

March 1, 2024

File No. 1-70-23

Hon. Josie Osborne
Minister of Energy, Mines and Low Carbon Innovation
Room 325 Parliament Buildings
Victoria, BC V8V 1X4

Sent via email EMLI.Minister@gov.bc.ca

Dear Minister Osborne:

Re: Atlantic Power – Energy Purchase Agreement

We are writing to you as the Minister responsible for BC Hydro to express our profound concern following the recent notice made by Atlantic Power of the termination of their energy purchase agreement with the utility. This potential closure would be a devastating blow to the community of Williams Lake and the surrounding area.

We respectfully urge your ministry to encourage BC Hydro to work with Atlantic Power to negotiate a contract amendment that will enable the company to continue to operate.

The Williams Lake power plant, established in the early 1990s, was a strategic response to the pressing issue of poor air quality resulting from the beehive burners at the local sawmills. The introduction of the 66 MW biomass plant swiftly alleviated the air quality concerns, becoming an integral part of our community. Since its inception, the plant has not only been a responsible corporate entity but also a substantial taxpayer and employer. As one of the first bio-waste operations in the province, Atlantic Power has been at the forefront of mitigating the environmental impact of wood harvesting. Their impact in reducing net CO2 emissions in BC must not be undervalued. Their presence in the Cariboo region, utilizing biomass to prevent decomposition on the forest floor, is instrumental in creating value from every tree and contributing to the local electricity supply. They also play an important role in the forestry sector supply chain, and serve to mitigate local forest fire risk.

Today, the Williams Lake Power Plant continues to provide the Province with reliable, base-load, renewable energy that aligns with the *Clean Energy Act* objective to “generate at least 93% of the electricity in British Columbia from clean or renewable resources.” This comes at a time when the Province is suffering from electricity shortfalls, exacerbated by drought conditions in 2023 and likely again in 2024.

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Regrettably, this operation could be shuttered in January 2025. The fate of Atlantic Power in Williams Lake appears to have been influenced by the prevailing electricity price when signing a Biomass Energy Program contract with BC Hydro in 2019, when electricity in the Province was in surplus and fiber was more abundant and cost competitive. Since then, electricity demand has grown, mid-C electricity prices have increased, and waste fiber prices have surged for a variety of reasons. Adding to the complexity of the situation, other economic challenges following the pandemic have persisted, only adding to Atlantic Power's challenges.

Therefore, we strongly request you to consider renegotiating this EPA with the Company and collaborate with them to devise a solution that ensures the continuity of operations. This approach will afford the City and other key stakeholders with the opportunity to continue working towards a promising future for this essential site while maintaining an important resource for BC Hydro's power grid.

In light of the aforementioned, we respectfully invite you and your colleagues to visit Williams Lake for a comprehensive tour of the biomass facility. Please contact Kim Dressler, Manager of Administrative Services, at kdressler@williamslake.ca or 250.392.1775 to make arrangements.

This matter is of immense importance to our community. We believe that the fact that there is a closure risk to an existing base-loaded renewable energy power plant at a time when British Columbia is preparing a Call for Power for the same type of resources warrants the immediate attention of BC Hydro. We find it inconceivable that a government committed to climate adaptation and the electrification of the entire province by 2040 would allow the closure of an operational power generation plant. It is our sincere hope that you will champion a path forward that ensures the continued operation of this vital facility.

Thank you for your attention to this matter. We look forward to your consideration and positive intervention.

Sincerely,



Mayor Surinderpal Rathor

- c: Premier David Eby
MLA Lorne Doerkson, Cariboo Chilcotin
Chief Willie Sellars and Council, Williams Lake First Nation
Chief Rhonda Phillips and Council, Xat'sull First Nation
Chair Joe Alphonse, Chiefs and Council, Tsilhqot'in National Government
Chair Margo Wagner and Directors, Cariboo Regional District
President Paul French and Directors, Williams Lake Chamber of Commerce

