



Policies & Procedures Manual

Policy No. 6.11 (BP – Independent Power Projects)

Independent Power Projects

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SLRD 2014 Independent Power Project Policy

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Executive Summary

Within the Squamish-Lillooet Regional District (SLRD) there is considerable potential for renewable energy development. However, associated with this development are significant environmental, social, and economic concerns raised by the community. Reflecting these concerns, as well as the public need for renewable energy sources, the 2014 Independent Power Project Policy is defined by four goals:

1. to encourage the development of renewable energy resources in a manner that is supported by the community;
2. to guide the development of energy resources using the legislated tools available;
3. to guide the development of energy resources using a set of voluntary protocols; and,
4. to advocate for the establishment of a comprehensive Regional Energy Plan.

Each of these goals is accompanied by a set of policies and action items, which will be used to guide the SRLD Board in decision-making related to independent power projects within its boundaries.

SECTION 1: Introduction

With its abundant water resources and mountainous terrain, the Squamish-Lillooet Regional District has significant potential for energy development, particularly hydroelectric projects. The SLRD Board supports development of renewable energy resources and believes the region can make a positive contribution to a more sustainable energy future for the province. However, the Board also wants to ensure that development of these resources is truly sustainable, respects the unique nature of the region, is compatible with the surrounding land uses, and beneficial to the local jurisdiction.

Independent Power Projects (IPPs) are any electricity-generating infrastructure that provides electricity to BC Hydro under contract, including wind power, river diversion, geothermal, tidal, and biomass combustion. Independent power producers include power production companies, municipalities, and First Nations. In the SLRD, IPPs are primarily river diversion projects, although wind and geothermal investigations are also underway in the region. This policy addresses all forms of IPPs, but places an emphasis on river diversion projects.

In this policy document, the term 'river diversion' is adopted from the World Commission on Dams, to describe the type of IPP development typically taking place in the Sea to Sky Region: water from the river is diverted through a tunnel and turbine, leaving 2 to 5 % of the natural flow in the diversion reach during periods of maximum diversion. After several kilometers, the water is returned to the original river channel.

IPPs have been developed in the province of British Columbia for decades. In the 1990s, IPP development began in the SLRD with Northern Utilities' Mamquam River projects and the Soo River IPP. Since 2001, corporate interest in the development of IPPs has significantly increased, and with this, public concern over their impacts. The events that have taken place between 2001 and 2013 were instrumental in shaping the 2014 IPP Policy.

A Brief History of IPPs in the Region

2000 The SLRD Board passed an amendment to the Electoral Area C Official Community Plan to accommodate the Miller Creek IPP (Bylaw 693). The approval included a long-term financial amenity benefit package payable annually to the SLRD now known as the "Miller Creek Power Amenity Fund".

2001 The SLRD Board passed an amendment to the Electoral Area C Official Community Plan to accommodate the Rutherford Creek IPP (Bylaw 716). The amendment identified IPP development as an accepted use under the Resource Use designation. Community amenity benefits were provided to the SLRD in the form of financial contributions toward recreation projects in Electoral Area C. BC Hydro's sustainability criteria were adopted as part of the bylaw.

2002 In June 2002, issues emerged relating to the approval and monitoring of IPPs in Electoral Area C, for example, negative visual impacts and post approval changes related to the Miller Creek project. These issues generated a large amount of community interest and initiated a public debate about IPPs. The SLRD determined there was a need to establish a clear policy framework to evaluate project proposals and represent the views of the community.

In November 2002, the new BC Energy Plan identified IPPs as the primary source for new electricity in the province. The policy set a target of 50% of new energy resources to be obtained from renewable sources, such as water, wind, and biomass. The Energy Plan also prohibited BC Hydro from developing new hydroelectric infrastructure (with the exception of the Site C dam and various upgrades to existing infrastructure).

Also in November 2002, the SLRD approved the rezoning of land in Electoral Area D in order to enable the Furry Creek Power IPP. A community amenity in the form of an annual financial payment was negotiated for the benefit of the SLRD. The Board passed an OCP amendment bylaw (Bylaw 743) in Electoral Area D to accommodate the Furry Creek IPP.

The SLRD's first IPP Policy was completed at the end of the 2002. Its intent was to assist the SLRD in better managing IPP development within it's boundaries, and to ensure that local benefits accrued in jurisdictions affected by development. All IPPs were to obtain a site specific rezoning prior to construction.

2004 The Provincial government signed a Memorandum of Understanding (MOU) with the Union of British Columbia Municipalities (UBCM). The MOU recognized the jurisdiction and accountability of both local and provincial government, facilitated the responsible development of renewable energy resources, and provided for an efficient IPP review process.

The SLRD Board rejected the zoning amendment application for the controversial Ashlu River IPP due to negative environmental and recreational impacts.

2005 UBCM was informed by the Deputy Minister of Energy and Mines and the Deputy Minister of Community Services that the MOU had reached its conclusion.

2006 The Province brought Bill 30 '*Miscellaneous Statutes Amendment Act*' to the Legislative Assembly for review. Bill 30 proposed amendments to the *Utilities Commission Act* that would eliminate local government involvement in IPP review and approval, and remove jurisdiction of local government over IPPs on Crown land.

The SLRD passed a resolution requesting that the Province return to working with UBCM to complete the commitments of the MOU, and that the proposed Bill 30 be immediately set aside. The development of a regional energy strategy was suggested.

Bill 30 was passed by the government, removing local government powers to approve or deny IPPs within their boundaries.

Construction of the Ashlu River IPP moved ahead.

2007 The 2007 BC Energy Plan was released reaffirming the Province's commitment to IPPs as the primary source for new electricity in the province.

2009 The SLRD Board reviewed dozens of IPP water license applications from all electoral areas. Board comments were forwarded to the Integrated Land Management Bureau, addressing concerns over cumulative environmental impacts and suggesting a regional energy planning process.

The B.C. Utilities Commission (BCUC), which was responsible for assessing whether new power generation projects met a genuine need and served BC taxpayers, released a report rejecting B.C. Hydro's long-term acquisition plan and clean energy call. The report stated that IPPs were not in the public's best interest.

2010 The 2010 *Clean Energy Act* was released. It committed the Province to meeting 66% of its electricity needs from conservation and efficiency improvements. It also reaffirmed the BC Energy Plan policies directing BC Hydro to purchase new electricity from private developers. 93% of total generation was to come from clean or renewable energy. Supporting a new trend toward on-site electricity generation, residential and

commercial customers were permitted to sell excess power back to BC Hydro. The 2010 *Clean Energy Act* also removed the oversight of IPPs from BCUC authority, which had previously stated that IPPs were not in the public's best interest.

- 2013 Industry capitalized on the Provincial support for IPP development. Much of the Lillooet River watershed is under application for IPP development. The Upper Lillooet IPP, which would divert a significant portion of the Lillooet River around Keyhole Falls, was approved by the Provincial government despite vocal public opposition. The SLRD rejected the proponent's Temporary Use Permit application due to lack of provincial approvals, potential impacts to grizzly bear habitat, public concern, and lack of community benefits.

BC Hydro released an Integrated Resource Plan, which stated that BC's short-term energy needs could be met with existing electricity sources and conservation programs. A gap between supply and demand was estimated to emerge within 10 years.

BC Hydro is mandated to reduce the utility's cost. Up to 20 electricity purchase contracts with independent power producers were cancelled, the locations of which have not been revealed.

- 2014 Proponents of the Upper Lillooet IPP appeared as a delegation to the Board and noted that they'd achieved all provincial approvals and had addressed all SLRD concerns. They were requested to work with staff and submit another application for a Temporary Use Permit. No TUP has been applied for as of April, although construction has begun on the project.

Discussion of Issues

Among the public, industry, and local and provincial government there is considerable support for IPP development. Many benefits arise from these projects:

- a. the electricity generated meets the energy needs of British Columbians,
- b. the electricity is generated from a relatively clean, renewable source of power,
- c. under IPP contracts with BC Hydro, the price of the electricity is fixed, and therefore ratepayers are not exposed to market risk with long-term price uncertainty,
- d. project development responsibilities and costs are shifted to the independent power producers,
- e. well paying jobs are generated during the construction phase of the projects, and,

- f. revenue sharing agreements are often negotiated with First Nations communities.

For these reasons the SLRD Board is generally supportive of IPP development.

River diversion projects are often perceived as environmentally friendly, since they can be built on a much smaller scale than typical hydropower dams and do not require a large reservoir. In fact, depending on site-specific factors, short river diversions can be the very best and greenest choice. However, when viewed as impact per mega-watt of power generated, there is no reason to believe that extensive development of small river diversion projects causes less environmental impact than large, centralized hydropower dams.

Since 2002 a growing number of residents are concerned about the negative impacts IPPs are having on the region:

Summary of Public Concerns Arising from IPPs

Table 1 - Summary of Concerns	
Negative environmental impacts	Reduced flows - As little as 2-5% of natural flows may be left in the diversion reach. This impacts scenic values, fish, and wildlife habitat. Even when instream flow releases are done according to license requirements, extremely reduced flows cause a reduction in the total amount of habitat available. Reduced flows impact or eliminate spray zones (sensitive ecosystems that rely on the moist, cool conditions around waterfalls and cascades).
	Ramping (artificial control of the water flow to optimize electricity generation) down stream of the diversion reach habitat is often made less effective due to unnatural flow regimes: reduced high flows, interruption of the supply of channel-forming elements such as gravel and large woody debris, accumulation of fine sediments, altered seasonal timing of flows, changed water temperature, and impairment of the aquatic food web.
	Operational malfunctions – Due to equipment malfunction or lack of onsite management, the complete removal of water from the diversion reaches has occurred, causing fish mortality in some IPPs within the SLRD
	Barriers - River diversion infrastructure may create a migration barrier for fish.
	Riparian disturbance - The powerhouse, water intake, roads, and head pond cause habitat loss in important riparian areas. The head pond may convert high value riffle habitat into lower value pond habitat.
	Terrestrial disturbance - Roads, transmission lines, the head pond, and powerhouse cause terrestrial habitat loss and habitat fragmentation. This infrastructure creates a migration barrier to some

	animals and increases the potential for human-wildlife conflicts. Vegetation must be routinely cut in the transmission line rights-of-way, creating a new and less desirable habitat type.
	Threatened species – Vulnerable plant and animal species may be impacted by IPP development. Of particular concern, grizzly bear populations in the SLRD are classified as 'threatened' and known to be sensitive to development. Adjacent population units in the Lower Mainland and the Lower Fraser Valley are extirpated.
Negative visual impacts	The proliferation of power lines raises concern over visual quality impacts on tourism and recreation, and the potential impact on property value.
	The scenic value of the stream or river itself is degraded by infrastructure and reduced instream flows.
Degraded wilderness values	The intrinsic value of an intact waterbody is not acknowledged through the IPP planning process. Intact wilderness is valued for cultural, spiritual, moral, and aesthetic reasons. Impacts to these values cannot be mitigated through the IPP planning process.
Lack of community benefits	During IPP construction, much of the expertise and equipment is brought in from outside the region.
	IPPs provide only limited local employment once construction is complete (i.e. a cluster of several IPPs may generate only one part time job).
	In regional districts, IPPs generate little tax base enhancement. The rural property taxation system in BC only permits regional districts to requisition the necessary funds to provide defined services. No surplus accrues to a regional district if tax revenues from a particular property exceed the cost of providing services to that property. The surplus accrues to the province.
	Few community amenities are offered to the communities affected by the construction and operation of the IPPs.
Negative economic impacts	IPPs are associated with rising electricity costs. The cost of energy purchased from independent power producers is amortized over the length of the contract, which is often 40 years. The higher estimated cost of electricity 40 years into the future is accounted for in current day rates, therefore, the cost to consumers today is significantly higher than electricity generated with existing BC Hydro assets.
	Consumers are committed to paying for long term energy purchase agreements based on estimated electricity rates 40 years into the future. These projections are an inexact science and have no way of accounting for new technologies or changes in demand.
	The peak supply of electricity from river diversion projects occurs during the springtime snow melt, a period when existing BC Hydro infrastructure is generating plentiful and low cost energy. Energy purchase agreements require BC Hydro to purchase IPP energy whether required or not.
	Transmission lines and other IPP infrastructure negatively affect scenic values, and potentially the tourism economy.

Inadequate approval process	Some perceive that pressured timelines are imposed for IPP approvals.
	Lack of data - Complete information on which to evaluate proposed projects is often lacking, make it difficult to understand and address potential terrestrial and aquatic impacts.
	Some project approvals are attained based on commitments by the developer to research environmental impacts at a future date, and carry out adaptive management practices should problems be discovered after project construction. For example, following approval of their project, Innergex, the developers of the Upper Lillooet IPP provided funding to the Ministry of Environment to better understand impacts to the local grizzly bear population from existing and pending development.
	A tension exists between the need to have detailed information on which to evaluate project proposals, and the need of investors to have project approvals in place before they are willing to invest significant amounts of money on detailed studies.
	There is a lack of clear screening criteria and no thresholds are set for limiting environmental impacts.
	At the Provincial or local level, there is no formal process for tracking commitments to the community made by the developer, or handling post approval changes to the project.
	Monitoring - The current move toward self-regulation is not widely supported by local government or the public. The practice of companies hiring professionals to monitor their own performance is perceived as 'the fox guarding the hen house.'
	Lack of results from long term monitoring - Results from long term monitoring of existing IPPs are not yet available, leaving little real-world data to evaluate the likely impact of dozens of river diversion proposals pending in BC.
Inadequate public consultation	General lack of public understanding on how the approval process works, the criteria used to evaluate projects, the safeguards in place to protect the public interest, mechanisms for monitoring and enforcing project performance, and handling of post approval changes.
	Opportunities for public consultation are insufficient and access to information is difficult.
	Public feedback is sought in order to mitigate any concerns raised, but no opportunity is afforded to the public to reject the IPP outright.
Lack of regional planning	The incremental approach to development leads to a 'first come, first serve' approval process that favours early projects rather than the best projects and most responsible developers.
	The cumulative impacts of incremental development are not well assessed. Cumulative effects assessments almost always conclude that cumulative impacts will not be a problem. This outcome is a direct result of the narrow scope of investigation.
	Individually approved projects may serve as a gateway to other development by providing key infrastructure, such as roads and

	transmission lines.
	There is no requirement for IPP developers to share transmission infrastructure.
	The proliferation of transmission lines raises a number of concerns: ecosystem fragmentation, public safety, potential health implications of electro-magnetic fields, diminished property values, diminished aesthetics, and lost opportunities for optimal land use.

SECTION 2: Goals and Policies

Reflecting the aspirations of the community and the history of IPP development in the region, the 2014 Independent Power Project Policy is defined by four goals:

1. to encourage the development of renewable energy resources in a manner that is supported by the community;
2. to guide the development of energy resources using the legislated tools available;
3. to guide the development of energy resources using a set of voluntary protocols;
4. to advocate for the establishment of a comprehensive Regional Energy Plan.

Each of these goals is accompanied by a set of policies and action items.



Goal 1 – To encourage the development of renewable energy resources in a manner that is supported by the community.

The SLRD has developed a general policy statement identifying the Board's overall position related to development of independent power projects in the region:

Policy 1 - The SLRD Board supports the development of renewable energy projects in the region when those facilities:

- a. have been properly evaluated and are shown to be technically sound, environmentally sensitive, and socially responsible;
- b. are located, designed, constructed, and operated in a manner that is consistent with the overall vision for the region, and do not negatively impact on its primary economic activities, such as tourism;
- c. can be connected into the existing transmission and distribution infrastructure with minimal impact, and do not require the development of any new major transmission corridors; and,
- d. provide tangible benefits to the community.

Policy 2 - The SLRD Board will not support new IPP developments that would result in new major transmission line corridors in areas of high tourism or scenic value.

Policy 3 - The SLRD board will inform and consult with its member municipalities on any independent power projects within neighbouring electoral areas, and requests that its member municipalities do the same.



Goal 2 – To guide the development of energy resources using the legislated tools available.

Since 2006 when Bill 30 was passed to amend the *B.C. Utilities Commission Act*, local government powers to regulate IPPs have been curtailed. The *B.C. Utilities Commission Act* reads as follows:

'Relationship with *Community Charter* and *Local Government Act*:

- 121 (1) Nothing in or done under the *Community Charter* or the *Local Government Act*
- (a) supersedes or impairs a power conferred on the commission or an authorization granted to a public utility, or
 - (b) relieves a person of an obligation imposed under this Act or the *Gas Utility Act*.
- (2) In this section, authorization means
- (a) a certificate of public convenience and necessity issued under section 46,
 - (b) an exemption from the application of section 45 granted, with the advance approval of the Lieutenant Governor in Council, by the commission under section 88, and
 - (c) an exemption from section 45 granted under section 22, only if the public utility meets the conditions prescribed by the Lieutenant Governor in Council.
- (3) For the purposes of subsection (2)(c), the Lieutenant Governor in Council may prescribe different conditions for different public utilities or categories of public utilities.'

As per the above, public utilities, including IPPs, may operate without regard to restrictions set out by the *Community Charter* or the *Local Government Act*, which provide local governments with their authority. The SLRD may not use the following tools to prohibit, delay, or impose restrictions that an IPP developer could not meet and would therefore sterilize the effect of the permissions granted by the Province:

- a. zoning bylaws,
- b. temporary use permits (TUP),
- c. OCP land use designations,

- d. development permit (DP) areas,
- e. riparian protection bylaws, or,
- f. nuisance or noise bylaws.

However, local government bylaws may be used to regulate IPPs in a manner that merely *guides* how development is to take place, but that does not impair the IPP. A building permit, a TUP, or DP that sets out conditions that the IPP developer is capable of meeting is permissible.

Local governments may not use zoning bylaws, building permits, or development permits to impose obligations on IPP developers that are outside of local government jurisdiction, such a community amenities. However the *Local Government Act* states that 'A temporary use permit may...specify conditions under which the temporary use may be carried on'. Therefore, as part of a TUP, conditions may be set out that benefit the community. These conditions should:

- a. be responsive to the impacts of the temporary use;
- b. be well within the capabilities of the IPP developer to provide without impairing the project; and,
- c. not reference a future, permanent use of the land not covered by the TUP.

For example, conditions addressing noise control, cleanliness, and screening of the temporary use would be lawful, whereas, an ongoing cash contribution to the community based on the electricity output of the permanent facility would not be acceptable. Contrary to the desires of the community, there is currently no legislated tool available to local government to secure long-term amenity agreements with IPP developers.

Where a local government uses its authority to direct how IPP development takes place, there is little guidance from case law to determine the extent of regulation that might be enforceable, as various scenarios have not yet been tested in court. The following policies create a starting position for the SLRD Board to guide IPP development in the best interests of the community, without sterilizing the permissions granted by the Province.

Policy 4 – Until such time that a Regional Energy Plan is completed, the SLRD should work toward updating its OCPs to include the following:

- a. areas of high conservation value that should be left free of IPP development;
- b. areas conditionally set aside for IPP development;
- c. scenic value designations to protect aesthetic and tourism values in the region;
- d. guidance on minimizing the visual impact of new IPP infrastructure; and,
- e. policies encouraging BC Hydro and IPP developers to optimize use of existing transmission infrastructure and encourage shared use.

Policy 5 – Staff are directed to engage in the Provincial referral process, making use of all opportunities to implement Board policy in the planning stage of IPP development. All referrals shall be reviewed by the Board, including a staff assessment of the IPP for consistency with the following criteria:

- a. renewable – the resource should be replenishable by natural processes within one generation;
- b. technically sound – designs should be certified by an appropriate professional;
- c. environmentally responsible – the project should avoid significant environmental impacts and be supported by appropriate professionals;
- d. socially responsible – the project should be consistent with community values and priorities as defined in land use planning documents, and provide direct benefits to the community; and,
- e. licensable –the project should meet Provincial regulations and have attained the necessary permits.

Policy 6 – Until such time that a Regional Energy Plan has been developed, all referral responses to the Province shall be accompanied by a letter requesting funding and leadership for a Regional Energy Plan.

Policy 7 – Staff are directed to seek membership and participate in land use planning committees and forums, making use of all opportunities to implement Board policy in the planning stage of IPP development and during operations. Applicable committees and forums include:

- a. Environmental Assessment working groups,
- b. LRMP working groups, and,
- c. BC Hydro System Planning committees. The SLRD will work proactively with BC Hydro and other planning agencies to ensure that regional values and priorities are incorporated into planning decisions affecting the region. The SLRD will request annual meetings with BC Hydro to discuss the system plan and any projects planned in the SLRD.

Policy 8 - Keeping within the bounds of local government authority, the following tools shall be used to guide the sustainable development of IPPs within the boundaries of the Squamish-Lillooet Regional District:

- 1) Official Community Plans (OCP):
 - a) as per Policy 4 above, OCPs shall be updated regularly to reflect the views of the community on IPPs;
 - b) OCP policies applicable to IPP development shall be communicated to the Province and IPP developers during the water license approval process or environmental assessment process;

- c) permanent hydroelectric facilities shall be considered consistent with the Resource Management designation.
- 2) Development permit areas:
- a) development permit areas establishing objectives for the form and character of industrial development, energy conservation, protection from hazardous conditions, protection of the natural environment , and reduction of greenhouse gas emissions apply to permanent buildings associated with IPPs (i.e. powerhouses). These DP guidelines do not apply to other IPP infrastructure, including roads, transmission lines, and penstocks;
 - b) due to limited applicability, development permit areas establishing objectives for the protection of farming and water conservation do not apply to IPP development.
- 3) Zoning Bylaw - Permanent hydroelectric facilities shall be considered consistent with the Resource Management zone.
- 4) Temporary use permits (TUP) shall be required for all transient industrial sites associated with IPP construction:
- i) TUP applications should be submitted to the Board accompanied by a staff assessment of the project for consistency with the following criteria:
 - (1) technically sound – designs are certified by an appropriate professional;
 - (2) environmentally responsible – the project avoids significant environmental impacts and is supported by appropriate professionals;
 - (3) socially responsible – the project is consistent with community values and priorities as defined in land use planning documents and provides direct benefits to the community; and,
 - (4) licensable –the project meets Provincial regulations and has attained the necessary permits.
 - ii) The conditions set out in the TUP should:
 - (1) limit the industrial footprint;
 - (2) ensure hazardous materials are safely stored;
 - (3) ensure backcountry access by other user groups is not unnecessarily inhibited;
 - (4) protect riparian areas and other environmentally sensitive areas to the greatest extent feasible;
 - (5) ensure monitoring protocols are in place;

- (6) detail commitments made to the SLRD or public during the approval process;
 - (7) set out requirements for community amenities in a manner that is consistent with the *Local Government Act*; and,
 - (8) ensure remediation of the site.
- 5) Performance bonds in the form of a letter of credit shall be required as security for project remediation and/or default of conditions set out in the development permit or temporary use permit.
- 6) Building permits shall be required for all structures over 10 square metres in size.

Policy 9 – Temporary use permits, development permits, and building permits shall not be used to:

- a. prohibit, delay, or impose restrictions that an IPP developer can not meet, thereby sterilizing the effect of the permissions granted by the Province; or,
- b. impose requirements that are outside of local government jurisdiction.

Policy 10 - In addition to the legislated public consultation requirements for TUPs and DPs, the Board will ensure that information related to IPP applications underway with the SLRD is available to the public through its website, local office, and/or public libraries.

Policy 11 – Acknowledging that the SLRD's Official Community Plans do not currently contain detailed guidelines for IPP development, though IPPs are of substantial concern to the community, the SLRD Board shall take into consideration significant public opposition to specific IPP projects. Under exceptional circumstances, where vocal public opposition has been demonstrated over Provincial approval of a water license, tenure, or environmental assessment certificate, decisions on issuing temporary use permits or development permits may be deferred until such time that the issue is discussed with the Minister of Energy and Mines and Minister of Environment. The public, proponent, and other stakeholders should be informed of the steps being taken to address public concerns and the outcome of the discussions.



Goal 3 - To guide the development of energy resources using a set of voluntary protocols.

Policy 12 – IPP developers are encouraged to adopt the following protocols for energy development in the Squamish-Lillooet Regional District:

Voluntary Protocols for Independent Power Producers

1. Memoranda of Understanding among Stakeholders

In order to ensure equitable access to resources and minimize conflict, IPP developers are encouraged to formalize agreements with adjacent tenure holders, recreation groups, and other stakeholders regarding backcountry access, road maintenance, shared use of facilities (for example, parking), and other applicable matters.

2. Independent Monitoring

Concerns have been raised over the lack of resources available to local government and the Province to monitor commitments made by IPP developers, and the difficulty in addressing post-approval changes in a manner that meets the needs of all stakeholders. The current move towards industry self-regulation is not widely supported by the public or local government, nor seen as the best means of ensuring accountability.

IPP developers are encouraged to provide an independent monitor for the duration of outstanding commitments associated with the IPP. This includes commitments made during the Provincial approval process and the Regional District's TUP process. The consultant would monitor, evaluate, and report to the SLRD on the proponent's performance in meeting TUP requirements, as well as environmental protection, remediation, adaptive management, and environmental studies. The monitor would be responsible for bringing post-approval changes to the project to the SLRD for review.

3. Public Consultation

IPP developers are encouraged to:

- a. Submit a community consultation plan to the SLRD Board for approval. The plan should include a wide variety of methods for the public to learn about and express their views on the project, as well as a statistically valid assessment of community support for the project. This plan should be submitted to the SLRD at the time applications are sent to the Province.
- b. Hire an independent consultant to carry out the consultation plan, and submit a summary report identifying community concerns and steps the developer will take to address them. The summary report should be submitted to the Board during the Provincial approval process for the IPP, giving the Board sufficient time to review the report and submit comments to the Province prior to project approval.

- c. Provide the SLRD Board and the public with project updates and notice of key public meetings.

4. Emergency Response

IPP developers are encouraged to submit to the Board and local emergency response authorities an emergency response and communication plan for both the construction and operational phase of their project. It is the developer's responsibility to ensure that these plans remain current and contain an emergency contact that is available to respond 24 hour a day, 7 days a week.

5. Shared Infrastructure

IPP developers are encouraged to work in concert with one another to share and optimize the use of transmission infrastructure.

6. Legal Agreements

Where an agreement is reached between the community and the developer on a significant issue, that solution should be documented in a legal agreement so there is no debate in the future regarding what was agreed to or the process for making changes. This agreement could be as simple as a written statement that 'XYZ Power Company agrees that the power line interconnection associated with ABC project will use the appended alignment and design. Any changes to this alignment or design will require formal endorsement of the SLRD Board'.

7. Voluntary Community Benefits

Developers are encouraged to provide direct financial benefits to the local jurisdiction affected by the IPP in the form of community amenity payments. These payments are to provide community amenities for the local jurisdiction. They enhance local support and offset impacts associated with the project.

A suggested agreement is a one-time payment to the community, plus an annual payment for the life of the project comparable to the level of benefits or recent revenue sharing agreements with First Nations. Recently negotiated benefits associated with any given project should be considered a guideline, and specific agreements retain the flexibility to reflect differences in projects. Community benefits may take the form of a community project or its monetary equivalent.

From a community perspective, there is a clear differentiation between the concepts of mitigation and community benefits. Mitigation is the process of making the community 'whole' or returning it to the same condition as it was prior to development. For example, undergrounding power lines in downtown Pemberton associated with the Miller Creek IPP was mitigation - the visual

attributes of downtown Pemberton were the same before and after the Miller Creek development. A community benefit is something that makes the community better off than it was before, for example, increased local revenues, employment, or new facilities. Mitigation measures are not considered contributions to the voluntary community amenity package.



Goal 4 - To advocate for the establishment of a comprehensive Regional Energy Plan.

There is significant concern throughout the region over the current incremental approach to the development of IPPs. The following summarizes the issues raised with the incremental approval process:

- a. limited ability to evaluate or address cumulative impacts, both from a community perspective (for example, the proliferation of transmission lines), and environmental perspective (for example, ongoing impacts to threatened grizzly bear population units);
- b. a first come, first serve approval process that favours early projects rather than the best projects and the most responsible developers;
- c. public consultation processes that are geared toward collecting a list of impacts to be mitigated rather than asking the public whether or not the project should go ahead; and,
- d. little ability for the community to ensure the protection of valued resources that are preferred for conservation rather than development.

The April 2008 Sea to Sky Land and Resource Management Plan (LRMP) does not set out guidelines or priorities for IPP development, as suggested by the SLRD Board in the 2003 IPP Policy. Instead, the LRMP identifies 47% of the land base as 'All Resource Uses Permitted Zone'. This broad permission for IPP development has resulted in multiple river diversion projects with no meaningful assessment of cumulative impacts or optimization of resources.

A Regional Energy Plan is viewed as the best solution for addressing the above concerns. Regional planning would benefit IPP proponents as well, by giving them more certainty about the feasibility of their projects, and saving the time and expense of dealing with issues beyond a proponent's control, such as cumulative impacts of multiple resource uses within the region.

Policy 13 - The SLRD shall advocate for a Regional Energy Plan (REP) containing the following elements:

- a. Steering Committee - An established steering committee that oversees the development and implementation of the plan, and represents local and provincial government, BC hydro, First Nations, environmental groups, industry, and other stakeholders.
- b. Vision - A vision that sets out how the region aims to contribute to the province's energy self-sufficiency. Emphasis should be placed on energy conservation and developing the minimum number of new projects to sustain the identified need. All forms of electricity generation cause environmental impacts - the REP should aspire to generate the most electricity of the highest reliability, for the least amount of environmental damage.
- c. Energy Conservation – Identification of opportunities for energy conservation. Potential energy savings should be incorporated into the assessment of regional energy needs. Energy conservation and efficiency are the highest priority as they return energy savings without the need for infrastructure.
- d. On-site Electricity Generation – Identification of opportunities for on-site electricity generation (electricity production at or near the point of use). Potential energy savings should be incorporated into the assessment of regional energy needs. On-site electricity generation should be a high priority for the REP as it lessens the need for infrastructure and reduces grid load and grid dependence.
- e. Scenic Value Zones - The REP should identify scenic value zones to protect aesthetic and tourism values in the region.
- f. Valued Resources – High value resources that are best left undeveloped should be identified, such as waterfalls, backcountry recreation areas, and critical habitat. However, unknown environmental values should be acknowledged. When mapping out resource values, those areas not specifically identified as 'high value' should not default to a less valuable, free-to-develop designation.
- g. Modelling and Scenarios – A series of future scenarios should be developed, posing various densities of IPP development, an assessment of economic benefits, ecological carrying capacity, thresholds for environmental impact, and a well researched assessment of cumulative effects across the region and across industries.
- h. Consultation - A public consultation process is required that explains the scenarios and gives the public the opportunity to choose among them. The chosen scenario would be used to guide land use management decisions, thresholds for IPP development, and project approvals.

- i. IPP Designation – Select specific areas designated as appropriate for IPP development, listed in order of priority.
- j. Transmission Lines - Optimized routes for transmission line infrastructure, taking into account shared use of infrastructure among IPP developers.
- k. Conditions - Conditions under which IPP development may go ahead (for example, developers must minimize the visual impact of any new facilities in areas of high tourism activity), or should be prevented.
- l. Monitoring – A commitment to monitoring and adaptive management in order to understand the impacts of the plan, mitigate impacts, and modify the plan as needed. A protocol for amending and updating the plan should be identified.
- m. Community benefits – An equitable revenue sharing plan that benefits First Nations and the SLRD.

Policy 14 – The LRMP update process is viewed as the most appropriate vehicle for initiating the Regional Energy Plan (REP). However, the SLRD Board will advocate for funding and leadership of the REP outside of the LRMP process if needed.

Policy 15 - The SLRD will continue to work with BC Hydro to:

- a. revise its planning process to incorporate the SLRD's IPP policy and OCP policies;
- b. share updated plans with provincial and local government planners on a regular basis;
- c. engage local government more actively during consultation on power line issues, providing more details on proposed routing, design of power lines, and visual impacts; and
- d. enact legislation to enforce shared use of existing facilities where possible.

SECTION 3: Action Items

Policies 1 through 15 are accompanied by the following recommended actions for the SLRD Board:

Table 2 – Action Items	
Policy	Recommended Action
1. The Board supports the development of renewable energy projects in the region.	N/a
2. The Board does not support new transmission line corridors.	N/a
3. The Board will inform and consult with its member municipalities.	a. Provide an overview of recent IPP developments and applications to member municipalities, and a copy of the 2014 IPP Policy.
4. The Board will work toward updating its OCPs to include IPP guidelines.	a. Strengthen OCP policies addressing IPP development in the region (identify community values, preferred transmission line routing, conditions for development, etc.)
5. Staff are directed to engage in Provincial referral processes.	N/a
6. Referral responses shall be accompanied by a letter requesting funding and leadership for a Regional Energy Plan.	N/a
7. Staff are directed to seek membership and participate in land use planning committees and forums.	N/a
8. Working within the SLRD's legislated authority, a range of tools shall be used to guide the sustainable development of IPPs.	a. Update zoning bylaws to include IPP infrastructure as a permitted use where applicable, subject to TUPs, DPs, and licensing. b. Update Development Permit Areas to reference IPPs. c. Review fees for TUP applications to ensure equitable compensation for use of staff resources.
9. TUPs, DPs, and building permits shall not be used to prohibit or delay an IPP.	N/a
10. The Board will ensure that information related to IPP development is available to the public.	a. Provide a dedicated page on the SLRD website for IPP information, applications, and updates.
11. Under exceptional circumstances the Board shall defer decisions on issuing TUPs	N/a

<p>or DPs until such time that the issue is discussed with the Minister of Energy and Mines and Minister of Environment.</p>	
<p>12. IPP developers are encouraged to adopt voluntary protocols for IPP development.</p>	<p>a. Lobby the provincial government to establish an independent monitoring and evaluation function to ensure accountability and enforcement of conditions and standards applied to IPP development. b. In the long-term, work with UBCM and the Provincial government to ensure community benefits accrue in areas affected by IPP development. c. Advocate with BC Hydro for required sharing of transmission infrastructure among IPP developers.</p>
<p>13. The SLRD will advocate for a Regional Energy Plan (REP).</p>	<p>a. Send a copy of the 2014 IPP Policy to applicable Provincial contacts, with a cover letter requesting REP discussions. b. Engage First Nations communities in discussions regarding IPP development to identify shared interests, establish consultation protocols, and develop a positive working relationship. c. Share information and policies with other local governments and work to build a coalition of local government interests related to IPP development to ensure that local government issues are recognized and accommodated. d. Lobby the provincial government to address the taxation discrepancies between municipalities and unincorporated areas regarding revenue from IPPs.</p>
<p>14. The LRMP update process is viewed as the most appropriate vehicle for initiating the Regional Energy Plan.</p>	<p>N/a</p>
<p>15. The SLRD will continue to work with BC Hydro on IPP development issues.</p>	<p>N/a</p>