

ITEM	5
MANAGER'S REPORT NO.	65
COUNCIL MEETING	Sept. 26/77

Re: BURRARD THERMAL GENERATING PLANT ENQUIRY
B. C. HYDRO AND POWER AUTHORITY ENERGY EXPORT PERMITS

Following is a report from the Director of Planning on an inquiry that was made by Council on August 2, 1977.

This is for the information of Council.

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PLANNING DEPARTMENT
September 21, 1977

TO: MUNICIPAL MANAGER
FROM: DIRECTOR OF PLANNING
SUBJECT: BURRARD THERMAL GENERATING PLANT ENQUIRY
B.C. HYDRO & POWER AUTHORITY ENERGY EXPORT PERMITS

During the August 2, 1977 meeting of Council, an enquiry was made requesting information on the following points related to the export of electrical energy by the B.C. Hydro and Power Authority:

- 1.) To whom does the Authority apply for the export of electrical power?
- 2.) How many permits have been given to the Authority over the past five years for the export of electrical power?
- 3.) Do such permits stipulate what fuel must be used at the Burrard Thermal Generating Plant?

In researching this subject, we wrote to the National Energy Board in Ottawa on the suggestion of the Director of Utility Regulations of the B.C. Energy Commission.

We have now received the response from the Secretary of the National Energy Board and are able to inform as follows:

- 1.) In order to engage in the export of power, the Authority is obliged to obtain Export Licences from the National Energy Board. Applications for such Licences must be made under the National Energy Board Regulations, and provision is made in the regulations for the filing of information, receiving of evidence, presentation of interventions, and the holding of a Public Hearing prior to the rendering of a decision by the Board. Such permits relate to a specific period of time and contain terms and conditions set by the Board designed to ensure that the quantity of power to be exported does not exceed the surplus remaining after due allowance has been made for the reasonably foreseeable requirements for use in Canada and that the price to be charged is just and reasonable in relation to the public interest.

- 2.) Prior to 1 July, 1975, the Authority held four export licences issued by the Board after a public hearing in October, 1969. All four licences were originally due to expire on 30 June, 1974, but B.C. Hydro requested, and the Board granted, extensions to 30 June, 1975.

On 19 August, 1974, B.C. Hydro applied to the Board for renewal of the licences, with modifications, to 30 September, 1979. The main modifications were increases in the maximum quantities to be authorized for export.

Following a public hearing held in Vancouver on 3 and 4 April, 1975, and consideration by the Board of all the evidence, five licences for the export of electrical power were issued in June, 1975, covering the period 1 July, 1975 through 30 September, 1979.

- EL-85 covers the supply of firm power to Point Roberts
- EL-86 covers carrier transfers of power for transmission through the U.S. and simultaneous return to Canada
- EL-87 covers inadvertent circulating power loop flows
- EL-88 authorizes the export of blocks of short-term firm power
- EL-89 covers the export of interruptible energy

(Additionally, B.C. Hydro holds an Order which authorizes the export of a small amount of electric power, as a matter of border accommodation, to a group of consumers in Hyder, Alaska.)

No other export licences have been granted to the Authority within the last five years. Previous licences existed but they expired with the issue of those now in effect.

- 3.) Under Condition 5 of Licence EL-89, B.C. Hydro requires the prior approval of the Board before exporting electric energy generated by the burning of natural gas. The Board has laid down certain specific purposes and limited quantities under which such exports may be made, the purposes being mainly to assist U.S. utilities in the event of power supply emergencies.

Licences EL-85, 86 and 87 carry no similar restrictions (note that under EL-86 and 87 the energy under the licences is being continuously returned to Canada).

Licence EL-88 carries no similar restriction, but Condition 7(b) requires the Board's approval of each agreement covering the export of a block of power.


- 4.) For the information of members of Council, there are provisions set out in Conditions to licences EL-88 and EL-89 to ensure that local (Canadian) energy requirements within the economically accessible Canadian market area are satisfied and that a surplus of electrical energy exists prior to committing for export any block of firm power, and requiring the interruption or reduction of delivery of interruptible export power in favor of local demands.

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Copies of the respective licences identified above, together with a copy of the National Energy Board's decision which led to their issue: "NEB Report to the Governor in Council....B.C.Hydro... June 1975", are on file in the Planning Department and can be made available to members of Council if desired.

As Council is aware, the Director of the Pollution Control Branch has rejected the application of B.C. Hydro for a pollution control permit that would have provided for the discharge of large quantities of contaminants to the atmosphere as a result of burning Bunker C fuel, and no appeal was lodged by Hydro to the decision of the Director.

The foregoing is for the information of Council.


A. L. Parr
DIRECTOR OF PLANNING

DGS:hr
cc: Municipal Clerk
Municipal Treasurer