
NEWS RELEASE

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Ministry of Energy, Mines and Petroleum Resources

WIND POWER POLICY SUPPORTS ALTERNATIVE ENERGY INDUSTRY

VICTORIA – A new participation rent policy for wind power projects located on Crown land offers flexibility and incentives for wind power producers to proceed with capital investment, announced Energy, Mines and Petroleum Resources Minister Richard Neufeld.

“In partnership with the wind power industry, we have come up with an innovative solution to ease the financial risk for wind power producers, which will ensure we can move forward in developing alternative energy opportunities,” said Neufeld. “New participation pricing features will allow the industry to develop and mature over the first 10 years.”

Features of the wind power policy include no participation rents for the first 10 years of commercial operations, and a variable rent based on annual electricity production starting in year 11, ranging from one to three per cent of gross annual revenues:

- One per cent of gross revenue when the annual production factor is less than 25 per cent; and
- Three per cent of gross revenue when the annual production factor is greater than or equal to 40 per cent;
- When the annual production factor is greater than 25 per cent but less than 40 per cent, the rent will range on a sliding scale from one to three per cent.

A sliding rent scale will ensure a fair return to the Province while being sensitive to the actual production characteristics of individual projects. A provincial review of the rent-free phase will occur in 2010, but any changes at that time will not affect projects that are already in operation.

“The provincial government has worked diligently for two years with the B.C. power sector and other stakeholders to develop the best wind tenure policy in Canada,” said Ron Percival, president of Dokie Wind Energy and chair of the wind committee of the Independent Power Producers of BC. “It balances the opportunities of wind development fairly with the needs of the Province to obtain an appropriate return.”

“Our 2002 B.C. Energy Plan gave us a path forward to have industry develop new power supplies, be it from wind, or other sources,” said Neufeld. “This policy is another step on this path, and is one that I am confident will ensure we continue to have some of the most reliable and environmentally sustainable power in North America.”

There are currently 169 tenure applications for wind energy development in B.C. and over 2,000 megawatts in wind energy projects in various stages of the development process throughout the province. Over 90 per cent of the electricity produced in B.C. comes from clean energy sources. Wind power will add to B.C.'s clean electricity portfolio and further help the province reduce its direct greenhouse gas emissions. One of government's Five Great Goals for a Golden Decade is to lead the world in sustainable environmental management with the best air and water quality.

The detailed operational policy document will be made available in the near future on the following website: www.em.gov.bc.ca/AlternativeEnergy/windpower/default.htm.

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