

Subject: Re: Rollout Site C Nov 12.docx

Date: Monday, November 13, 2017 at 12:22:00 PM Pacific Standard Time

From: Wright, Don J. PREM:EX

To: Sanderson, Melissa EMPR:EX, Lloyd, Evan GCPE:EX

CC: Aaron, Sage PREM:EX, Meggs, Geoff PREM:EX, Gibbs, Robb GCPE:EX, Zadravec, Don GCPE:EX, Haslam, David GCPE:EX, Nikolejsin, Dave MNGD:EX, MacLaren, Les EMPR:EX, Wanamaker, Lori FIN:EX, Foster, Doug FIN:EX, Kennedy, Christine PREM:EX

I am uncomfortable with us waiting until Wednesday to send the letter to BCUC for two reasons:

s.13

That's just my opinion.

Others?

Don

On 2017-11-12, 8:36 PM, "Sanderson, Melissa EMPR:EX"
<Melissa.Sanderson@gov.bc.ca> wrote:

MMM now plans to do the FSJ trip via webcast due to some travel challenges and a poor weather forecast expected in the Kootaneys. She has spoken to MSF regarding it as well and he is comfortable.

I have made arrangements with the hotel to have a webcast so she can still participate in all of the meetings and I still plan to be on site.

I have spoken with her about the rollout and she is comfortable and available for media training Wed morning and able to do media callbacks from Nelson if required.

Thanks all, please let me know if you have any questions.

Sent from my iPhone

On Nov 12, 2017, at 12:24 PM, Lloyd, Evan GCPE:EX

<Evan.Lloyd@gov.bc.ca> wrote:

Having (hopefully) resolved some travel and logistical uncertainty

please note latest (revised) SiteC roll-out covering the next few days.

Note uncertainty about when precisely BCUC might post the EMPR/FIN

letter. Timing of IB and letter release on our part TBD - in

consideration of a) unencumbered FSJ meetings Tuesday and b) maximizing BCUC time to respond to key Qs

Evan

<CONFIDENTIAL DRAFT Site C Nov 12.docx>

Sent from my iPad

Subject: Site C letter - for your review

Date: Monday, November 13, 2017 at 3:23:46 PM Pacific Standard Time

From: Meggs, Geoff PREM:EX

To: s.17

CC: Wright, Don J. PREM:EX

John, here's the latest draft.

Geoff

Page 04 to/à Page 09

Withheld pursuant to/removed as

s.13

Subject: Re: Site C letter - for your review

Date: Monday, November 13, 2017 at 4:10:04 PM Pacific Standard Time

From: Wright, Don J. PREM:EX

To: s.17

CC: Meggs, Geoff PREM:EX

Would 4:30 work for you?

If so, call in on s.15 Participant code s.15

Sent from my iPhone

On Nov 13, 2017, at 7:07 PM, s.17 wrote:

Sure.

Sent from my iPhone

On Nov 13, 2017, at 4:06 PM, Wright, Don J. PREM:EX <Don.J.Wright@gov.bc.ca> wrote:

Premier,

Would you like to have a quick call with Geoff so we can get a sense of how you would like the appendix sanded down?

Sent from my iPhone

On Nov 13, 2017, at 6:56 PM, s.17 wrote:

s.13

Sent from my iPhone

On Nov 13, 2017, at 3:23 PM, Meggs, Geoff PREM:EX
<Geoff.Meggs@gov.bc.ca> wrote:

John, here's the latest draft.

Geoff

<DMs to BCUC 13-11-17 v3 DN LM.docx>

Subject: FW: Letter to BCUC

Date: Wednesday, November 15, 2017 at 10:45:15 AM Pacific Standard Time

From: Nikolejsin, Dave MNGD:EX

To: Wright, Don J. PREM:EX

Copy of the signed letter here for you.

From: Haslam, David GCPE:EX

Sent: November 15, 2017 10:27 AM

To: Sanderson, Melissa EMPR:EX <Melissa.Sanderson@gov.bc.ca>; McNish, James EMPR:EX <James.McNish@gov.bc.ca>

Cc: Nikolejsin, Dave MNGD:EX <Dave.Nikolejsin@gov.bc.ca>; MacLaren, Les EMPR:EX

<Les.MacLaren@gov.bc.ca>; Beaupre, Darren GCPE:EX <Darren.Beaupre@gov.bc.ca>; Grewar, Colin GCPE:EX

<Colin.Grewar@gov.bc.ca>; Sovka, David GCPE:EX <David.Sovka@gov.bc.ca>; Zadravec, Don GCPE:EX

<Don.Zadravec@gov.bc.ca>

Subject: Letter to BCUC

All – attached are the com products (IB/KM/QA) for the letter to the BCUC – final signed letter attached as well – which was just sent. Note the IB is not going to be distributed – but we have it on hand in case there's a change in direction. The com materials were reviewed by Les yesterday. Minor edits were made this am to reflect minor edits to the letter. Les is monitoring when we can expect the BCUC to post the letter. Probably by tomorrow. The media strategy is reactive with either emailed statements from MMM or interviews if she is available – which is unlikely for the next few days. I've included Don Zadravec. We have a meeting at 11:45 to discuss. We can adjust messaging if necessary.

I note the Hydro Allied Council of BC will be releasing a report today at 1 pm. We will monitor and produce an IN with recommended messaging as following:

- Government is reviewing the report
- The report indicates the level of interest in the government's decision on Site C
- Government will review all the information available to make the best decision in the interests of British Columbians and ratepayers



November 15, 2017

Ref.: 102700

Mr. David Morton
Chair
BC Utilities Commission

Email: David.Morton@bcuc.com

Re: Inquiry Respecting Site C

The Ministry of Energy, Mines and Petroleum Resources and Ministry of Finance are supporting the government decision process surrounding the future of the Site C project. On behalf of our respective Ministers, we would like to thank the BC Utilities Commission (Commission) for the report *Inquiry Respecting Site C*. Completing an inquiry of this scope over an abbreviated timeframe and with high levels of public and First Nations input is a considerable achievement.

As our ministries analyze the Commission's report, along with other implications associated with government proceeding with or terminating the Site C project, we want to ensure that we fully understand the assumptions and computations that the Commission made in the analysis of potential alternative sources of energy generation and capacity. Accordingly, we are requesting further explanation or additional information on the points listed below and in the Appendix attached to this letter.

1. Did the Commission include sunk costs (the estimated \$2.1 billion that has been spent to date on the project) and termination costs (the \$1.8 billion determined by the Commission) in comparing the costs to ratepayers of completing Site C against the costs of pursuing an alternative portfolio of generation resources?

We were not able to determine whether the sensitivity analysis included on Page 17 of the report's executive summary includes sunk costs and termination costs consistently. If it does not, could the Commission advise on how including these sunk and termination costs might change the cost to ratepayers and the unit energy cost (UEC) in both scenarios?

2. In the event that government elects to terminate the Site C project, has the Commission assumed that BC Hydro would develop and finance the projects

Page 1 of 3

**Ministry of
Energy, Mines and
Petroleum Resources**

Office of the
Deputy Minister

Mailing Address:
PO Box 9319, Stn Prov Govt
Victoria, BC V8W 9N3

Telephone: 250 952-0120
Facsimile: 250 952-0269

Location:
8th Floor, 1810 Blanshard Street
Victoria

Website: www.em.gov.bc.ca/

included in the alternative portfolio (wind, geothermal) rather than independent power producers (IPPs)?

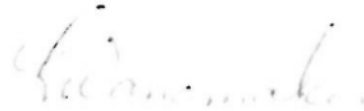
We observe that the Commission has in some cases used BC Hydro's lower cost of capital financing to calculate the cost of the alternative portfolio presented in the report, affecting the valuation of those projects. Could the Commission offer its view of the impact that a higher cost of capital would have on ratepayers if the alternative portfolio were developed by independent power producers rather than directly by BC Hydro?

3. Government will need to consider the total cost of potential demand side management initiatives (rather than just the utility's costs) as it considers the alternatives. Could the Commission advise how the inquiry Terms of Reference led to assessing demand-side measures based on the Utility Resource Cost standard, when Total Resource Cost has been the standard for prior Commission proceedings?
4. If the Site C project were terminated, the \$4 billion sunk and remediation costs would need to be recovered, and the amortization period of that recovery would affect BC Hydro rates. Could the Commission please clarify whether it assumed that that these costs would be recovered over 10, 30 or 70 years?
 - Fair and appropriate rate-setting principles for rate-regulated utilities typically aim to avoid causing future generations to pay for investments from which they will derive no benefit. From the Commission's perspective, can recovery of the sunk and remediation costs of Site C over longer periods of 30 to 70 years remain consistent with these inter-generational principles?
 - Recently it has been stated that recovering the project's sunk and remediation costs over a 10-year period would lead to a 10 per cent hike in BC Hydro rates. Is this assertion consistent with the Commission's thinking?
5. We are unaware of prior instances when anything other than BC Hydro's mid-load forecast has been used for planning purposes. For that reason, we would like to clarify:
 - Did the Commission assume lower demand for electricity (reflected in the low-load forecast used in the report) because it is forecasting a period of lower economic growth for the province in which major power consumers such as mining, forestry, technology and commercial sectors are in decline?
 - Does the Commission include in its load forecast the potential increased electrical power demand of meeting the province's stated objectives to reduce greenhouse gas emissions through greater electrification of our economy?

We sincerely appreciate the Commission's timely response to these questions and requests for clarification. Government has committed to making a decision on the Site C project before the end of the year. The Commission's responses to our questions will assist our ministries in better understanding the report and the assumptions that underlie it as we prepare advice to support government in making a decision that will be in the best interests of British Columbians.



Dave Nikolejsin
Deputy Minister
Ministry of Energy, Mines
and Petroleum Resources



Lori Wanamaker
Deputy Minister
Ministry of Finance

Attachment

Appendix: Detailed Questions for the Commission

We understand that while BC Hydro modelled over 60 scenarios and tested various assumptions, including a number of alternatives requested by the Commission, the alternative portfolio that the Commission included in the final report was not analyzed using BC Hydro's modelling tools. On this basis, government has asked BC Hydro to provide an assessment of the model used to develop the Commission's final alternative portfolio. BC Hydro will provide the Commission with the results of that assessment separately.

In our initial analysis of the report, our ministries have identified several areas that we would appreciate the Commission's feedback on. Several of our questions relate to the impact of certain assumptions made in the report, and how the costs of those assumptions would be recovered from ratepayers.

We understand that BC Hydro follows standards for rate-regulated utilities in its financial statements and in preparing its applications for review by the Commission. This accounting framework follows a number of principles in relation to the amortization of capital assets and the deferral of other costs for the purpose of matching recoveries from ratepayers to periods over which benefits are provided.

It would be helpful if the Commission could clarify how the choices of cost amortization and recovery periods in the Termination scenario fit within appropriate utility rate-setting principles that recognize and avoid unnecessarily transferring current utility costs to future user generations when there are clearly no longer directly-related assets or benefits being provided. Such decisions lead rate-regulated accounting practice and use of regulatory accounts, which are areas of particular interest by the provincial Auditor General as well as credit rating agencies.

The Commission's process involved some deliberations on the cost of capital. The alternative portfolio presented in the report assumes that BC Hydro will finance all new resources on its balance sheet. However, other than redevelopment of existing sites and Site C, BC Hydro has, for almost three decades, been primarily procuring new supply from competitive processes or bilateral agreements that are benchmarked to competitive processes. This effectively means that BC Hydro avoids assuming such debt on its balance sheet and only recognizes the incremental costs of new energy purchases which would include the private sector's annual debt servicing costs and equity return within approved purchase contracts.

It would be helpful to understand how the Commission assesses the impact on ratepayers of the additional debt associated with the assumptions underlying the alternative portfolio. We would particularly appreciate better understanding the Commission's approach to using BC Hydro's cost of capital for IPP projects and the approach used for the cost of capital faced by an IPP (i.e. what IPPs actually pay) and the resultant rate impacts. For example, on page 159-160, the Commission appears to conclude that IPP financing is the relevant assumption for the alternative portfolio, and the BC Hydro financing assumption should only be used for the Unit Energy Cost (UEC) analysis. However, on pages 167, 170 and Appendix C (Assumption 2), it appears that the

Commission has used BC Hydro financing (100% debt financing at a cost of 3.43%) for the alternative portfolio. If we are interpreting this correctly, we would appreciate clarification on which cost of capital should be used in analysing rate impacts.

BC Hydro has suggested that recovery in rates of sunk costs in a termination scenario should occur over a 10-year period. If the project were to continue as planned, the sunk costs, as part of the overall project costs, will be recovered over a 70-year period, consistent with the amortization of the Site C asset. The Commission model appears to exclude sunk costs in the termination scenario, and has removed those costs from the completion scenario as well. Effectively this assumes that sunk costs will be recovered through rates over 70 years if the project is terminated. Recovering costs in rates over a shorter period has a material impact on the costs of the alternative portfolio. It would be helpful if the Commission could provide an estimate of the impact on rates of using these two timeframes.

The tables on page 17 of the executive summary and page 170 in the main report include a summary of the Commission's sample scenarios showing the effect of modifying one or more variables to the resulting Net Present Value cost to ratepayers. As noted above, the Commission's alternative portfolio does not appear to include sunk costs, and sunk costs have also been removed on the continue scenario. The tables also include UECs. For the Site C scenario, the UECs reflect costs, including sunk costs, of Site C being either \$10 billion or \$12 billion depending on assumptions. Our review of the Commission report suggests that the alternative portfolio does not include termination costs. It would be helpful if the Commission could confirm this and provide a version of the UEC portion of the table with termination costs included in the alternative portfolio. This would help provide a consistent basis for comparing costs between the scenarios of completing or terminating the project.

It is our understanding that in previous proceedings the Commission has concluded that the Total Resource Cost (TRC) test is the appropriate way to evaluate demand side management (DSM) in comparison to other resources. In this inquiry, the Commission's model uses the Utility Resource Cost (URC) standard. We believe that using the URC may underestimate the actual cost of DSM to ratepayers. It would be helpful for us to understand the Commission's rationale in choosing a test methodology that differs from past practice. Could the Commission confirm that the TRC test remains the appropriate metric, and if so, what impact would this have on the analysis?

We have noted that the Commission has concluded that BC Hydro's low load forecast was most appropriate for an assessment of the need for the capacity of Site C. It would be helpful for us to further understand the rationale, and whether the assessment includes the load requirements needed to meet the Province's *Clean Energy Act* energy objectives of:

- Reducing greenhouse gas emissions by 2050 by 80% less than 2007 levels;
- Encouraging the switching from one kind of energy source or use to another that decreases greenhouse gas emissions in British Columbia; and,
- Encouraging communities to reduce greenhouse gas emissions and use energy efficiently.

It would also be useful to know if the Commission examined the value of “dispatchable” resources versus intermittent resources, particularly as applied to the goal of moving industrial energy requirements now and in future to low carbon electricity. It has been government’s assumption that electrification with low carbon electricity would be a key initiative to achieve greenhouse gas reductions. The provincial government is working with the Government of Canada on electricity system infrastructure investments to reduce and avoid greenhouse gas emissions, and has enabled BC Hydro to pursue electrification initiatives under the *Greenhouse Gas Reduction (Clean Energy) Regulation* under the *Clean Energy Act*. It would be helpful for our ministries to understand if the Commission has a different outlook, and if the Commission could further describe the impact on its analysis of electrification initiatives to meet greenhouse gas reduction objectives.

The report identifies an aggressive DSM program, coupled with load curtailments as a way to achieve the alternative portfolio scenario. We would appreciate further information from the Commission on how such load curtailments would practically be achieved in the natural resource sector without impairing operations, jobs and economic growth for sectors already facing trade sanctions and pressures.

We understand that BC Hydro has provided the Commission with a description of its view of what BC’s economic environment would look like under a low load outlook scenario. It would be helpful if the Commission could further describe its interpretation of the low load outlook. We observe that the Commission’s view is that the outlook could be even lower than that presented in BC Hydro’s low-load scenario, and we are interested in understanding how that outlook is based on realistic economic sustainability around which the alternative portfolio would be premised.

QUESTION AND ANSWERS
SITE C DECISION MAKING PROCESS
Nov. 15, 2017

Ministry of Energy and Mines

- The current uncertainty and division over the Site C project is a direct result of the previous government's irresponsible decision to start construction without proper regulatory oversight.
- It fell to our government to correct that oversight and send the project to the BCUC for review.
- We are now considering the BCUC's final report and other issues as we work towards a final decision on completing or terminating the project that will keep rates affordable for B.C. families and businesses in the long-term.
- We are taking time and care in our decision-making process to ensure the data and analysis we are relying upon is accurate, and that we have a clear understanding of the impacts on ratepayers associated with completing the project or cancelling it.
- That includes working with the Ministry of Finance to conduct an intense economic review of the project over the next few weeks.

Regarding questions to the BCUC and financial analysis:

- As part of its economic review of Site C, Government has asked the BCUC to clarify some elements of its final report on the project delivered November 1, 2017.
- Our request to the BCUC is part of our due diligence as we work towards a final decision on Site C that will keep rates affordable for B.C. families and businesses in the long term.

- In the report the BCUC assesses a large amount of complex data and analysis and we want to make sure we fully understand the Commission's assumptions and calculations.
- Additionally, as part of our decision-making process the Ministry of Finance will be undertaking a financial analysis of BCUC report, including the implications for and risks to the fiscal plan in the event the project is continued or terminated.

Questions and Answers

1. Why are you going back to the BCUC for more information?

After reviewing the BCUC's final report staff in the Ministries of Finance and Energy, Mines and Petroleum Resources had some questions related to the BCUC's methodology, assumptions, calculations and the cost to ratepayers of completing the project, or terminating it and looking to alternative sources of energy and capacity.

Our decision on Site C will ultimately be based on what is best for ratepayers. As we work through that decision we want to make absolute certain that we have a clear understanding of the impact on ratepayers. Our questions to the BCUC will help to clarify some elements of the report.

2. Specifically, what are you asking the BCUC?

The deputy-ministers of Finance, and Energy, Mines and Petroleum Resources have provided a letter to the BCUC asking for further clarification on a number of matters in the report, including the Commission's assumptions and calculations related to:

- The treatment of sunk costs (estimated \$2.1 billion already spent on the project) and termination and remediation costs (\$1.8 billion determined by the Commission) in comparing the costs to ratepayers of completing Site C against the costs of pursuing an alternative portfolio of generation resources.
- Whether BC Hydro or independent power producers (IPPs) would develop and finance projects included in the Commission's proposed alternative portfolio (wind, geothermal), the cost of capital financing applied to the alternative portfolio, and the impact of a higher cost of capital on ratepayers if the alternative portfolio were developed by IPPs rather than BC Hydro.
- The cost of demand side management (conservation) measures included in the alternative portfolio.
- The time period over which sunk, termination and remediation costs (approximately \$4 billion) would be recovered in the event the project is cancelled and the impact on ratepayers.
- The use of a low-load forecast instead of a mid-load forecast to assess the need for Site C, and whether the Commission included in its load forecast the potential increased electrical power

demand of meeting the province's objectives to reduce greenhouse gas emissions through greater electrification of the economy.

The full letter can be viewed on the BCUC's website (TBC) at <http://www.siteinquiry.com/>

3. Does this show you lack confidence in the BCUC's findings or their ability to conduct the review?

Not at all. Given the short time they had the BCUC has conducted a remarkably comprehensive review and produced a report informed by contributions from BC Hydro, stakeholders, energy experts, First Nations and hundreds of concerned British Columbians.

We have full confidence in the BCUC as the province's energy regulator to advise Government on the project, however the final report is – by nature of the subject matter – very complex. As such, we are seeking clarity on some of the BCUC's assumptions and calculations as part of an economic review of the project and our due diligence process as we work towards a final decision that is in the best interests of ratepayers.

4. Does BC Hydro also have questions about the final report?

Staff in the ministries of Finance, and Energy, Mines and Petroleum Resources have discussed the BCUC report with BC Hydro, and government has identified a number of matters it would like the Commission's feedback on. These matters are captured in the deputy-ministers' questions to the Commission.

Government has also asked BC Hydro to provide an assessment of the model the Commission used to develop its illustrative alternative portfolio. We understand that BC Hydro will be providing the Commission with the results of that assessment separately.

5. Why is the Ministry of Finance doing a financial analysis of the report?

This is a multi-billion-dollar project that was started by the previous government without proper regulatory oversight. It fell to our Government to give the project the scrutiny it should have received years ago, including a detailed economic analysis.

Our decision on Site C, whether to proceed or terminate, will have a significant and long-term impact on BC Hydro's debt and financing, and on the Province's books as well. As such, it is the responsibility of the Ministry of Finance to take a close look at the numbers and ensure the impacts on the fiscal plan of continuing or terminating Site C are clearly understood.

6. Does this mean that Government is looking at moving the costs of cancelling Site C from BC Hydro to the provincial debt?

Government is exercising due diligence and working towards a decision on Site C that keeps rates affordable for B.C. families and businesses in the long term.

I don't want to pre-judge that decision in anyway so I cannot provide comment at this time on what Government may or may not do in relation to the costs associated with cancelling the project.

7. Will your requests to the BCUC and the financial analysis delay your decision on Site C?

We have asked the BCUC to respond to Government's questions in a timely manner, and we still anticipate a decision on the project by the end of the year.

INFORMATION BULLETIN

Ministry of Energy, Mines and Petroleum
Resources

[release number]
[Date]

Province asks Utilities Commission for clarification on Site C report

VICTORIA – The Government of British Columbia has asked the B.C. Utilities Commission (BCUC) to clarify elements of its final report on Site C. The provincial government is taking this action as part of the due diligence necessary to make an informed decision that is in the best interests of ratepayers.

The deputy ministers of Energy, Mines and Petroleum Resources, and Finance have provided a letter to the BCUC asking for further clarification on a number of matters in the report, including the Commission's assumptions and calculations related to:

- The treatment of sunk costs (estimated \$2.1 billion already spent on the project) and termination and remediation costs (\$1.8 billion determined by the Commission) in comparing the costs to ratepayers of completing Site C against the costs of pursuing an alternative portfolio of generation resources.
- Whether BC Hydro or independent power producers (IPPs) would develop and finance projects included in the Commission's proposed alternative portfolio (wind, geothermal), the cost of capital financing applied to the alternative portfolio, and the impact of a higher cost of capital on ratepayers if the alternative portfolio were developed by IPPs rather than BC Hydro.
- The cost of demand side management (conservation) measures included in the alternative portfolio.
- The time period over which sunk, termination and remediation costs (approximately \$4 billion) would be recovered in the event the project is cancelled and the impact on ratepayers.
- The use of a low-load forecast instead of a mid-load forecast to assess the need for Site C, and whether the Commission included in its load forecast the potential increased electrical power demand of meeting the province's objectives to reduce greenhouse gas emissions through greater electrification of the economy.

The deputy ministers' letter and the BCUC response will be publicly available on the BCUC's website. (TBC)

Government is currently conducting a review of Site C and will consider the BCUC report along with other implications associated with completing or terminating the project.

A decision on the Site C project is anticipated by the end of the year.

INFORMATION BULLETIN

Learn More: <http://www.siteinquiry.com/>

Media contact:

Suntanu Dalal

Media Relations

Ministry of Energy, Mines and Petroleum Resources

250 952-0628

Wensink, Alison PREM:EX

From: Kennedy, Christine PREM:EX
Sent: Tuesday, December 5, 2017 11:42 AM
To: Wensink, Alison PREM:EX
Subject: FW: Site C letter - for your review
Attachments: DMs to BCUC 13-11-17 v3 DN LM CVK.docx

From: Kennedy, Christine PREM:EX
Sent: Monday, November 13, 2017 11:24 PM
To: Wright, Don J. PREM:EX
Subject: RE: Site C letter - for your review

s.13

From: Wright, Don J. PREM:EX
Sent: Monday, November 13, 2017 4:50 PM
To: Kennedy, Christine PREM:EX
Subject: FW: Site C letter - for your review

From: Geoff Meggs <geoff.meggs@gov.bc.ca>
Date: Monday, November 13, 2017 at 3:23 PM
To: s.17
Cc: Don Wright <don.j.wright@gov.bc.ca>
Subject: Site C letter - for your review

John, here's the latest draft.

Geoff

Page 25 to/à Page 29

Withheld pursuant to/removed as

s.13

Wensink, Alison PREM:EX

From: MacLaren, Les EMPR:EX
Sent: Saturday, November 4, 2017 10:06 AM
To: Wright, Don J. PREM:EX; Meggs, Geoff PREM:EX; Wanamaker, Lori FIN:EX; Foster, Doug FIN:EX; Zadravec, Don GCPE:EX; Lloyd, Evan GCPE:EX; Kennedy, Christine PREM:EX
Cc: Rowe, Katherine EMPR:EX; Nikolejsin, Dave MNGD:EX
Subject: BCUC Site C Report
Attachments: BCUC Report - Initial Findings from BCH Review v3 3-11-17.docx

Good morning.

s.13

Les MacLaren

Assistant Deputy Minister
Electricity and Alternative Energy Division
BC Ministry of Energy, Mines and Petroleum Resources
NOTE NEW OFFICE PHONE NUMBER: 778-698-7183
Cell: 250-889-3479

Energizing BC—clean, sustainable and productive

Page 31 to/à Page 36

Withheld pursuant to/removed as

s.13

From: Lloyd, Evan GCPE:EX
Sent: Saturday, November 4, 2017 11:06 AM
To: MacLaren, Les EMPR:EX
Cc: Wright, Don J. PREM:EX; Meggs, Geoff PREM:EX; Wanamaker, Lori FIN:EX; Foster, Doug FIN:EX; Zdravec, Don GCPE:EX; Kennedy, Christine PREM:EX; Rowe, Katherine EMPR:EX; Nikolejsin, Dave MNGD:EX
Subject: Re: BCUC Site C Report

Thanks Les

Our communications group has discussed the same approach. In addition to the particular matter suggested below it was suggested that we seek clarification of the apparent methodological and presentation issues inherent in the p17 table of the executive summary. To the extent that both our letter and any clarification the commission might provide would be made public per usual practice - this too would be helpful.

Evan Lloyd

Sent from my iPad

On Nov 4, 2017, at 10:05 AM, MacLaren, Les EMPR:EX <Les.MacLaren@gov.bc.ca> wrote:

Good morning.

s.13

Les MacLaren

Assistant Deputy Minister
Electricity and Alternative Energy Division
BC Ministry of Energy, Mines and Petroleum Resources
NOTE NEW OFFICE PHONE NUMBER: 778-698-7183
Cell: 250-889-3479

Energizing BC—clean, sustainable and productive

Wensink, Alison PREM:EX

From: Lloyd, Evan GCPE:EX
Sent: Tuesday, November 7, 2017 3:16 PM
To: Meggs, Geoff PREM:EX; Zdravec, Don GCPE:EX; Gibbs, Robb GCPE:EX
Subject: Fwd: EMPR FIN DM letter to BCUC
Attachments: EMPR FIN DM letter to BCUC d2 7-11-17.docx; ATT00001.htm

Needs work

Sent from my iPhone

Begin forwarded message:

From: "Nikolejsin, Dave MNGD:EX" <Dave.Nikolejsin@gov.bc.ca>
Date: November 7, 2017 at 2:30:30 PM PST
To: "Lloyd, Evan GCPE:EX" <Evan.Lloyd@gov.bc.ca>
Subject: FW: EMPR FIN DM letter to BCUC

From: MacLaren, Les EMPR:EX
Sent: November 7, 2017 2:30 PM
To: Nikolejsin, Dave MNGD:EX <Dave.Nikolejsin@gov.bc.ca>
Subject: Fwd: EMPR FIN DM letter to BCUC
Still need to add Foster's input.
Les

Begin forwarded message:

From: "MacLaren, Les EMPR:EX" <Les.MacLaren@gov.bc.ca>
Date: November 7, 2017 at 7:22:19 AM PST
To: "Wieringa, Paul EMPR:EX" <Paul.Wieringa@gov.bc.ca>, "Rowe, Katherine EMPR:EX" <Katherine.Rowe@gov.bc.ca>, "Foster, Doug FIN:EX" <Doug.Foster@gov.bc.ca>
Subject: RE: EMPR FIN DM letter to BCUC

Next turn with Paul's changes incorporated and an additional request related to clarifying the UECs in the table on p.17 of the Exec Summ (43 of the main report). Is everyone OK with this going further to the broader steering group?
Les

From: Wieringa, Paul EMPR:EX
Sent: Monday, November 6, 2017 10:06 PM
To: MacLaren, Les EMPR:EX; Rowe, Katherine EMPR:EX; Foster, Doug FIN:EX
Subject: RE: EMPR FIN DM letter to BCUC
Some suggestions.

From: MacLaren, Les EMPR:EX
Sent: Monday, November 6, 2017 8:53 PM
To: Rowe, Katherine EMPR:EX; Wieringa, Paul EMPR:EX; Foster, Doug FIN:EX
Subject: EMPR FIN DM letter to BCUC
My first cut at the letter pointing out BCH-identified shortcomings in the BCUC analysis. I am sending this to you before it goes to our DMs and the GCPE/PO vortex. I will seek consent to run this by BCH as well. At the Site C Project Board today, the members were supportive of this strategy, but wanted the numbers

triple checked (double check done, triple under way). The regulatory and modelling characterizations would also benefit from their input.

Les

Page 40 to/à Page 42

Withheld pursuant to/removed as

s.13

From: Lloyd, Evan GCPE:EX
Sent: Sunday, November 12, 2017 5:27 PM
To: Meggs, Geoff PREM:EX
Subject: Fwd: next version of letter
Attachments: DMs to BCUC 12-11-17 v2 clean.docx; ATT00001.htm; DMs to BCUC 12-11-17 v2.docx; ATT00002.htm

Yes - here's latest to Don. Still needs final treatment. I'm ok with front end; haven't checked back end changes yet.

Sent from my iPhone

Begin forwarded message:

From: "Nikolejsin, Dave MNGD:EX" <Dave.Nikolejsin@gov.bc.ca>
Date: November 12, 2017 at 3:54:36 PM PST
To: "Wright, Don J. PREM:EX" <Don.J.Wright@gov.bc.ca>, "Lloyd, Evan GCPE:EX" <Evan.Lloyd@gov.bc.ca>, "MacLaren, Les EMPR:EX" <Les.MacLaren@gov.bc.ca>, "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>, "Wanamaker, Lori FIN:EX" <Lori.Wanamaker@gov.bc.ca>, "Foster, Doug FIN:EX" <Doug.Foster@gov.bc.ca>
Subject: next version of letter

Please find attached the next version. Les, note I added a few more bits so I am interested in whether folks feel this is "too much". I'm happy to back it off if that's the wisdom of the group. I have attached both marked up and clean versions so you can see Les' changes vs. mine. As discussed, if this is close and reflects the discussion on Friday then Lori and I will finalize for Tuesday.

Dave Nikolejsin
Deputy Minister
Energy, Mines and Petroleum Resources

Page 44 to/à Page 56

Withheld pursuant to/removed as

s.13

From: Lloyd, Evan GCPE:EX
Sent: Monday, November 13, 2017 9:55 AM
To: Meggs, Geoff PREM:EX; Zdravec, Don GCPE:EX; Gibbs, Robb GCPE:EX
Subject: Fwd: next version of letter
Attachments: DMs to BCUC 13-11-17 v3 DN LM.docx; ATT00001.htm

Latest...

Sent from my iPhone

Begin forwarded message:

From: "MacLaren, Les EMPR:EX" <Les.MacLaren@gov.bc.ca>
Date: November 13, 2017 at 6:21:03 AM PST
To: "Nikolejsin, Dave MNGD:EX" <Dave.Nikolejsin@gov.bc.ca>, "Wright, Don J. PREM:EX" <Don.J.Wright@gov.bc.ca>, "Lloyd, Evan GCPE:EX" <Evan.Lloyd@gov.bc.ca>, "Sanderson, Melissa EMPR:EX" <Melissa.Sanderson@gov.bc.ca>, "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>, "Wanamaker, Lori FIN:EX" <Lori.Wanamaker@gov.bc.ca>, "Foster, Doug FIN:EX" <Doug.Foster@gov.bc.ca>
Cc: "Wieringa, Paul EMPR:EX" <Paul.Wieringa@gov.bc.ca>, "Rowe, Katherine EMPR:EX" <Katherine.Rowe@gov.bc.ca>, "Kennedy, Christine PREM:EX" <Christine.Kennedy@gov.bc.ca>
Subject: RE: next version of letter

I was fine with Dave's changes. Attached is a version with just a few further edits tracked off Dave's clean version. Barring further changes we will finalize based on this draft and be ready to send it as per Evan's roll out schedule. I will confirm tomorrow the timing of BCUC web posting (which comes with notifications to interested parties).

Les

From: Nikolejsin, Dave MNGD:EX
Sent: Sunday, November 12, 2017 3:55 PM
To: Wright, Don J. PREM:EX; Lloyd, Evan GCPE:EX; MacLaren, Les EMPR:EX; Sanderson, Melissa EMPR:EX; Haslam, David GCPE:EX; Wanamaker, Lori FIN:EX; Foster, Doug FIN:EX
Subject: next version of letter

Please find attached the next version. Les, note I added a few more bits so I am interested in whether folks feel this is "too much". I'm happy to back it off if that's the wisdom of the group. I have attached both marked up and clean versions so you can see Les' changes vs. mine. As discussed, if this is close and reflects the discussion on Friday then Lori and I will finalize for Tuesday.

Dave Nikolejsin
Deputy Minister
Energy, Mines and Petroleum Resources

Page 58 to/à Page 63

Withheld pursuant to/removed as

s.13

From: Foster, Doug FIN:EX
Sent: Monday, November 13, 2017 12:41 PM
To: Wright, Don J. PREM:EX; Sanderson, Melissa EMPR:EX; Lloyd, Evan GCPE:EX
Cc: Aaron, Sage PREM:EX; Meggs, Geoff PREM:EX; Gibbs, Robb GCPE:EX; Zadravec, Don GCPE:EX; Haslam, David GCPE:EX; Nikolejsin, Dave MNGD:EX; MacLaren, Les EMPR:EX; Wanamaker, Lori FIN:EX; Kennedy, Christine PREM:EX
Subject: Re: Rollout Site C Nov 12.docx

s.13

My thoughts.
D.

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message

From: Wright, Don J. PREM:EX
Sent: Monday, November 13, 2017 12:22 PM
To: Sanderson, Melissa EMPR:EX; Lloyd, Evan GCPE:EX
Cc: Aaron, Sage PREM:EX; Meggs, Geoff PREM:EX; Gibbs, Robb GCPE:EX; Zadravec, Don GCPE:EX; Haslam, David GCPE:EX; Nikolejsin, Dave MNGD:EX; MacLaren, Les EMPR:EX; Wanamaker, Lori FIN:EX; Foster, Doug FIN:EX; Kennedy, Christine PREM:EX
Subject: Re: Rollout Site C Nov 12.docx

I am uncomfortable with us waiting until Wednesday to send the letter to BCUC for two reasons:

s.13

That's just my opinion.

Others?

Don

On 2017-11-12, 8:36 PM, "Sanderson, Melissa EMPR:EX"
<Melissa.Sanderson@gov.bc.ca> wrote:

>MMM now plans to do the FSJ trip via webcast due to some travel
>challenges and a poor weather forecast expected in the Kootaneys. She
>has spoken to MSF regarding it as well and he is comfortable.
>I have made arrangements with the hotel to have a webcast so she can
>still participate in all of the meetings and I still plan to be on site.
>I have spoken with her about the rollout and she is comfortable and
>available for media training Wed morning and able to do media callbacks
>from Nelson if required.

>Thanks all, please let me know if you have any questions.

>

>Sent from my iPhone

>

>> On Nov 12, 2017, at 12:24 PM, Lloyd, Evan GCPE:EX

>><Evan.Lloyd@gov.bc.ca> wrote:

>>

>> Having (hopefully) resolved some travel and logistical uncertainty

>>please note latest (revised) SiteC roll-out covering the next few days.

>>Note uncertainty about when precisely BCUC might post the EMPR/FIN

>>letter. Timing of IB and letter release on our part TBD - in

>>consideration of a) unencumbered FSJ meetings Tuesday and b)

>>maximizing BCUC time to respond to key Qs

>>

>> Evan

>> <CONFIDENTIAL DRAFT Site C Nov 12.docx>

>>

>>

>> Sent from my iPad

From: Meggs, Geoff PREM:EX
Sent: Monday, November 13, 2017 1:28 PM
To: Wanamaker, Lori FIN:EX; Nikolejsin, Dave MNGD:EX; Wright, Don J. PREM:EX; Sanderson, Melissa EMPR:EX; Lloyd, Evan GCPE:EX
Cc: Aaron, Sage PREM:EX; Gibbs, Robb GCPE:EX; Zadravec, Don GCPE:EX; Haslam, David GCPE:EX; MacLaren, Les EMPR:EX; Foster, Doug FIN:EX; Kennedy, Christine PREM:EX
Subject: Re: Rollout Site C Nov 12.docx

Don, I agree it should go ASAP and MSF can disclose its existence to FNs. I assume BCUC will release their reply.

Geoff

From: Wanamaker, Lori FIN:EX
Sent: Monday, November 13, 2017 1:02 PM
To: Nikolejsin, Dave MNGD:EX; Wright, Don J. PREM:EX; Sanderson, Melissa EMPR:EX; Lloyd, Evan GCPE:EX
Cc: Aaron, Sage PREM:EX; Meggs, Geoff PREM:EX; Gibbs, Robb GCPE:EX; Zadravec, Don GCPE:EX; Haslam, David GCPE:EX; MacLaren, Les EMPR:EX; Foster, Doug FIN:EX; Kennedy, Christine PREM:EX
Subject: Re: Rollout Site C Nov 12.docx

As do I.

Sent from my BlackBerry 10 smartphone on the TELUS network.

Original Message

From: Nikolejsin, Dave MNGD:EX
Sent: Monday, November 13, 2017 12:55 PM
To: Wright, Don J. PREM:EX; Sanderson, Melissa EMPR:EX; Lloyd, Evan GCPE:EX
Cc: Aaron, Sage PREM:EX; Meggs, Geoff PREM:EX; Gibbs, Robb GCPE:EX; Zadravec, Don GCPE:EX; Haslam, David GCPE:EX; MacLaren, Les EMPR:EX; Wanamaker, Lori FIN:EX; Foster, Doug FIN:EX; Kennedy, Christine PREM:EX
Subject: RE: Rollout Site C Nov 12.docx

I am assuming Lori and I will sign this (e-sig) as soon as it's formatted and on letterhead in the morning.

Also - latest on MMM attendance at the FSJ meetings is she will be there in person unless the flights are cancelled out of Castlegar and Trail today. Last I heard weather is looking positive.

-----Original Message-----

From: Wright, Don J. PREM:EX
Sent: November 13, 2017 12:22 PM
To: Sanderson, Melissa EMPR:EX <Melissa.Sanderson@gov.bc.ca>; Lloyd, Evan GCPE:EX <Evan.Lloyd@gov.bc.ca>
Cc: Aaron, Sage PREM:EX <Sage.Aaron@gov.bc.ca>; Meggs, Geoff PREM:EX <Geoff.Meggs@gov.bc.ca>; Gibbs, Robb GCPE:EX <Robb.Gibbs@gov.bc.ca>; Zadravec, Don GCPE:EX <Don.Zadravec@gov.bc.ca>; Haslam, David GCPE:EX <David.Haslam@gov.bc.ca>; Nikolejsin, Dave MNGD:EX <Dave.Nikolejsin@gov.bc.ca>; MacLaren, Les EMPR:EX <Les.MacLaren@gov.bc.ca>; Wanamaker, Lori FIN:EX <Lori.Wanamaker@gov.bc.ca>; Foster, Doug FIN:EX <Doug.Foster@gov.bc.ca>; Kennedy, Christine PREM:EX <Christine.Kennedy@gov.bc.ca>
Subject: Re: Rollout Site C Nov 12.docx

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>>maximizing BCUC time to respond to key Qs

>>

>> Evan

>> <CONFIDENTIAL DRAFT Site C Nov 12.docx>

>>

>>

>> Sent from my iPad

From: Meggs, Geoff PREM:EX
Sent: Sunday, November 12, 2017 5:01 PM
To: Lloyd, Evan GCPE:EX
Subject: Re: Rollout Site C Nov 12.docx

Yes need to see the last draft pls - assume Don will sign off

G

Sent from my iPhone

On Nov 12, 2017, at 2:00 PM, Lloyd, Evan GCPE:EX <Evan.Lloyd@gov.bc.ca> wrote:

Mostly. Conference call with Don, Dave Nick, Les and Doug Foster on Friday to resolve some items. Expect completion tomorrow? Would you like to see last draft?
Evan

Sent from my iPad

On Nov 12, 2017, at 12:31 PM, Meggs, Geoff PREM:EX <Geoff.Meggs@gov.bc.ca> wrote:

Evan is the letter complete?

G

Sent from my iPhone

On Nov 12, 2017, at 12:24 PM, Lloyd, Evan GCPE:EX
<Evan.Lloyd@gov.bc.ca> wrote:

Having (hopefully) resolved some travel and logistical uncertainty please note latest (revised) SiteC roll-out covering the next few days. Note uncertainty about when precisely BCUC might post the EMPR/FIN letter. Timing of IB and letter release on our part TBD - in consideration of a) unencumbered FSJ meetings Tuesday and b) maximizing BCUC time to respond to key Qs

Evan

Sent from my iPad