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## NEWS RELEASE

For Immediate Release  
2010PREM0090-000483  
April 28, 2010

Office of the Premier  
Ministry of Energy, Mines and Petroleum Resources  
BC Hydro

### **NEW ACT POWERS B.C. FORWARD WITH CLEAN ENERGY AND JOBS**

VICTORIA, B.C. – British Columbia’s new Clean Energy Act sets the foundation for a new future of electricity self-sufficiency, job creation and reduced greenhouse gas emissions, powered by unprecedented investments in clean, renewable energy across the province. Bill 17 builds upon British Columbia’s unique heritage advantages and wealth of clean, renewable energy resources.

The act advances 16 specific energy objectives by expediting clean energy investments, protecting B.C. ratepayers, ensuring competitive rates, encouraging conservation, strengthening environmental protection and aggressively promoting regional job creation and First Nations’ involvement in clean electricity development opportunities.

“The new Clean Energy Act opens the way to an exciting new age of economic growth and job creation by unleashing British Columbia’s full potential in clean energy, power smart technologies, environmental stewardship and climate action,” said Premier Gordon Campbell. “It will maximize the value of our public heritage assets for the benefit of British Columbians by forever securing competitive rates and generating new streams of revenue for crucial public services.

“Our goal is to build on our unique competitive advantages with record investments in our historic ‘two rivers’ public power system and with new clean and renewable electricity investments and partnerships,” Campbell continued. “We want British Columbia to become a leading North American supplier of clean, reliable, low-carbon electricity and technologies that reduce greenhouse gas emissions while strengthening our economy in every region.”

“British Columbia has a proud history of producing clean, reliable electricity at rates that are among the lowest in North America,” said Blair Lekstrom, Minister of Energy, Mines and Petroleum Resources. “The Clean Energy Act builds on the work of the Green Energy Advisory Task Force with a new statutory framework to encourage new investments and jobs, strengthen BC Hydro and secure British Columbia’s power needs at low rates for generations to come.”

The new Clean Energy Act sets the foundation for three areas of priority:

1. Ensuring Electricity Self-Sufficiency at Low Rates

The act will strengthen B.C.'s legislated goal of electricity self-sufficiency by 2016 with a new regulatory framework for long-term electricity planning, bold commitments to clean and renewable electricity generation, streamlined approval processes, and new measures to promote electricity efficiency and conservation. It also strengthens protection for B.C. ratepayers with new measures to promote competitive rates and to ensure that all of the benefits from the province's heritage assets continue to flow to British Columbians. These objectives will be accomplished through long-term planning; public investments and conservation; and new investments in clean, renewable power and energy security. The British Columbia Utilities Commission will continue to ensure appropriate rates are set in advancing government's energy objectives and long-term resource plans.

2. Harnessing B.C.'s Clean Power Potential to Create Jobs in every Region

The act will provide BC Hydro and renewable power producers the tools necessary to establish British Columbia as a clean energy powerhouse that enables economic growth and job creation in every region. It will enable BC Hydro to maximize the value of its energy resources for ratepayers and taxpayers. It will provide a new model to secure long-term export power sales to other jurisdictions seeking clean power by partnering with renewable power producers without risk or cost to B.C. ratepayers.

The act also creates a First Nations Clean Energy Business Fund to provide the opportunity for First Nations to create investment and jobs in renewable power production.

3. Strengthening Environmental Stewardship and Reducing Greenhouse Gases

The act enshrines in law measures the Province will take to reduce greenhouse gas emissions, help customers save money through conservation and protect the environment.

The Environmental Assessment Act process will be strengthened to specifically provide for assessments of potential cumulative environmental effects. In addition, the development or proposal of energy projects in parks, protected areas and conservancies will be prohibited by law.

The Clean Energy Act builds on the work of the Green Energy Advisory Task Force, appointed in November 2009 to provide insights and recommendations on a comprehensive strategy to put B.C. at the forefront of clean energy development. A summary of the Task Force report can be found at <http://www.gov.bc.ca/empr/index.htm>

For more information on the Clean Energy Act including a complete set of backgrounders and factsheets go to [www.gov.bc.ca/cleanenergyact](http://www.gov.bc.ca/cleanenergyact) .

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# BACKGROUND

## NEW ACT SETS THE FOUNDATION FOR THREE AREAS OF PRIORITY

The new Clean Energy Act establishes a long-term vision for British Columbia to become a clean-energy powerhouse. It sets out 16 specific energy objectives that will guide government, BC Hydro and the British Columbia Utilities Commission in advancing British Columbia's energy vision which focuses on three areas

### **1. Ensuring Electricity Self-Sufficiency at Low Rates**

The act strengthens the goal of electricity self-sufficiency with a new regulatory framework for long-term electricity planning, commitments to clean and renewable electricity generation, streamlined approval processes, and new measures to promote electricity efficiency and conservation. It also strengthens protection for B.C. ratepayers. These objectives will be accomplished through three main components:

- I. **Long-Term Planning:** A new process and mechanisms for planning and delivering a long-term clean energy vision will be established. These include:
  - Replacing the current multitude of planning processes with a long-term Integrated Resource Plan (IRP) that allows for public input and long-term stability for the industry.
  - Strengthening BC Hydro and the BC Transmission Corporation through consolidation into one utility to provide a single point of planning and authority to deliver the government's clean energy vision.
  - By law, the low-rate benefits that come from B.C.'s existing and future heritage assets will flow exclusively to British Columbians and will not be used to subsidize foreign power sales.
  - New opportunities will be provided for rural and remote residents to connect to the transmission system to access clean and renewable electricity at potentially lower rates from B.C.'s heritage assets.
  
- II. **Public Investments and Conservation:** B.C.'s clean-energy vision includes the largest public investment in heritage assets and clean power in B.C. history, including new use of heritage assets for investment and direct and indirect job creation. Conservation and minimizing electricity waste will continue to be cornerstones to achieving long-term electricity self-sufficiency and low rates now and into the future. This includes:
  - A new commitment to meet 66 per cent of BC Hydro's future incremental power demand from conservation and efficiency improvements by 2020, an increase from the current target of 50 per cent.
  - A renewed commitment to smart meters and smart grids that will allow ratepayers to better manage their electricity use and save on power bills by taking advantage of new electricity pricing programs aimed at encouraging conservation and smart use of electricity during off-peak periods.
  - New requirements to develop programs that will offer B.C. ratepayers in prescribed classes new options to contract with BC Hydro for long-term electricity purchases at set prices for limited volumes of power over defined periods of time. This will provide rate certainty and stability for customers and the potential for more competitive rates, while also providing BC Hydro more certainty for electricity planning purposes.

- Facilitating net metering, which allows residential and commercial customers to sell excess power back to BC Hydro, or store power for personal use during an outage or higher-rate periods. Customers who produce their own power, such as solar, will be able to sell their excess power back into the grid.
- Key expansions of B.C.'s publicly-owned electricity system, including new transmission projects such as the Northwest Transmission Line, and new public power projects, including two additional turbines at Mica Dam, an additional turbine at Revelstoke Dam, and the Site C Clean Energy Project (subject to completing a comprehensive environmental assessment and meeting the Crown's constitutional obligations to First Nations).

iii. **New Investments in Clean, Renewable Power and Energy Security:** The act will expedite BC Hydro's electricity purchase agreements with clean and renewable electricity producers to secure sufficient supplies of additional clean, renewable electricity that will ensure electricity self-sufficiency by 2016 and beyond. The direction it provides to the B.C. Utilities Commission will provide stimulus for early investment and job creation in clean electricity production, as follows:

- Under the "Standing Offer" program, all eligible generation facilities will be legally entitled to sell from 50 kilowatts up to 10 megawatts of clean power to BC Hydro at prices reflecting recent calls for power and under simplified terms and conditions.
- BC Hydro will be required to advance its acquisition of an additional 3,000 gigawatt hours (GWh) of electricity by 2020 instead of by 2026, beyond the amount specified in its base electricity supply obligations for self-sufficiency by 2016. The utility will also have new ability to use its available electricity and capacity to produce the highest return and best value for ratepayers and taxpayers.
- The Phase 2 Bioenergy Call for up to 1,000 GWh of electricity from wood waste will move forward, along with new energy projects approved under the 2008 Clean Power Call to acquire up to 5,000 GWh of electricity, and projects to increase power generation and efficiency at B.C.'s pulp mills. These specific clean-power procurement processes will not be put at risk or delayed. They will be exempt from unnecessary, costly and time-consuming reviews under the Utilities Commission Act. Yet they will still be subject to B.C. Utilities Commission oversight with respect to rate-setting requirements and to all existing environmental requirements and standards, as well as to the Crown's constitutional obligations to First Nations.

## **2. Harnessing B.C.'s Clean-Power Potential to Create Jobs in Every Region**

The act will provide BC Hydro and renewable power producers the tools necessary to establish British Columbia as a clean-energy powerhouse that enables economic growth and job creation in every region. Key measures include:

- A new role for BC Hydro to actively market B.C. clean power and spearhead long-term competitively priced export contracts to neighbours in Canada and the U.S. that create new opportunities for investments and jobs across B.C. BC Hydro will become the aggregator of energy purchase agreements and work in partnership with B.C.'s renewable power producers and government. Consistent with government's commitment to one project – one process, export contracts will be exempt from B.C. Utilities Commission review, yet will remain subject to provincial environmental, First Nations and community consultation requirements.

- The British Columbia Utilities Commission will ensure appropriate rates are set in advancing government's energy objectives and long-term resource plans.
  - A new structure for BC Hydro - consolidating with the BCTC - that will strengthen its public ownership and allow it to fully capitalize on its unique ability to manage generation and transmission facilities.
  - Maximizing BC Hydro's firming and shaping capabilities to leverage new opportunities for growth in clean power technologies such as wind, solar, and run of river across B.C.
  - Attracting new low-carbon investments and jobs in B.C. by permitting BC Hydro to enter into long-term sales contracts for green technology investments that require stable, predictable electricity prices.
  - A new planning role for the B.C. Government that sets the broad framework for B.C.'s domestic electricity needs and advances its energy objectives and priorities without regulatory redundancy.
  - Establishing a Feed-In Tariff program to foster the development of emerging technologies in renewable power production.
  - Opening new regional economic opportunities by advancing the Northwest Transmission Line and establishing a new distribution extension policy to help connect rural and remote communities to BC Hydro's clean electricity grid.
  - Creating a First Nations Clean Energy Business Fund to enable First Nations investments and partnerships in renewable power production.
  - The largest investment in B.C.'s clean energy assets, including public investment in Site C, and the Mica Dam and Revelstoke Dam upgrades which are expected to create over 36,000 direct and indirect jobs.
- Ensuring the following projects will not be subject to unnecessary lengthy and costly processes before the B.C. Utilities Commission, but will still be subject to environmental assessments and ensuring the Crown's obligations to First Nations are met:
    - The Northwest Transmission Line
    - Mica units 5 and 6
    - Revelstoke unit 6
    - Site C Clean Energy Project
    - The Bioenergy Phase 2 Call for Power
    - BC Hydro's integrated power offer
    - The Clean Power Call
    - The Standing Offer Program
    - The Feed-in-Tariff Program
    - BC Hydro's Smart Metering and Grid Program.

### **3. Strengthening Environmental Stewardship and Reducing Greenhouse Gases**

The act enshrines in law measures the Province will take to reduce greenhouse gas emissions, help customers save money through conservation and protect the environment. These include:

- Building on the commitment for net zero emissions from electricity generation, the act increases the legislated clean or renewable electricity generation target from 90 per cent to at least 93 per cent of total generation – one of the highest standards in the world.
- The Environmental Assessment Act process will now be strengthened to specifically provide for assessments of potential cumulative environmental effects.

- The act will prohibit the development, or proposal, of energy projects in parks, protected areas and conservancies.
- Rejecting consideration of nuclear power in implementing B.C.'s clean energy strategy.
- Restricting BC Hydro's operation of Burrard Thermal to only emergency situations and supporting transmission reliability.
- Legislation enshrining B.C.'s historic Two Rivers Policy by prohibiting, with the exception of Site C, future development of large scale hydroelectric storage projects on all river systems in British Columbia, including the nine sites previously considered by BC Hydro.
- Providing consumers with tools to manage their electricity use and reduce costs by replacing old mechanical meters with Smart Meters accompanied by in-home displays that show energy consumption in real time.
- Establishing programs to encourage the use of high-efficiency equipment using clean electricity or natural gas for heating and hot water, and to accelerate the deployment of natural gas and electric vehicles and fuelling infrastructure.
- New opportunities for rural and remote residents who are now dependent on diesel power to connect to the transmission system to access clean and renewable electricity from B.C.'s heritage assets.

For more information on the Clean Energy Act including a complete set of backgrounders and factsheets go to [www.gov.bc.ca/cleanenergyact](http://www.gov.bc.ca/cleanenergyact) .

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