

**Site C Review - Responses to questions raised by Deloitte
August 28, 2017**

CONFIDENTIAL

No.	
180	Date/Source of Question: Email from [REDACTED] to [REDACTED] & [REDACTED] on Aug 28 at 12:33pm
	Response provided by: [REDACTED]
	Functional Approver: [REDACTED]
	<p>Question:</p> <ol style="list-style-type: none"> 1. How much of the installed capacity of IPPs gets absorbed by BC Hydro vs. marketed/exported out? 2. What is the flexibility of the biogas/landfill facilities to vary volume of gas generation (i.e. flexibility to shut down for a while, save gas to run at a different time)? 3. What is the flexibility of biomass facilities to vary volume of gas generation (i.e. flexibility to vary generation independent of host-feed operations)?
	<p>Response:</p> <ol style="list-style-type: none"> 1. BC Hydro does not distinguish IPP Electrons from Systems Electrons when managing the system. The full output of the energy from IPP facilities is typically contracted to BC Hydro for its system use. 2. For biogas/landfill facilities, <ul style="list-style-type: none"> • For biogas/landfill facilities, the intention is to limit use of natural gas to that which is required to start-up and obtain a steady-state operating condition. • Some of biogas/landfill facilities were awarded contracts under the Standing Offer Program (SOP). In the SOP, there is no provision for auxiliary fuel – but the SOP Rule allow for Aux Fuel up to 3% of total fuel • Note: total installed capacity of all biogas/landfill projects combined is < 20 MW and they already operate at a high capacity factor (typically greater than 70%) • Within the limitations of the contracts and the physical facilities, there is limited ability to vary the volume of electricity generated by storing and subsequently consuming gas. 3. For biomass facilities, the intention is to limit use of natural gas to that which is required to start-up and obtain a steady-state operating condition. Biomass electricity purchase agreements typically limit the amount of electricity generation (GWh) annually that can come from natural gas and, although the allowed GWh vary by contract because the facilities are different sizes, this amount represents approximately 3% of the total energy provided under the contract. <p>The EPAs require the generator to keep records of non-clean fuel usage, and it is</p>

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	<p>assumed that any use of auxiliary fuel is used to supply the IPP's own use before sales of electricity to BC Hydro.</p> <p>Within the limitations of the contracts and the physical facilities, there is limited ability to vary the volume of electricity generated by natural gas</p>
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