

PROVINCE OF BRITISH COLUMBIA
REGULATION OF THE MINISTER OF ENERGY AND MINES
AND MINISTER RESPONSIBLE FOR CORE REVIEW

Utilities Commission Act


Ministerial Order No. M 039

I, Bill Bennett, Minister of Energy and Mines and Minister Responsible for Core Review, order that

- (a) Ministerial Order 26/2001 is repealed, and
- (b) the attached PREI Exemption Regulation is made.

January 27th, 2017

Date



Minister of Energy and Mines and Minister
Responsible for Core Review

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Utilities Commission Act*, R.S.B.C. 1996, c. 473, s. 22

Other: _____

December 16, 2016

2/R/541/2016/27

PREI EXEMPTION REGULATION

Definitions

1 In this regulation:

“**Act**” means the *Utilities Commission Act*;

“**Brookfield Power**” means Brookfield Power Services Inc. and its successors and assigns;

“**Catalyst**” means Catalyst Paper Corporation and its successors and assigns;

“**mill**” means the Catalyst Powell River Mill;

“**power facilities**” means the hydroelectric generation and transmission facilities on Powell River and at Lois Lake, British Columbia;

“**power purchase agreement**” means the power purchase agreement entered into between PREI and Catalyst, effective on February 1, 2016, and any amendments to that agreement;

“**PREI**” means Powell River Energy Inc. and its successors and assigns;

“**PRELP**” means Powell River Energy Limited Partnership and its successors and assigns;

“**qualifying affiliate**” means a qualifying customer that is an affiliate, within the meaning of the *Business Corporations Act*, of PREI;

“**qualifying customer**” means a person who is not a public utility and who purchases electricity either

(a) for the purpose of resale, or

(b) for the person’s own use, if the person is an industrial customer;

“**surplus power**” means the amount of electricity produced by the power facilities that is in excess of

(a) the electricity required by Catalyst for the operation of the mill, or

(b) if Catalyst forecasts a material reduction of load at the mill, the electricity required by Catalyst for the operation of the mill according to that forecast.

Exemptions

2 (1) On the conditions set out in subsection (2), PREI and Brookfield Power are exempt from Part 3, except for sections 25, 38, 42 and 43, of the Act in respect of the power facilities and from Part 3 and section 71 of the Act in respect of

(a) the power purchase agreement, and

(b) the sale of surplus power to

(i) a public utility,

(ii) PRELP,

(iii) a qualifying customer, or

(iv) a qualifying affiliate.

(2) The conditions referred to in subsection (1) are as follows:

- (a) PREI provides the electricity generated at the power facilities to Catalyst for the operation of the mill to the extent required for that operation, but if Catalyst forecasts a material reduction of load at the mill, PREI provides a lesser amount of electricity in accordance with that forecast;
 - (b) if PREI receives notice from Catalyst that Catalyst forecasts a material reduction of load at the mill, PREI, within 10 days of receiving that notice, provides a report to the minister that
 - (i) specifies the cause and expected duration of the reduction, and
 - (ii) sets out PREI's intended course of action, in response to the reduction, respecting its operation of the power facilities and the management of the electricity generated from the power facilities;
 - (c) PREI notifies the minister of an amendment to or termination of the power purchase agreement within 10 days of the amendment or termination.
- (3) Catalyst is exempt from section 71 of the Act in respect of the power purchase agreement.