

May 9, 2014

Ms. Courtney Trevis
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Mr. Brian Murphy
Panel Co-Manager
British Columbia Environmental Assessment Office
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Dear Courtney and Brian:

The Minister of Energy and Mines asked BC Hydro to review the analysis of the load-resource balance in the Joint Review Panel's report on the Site C Clean Energy Project (Site C) issued yesterday, as it does not appear to include the low-LNG load scenario identified in the Panel's report.

In our review of the Panel's report, we note that on page 286, the Panel concluded that the low-LNG load scenario is most likely correct for determining future electricity needs. However, when we reviewed the load-resource balance information in Tables 16 and 18 (pages 283 and 292), the tables appear to have inadvertently excluded this low-LNG load from the energy calculations ("Net 2"). As a result, the Panel's report shows that there is a need for new energy resources in 2027.

When the low-LNG load scenario is included in the calculation, Table 18 would show that the need for new energy resources is in 2024, which is consistent with BC Hydro's projection as provided in Table 7 of BC Hydro's Evidentiary Update (filed September 2013).

Having identified this inconsistency, we wish to bring this to your attention. Accordingly, for reference, we have attached Tables 16 and 18 from the Panel's report with corrected calculations for energy. An excerpt from Table 7 of BC Hydro's Evidentiary Update is also provided for your convenience.

BC Hydro will continue to review the Panel's report over the coming days. We would be pleased to answer any questions you may have.

Regards,

<original signed by>

Danielle Melchior
Director, Environmental Assessment & Regulatory
Site C Clean Energy Project

cc. Hon. Bill Bennett, Minister of Energy & Mines

CORRECTED TABLES 16 AND 18

Table 16 - BC Hydro Load Forecast with Low LNG and DSM 2 TWh/yr (CORRECTED)

Year	Gross	Low LNG	-Δtheft	Opt ^{zn}	DSM 2	Net 2	Net 2 - CORRECTED (Energy Demand After DSM)
	[A]	[B]	[C]	[D]	[E]		[F] = A + B - C - D - E
2020	69.1	0.8	0.3	0.3	6.8	61.7	62.5
2021	70.2	0.8	0.3	0.3	7.8	61.8	62.6
2022	70.8	0.8	0.4	0.3	8.2	61.9	62.7
2023	71.7	0.8	0.4	0.3	8.4	62.6	63.4
2024	72.7	0.8	0.5	0.3	8.9	63.0	63.7
2025	73.4	0.8	0.6	0.3	9.2	63.3	64.2
2026	73.8	0.8	0.6	0.3	9.6	63.3	64.1
2027	74.5	0.8	0.6	0.3	9.9	63.7	64.6
2028	75.5	0.8	0.6	0.3	10.2	64.4	65.2
2029	76.4	0.8	0.6	0.3	10.3	65.2	66.0
2030	77.4	0.8	0.6	0.3	10.5	66.0	66.8
2031	78.4	0.8	0.6	0.3	10.7	66.7	67.6
2032	79.5	0.8	0.6	0.3	10.9	67.7	68.5
2033	80.3	0.8	0.6	0.3	11.0	68.4	69.2

All numbers rounded to nearest TWh/yr. Years are BC Hydro fiscal years starting on April 1; **Gross** is forecast after line losses; **Low LNG** assumes house load only; **-Δtheft** is theft reduction; **Opt^{zn}** is voltage and VAR optimization; **DSM 2** is current demand-side management plan; **Net 2** is demand after the foregoing

Table 18 - BC Hydro Load-Resource Balances, Low LNG and DSM 2 (Energy LRB, CORRECTED)
(values in TWh/yr)

Year	Energy Supply	Energy Demand (Net 2 from Table 16)	Energy LRB (Energy Gap = Supply - Demand)	Net 2 CORRECTED (from Table 16 - CORRECTED)	Energy LRB CORRECTED (Energy Gap)
	[G]			[F]	[I] = G - F
2020	64.1	61.7	2.4	62.5	1.5
2021	64.0	61.8	2.2	62.6	1.4
2022	63.7	61.9	1.8	62.7	1.0
2023	63.6	62.6	1.0	63.4	0.3
2024	63.6	63.0	0.7	63.7	(0.1)
2025	63.6	63.3	0.3	64.2	(0.6)
2026	63.6	63.3	0.3	64.1	(0.5)
2027	63.6	63.7	(0.1)	64.6	(1.0)
2028	63.5	64.4	(0.9)	65.2	(1.7)
2029	63.4	65.2	(1.8)	66.0	(2.6)
2030	63.4	66.0	(2.6)	66.8	(3.4)
2031	63.5	66.7	(3.3)	67.6	(4.1)
2032	63.5	67.7	(4.2)	68.5	(5.0)
2033	63.5	68.4	(4.9)	69.2	(5.7)

All numbers rounded to nearest TWh/yr. **Energy Supply** is BC Hydro's presently committed supply in TWh/yr; **Net 2** is from Table 16; **Energy LRB** is the energy load-resource balance in TWh/yr

Reproduction of Table 7 from BC Hydro's Evidentiary Update (Low LNG Column)

Table 7 Energy Deficit / (Surplus) (GWh)

Year	Evidentiary Update LRB with DSM and Low LNG
F2020	(1,500)
F2021	(1,400)
F2022	(1,000)
F2023	(300)
F2024	100
F2025	600
F2026	500
F2027	1,000
F2028	1,700
F2029	2,600
F2030	3,400
F2031	4,100
F2032	5,000
F2033	5,700