

SERVICE PLAN • 2010/11–2012/13

## APPENDIX A – Performance Measures Framework

### Background

Columbia Power Corporation's performance measures framework follows the *Budget Transparency and Accountability Act* requirements for performance measures, benchmarks and targets linked to specific goals, objectives and strategies. The framework also reflects Columbia Power Corporation's dual functions as a development company and an operating company. The framework: provides broad goals and underlying objectives; aligns specific corporate strategies to each objective; links each objective to one or more performance measures; incorporates ongoing research regarding suitable benchmarks and targets; and provides comments on the significance of results.

Columbia Power Corporation has four broad goals, which flow from its mandate as a power project developer and operator and its role as joint venture manager:

- Goal I: Effective Project Development
- Goal II: Reliable Plant Operations
- Goal III: Effective Financial Planning
- Goal IV: Efficient Joint Venture Management

Given Columbia Power Corporation's role as joint venture manager and the extent to which it contracts out, finding suitable industry benchmarks remains a challenge because the industry is still largely dominated by large, vertically integrated utilities such as Hydro Québec and BC Hydro. The nature of this challenge is described more fully in the individual performance measures. Where suitable industry benchmarks are not available, internal benchmarks developed by Columbia Power Corporation have been used.

### Outlook

Columbia Power Corporation believes the performance measures it uses highlight the most crucial aspects of its performance, but are also subject to refinement and evolution as the organization matures. A powerplant benchmarking project done from 2005 to 2007 that compared the Brilliant dam and powerplant and the Arrow Lakes Generating Station against performance data from other powerplants across North America is expected to be redone. This project will provide updated information on plant operations, plant maintenance, renovations/major

improvements, and on-site and off-site support functions to assess cost-effective joint venture management.

## **Source of Data and Reliability**

Columbia Power Corporation believes its performance measures are reliable and valid.

- Current and historical performance measures are not audited; however, they are based largely on audited information, information subject to third-party verification and information that is obtained from independent sources.
- Project development and construction effectiveness measures are based on information from project tracking systems and monthly status reports prepared by design-build contractors and consultants employed by Columbia Power Corporation.
- The reliable plant operations measure is based on plant outage and power entitlement data that are reconciled with BC Hydro, FortisBC Inc. and third parties during the power entitlement confirmation and power sales settlement process.
- The financial measures are derived from Columbia Power Corporation's audited consolidated financial statements and other reliable sources such as the Canadian Electricity Association.
- Bond ratings and environmental compliance measures are independently verifiable.

A number of Columbia Power Corporation's performance measure targets are based on forecasts that reflect the Corporation's current plans and judgments as to the most probable set of economic conditions. Because of the uncertainties associated with forecasting future events, users of this information are cautioned that actual results will vary from the forecasts presented.

Key assumptions affecting forecast performance targets are as follows:

- Operating cost inflation, including water rental increases, is 2 percent per year.
- Construction of the Waneta Expansion Project commences in 2010/11 based on securing an economic design-build contract, acceptable financing arrangements, and energy entitlement and power purchase agreements.
- Waneta Expansion will seek and obtain exemption from property tax and pay grants-in-lieu consistent with government policy for the Arrow Lakes Generating Station and Brilliant Expansion.
- The long-term investment grade interest rate is 7.26 percent. If prudent, interest

rate hedging will be used.

- The exchange rate is \$1.00 Canadian equals \$0.960 U.S.
- Columbia Power Corporation's dividends to the Province remain at current levels until after the completion of Waneta Expansion.
- Implementing human resource strategies to ensure that Columbia Power Corporation can maintain its competitive position and is able to attract, retain and motivate people.

## **Goal I – Effective Project Development**

Columbia Power Corporation's mandate as manager of the joint ventures with the Columbia Basin Trust is to plan, develop and operate power projects. To develop power projects, the Corporation relies on design-build contracts with private-sector construction engineering firms. By using design-build contracts, Columbia Power Corporation gives up a measure of design and procurement control, and accepts greater complexity in environmental permitting, contract specification and contract management. In return, the Corporation expects to realize design innovation, cost savings through the competitive design-build bidding process, and increased opportunities to manage and allocate risk. Columbia Power Corporation also manages and allocates risk through the use of insurance and hedging where appropriate.

Columbia Power Corporation's first broad goal of "Effective Project Development" focuses on project development from the date a design-build contract is signed with the successful design-build bidder. The goal is linked to two objectives: development of projects on time and development of projects on budget.

### **Objective #1 – Development of projects on time**

#### *Strategy*

Columbia Power Corporation's project development strategy employs design-build contracts that specify commercial start-up dates, with incentives for early completion and penalties for late completion. In addition, throughout the term of a contract, there are provisions to withhold payments if key milestone dates are not met.

*Performance measure, benchmark and target*

1.1 This measure reports any variance between expected and actual project start-up dates. The benchmark for this measure is for projects to be developed on schedule. The target is to achieve a variance of less than or equal to zero, indicating that an approved project has achieved commercial operation either on time or early.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
1. Development of projects on time		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
1.1 Variance in project development time						
2010/11 – 2012/13 Service Plan	On Schedule (no negative variance from schedule)	WAX still under decision	WAX proceeding to final Go/No Go decision	Restructure WAX for 2010 construction, develop new schedule	WAX under construction Variance < or =0	WAX under construction Variance < or =0

*Significance of results*

Power sales revenues start with commercial operation of a project, when power is delivered to a purchaser. Although Columbia Power Corporation uses fixed-price design-build contracts to provide as much construction price certainty as possible, project delays push back the receipt of revenues and increase costs associated with project finance and construction monitoring. While design-build contracts include penalties for late completion, these penalties may not be sufficient to fully offset forgone market opportunities.

The objective of developing projects on time will not be met for Waneta Expansion as it did not proceed to final Go/No Go decision in 2008/09 or 2009/10, due primarily to not achieving a power sales agreement. The target for Waneta Expansion construction is now to commence in 2010/11 and take four years to complete.

**Objective #2 – Development of projects on budget**

*Strategy*

Columbia Power Corporation’s strategy is to transfer construction cost risk to the design-build contractor. Design-build contracts are fixed-price and contain detailed project specifications (including performance specifications) to minimize change orders and to ensure that a project is “fit for purpose”. Design-build contracts also provide performance-based penalties and incentives. However, despite contracts being fixed-price, unanticipated costs can result in claims by the design-build contractor, which must be managed.

*Performance measure, benchmark and target*

2.1 This measure reports on variance between project development costs incurred and the approved budget. The benchmark for this measure is to be on budget. The target is to achieve a variance of less than or equal to zero, indicating an approved project has achieved commercial operation either on or under budget. BRX incurred a \$30M variance prior to 2008/09. Treasury Board approved the additional \$30M for settling the contractor’s claim and undertaking the tailrace project. There were no subsequent claims or budget increases.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
2. Development of Projects on Budget		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
2.1 Variance from project budgets						
2010/11 – 2012/13 Service Plan	On budget (no negative variance from budget)	BRX annual Variance=0	WAX development Variance < or=0	WAX development Variance < or=0	WAX under construction Variance < or=0	WAX under construction Variance < or=0

*Significance of results*

The 2009/10 target will not be achieved for the Waneta Expansion due to the continuance of the development phase causing the budget to be exceeded. The target for 2010/11 will be to meet the revised development budget to construction.

**Goal II – Reliable Plant Operations**

This goal is linked to the objective of reliable plant operations, which, in turn, is linked to a performance measure that tracks the impact of plant outages on a project’s annual energy entitlements.

The joint venture power projects receive monthly contractual power entitlements from BC Hydro, the operator of the Columbia-Kootenay hydroelectric system. These power entitlements are based on long-term average stream flows, plant capabilities (both energy and capacity) and plant availability. Plant availability can be reduced by planned and unplanned outages. Planned outages result from scheduled maintenance, repairs, replacements or upgrades. Unplanned outages can result from design or construction errors, equipment failures or acts of nature (such as lightning strikes). Unplanned outages can also involve or be caused by projects or facilities to which joint venture power projects are interconnected. Unplanned outages due to design or construction errors and equipment failures tend to be higher during a plant’s period of initial operation, then decrease to a “normal” operating level, and eventually increase as a plant ages. The joint venture power projects are either newly constructed (Arrow Lakes Generating Station and Brilliant Expansion) or have been completely refurbished (Brilliant Dam).

### Objective #3 – Reliable plant operations

#### Strategy

Columbia Power Corporation attempts to minimize the impact of planned outages by scheduling plant maintenance, repairs and replacements or upgrades during low water flow (and thus low entitlement) months (primarily February through April).

Design-build contracts specify plant performance and reliability measures. In addition, machinery and equipment have manufacturer warranties. Columbia Power Corporation retains independent engineers to conduct studies and investigations to help ensure that a plant’s design performance and reliability criteria are being met and a project is “fit for purpose”. Each power project joint venture company also carries business interruption insurance.

The power projects are operated and maintained by FortisBC Inc. or its affiliate, Fortis Pacific Holdings Inc. FortisBC Inc. staff are experienced in plant operations and maintenance and have been specifically trained for each power project.

#### Performance measure, benchmark and target

3.1 This measure reports the ratio of a powerplant’s actual availability for operations to its planned availability for operations. The measure thus calculates the impact of unplanned outages on plant reliability. The benchmark is the Canadian Electricity Association key performance indicator, Hydraulic Weighted Capability Factor, which had a value of 92 percent for the five-year period 2002-2007. The target is to achieve a value greater than or equal to 95 percent, indicating unplanned outages do not result in more than a 5 percent reduction in energy entitlements for the year.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
3. Reliable Plant Operations		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
3.1 Plant availability						
2010/11 – 2012/13 Service Plan	>95%	ALGS: >95% BRD: >95% BRX: >81%	ALGS: >95% BRD: >95% BRX: >92%	ALGS: >95% BRD: >95% BRX: >91%	ALGS: >95% BRD: >95% BRX: >95%	ALGS: >95% BRD: >95% BRX: >95%

#### Significance of results

To the extent possible, planned outages are scheduled to occur during low entitlement periods to minimize loss of revenue. Unplanned outages can occur during low or high entitlement periods. Depending on the duration of an outage and prevailing market conditions, unplanned outages can cause significant revenue loss.

The objective of reliable plant operations has generally been achieved. The Arrow Lakes Generating Station and Brilliant powerplant have maintained reliable operations. The lower targets until 2011/12 for Brilliant Expansion reflect an expectation that initial challenges will be encountered during the first few years of commercial operations.

### **Goal III – Effective Financial Planning**

This broad goal is linked to two objectives: Investment Grade non-taxpayer-supported debt, and an acceptable return on equity.

The power project joint ventures received a fixed \$500 million government equity endowment from the Province under the 1995 Financial Agreement. To have sufficient capital to develop all three mandated core projects, the joint venture companies raise long-term debt in the commercial bond market on a limited-recourse project basis, without a government debt guarantee. The electricity industry is dominated by large utilities, such as BC Hydro, which typically do not finance debt on a limited-recourse basis against individual projects. Rather, they finance debt at an overall corporate (or “enterprise”) level based on their status as regulated utilities and on the strength of their consolidated income statement and balance sheet. Furthermore, the debt of BC Hydro and most other Crown corporations is guaranteed by the Province.

While the average economic life of a hydroelectric power project can be 60 years or more, limited-recourse project debt is typically for terms of 30 years or less. Thus, the power project joint ventures must defer receiving a significant portion of their equity returns until after project debt is retired. With joint venture equity returns “back-end loaded”, Columbia Power Corporation has an objective to earn an acceptable return on equity over the life of a project. Regulated utilities, on the other hand, have their tariff rates set by utilities commissions so as to enable them to earn an allowed rate of return on equity in each year.

#### **Objective #4 – Investment Grade, non-tax-supported debt**

As noted, to have sufficient capital to develop all three mandated core projects, long-term debt is raised in the commercial bond market on a limited-recourse project basis, without a government debt guarantee. It is, therefore, essential to maintain Investment Grade credit ratings.

##### *Strategy*

Columbia Power Corporation uses equity resources and short-term credit facilities during project development. Once a project has been constructed and a long-term power sales agreement has been put in place, long-term project debt is raised from the bond market as required. This long-term project debt frees up equity to be used to develop the next mandated core power project.

Before going to the bond market, the Corporation obtains a project bond rating from one or more bond rating agencies, such as Dominion Bond Rating Service (DBRS) and Moody's Investor Service (Moody's). Bond ratings provide an independent, objective and credible third-party evaluation of the risks associated with a project bond issue. The objective of maintaining Investment Grade project bond ratings requires Columbia Power Corporation to be able to assure rating agencies that a power project can sustain a debt service coverage ratio of 1.3 or greater. In order to fulfill its project development mandate, Columbia Power Corporation must also maintain a capital structure with sufficient borrowing capacity to finance all three mandated core power projects.

Accordingly, the financial objective of Investment Grade, non-tax-supported debt is linked to three performance measures: bond rating, debt service coverage ratio and capital structure.

*Performance measures, benchmarks and targets*

4.1 This measure reports a project's bond ratings by DBRS and/or Moody's. The benchmark is an Investment Grade bond rating. Columbia Power Corporation's target is to establish an initial Investment Grade project bond rating, and to maintain or improve that rating over time.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
4. Investment Grade, Non-Tax Supported, Credit Rating		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
4.1 Bond rating						
2010/11 – 2012/13 Service Plan	Investment Grade Bond Ratings	Maintained All Bond Ratings	Maintain Investment Grade Ratings for All Bonds			

*Significance of results*

The bonds of the power project joint ventures are held primarily by institutional investors, such as insurance companies. To meet the creditworthiness tests of institutional investors, a bond series must have an Investment Grade bond rating from one or more bond rating agency. Bonds with a rating below the Investment Grade level are generally not held by institutional investors.

The lower the bond rating, the greater the risk premium over long-term Government of Canada bonds that must be paid to make a bond attractive to a potential institutional investor. Thus, a lower initial bond rating will increase a project's long-term cost of debt and ongoing interest expense (reducing a project's net income and the return on equity). Maintaining or improving bond ratings over time provides a positive track record that increases the ability to successfully issue additional bond issues, as needed, to fund future power project capital requirements.

To date, the target of maintaining or improving current Investment Grade bond ratings has been met.

4.2 The second measure of creditworthiness reports on a project's debt service coverage ratio, measured as net income before interest and amortization of assets, divided by interest plus debt principal repayment, for projects with a bond rating. The benchmark used by rating agencies to establish an Investment Grade bond rating is a debt service coverage ratio of 1.3 or greater. Columbia Power Corporation has established a target debt service coverage ratio of 1.5 for each project with a bond rating, subject to its capital spending needs and the availability of equity. High debt service coverage ratios reflect an ability to raise additional limited-recourse project debt in the commercial bond market on favourable terms. Accordingly, high debt service coverage ratios affect the Corporation's ability to fulfill its project development mandate in the absence of a government debt guarantee.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
4. Investment Grade, Non-Tax Supported, Credit Rating		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
4.2 Debt service coverage ratio						
2010/11 – 2012/13 Service Plan	Greater Than or Equal to 1.3	ALGS: 2.2 BRD: 1.8	ALGS: 2.3 BRD: 1.7	ALGS: 2.3 BRD: 1.7	ALGS: 2.3 BRD: 1.8	ALGS: 2.4 BRD: 1.8

#### *Significance of results*

The increasing debt service coverage ratios reflect increasing net income over time compared to flat debt coverage requirements, as no additional project debt issues are planned.

4.3 The third measure of creditworthiness reports on Columbia Power Corporation's capital structure, measured as consolidated debt and consolidated equity, each divided by consolidated debt plus equity, expressed as a ratio. Along with power project debt service coverage ratios, Columbia Power Corporation's debt-to-equity ratio is a key measure of the ability to raise additional long-term debt to fund the development of all three mandated core projects.

Finding a suitable industry benchmark is difficult. Although the ratio of debt to equity is a standard industry measure, the electricity industry average is a composite that reflects the dominance of large government-backed regulated utilities such as Hydro Québec and BC Hydro, which do not engage in limited-recourse project finance. Columbia Power Corporation's low debt-to-equity targets are consistent with its capital plan and its investment strategy of using equity to construct projects. Once Waneta Expansion has been constructed, Columbia Power Corporation's debt-to-equity ratio will more closely track the Canadian Electricity Association industry average.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
4. Investment Grade, Non-Tax Supported, Credit Rating		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
4.3 Capital structure						
2010/11 – 2012/13 Service Plan	CEA Composite Performance Measure for 2006 = 77:23	27:73	22:78	18:82	16:84	14:86

### *Significance of results*

Columbia Power Corporation's low debt-to-equity measure, when compared with the electricity industry average, indicates that the joint ventures have significant further capacity to raise debt. The Corporation will not reach a comparable capital structure to the industry until the Waneta Expansion has been completed and financed. The decline in the ratio from 2008/09 to 2012/13 reflects the pay down of the Arrow Lakes Generating Station debt over the remaining term of its power sales agreement (which extends to 2015).

### **Objective #5 – Acceptable return on equity**

#### *Strategy*

As noted, Columbia Power Corporation pursues the objective of an acceptable long-term return on equity over the life of a project. In order to balance market opportunities with the ability to raise limited-recourse project debt, the Corporation has put in place a portfolio of power sales contracts with varying terms (60 years for the output of the Brilliant powerplant with market price adjustments after year 30; 12 years for Arrow Lakes Generating Station; and 20 years for the 90 percent of the Brilliant Expansion output currently under contract). Columbia Power Corporation also pursues a strategy of managing project risks by: employing competitively bid fixed-price design-build contracts; passing hydrology risk to BC Hydro in exchange for predetermined monthly energy and capacity entitlements; entering into long-term power sales agreements supported by third-party backstop agreements; and carrying business interruption, property and liability insurance.

*Performance measure, benchmark and target*

5.1 This measure reports return on equity, calculated as consolidated net income divided by consolidated equity (contributed surplus plus retained earnings). Suitable industry benchmarks are not readily available. As noted, while annual return on equity is a standard industry measure, the power project joint ventures must “back-end load” their return on equity. Regulated utilities such as BC Hydro and FortisBC Inc. have their tariff rates set by the British Columbia Utilities Commission so as to enable them to earn an allowed rate of return on equity in each year. Earning an acceptable return on equity is therefore a long-term objective, and will depend on long-term power markets and Columbia Power Corporation’s ability to secure power sales contracts that provide an appropriate balance between risk and return. The benchmark is to achieve, over a project’s life, a return on equity comparable with that earned by regulated utilities.

The target annual return on equity will be low in a project’s early years and will rise over time, particularly once debt is retired.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
5. Acceptable Return on Equity		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
5.1 Return on equity						
2010/11 – 2012/13 Service Plan	Over the Life of a Project, Comparable to Regulated Utilities	5.3%	5.2%	5.2%	5.3%	5.2%

*Significance of results*

The rise in annual Return of Equity of 2008/09 and beyond reflects the commercial operations, albeit one year late, of Brilliant Expansion and rising overall sales revenues.

**Goal IV – Efficient Joint Venture Management**

This goal is linked to two objectives: cost-efficient joint venture management and environmental compliance.

## **Objective #6 – Cost-efficient joint venture management**

### *Strategy*

The power project joint ventures are not regulated utilities, able to pass cost increases through to rate payers and earn a target annual allowed rate of return on equity. As independent power producers, the joint ventures must sell into the competitive wholesale power market, usually under long term fixed-price contracts that have a limited ability to adjust the contract price for cost inflation. Accordingly, Columbia Power Corporation must provide cost-efficient joint venture management.

To be cost-efficient, the Corporation relies on the use of external contractors, both through its competitive design-build development strategy and through the contracting out of plant operations and maintenance, and corporate functions such as legal, payroll, pension administration, benefits administration and information technology. Columbia Power Corporation maintains a small staff of professionals who perform: project and corporate planning, project permitting, risk management, commercial negotiations, power marketing, project and corporate accounting, contract administration, treasury, land management, community relations, environmental management, and related due diligence functions.

The cost-efficient joint venture management objective is linked to two performance measures: operations, maintenance and administration unit cost for assets in-service, and revenue per employee.

### *Performance measures, benchmarks and targets*

- 6.1 A key industry measure of efficiency is the operations, maintenance and administration (OMA) unit cost for assets in-service, measured as OMA costs divided by net energy entitlement, in dollars per megawatt-hour. Given the scale and type of joint venture power projects (small- to medium-scale hydro) and Columbia Power Corporation's reliance on external contractors, this measure may not be comparable to industry standards.

To provide more detailed benchmarks against which to manage the joint ventures, the OMA performance measure must be disaggregated by function and by project. As noted, detailed OMA performance measures, disaggregated into the key functional components of plant operations, plant maintenance, renovations/major improvements, and on-site and off-site support, were developed in conjunction with a hydro-performance study prepared by Navigant Consulting, Inc. (formerly Haddon Jackson Associates, Inc.). This information will be updated through participation in a similar future study.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
6. Cost Efficient Joint Venture Management		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
6.1 OMA unit cost for assets in service						
2010/11 – 2012/13 Service Plan	OMA Benchmark being updated	ALGS: \$4.18 BRD: \$2.05 BRX: \$13.34	ALGS: \$5.26 BRD: \$2.26 BRX: \$9.86	ALGS: \$5.40 BRD: \$2.84 BRX: \$9.82	ALGS: \$5.21 BRD: \$2.97 BRX: \$9.43	ALGS: \$5.81 BRD: \$3.67 BRX: \$9.36

### *Significance of results*

Arrow Lakes Generating Station OMA unit costs are expected to increase from 2008/09 results due to increasing OMA costs against relatively fixed entitlement. The Brilliant Dam continues to maintain low OMA costs relative to entitlement. The relatively higher OMA unit costs for Brilliant Expansion reflect the plant's relatively lower energy entitlement. Although there is an expected increase in energy entitlement ratios in 2011/12 and 2012/13 (see performance measure 3.1), this is offset by an expectation of increasing OMA costs over the time period.

### **Objective #7 – Environmental compliance**

The second objective linked to the goal of “Efficient Joint Venture Management” is environmental compliance. The performance measure for environmental compliance is the number of material non-compliance notices.

### *Strategy*

Columbia Power Corporation is primarily an asset development and management company, with contractors performing almost all activities associated with significant environmental impacts. Columbia Power Corporation builds stringent environmental compliance requirements into its design-build contracts. It puts the onus on the contractor to develop the specific means to undertake its activities in a skilled, knowledgeable and diligent manner in compliance with environmental laws, regulations and permit conditions, as well as with the practices and standard of care within the industry. CPC plays a more direct role in environmental management of the operating facilities with the role varying with the facility contract arrangement.

### *Performance measure, benchmark and target*

7.1 Compliance with environmental requirements is measured as the number of notices from regulatory agencies of environmental non-compliance. The industry is dominated by large utilities, including hydro producers (such as Hydro Québec, BC Hydro and Manitoba Hydro), thermal producers in Alberta and nuclear producers in Ontario. In addition to generation facilities, many of these utilities have large transmission and distribution facilities. Accordingly, a suitable industry benchmark is not readily available.

Columbia Power Corporation has established a target of zero material non-compliance notices.

GOAL/OBJECTIVE	BENCHMARK	TARGETS				
7. Environmental Compliance		2008/09 Actual	2009/10	2010/11	2011/12	2012/13
PERFORMANCE MEASURE						
7.1 Compliance with environmental requirements						
2010/11 – 2012/13 Service Plan	Baseline Information to be Developed	Zero Material Non-compliance Notices				

*Significance of results*

CPC continues to be challenged at Brilliant Expansion by compliance with the *Species at Risk Act (SARA)*. There have been a number of incidents involving white sturgeon which are protected under SARA. Sturgeon are commonly found in the BRX tailrace and swim into the facility when the plant is not running, where they risk being incidentally harmed on plant start-up. CPC has been working since 2007 on measures to minimize the risk to sturgeon and has implemented interim measures in consultation with Fisheries & Oceans Canada (DFO). However, DFO does not yet have the policy framework in place to provide permits under SARA.