

**From:** Brown, Bob ENV:EX  
**Sent:** May-18-10 9:45 AM  
**To:** Living Water Smart ENV:EX  
**Subject:** FW: Water Act Modernization-Comments of Columbia Power Corporation  
**Attachments:** CPC\_Water\_Act\_Mod\_18\_May\_2010.pdf

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**From:** MacIntyre, Glenn [mailto:Glenn.MacIntyre@columbiapower.org]  
**Sent:** Tuesday, May 18, 2010 9:10 AM  
**To:** Botelho, Zita ENV:EX  
**Cc:** Kriwoken, Lynn ENV:EX; Jmaeff, Victor; XT:Gosal, Kindy CAsE:IN  
**Subject:** Water Act Modernization-Comments of Columbia Power Corporation

Zita,

Please find attached the comments of Columbia Power Corporation to the Water Act Modernization Initiative.

Regards,

Glenn

Glenn MacIntyre  
Director, Regulatory &  
Government Affairs  
Columbia Power Corporation  
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May 18, 2010

Zita Botelho  
Manager, Water Strategic Initiatives  
Ministry of Environment  
Water Stewardship Division  
4th Floor, 395 Waterfront Crescent  
Victoria, B.C.  
V8T 5K7

Dear Ms. Botelho:

**Re: Water Act Modernization Comments**

Columbia Power Corporation ("CPC") is pleased to provide the following comments on **Water Act Modernization Initiative** to the Ministry of Environment.

**Background on CPC**

The Columbia River Treaty (Treaty), and earlier International Joint Commission (IJC) Orders, led to the construction of large storage dams on the Columbia and Kootenay Rivers. Designed to regulate river flow and serve downstream United States' interests related to flood control and hydropower development, these dams created a very different set of conditions in our province. While tremendous hydropower potential was developed downstream in the US, many of the consequences the altered rivers produced - flooded valleys and displaced communities - were borne upstream by the residents of the Columbia-Kootenay Region, a part of British Columbia often referred to as the Columbia Basin. To ameliorate the historic environmental and social impacts of the Treaty dams, British Columbia created the Columbia Basin Trust (CBT) in 1995, and funded CBT through a portion of the "downstream benefits" paid by the United States to Canada under the Treaty. CBT uses this funding for the economic, environmental and social benefit of the region. CBT is a unique model in watershed management. It represents regional values and priorities in water management decisions and in investments in energy infrastructure and other economic development projects undertaken in the Columbia Basin. CPC is a Crown corporation and agent for the Province of British Columbia, reporting to the Minister of Energy, Mines, and Petroleum Resources. CPC's primary mandate is to develop, with CBT, commercially viable and environmentally sound power projects in the Columbia Basin for the benefit of the region.

## CPC Power Projects

CPC, in joint venture with the Columbia Basin Trust ("CBT"), develops and operates power projects on the Columbia, Kootenay and Pend d'Oreille Rivers, which include:

- Arrow Lakes Power Corporation, for the Arrow Lakes Generating Station (formerly the Kenleyside Powerplant) on the Columbia River;
- Brilliant Power Corporation, for the Brilliant Dam and Powerplant on the Kootenay River;
- Brilliant Expansion Power Corporation, for the Brilliant Expansion Project on the Kootenay River; and
- Waneta Expansion Power Corporation, for the Waneta Hydroelectric Expansion Project on the Pend d'Oreille River.

These CPC/CBT projects serve the interests of the Columbia-Kootenay Region in fulfillment of a public interest mandate established in the *Columbia Basin Accord*, the *Columbia Basin Trust Act* and related agreements between the Province and CBT. CBT's share of the net income from the CPC/CBT power projects accrues to CBT for the benefit and well-being of the people of the region. The public interest represented by CBT is also given prominence by section 12(2) of the *Water Act*, which requires the Comptroller of Water Rights to consider CBT interests in water licensing decisions in the CBT region.

## CPC's Use of Water

CPC/CBT power projects are licensed under the *Water Act* to use water for power generation. The projects harness the power of water that would otherwise be spilt at existing dams on the Columbia and Kootenay rivers. CPC/CBT projects do not involve consumptive uses of water.

CPC/CBT has obtained federal and provincial approvals, permits and licenses to develop and operate these power projects. The approvals followed comprehensive reviews via wide-ranging multi-year reviews by federal-provincial agencies, with input from local, regional, and First Nations stakeholders. The Columbia, Kootenay, and Pend d'Oreille are major international rivers that are also subject to an international treaty (the Columbia River Treaty) with ongoing oversight by the International Joint Commission and permanent engineering boards.

## CPC's Interest in the Water Act Modernization Initiative

CPC generally supports the stated goals of the Water Act Modernization Initiative and wishes to enter into substantive dialogue with the Ministry of the Environment as the modernized *Water Act* progresses to legislation. CPC therefore requests to be an active participant in Phase 2 of the *Water Act* modernization process, wherein Government will report on the results of engagement and undertake further analysis on the costs, benefits, and the social and environmental implications of any changes. The nature and scale of the CPC/CBT projects, and other similar projects, require significant planning and resources to design, plan, approve, finance and construct. Once constructed, these projects have a long life and are not easily changed. For investors to risk capital to develop such projects, the regulatory framework must be predictable, stable, efficient and fair.

Glenn MacIntyre  
Director, Regulatory & Government Affairs  
Columbia Power Corporation  
CC: Lynn Kriwoken – Director, Innovation and Planning Team, Water Stewardship Division  
Kindy Gosal – Director, Water and Environment, Columbia Basin Trust  
Victor Jmaeff – Vice President, Sales and Development, Columbia Power Corporation



Yours truly,

Should you have any questions with regards to the foregoing, please do not hesitate to contact the undersigned at 250.304.6039.

- Sustainable development – decisions must consider the social, environmental and economic implications to achieve the most efficient and socially responsible allocation of shared water resources.
  - Reasonable regulatory certainty – decisions should be based on transparent and fair criteria. Security of existing rights – once granted, water rights should not be subject to change or revocation except in accordance with fair process. Basic fairness requires that the cost of any restriction of such rights for a broader social purpose be shared broadly among society, rather than being borne by an individual who has relied in good faith on those rights.
  - Administrative efficiency – decisions should be made within predictable timelines. Decision-making responsibility among provincial and federal agencies should be coordinated. In particular, responsibility over environmental aspects of stream and fish health should not overlap.
  - Open communication – the Water Management Branch and BC MOE should assist in the interpretation of the Water Act with policies and guidelines to explain the Act.
  - Flexibility in application / Performance standard approach – the decision-making authority should allow for appropriate recognition of regional/site-specific differences (such as operating conditions and stream attribute) to allow for innovation to achieve the desired standard.
  - Science-Based Approach to Risk Management – decisions should be science-based, and should consider professional judgment and common sense applied in a cooperative manner to seek effective and practical solutions.
- Should you have any questions with regards to the foregoing, please do not hesitate to contact the undersigned at 250.304.6039.