances being made in the area of accommodation. We accept this is a political issue and after the NSP process is concluded, we will resume our involvement in that arena without prejudice. We believe the accommodation scope is currently outside the BCUC mandate and we thankfully appreciate the reception we were given in being allowed to raise this issue. Notwithstanding, it is our belief that BCUC and B.C. Hydro should be given direction from Victoria to take positive action in respect to First Nations rights, title and the legal requirement for accommodation.

Finally, we have enjoyed the responsibility and interaction as intervenors. We trust we brought issues to the table respectfully and we hope to have made a contribution and to contribute positively in finalizing this Agreement. We close with this excerpt from the Energy Plan:

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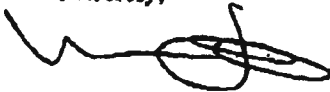
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The BC Energy Plan, A Vision for Clean Energy Leadership document includes the following statements in the message from the Premier:

- *For communities, it can lead to healthier neighbourhoods and lifestyles for all of us.*
- *Just as the government's energy vision of 40 years ago led to massive benefits for our Province, so will our decisions today. The BC Energy Plan will ensure a secure, reliable, and affordable energy supply for all British Columbians for years to come.*

Sincerely,



Vernon Joseph
Administrator
Hagwilget Village Council



Kris Kingston, P.Eng.
Northwest Green Power Corporation
Kingston & Associates Ltd.,
Consultant to Hagwilget Village Council

cc: By email: Joanna Sofield, Chief Regulatory Officer, BC Hydro