

27-Mar-18

REGISTRY

Michèle Hay #2  
Sworn: March 27, 2018

No. S174308  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**BETWEEN:**

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL  
SERVICES INC.**

**PLAINTIFF**

**AND:**

**WEDGEMOUNT POWER LIMITED PARTNERSHIP  
WEDGEMOUNT POWER (GP) INC.,  
WEDGEMOUNT POWER INC.  
THE EHRHARDT 2011 FAMILY TRUST  
POINTS WEST HYDRO POWER LIMITED PARTNERSHIP  
by its general partner POINTS WEST HYDRO (GP) INC.  
CALAVIA HOLDINGS LTD.  
SWAHEALY HOLDINGS LIMITED  
BRENT ALLAN HARDY  
DAVID JOHN EHRHARDT  
28165 YUKON INC.  
PARADISE INVESTMENT TRUST  
SUNNY PARADISE INC.**

**DEFENDANTS**

**AFFIDAVIT**

I, **MICHÈLE HAY**, Legal Assistant, of 2300 – 550 Burrard Street, Vancouver, British Columbia, SWEAR THAT:

1. I am employed with the law firm of Gowling WLG (Canada) LLP, counsel for the Plaintiff, Industrial Alliance Insurance and Financial Services Inc., and as such, I have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be based on information and belief, and where so stated I verily believe them to be true.

2. Attached hereto and marked as Exhibit "A" to this my Affidavit, is a copy of an Article from the Victoria Times Colonist dated March 14, 2018.



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THIS IS EXHIBIT "A" REFERRED TO IN THE  
AFFIDAVIT OF **MICHÈLE HAY**, SWORN BEFORE ME  
AT VANCOUVER BC, THIS 27 DAY OF MARCH,  
2018.

A Commissioner for taking Affidavits in British Columbia

**COLIN BROUSSON**  
GOWLING WLG (CANADA) LLP  
BARRISTER & SOLICITOR  
550 BARRARD STREET - SUITE 2300  
BENTALL 5 - VANCOUVER, B.C. V6C 2B5  
TELEPHONE: (604) 683-6498

## B.C. Hydro halts new independent power project deals, pending review

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Rob Shaw / Vancouver Sun

MARCH 14, 2018 06:01 PM

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B.C. Hydro says it won't sign any new agreements for independent power projects until it gets the results of a review into its operations by the new NDP government.

B.C. Hydro says it won't sign any new agreements for independent power projects until it gets the results of a review into its operations by the provincial government.

The Crown power corporation announced five small-scale First Nations clean energy projects Wednesday and said it would not finalize any more deals with private energy providers until it receives government direction.

“B.C. Hydro supports the government’s decision to take a closer look at energy procurement to ensure it provides the best value for its customers through their review of B.C. Hydro this year,” the corporation said in a statement.

“As a result, there are no plans at this time to issue any additional electricity purchase agreements until the review is complete.”

Independent power production has been a contentious issue within B.C. Hydro for years.

In opposition, the NDP frequently complained that B.C. Hydro had been forced by government to enter into deals in which it was contractually obligated to buy unnecessarily expensive privately generated power that it did not need.

Private-power proponents countered that such projects provide smaller, less intrusive, clean sources of energy that confer benefits to B.C. Hydro beyond what it earns through its large-scale hydroelectric dams and other power-generating sources.

The NDP government is conducting an operational review after the independent British Columbia Utilities Commission ruled this month that B.C. Hydro could not afford to freeze rates for a year, as the government had wanted.

Energy Minister Michelle Mungall has described B.C. Hydro’s finances as “a mess.”

The five new First Nations independent power projects are described as small or micro energy deals:

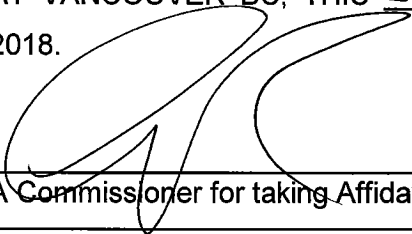
- Tsilhqot’in Solar — a one-megawatt solar power project led by Tsilhqot’in National Government near Hanceville.
- Siwash Creek — a 500-kilowatt hydroelectric project in partnership with Kanaka Bar Indian Band near Boston Bar.
- Sarita River — a five-megawatt hydroelectric project led by Huu-ay-

ahst First Nation near Bamfield.

- Sukunka Wind — a 15-megawatt wind power project led by the Saulteau First Nations near Chetwynd.
- Zonnebeke Wind — a 15-megawatt wind power project with West Moberly First Nations near Chetwynd.

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# Innergex becomes biggest seller to B.C. Hydro with \$1.1 billion deal

**DERRICK PENNER**

[More from Derrick Penner \(HTTP://VANCOUVERSUN.COM/AUTHOR/DEPENNER\)](http://vancouver.sun.com/author/dpenner)

Published on: February 6, 2018 | Last Updated: February 6, 2018 6:04 PM PST



UNDATED - VANCOUVER, BC - Submitted July 13, 2011 - Alterra's Dokie wind project in northeastern BC. (For Fiona Anderson.) handout [PNG Merlin Archive] VANCOUVER SUN

In a \$1.1 billion deal, Quebec-based Innergex Renewable Energy Inc. has bought Vancouver headquartered Alterra Power Corp. to make itself British Columbia's single largest private-power producer selling electricity to B.C. Hydro.

With the completion, Innergex CEO Michel Letellier said the combined company will operate 1,200 megawatts of electric generating capacity in B.C., on average, which is about 10 per cent of B.C. Hydro's overall generating capacity.

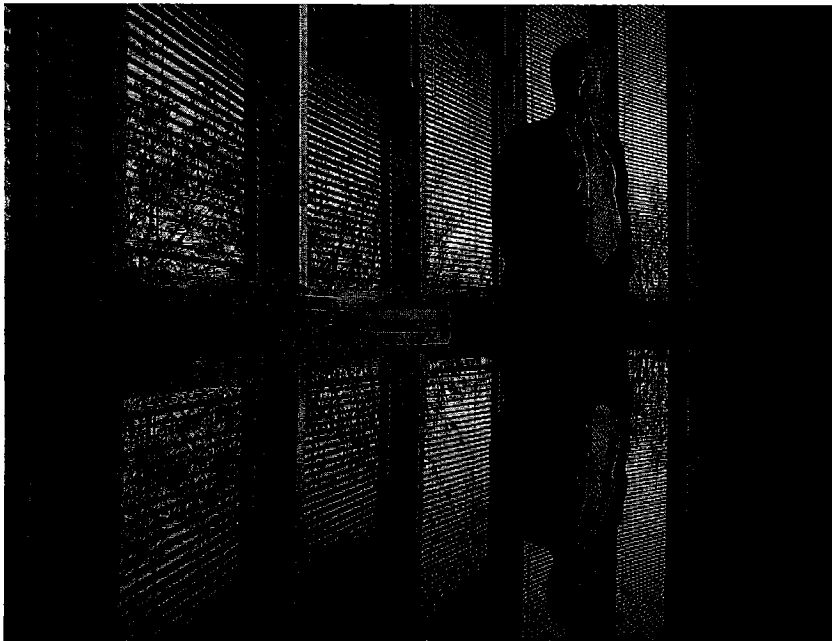
"It's nice to be the biggest IPP in B.C.," Letellier said in an interview, "and with this acquisition, it is reaffirming that B.C. is a place we want to be for the long term."

The companies struck the deal last October and on Tuesday announced they had completed the transaction, that creates a company with a combined 22 independent power projects in B.C. supplying power to B.C. Hydro in what has become a \$1-billion-per-year business for the utility.

Innergex holds a stake in 18 run-of-river hydro facilities, many of them held in partnership with First-Nation communities in the province, with its ownership in projects ranging from 18 per cent to 100 per cent.



ADVERTISEMENT



Michel Letellier, President & CEO of Innergex at his office, Friday May 02/08. Longueuil company that builds and runs small hydro-electric projects and wind farms. *PHIL CARPENTER / THE GAZETTE*

With Alterra, Innergex is adding that firm's big run-of-river hydro projects on Toba Inlet on B.C.'s central coast as well as its Dokie wind farm, B.C.'s second-largest wind-driven power facility, to its portfolio.

In an emailed statement, B.C. Hydro spokeswoman Susie Rieder said the utility had no issue with the change in ownership of the three independent power projects that hold contracts with B.C. Hydro.

"Under the terms of these agreements, any time there is an assignment of an electricity purchase agreement arising from an indirect change of control of the seller, B.C. Hydro's consent is required," Rieder wrote. "We were notified of the proposed change of control, undertook due diligence and consented."

For its fiscal 2017, B.C. Hydro documents show that the utility paid entities related to Alterra's facilities \$112.8 million, according to the utility's public reports. Those reports also showed that B.C. Hydro paid at least \$140.7 million to partnerships related to Innergex.

In the bigger picture, Letellier said Innergex was attracted to Alterra's interests in renewable energy projects in the United States, where Innergex sees better growth opportunities and wants to expand.

In B.C., Letellier said Innergex will expand its Vancouver office and the additional facilities it is taking over will allow the firm to use their combined maintenance crews more efficiently.

IPP's were enabled by former B.C. premier Gordon Campbell's policies on energy self sufficiency, which required B.C. Hydro to commission large blocks of power from private producers.

Critics pointed to IPPs as expensive surplus sources of power built without being reviewed by the B.C. Utilities Commission. The previous government pressured B.C. Hydro to jettison a number of IPPs under development and cut costs on IPP power upon renewal of contracts.

However, Colleen Giroux-Schmidt, Innergex's vice-president of corporate affairs, said the company sees a longer game in providing renewable power to help B.C. meet its goals set under the Paris Climate Accord to reduce greenhouse gas emissions.

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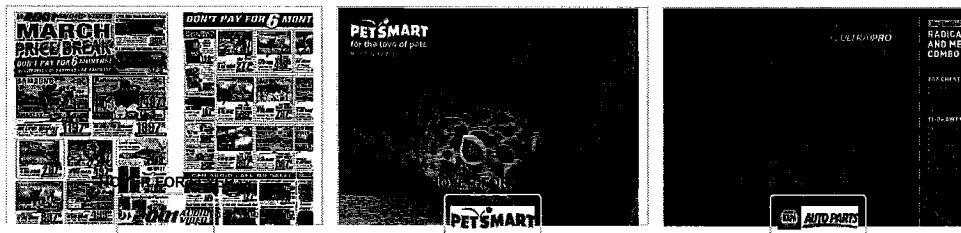
On Monday, the provincial government announced it is , which was first announced last month as part of the budget. The government expects to...

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**Markko Caldo**

Usual crap in this Howe St run rag.

It's actually 485 MW average for \$1B. Note not of word of comment from Keith/Vaughn/Smyth that the aquisition is the same size as Site C for 8% the price.

Note as well that, that annual rate of return is 14% - nice that the taxpayers are financing power projects at credit card rates.

Like · Reply · 6w



**Tam Hagen**

Wasn't the 1.1 Billion deal just for Alterra's assets? Which, when ...added... to Innergex's already huge holdings, will make a total average capacity of 485MW, of which the added assets are just a small part?

Like · Reply · 6w · Edited



**Tam Hagen**

The Toba Inlet project: "Partnership has started construction on the Toba River energy development located 100 km North of Powell River, British Columbia, Canada. Construction services for the 196 MW run of river project is overseen by Peter Kiewit Inc. a subsidiary of the Kiewit Corporation and will produce 745 GWh/a of electricity and at an approximate cost of \$660,000,000.[6] Once complete it will be the largest private funded renewable energy project in British Columbia history." (Wikipedia)

So 660 million for 745GWH which is an apples to apples measurement, not gwh capacity. And Site C is 5100 GWH estimated production. So 6.85 times more power multiplied by \$660 million makes about 4.5 billion for the same capacity as the Hydro Dam that lasts a century, and can be also used to store power by reverse pumping water into it.

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**Tam Hagen**

If Toba comes in anywhere near budget its 50%, not 8%, and its not likely to come in under budget.

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