



Making a difference...together

Agenda Item #9
REPORT #RWSC 2010 - 20

**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, 17 NOVEMBER 2010**

SUBJECT HUMPBACK HYDROELECTRIC PROJECT

ISSUE

To provide an update to the Regional Water Supply Commission (RWSC) on the status of the Humpback Hydroelectric Project and to request a resolution in support of grant applications for funding for the project.

BACKGROUND

The concept of producing power at the Humpback Pressure Control Station was presented to the RWSC in early 2002. In 2004 an Economic and Technical Feasibility Study concluded the project was technically feasible but had marginal economic viability. In 2005 staff issued a request for expressions of interest from the private sector to design, build, finance, and operate (DBFO) a hydro generation facility at the Humpback Facility.

In 2008, six proposals were received and evaluated based on various technical and financial parameters. Of the six, three proponents were short listed and then interviewed with Syntaris Power Corporation (SPC) being selected as the successful proponent.

As with all six submissions, SPC indicated that the project would require some form of additional funding outside of their investment to achieve an acceptable internal rate of return for this project. SPC, along with staff, continue to apply for grant opportunities as they become available but so far unsuccessfully.

In May of 2009, a staff report was presented to the Commission requesting a resolution in support of the project and, in addition, that the Commission provide some form of financial commitment. The following motion was passed: "that the RWSC not proceed with the project at this time given the current inability of the private sector to finance the project".

After being advised of the Commission's decision on the matter, SPC continued to seek out funding opportunities for this project. However, most of the funding applications require a written resolution from the governing body stating that they support the project. Staff continues to assist the proponent as requested with funding applications in an effort to move this project forward.

ALTERNATIVES

Alternative 1 - That the Regional Water Supply Commission reaffirm its support for the project and support Syntaris Power Corporation's applications for grants to fund the project.

Alternative 2 - That the Regional Water Supply Commission not support Syntaris Power Corporation's applications for grants to fund the project.

FINANCIAL IMPLICATIONS

Alternative 1 - Other than minimal staff time to assist the proponent with funding applications, there is no financial impact.

Alternative 2 - No financial impact

RECOMMENDATION

That the Regional Water Supply Commission reaffirm its support for the project and support Syntaris Power Corporation's applications for grants to fund the project.

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Concurrence