

**British Columbia Indigenous Clean Energy Initiative  
Discussion Paper:  
Supporting Small-Scale First Nation Clean Energy Projects**

May 22, 2024

Prepared by New Relationship Trust, Province of British Columbia,  
Pacific Economic Development Canada and BC Hydro



**NEW RELATIONSHIP TRUST**  
Empowering First Nations in British Columbia



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## Introduction

The B.C. Indigenous Clean Energy Initiative (BCICEI) was first developed in 2016 by Western Economic Diversification Canada (now Pacific Economic Development Canada) with funding from the Government of Canada's Strategic Partnerships Initiative. Administered by the New Relationship Trust (NRT), BCICEI provides support and capacity-building funds to First Nations in B.C., tribal councils, and organizations majority owned by First Nations working on the development of clean energy projects in B.C. Since 2016, BCICEI has awarded approximately \$30 million to 135 projects by more than 90 First Nations.

In June 2023, the Province of British Columbia (the Province) announced a contribution of \$140 million to NRT to expand BCICEI and further support small-scale, First Nation-led clean energy projects on BC Hydro's integrated electricity grid. Interest earned from the endowment is now being used to support existing BCICEI funding streams, including pre-construction costs for small-scale projects.

NRT, the Province and PacifiCan, with technical input from BC Hydro, are developing a new program stream to support smaller Indigenous-led power projects that may otherwise not be competitive due to their smaller size. Once implemented, the new program stream is expected to draw down the \$140 million over several years.

## Program Development Team

In July 2023, a program development team was formed to develop initial concepts for the new program stream. The team includes the BCICEI Secretariat, which consists of representatives from NRT, PacifiCan, the Province, and BC Hydro. The program development team receives guidance from the BCICEI Advisory Committee, which includes executive representatives from NRT, PacifiCan, the Province, BC Hydro, First Nations, and Clean Energy BC.

## Purpose of the Discussion Paper

The purpose of this discussion paper is to provide information and gather feedback on the conceptual design of the new program stream. In particular, the program development team is seeking input from potential future funding applicants on proposed:

1. Program principles;
2. Eligibility criteria; and
3. Funding models.

To inform input from First Nations, this discussion paper:

1. Provides a high-level overview of existing BCICEI program streams;
2. Summarizes the objectives of the new program stream and feedback heard to date;
3. Presents proposed program principles, eligibility criteria and potential funding models;
4. Highlights key topics and questions for consideration; and
5. Provides contact information for feedback and additional information.

## Existing BCICEI Program Streams

The BCICEI provides funding to First Nations, tribal councils, and organizations that are majority-owned by First Nation communities for energy efficiency and clean energy projects. The current program supports on-grid, remote and off-grid First Nations communities as they pursue:

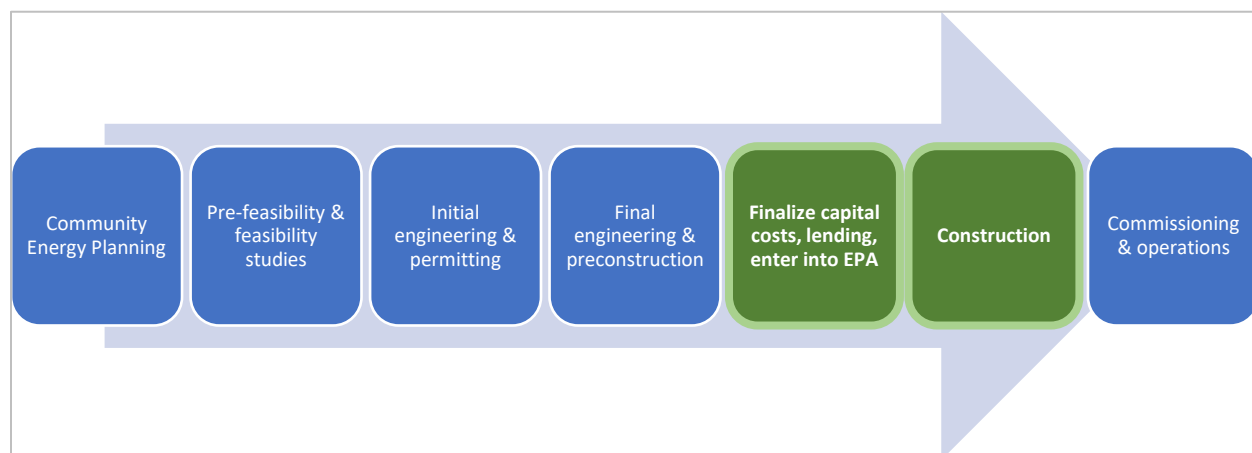
- Pre-feasibility and feasibility studies;
- Project design and engineering;
- Environmental review and permitting;
- Demand side management initiatives;
- Small scale energy generation installations; and
- Final engineering and preconstruction for larger clean energy projects.

The existing program streams typically have one funding application intake per year.

## New Program Stream Objectives

The new BCICEI program stream is intended to overcome the barriers that often hinder the competitiveness of smaller energy projects, so that First Nation-led power projects can support First Nations' economic development goals while also contributing to provincial and federal clean energy and reconciliation goals. The main objectives of the new program stream are to:

- Support the development of small-scale, First Nation-led, on-grid clean energy projects;
- Support First Nation economic development and provincial reconciliation objectives;
- Meet the growing demand for power in B.C. while limiting the impact on BC Hydro ratepayers;
- Help offset the cost of eligible clean energy projects that exceed BC Hydro's benchmark price for energy acquired from new clean or renewable projects; and
- Fill funding gaps in the clean energy project development lifecycle (see Figure 1).



**Figure 1: Clean energy project development lifecycle.** The new program stream is intended to increase BCICEI support for the phases highlighted in green: finalize capital costs, lending, enter into EPA, and construction.

## What We've Heard

Recognizing the capacity constraints and engagement fatigue of many First Nations, the program development team considered First Nation feedback heard to date in developing the discussion paper, including feedback from the BCICEI Advisory Committee and by participating in engagement sessions on BC Hydro's Call for Power.

### BC Indigenous Clean Energy Initiative Advisory Committee

The program development team hosted three engagements sessions with BCICEI Advisory Committee members. Early themes emerged, including recommendations to:

- Consider allowing clean energy projects between 15 MW and 39.9 MW in size;
- Consider releasing funding before 2028;
- Provide support for First Nations that partner with neighbouring First Nations to co-develop clean energy projects in their region; and
- Ensure there is predictability in the approach BC Hydro uses to negotiate Electricity Purchase Agreements (EPAs) with First Nations.

Additional input from the BCICEI Advisory Committee will be considered throughout the engagement process, program design and ongoing program administration.

### BC Hydro Engagements on Call for Power

Since June 2023, BC Hydro has been engaging with First Nations and independent power producers on the Call for Power, which is unrelated to this new BCICEI program stream and this discussion paper. Input from the First Nations sessions has been summarized into two reports, which can be found on [BC Hydro's website](#).

Though BC Hydro's engagements were specific to the Call for Power and transmission voltage projects, much of the feedback received is also relevant to First Nations-led, small-scale projects. NRT, BCICEI and PacifiCan staff attended engagement sessions and have reviewed the two reports available on BC Hydro's website. The key elements from those materials that have been considered in the development of this discussion paper, include (but are not limited to):

- Participation in clean energy projects within their communities is important for First Nation empowerment, self-reliance, and economic reconciliation.
- Equity ownership is viewed as a meaningful economic reconciliation opportunity that provides First Nations with control of projects in their territory.
- Some participants raised concerns about the ability of First Nations to participate due to:
  - Being unable to finance the equity portion of a clean energy project.
  - Inherent characteristics of their territory limiting the types of clean or renewable resources available. Suggest allowing a diverse range of technologies to include more First Nations.
- Fairness and an equal distribution of resources and opportunities among the Nations is important.

- There is a desire for support and education for First Nations regarding project negotiation, financing, and navigating the clean energy sector. Participants requested sources of information on how to develop a clean energy project.

## Proposed Program Principles

The following core principles are proposed to guide the design and achieve the objectives of the new program stream:

- Provide equitable opportunities for First Nations, including for those new to clean energy development;
- Support as many First Nations as possible;
- Further First Nations reconciliation objectives;
- Limit BC Hydro ratepayer impacts; and
- Value projects based on their contribution to the electricity system.

## Proposed Eligibility Criteria

The following applicant and project eligibility requirements and preferences are proposed for the new funding stream:

### Requirements:

- Applicants are:
  - First Nations in B.C.;
  - Tribal Councils; or
  - Legal entities majority-owned and controlled by First Nation communities.
- Projects:
  - *Ownership*: majority owned by First Nations (i.e. First Nations have a minimum equity ownership of 51%;
  - *Technology*: Generate electricity from a clean or renewable resource, as defined by the [Clean Energy Act](#);
  - *Location*: capable of connecting to BC Hydro's integrated electricity grid; and
  - *Grid capacity*: existing grid can accommodate the additional electricity generation proposed<sup>1</sup>.

### Preferences:

- Projects are fully-owned by a First Nation or partnership of First Nations;
- Projects have previously received BCICEI funding through existing program streams; and
- Projects are greater than the BC Hydro net metering program threshold, and less than 15 MW in size.

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<sup>1</sup> BC Hydro would need to assess the availability of sufficient capacity to accept deliveries of the energy from a new project onto the grid and would carry out an interconnection study to determine the feasibility of an interconnection. Potential First Nation developers should contact BC Hydro Generator Interconnections to confirm: [transmission.generators@bchydro.com](mailto:transmission.generators@bchydro.com)



## Proposed Funding Models

Two funding models are proposed for the new program funding stream: (1) capital grant and (2) Electricity Purchase Agreement (EPA) supplement.

To minimize impacts on BC Hydro ratepayers, the EPA price would be set at BC Hydro's benchmark price, and the funding through this new program stream would be structured to help bridge the gap between BC Hydro's benchmark price and a project's revenue requirements. BC Hydro's benchmark price would be set based on the results of the Call for Power, which will represent BC Hydro's expected costs for energy from new clean or renewable energy projects.

To receive funding under either model, a project would need to meet the eligibility criteria and be selected through the BCICEI/NRT selection process.

### Funding Model 1: Capital Grant

In Model 1, a capital grant would be provided to offset the construction cost of the clean energy project.

BCICEI funding would contribute to capital costs for small-scale projects connected to the integrated system so that the project is viable under an EPA with BC Hydro, where the price is consistent with BC Hydro's benchmark price. By assisting with the costs associated with the final project phases and construction, BCICEI funding would lower the initial capital costs to provide the First Nation with a return on investment (ROI) that results in an income stream for the First Nation over the term of the EPA. The new program stream would have a maximum amount of capital funding per project (to be determined).

The proposed process for Model 1 is:

- 1) NRT offers a one-time grant to help offset project capital costs;
- 2) BC Hydro offers the First Nation an EPA with a price consistent with its benchmark price;
- 3) First Nation uses the BC Hydro EPA and approval of the grant to secure project capital/financing;
- 4) BC Hydro submits EPA to the BC Utilities Commission (BCUC) for approval;
- 5) First Nation constructs project; and
- 6) First Nation earns an income stream from the EPA over the term of the agreement.

#### Pros of Model 1:

- Less capital investment required to build the project (more affordable construction costs); less debt repayment required.
- Lenders may prefer higher up-front capital invested in a project (and lower debt repayment requirements).
- First Nation may start earning a return on investment (ROI) earlier than with Model 2.

#### Cons of Model 1:

- BCICEI contribution is priced at the point of construction, with no ability to increase over time (as in Model 2).
- Program dollars may be lost if the project is not completed.

## Funding Model 2: Electricity Purchase Agreement (EPA) Supplement

In Model 2, an annuity would be purchased by NRT for a clean energy project to supplement the revenue from the EPA that has a price consistent with BC Hydro's benchmark price.

Small-scale clean energy projects often cost more per unit of energy to construct and operate than larger, transmission voltage projects. BC Hydro's benchmark price may be insufficient to establish a ROI that benefits the First Nation in a meaningful way.

Funding Model 2 would address the cost difference between BC Hydro's benchmark price and the pricing that the project needs to be viable, up to a maximum amount (to be determined). This model would involve the purchase of a financial annuity from a lender on behalf of the community for the term of the EPA.

The proposed process for Model 2 is:

- 1) BC Hydro offers the First Nation an EPA with a price consistent with BC Hydro's benchmark price;
- 2) First Nation works with NRT to quantify the gap between BC Hydro's benchmark price and the price needed to make the project financially viable;
- 3) NRT agrees to pay an amount, subject to certain limits (to be determined), to help close the gap between the EPA price and the project's revenue requirement;
- 4) First Nation uses the BC Hydro EPA and the funding commitment from BCICEI to secure project capital/financing;
- 5) First Nation enters into an EPA with BC Hydro and a separate agreement with NRT that helps close the gap between BC Hydro's benchmark price and the Nation's revenue requirement;
- 6) NRT purchases annuity on behalf of First Nation;
- 7) BC Hydro submits EPA to the BC Utilities Commission (BCUC) for approval;
- 8) First Nation constructs project; and
- 9) First Nation receives an income stream from the BC Hydro EPA and the annuity over the term of the EPA.

### Pros of Model 2:

- First Nation secures a higher income stream over the term of the EPA, and the supplement can be designed to include a riser for inflation.
- Provides an alternative form of support for projects that have adequate sources of capital.

### Cons of Model 2:

- First Nations will need to secure their own capital (debt or equity) to construct the project, resulting in higher carrying costs during construction and higher debt repayment requirements;
- Income rate from annuity is dependent on the investment market and is not guaranteed;
- It is uncertain how lenders (for construction costs) will perceive the risk associated with the annuity income stream;
- More complex model with higher administrative costs over a longer period of time; and
- Requires higher ongoing revenue from combined BC Hydro EPA and BCICEI annuity to pay off debt required to construct the project.

## Key Considerations

### Flexibility

The program development team recognizes the need to be flexible and offer choice in program design. Ideally, First Nations are given the option to choose either model in their funding applications.

### Level of support

Consideration needs to be given to fairness among First Nations and level of support per project or First Nation. The number of projects that can be funded under Funding Model 1 and Model 2 will be determined once funding caps (e.g. cap per project, First Nation, or year) are finalized. A key consideration for feedback is how much the new program stream should contribute, either as capital grant (Model 1) or an EPA supplement (Model 2).

### Size of eligible projects

The initial intention for the new program stream was to support projects greater than the BC Hydro net metering program threshold and less than the 15 MW limit for distribution lines.

This range of project sizes was intended to ensure that more First Nations are able to participate in the program. Many First Nations are not located near major transmission lines, so distribution-scale projects were proposed as the upper limit of the new funding stream. Distribution lines have a maximum capacity of up to 15 MW, depending on voltage and length of line.

Feedback to date has included the recommendation to allow projects greater than 15 MW. Key considerations that may conflict with this recommendation are equitable access for all First Nations (as described above) and the number of projects the new program stream is able to support (see next section).

### Number of projects

The \$140 million will support a limited number of projects in either funding model. The program development team must consider whether to support a few large projects or more smaller projects.

### Stage of development

The intention of the new funding stream is to provide support for well-advanced projects, while also ensuring that First Nations with projects at earlier stages of project development are able to progress their projects with support from BCICEI's existing program streams.

### Funding stacks

First Nations are often able to secure clean energy development grants from several funding programs. The new program stream will allow funding stacking with other funding programs up to 100% of total project cost. The program development group is in ongoing conversations with lenders to ensure the funding models proposed align with external lending parameters.

### Program timeline

The initial intention for the \$140 million endowment was to defer distribution of the endowment for several years and to use the interest earned to fund existing BCICEI program streams during that interim period. The new program stream was expected to commence distribution of the \$140 million starting in 2028, and to draw down the endowment over several years.

This initial timeline was intended to ensure that First Nations who may be new to clean energy development or who are at early stages of project development have access to capital funding support when it is needed.

Feedback to date has included the recommendation to release funding before 2028. A key consideration is that drawing down the \$140 million sooner will reduce the amount of funding available for the existing BCICEI program streams supporting pre-construction activities, which will potentially disadvantage First Nations who are new to clean energy development or at the beginning or early stages of project development.

## Discussion Paper Feedback

The BCICEI Program Development Team is seeking feedback on the proposed new funding stream. Verbal and written feedback is welcome on the discussion paper and engagement sessions. Questions for consideration are provided below.

Please note, the discussion paper and proposed program principles, eligibility criteria, funding models are not finalized. Input from First Nations, lenders and other stakeholders will continue to be considered during program engagement and design. All feedback is welcomed.

### Intention

1. *The intention of the new BCICEI funding stream is to support the development of First Nation-led (51% or more First Nations equity ownership) small-scale clean energy projects. Is this intention important to First Nations? Is this intention being met in the new program stream outlined in this Discussion Paper? If not, please describe what is missing and what can be improved.*

### Ownership

2. *How important is it to prioritize a higher percentage of First Nations ownership? Should projects fully owned by a First Nation have a higher priority than a project with 51% First Nations equity? Why or why not?*

### Funding model

3. *Do you prefer Model 1 or Model 2, and why? Should the new program stream be limited to one model or the other, or should it include both?*
4. *The number of projects that can be funded is limited, regardless of which model is chosen. Should the new program stream focus on a few large projects or more small projects? Please explain your choice.*
5. *Do you recommend fully funding a project versus partially funding a project? Please give reasons for your recommendation.*
6. *What funding cap do you recommend, either per project or per First Nation? Why this amount?*

### Other parameters

7. *Would moving the starting date for the new BCICEI funding stream from 2028 to 2026 or 2027 help your project? Why or why not?*

8. *Should the new funding stream be limited to projects that have already received BCICEI funding support for pre-construction activities (i.e. from existing BCICEI funding streams)? Why or why not?*
9. *Should the new program stream prioritize certain clean energy technologies, like solar and wind, which may be more cost effective and less risky to construct and operate than other technologies? Why or why not?*
10. *Should the new program stream prioritize projects that BC Hydro advises have a shorter project development timeline for connecting to the BC Hydro grid and producing energy? Why or why not?*
11. *Do you have any other suggestions for the new program stream design to ensure equitable opportunities for First Nations?*

## Engagement Sessions

The BCICEI Program Development Team will be hosting several information sessions to solicit feedback on the discussion paper. Further details will be shared on the provincial Community Clean Energy Branch [website](#) and emailed directly to First Nations and First Nations organizations.

Written feedback can be submitted to:

- Corfield and Associates: [corfieldassociates01@gmail.com](mailto:corfieldassociates01@gmail.com)
- Michelle Corfield - [michellecorfield@shaw.ca](mailto:michellecorfield@shaw.ca)

For additional information, please contact the Community Clean Energy Branch:

[communitycleanenergy@gov.bc.ca](mailto:communitycleanenergy@gov.bc.ca)

Community Clean Energy Branch

B.C. Ministry of Energy, Mines and Low-Carbon Innovation

P.O. Box 9314 Stn Prov Govt

Victoria, B.C. V8W 9N1

## Appendix A: Frequently Asked Questions

### **Why was the discussion paper developed before engaging with First Nations?**

The program development team recognizes the capacity constraints and engagement fatigue of many First Nations. The program development team considered First Nation feedback heard to date in developing the discussion paper, including feedback from the BCICEI Advisory Committee and by participating in engagement sessions on BC Hydro's Call for Power.

The discussion paper and proposed program principles, eligibility criteria, and funding models are not finalized. Input from First Nations will continue to be considered during program engagement and design.

### **How will BC Hydro purchase power from projects supported by the new program stream?**

In parallel with the work being carried out by the BCICEI and NRT to design this new funding stream, BC Hydro is in the process of developing a process for entering into and administering EPAs that aligns with the design of the funding stream. Examples of key considerations in the design of this process include: project technical requirements; the interconnection process; pre-requisites for receiving an EPA; determination of the benchmark price; and establishing a standard form for the EPA. The use of a benchmark price and a standard form of agreement will help streamline the process for entering into an EPA with BC Hydro.

### **Can multiple First Nations develop a project together in order to meet the minimum First Nations equity ownership percentage of 51%?**

Yes. Multiple First Nations can apply to the new program stream for a co-owned project.

### **Why is BC Hydro setting a benchmark price for EPAs and how will it be determined ?**

One of the Province's objectives is for the BCICEI's new funding stream to minimize impacts on BC Hydro's ratepayers. As a result, the benchmark price will be based on BC Hydro's expected costs for clean or renewable energy from new resources.

BC Hydro will use the results of the Call for Power, specifically the costs for EPAs awarded under the call, to determine the benchmark price. Since the Call for Power is a competitive process, it will represent BC Hydro's expected cost for clean or renewable energy from new resources. This approach will ensure that EPAs entered into through this funding stream will be cost-effective and minimize impacts on ratepayers.

As these EPAs will be subject to acceptance by the BC Utilities Commission (BCUC) and cost-effectiveness is a primary consideration for the BCUC, it is important that the price paid under a new EPA is consistent with BC Hydro's expected costs for new energy resources.

BC Hydro expects to update the benchmark price based on the results of future competitive procurement processes, as BC Hydro carries out subsequent calls.

### **What is BC Hydro's distribution generator interconnection process?**

All distribution (up to 35 kV) generator interconnection requests are first-come, first-served. Each interconnection request is first reviewed for technical compatibility. BC Hydro then assesses the impacts of the interconnection request on the BC Hydro system and facilities taking into consideration key project specifics like site location, generator type, size and the proposed power output.

Additional information on the interconnection process for distribution connected projects is provided in Appendix B. A similar process is used for transmission connected projects. More information on the interconnection processes can be found here:

- [Distribution Generator Interconnections \(bchydro.com\)](https://www.bchydro.com/bchydro/energy-services/interconnections/distribution-generator-interconnections)
- [Transmission Generator Interconnections \(bchydro.com\)](https://www.bchydro.com/bchydro/energy-services/interconnections/transmission-generator-interconnections)

### **What is the maximum capital grant that will be provided in Model 1: Capital Grant?**

The maximum capital grant amount has not been determined. The program development team seeks feedback/recommendations on the parameters that should be used in setting the cap, given that it will impact the nature and number of projects that will be in a position to benefit from the funding stream.

### **What is the maximum supplement that will be offered in Model 2: EPA Supplement?**

The top up rate amount has not been determined. The program development team seeks feedback/recommendations on the parameters that should be used in setting the maximum supplement, given that it will impact the nature and number of projects that will be in a position to benefit from the funding stream.

### **What is the funding cap per project or First Nation?**

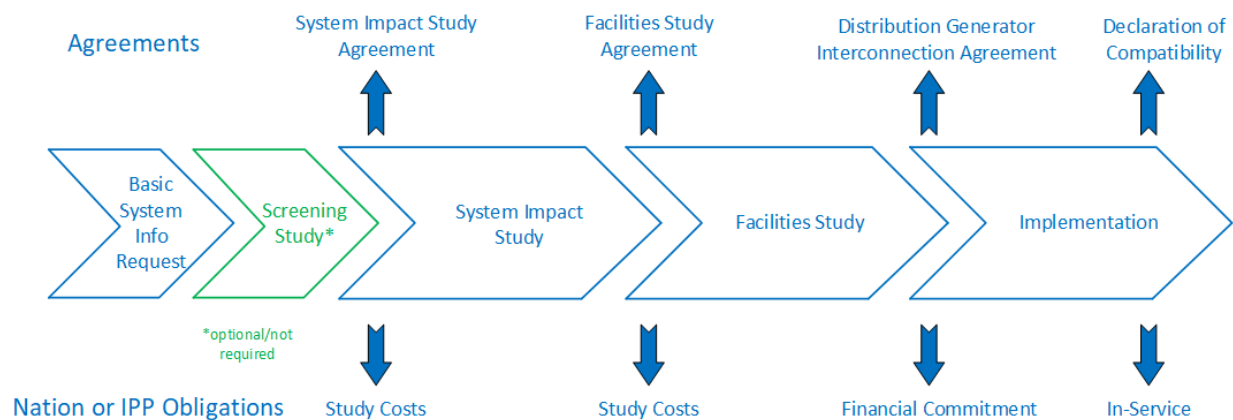
The total funding cap per project or community has not been determined. The program development team seeks feedback on a reasonable cap and whether it should be per project or per First Nation.

### **How many projects will the \$140 million support?**

The number of projects that the \$140 million endowment can support will depend on several factors, including: the funding model chosen; NRT project funding caps (if any); the size of each project; the revenue requirements for each project; the term of the EPA and, BC Hydro's benchmark price at the time the EPAs are executed.

## Appendix B: BC Hydro Distribution Generator Interconnection Process Overview

All distribution (up to 35 kV) generator interconnection requests are first-come, first-served. Each interconnection request is first reviewed for technical compatibility. BC Hydro then assesses the impacts of the interconnection request on their system and facilities, taking into consideration key project specifics like site location, generator type, size and the proposed power output.



### BC Hydro Distribution Generator Interconnection Process

May 16, 2024

#### Basic Distribution System Information Request

You have identified potential project site(s) in British Columbia; however, you do not know where to connect to a BC Hydro distribution line(s). You are interested to learn where the closest distribution lines are to your project and if it's feasible to connect your project(s) to the BC Hydro grid. The typical timeline for BC Hydro to complete the request is ~2 weeks. The letter will provide the following:

- The BC Hydro distribution feeder(s) closest to each of your project(s);
- Any distribution line upgrades on the BC Hydro system that are readily apparent from this high-level view;
- The private line distance from your project to the point-of-interconnection (straight line distance from the project to the closest BC Hydro feeder); and
- If the proposed project capacity can be injected into the distribution system at the identified point-of-interconnection (this is a very high-level assessment and can only be verified by further evaluation that is not within the scope of the Basic Distribution Information request).

#### System Impact Study

The System Impact Study (SIS) evaluates the impact of a proposed generator project on the safety and reliability of the BC Hydro System. The SIS identifies the constraints and infrastructure upgrades required for interconnection, in compliance with BC Hydro's technical requirements.

A SIS can start once your potential project details are submitted on the interconnection data form (available on our website, link further below). With BC Hydro's guidance, once a form is submitted, BC Hydro will provide a System Impact Study (SIS) cost estimate as part of a system impact study agreement to sign. The form notes which fields are required for the SIS to start with additional data being required soon after.

A deposit for the cost estimate is required to commence the SIS. Any overages are billed on actual cost once your SIS is finished. Any balance will be refunded. A typical SIS can cost between \$50,000 and \$130,000. Your completed application form must be signed and sealed by a professional engineer registered in British Columbia.



## Discussion Paper: Supporting Small-Scale First Nation Clean Energy Projects

The length of a system impact study can vary depending on the project, the location being studied and current BC Hydro study workload. BC Hydro estimates how long the study will take at the beginning of your SIS; a typical SIS can take 4 to 12 months to complete.

Your SIS report will include the following:

- Desktop/Conceptual design of network upgrades required for your interconnection; and
- A conceptual-level cost estimate (+100% / -35%).

### Facilities Study

The Facilities Study is where BC Hydro develops a project plan, which includes the detailed design for the network upgrades required for the interconnection of your proposed generator. The Facilities Study report you receive will estimate the cost of the equipment, engineering, procurement and construction work required to implement the conclusions of the previous step in the interconnection process, the System Impact Study (SIS).

The cost of your Facilities Study will be estimated after acceptance of your SIS report.

The Facilities Study phase will consist of:

1. Feasibility phase
  - a. Confirms preliminary design, identification of key project delivery risks and development of mitigation plans, update of the project schedule and deliverables
  - b. A pre-payment is required, which ranges from \$40,000 to \$75,000 and is financially reconciled at the end, based on actual costs.
2. Definition phase
  - a. Includes completion of detailed design, issuance of permits, identification of key project delivery risks, development of mitigation plans, update of the project schedule and estimated costs of the Network Upgrades and Revenue Metering.
  - b. This phase will require financial security (ie: letter of credit) for the Network Upgrades. The amount of security will vary, as the project may require procuring materials with long-lead times, as well as early construction works in order to maintain project timelines.

The length of a Facilities Study can vary depending on the project and the location being studied. The length of your Facilities Study is estimated in your SIS report. Typical durations range from 6 months to 12 months.

Your Facilities Studies report will include the following:

- Detailed design of network upgrades required for your interconnection;
- A P50 design-level cost estimate (+15% / -10%); and
- Project schedule and estimated In-Service Date of the interconnection facilities.

### Distribution Generator Interconnection Agreement

The Interconnection Agreement is a document stating the contractual obligations of the First Nation or independent power producer and covers items such as facility ownership, operation and technical requirements. Once executed, BC Hydro will proceed with the implementation of our scope of work outlined in the Facilities Study Report.

### Declaration of Compatibility

The Declaration ensures the First Nation or independent power producer's interconnection is compatible with the BC Hydro system and is capable of receiving electricity, generating electricity for commissioning purposes or full commercial generating electricity. It includes such items as generator performance, protective relaying, telecommunications and revenue metering.