

BACKGROUND

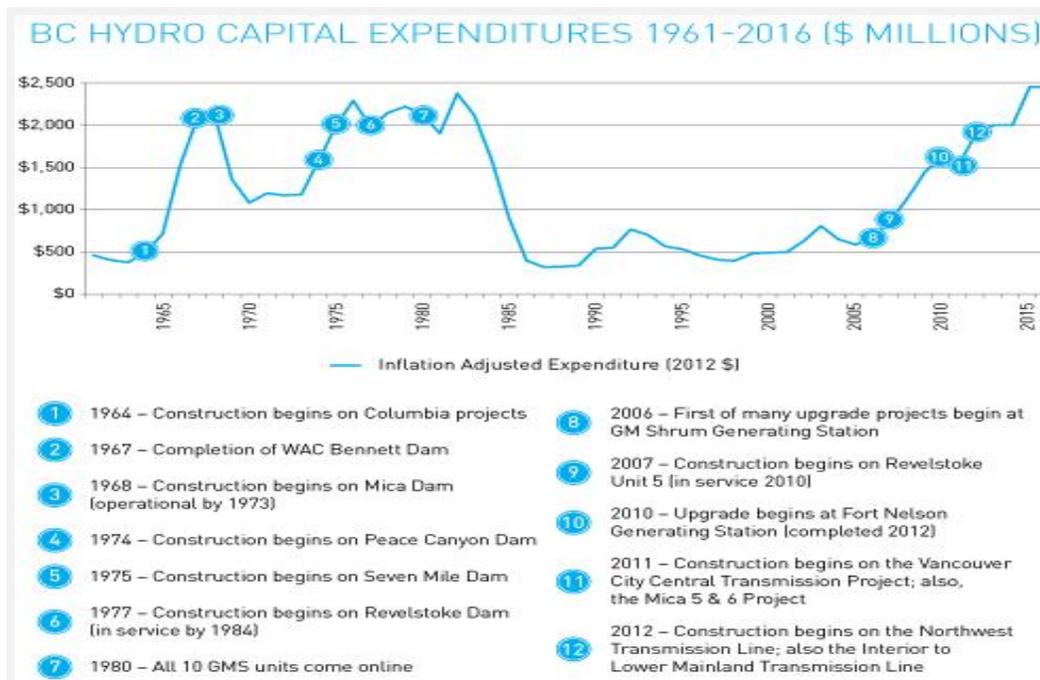
BC HYDRO'S CAPITAL PLAN

BC Hydro's capital plan outlines the investments BC Hydro is making in the province's electrical system over a 10 year period.

BC Hydro is forecasting capital expenditures, on average, of \$1.7 billion per year over the next 10 years. The capital will be used to refurbish, upgrade, expand and add to its system of dams and wires – the generation, transmission and distribution assets that create and deliver electricity to B.C.'s homes, businesses and industry.

Many of BC Hydro's facilities were built decades ago, in the 1960s, 70s and 80s. Today, the aging facilities are in need of reinvestment.

The chart below shows capital spending over the past 50 years, adjusted for inflation.



PROJECTS

Recently completed capital projects include:

Revelstoke unit 5: Addition of a fifth generating unit at Revelstoke, adding 495 megawatts of additional capacity to the system. Project needed to ensure enough power on peak consumption days in British Columbia – mostly in winter months.



- In-service date: December 2010
- Authorized amount: \$320 million
- **Actual cost: \$245 million**

Columbia Valley Transmission: Construction of a new 112 kilometre 230-kilovolt transmission line, a new three kilometre, 69-kilovolt transmission line, the new Kicking Horse substation and expansion of three existing substations. This project will support growing demand for power in communities such as Invermere and Golden.



- In-service date: October 2012
- Authorized amount: \$170.5 million
- **Actual cost: \$115 million**

Stave Falls spillway gates upgrade: The facility was built in 1911 and the spillway gates have been in place since 1923. The project will replace obsolete gates with a new design to increase reliability and ensure flood discharge gates can operate in the event of an earthquake or extreme flood.



- In-service date: March 2013
- Authorized amount: \$64 million
- **Actual cost: \$48 million**

Seymour Arm series capacitor: Upgrades to capacitor station to allow the system to deliver additional power to the grid generated at Mica.



- In-service date: Nov. 2013
- Authorized cost: \$58 million
- **Actual cost: \$50 million**

Planned or upcoming capital projects included in the 10 year capital plan:

Dawson Creek-Chetwynd area transmission project: Expansion and construction of a new 230-kilovolt transmission system that includes new lines and substation. Project will meet increased demand for power from new industry in the south Peace region.



- Target in-service date: 2015
- Authorized amount: \$296 million

Interior to Lower Mainland transmission line project: Construction of a new 247 kilometre, 500-kilovolt transmission line from Merritt to Coquitlam. Project will improve BC Hydro's ability to get power to the Lower Mainland from our generating facilities in the Columbia and Peace regions.



- Target in-service date: 2015
- Authorized amount: \$725 million

Mica – upgrades to units 5 & 6: Installation of two new generating units to add 1,000 megawatts of generation capacity to the system.



- Target in-service date: 2014, 2015
- Authorized amount: \$714 million

Ruskin dam and powerhouse redevelopment: In-service since 1930, upgrades to existing dam and water intakes, the powerhouse, generating units and switchyard to improve seismic performance and protect fish and wildlife.



- Target in-service date: 2017
- Authorized amount: \$748 million

Northwest transmission line project: Construction of a new transmission line in the northwest to open up the area to new investment, industrial development and jobs.



- Target in-service date: 2014
- Authorized amount: \$746 million

Gordon M. Shrum generating station – rehabilitation of units 1 to 5: Replacement of five 1960s turbines to add 177 gigawatt hours annually of electricity.



- Target in-service date: 2015
- Authorized amount: \$272 million

John Hart generating station replacement project: Operating since 1947, six-unit, 126 megawatt generating station will be replaced.



- Target in-service date: 2018
- Authorized amount: \$1,149 million

Merritt area transmission project: Construction of a new transmission line to meet local power needs.



- Target in-service date: 2014
- Authorized amount: \$66 million

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