



MINISTRY OF ENERGY, MINES
AND PETROLEUM RESOURCES

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EDWARDS GIVES BOOST TO INDEPENDENT POWER PRODUCERS

VANCOUVER -- Energy and Mines Minister Anne Edwards gave a strong boost to British Columbia's independent power producers at a speech in Vancouver today.

"British Columbians expect reasonably-priced power, with no rate-shocks or unnecessary new projects. They also expect low environmental impacts, regional economic benefits and long-term sustainability in their energy sector," said Edwards. "Independent producers have a big role to play in making sure we reach those goals.

"We have offered the industry a better place in the energy sector. All power sources--hydro, wood-residue, geothermal, solar, and conservation--will now get equal opportunities to meet new demand. Each proposal will now be considered on its individual merits."

The new policy statement issued by Edwards is based on:

- encouraging a mix of private and public sector investment and expertise;
- bringing on new projects to match growth in demand;
- evaluating all projects with the same yardstick for their financial, environmental and economic development impacts.

"Independent power producers will be a source of expertise and innovation to keep B.C.'s electricity sector efficient and competitive," said Edwards.

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Small hydro projects will be given a clearer role in replacing expensive diesel generation and in increasing B.C. Hydro's system security where small hydro is cheaper than upgrading existing single-line transmission facilities.

The new project evaluation technique called "social costing" will be the yardstick which gives due recognition to each project's financial, environmental, and economic development features.

Demand growth has slowed due to the economic downturn and the success of conservation measures, Edwards noted. B.C. Hydro's updated forecast, expected later this year, will show how soon new supplies will be needed.

Other keys to forecasting future power demand are resolving uncertainty over the timing and amount of power from various supply sources, such as Alcan's Kemano Completion project.

Edwards promised the industry full participation in developing and implementing the new approach to domestic power policies and noted that independent producers are already participating in the Energy Council's review of long-term electricity exports.

Edwards said the new government's approach follows a review of the previous policies and programs which she said were "a grab-bag of unco-ordinated initiatives which left some resources out in the cold, created intensive lobbying for specific projects, and wasn't related to the province's power needs."

- 30 -

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NOTE TO EDITORS: AVAILABLE ARE - POLICY STATEMENT "INDEPENDENT POWER SUPPLY TO B.C. HYDRO" (3 pages) and BACKGROUNDER (3 pages).