

Feb. 28, 2014

BC Hydro signs major contract for John Hart project

CAMPBELL RIVER: BC Hydro today signed the contract with InPower BC for the John Hart Generating Station Replacement Project which includes the construction of an innovative, underground powerhouse that will enhance public safety and improve the site's environmental footprint.

John Hart has provided clean, reliable power to Vancouver Island for 67 years. The facility needs upgrades to ensure seismic safety, continued reliability for power generation and better environmental performance.

The signing is a major milestone for the redevelopment of the project, as it provides the green light for construction. The project will bring many economic benefits to the community of Campbell River, including more jobs. The number of people working at the site will grow to 200 by the end of this year and peak at 340 in 2016.

InPower BC is a special purpose project company in which SNC-Lavalin Group Inc. has 100 per cent interest. SNC-Lavalin will run the project out of its Vancouver office, including working and coordinating with international team members on the specialised design and fabrication of components like generators and turbines.

Quotes:

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

"I congratulate BC Hydro, SNC-Lavalin and the community of Campbell River on this major milestone. We have worked hard with BC Hydro to introduce a 10-year plan for rates that paves the way for important capital projects like this, while allowing cost reductions in other areas. I'm especially pleased with the economic benefits this project will provide during construction and in the long-term thanks to the clean, reliable energy that will be generated at John Hart."

Don McRae, Comox Valley MLA:

"This new facility will bring many benefits to our region. It'll ensure we have clean, reliable electricity for Vancouver Island, while providing opportunities for businesses. I am pleased to see the important subcontractor and job opportunities that will begin very soon and peak at about 340 workers. The John Hart project will be fascinating to watch over the next five years."

Chris O'Riley, Executive Vice President of Generation, BC Hydro:

"BC Hydro has worked hard since 2007 to advance this major project by developing the best plan and the best design to deal with a 67-year-old generating station that has seismic, reliability and fish habitat risks. John Hart is an important facility for us on Vancouver Island. We will continue to operate the existing generating station during the construction phase."

The replacement facility will be constructed over the next five years and it's an exciting time for BC Hydro, SNC-Lavalin and the wider Campbell River community."

Robert G. Card, President and CEO, SNC-Lavalin:

"SNC-Lavalin and its excellent team members are very proud to have been awarded the John Hart project following BC Hydro's competitive and rigorous procurement process. This is a major project for BC Hydro and Vancouver Island, and we look forward to building on the community support that's

already in place for the project. We are getting to work right away, and our first major interaction with the local population will be with the business community at the end of March."

Facts:

- The John Hart facility has been generating power since 1947. It provides enough annual power output to supply 74,000 homes. This will increase to 80,000 once the project is completed.
- Key reasons for the project:
 - Safety: the generating station and pipelines may not withstand a low to moderate earthquake.
 - Reliability: the six generating units are in poor condition and their capacity is declining. Two units have been in-service since 1947, the next two since 1949 and the final two since 1953.
 - Environment: if the generating station shuts down and reduces the flow of the river, there would be impacts to fish habitat downstream.
- The estimated cost of the project is up to \$1.093 billion dollars. It will include:
 - construction of a replacement water intake at the John Hart spillway dam,
 - replacement of three 1.8-kilometre long penstocks with a 2.1-kilometre long tunnel, and
 - construction of a new generating station and water bypass facility upstream of the existing station. The new generating station will be underground and further up the site – not directly beside the river.
- BC Hydro will continue to operate the existing station during the construction phase, and then transfer operations during the commissioning period to the new facility.
- The new design will allow the average annual power generation to increase over the existing facility. The current capacity is 121 megawatts from its original capacity of 126 megawatts and this will increase to 132.2 megawatts, because the new turbines and generating units will be more efficient in turning the water flow into electricity throughout the year.
- The design also provides new benefits to the community, such as improved access to trails and the river, and allows the facility to fit better into the surrounding Elk Falls Provincial Park.
- BC Hydro and SNC-Lavalin will host business opportunity events on March 31 and April 1 for the upcoming subcontractor and jobs opportunities. More details on the event can be found at <http://cr.majorprojects.ca>.
- For more information on the project, including monthly construction reports, visit bchydro.com/johnhart.

About BC Hydro

BC Hydro has been providing **clean, reliable power** to British Columbians for more than 50 years while maintaining among the lowest rates in North America. BC Hydro is a provincial Crown corporation that serves 1.9 million customers and invests in the electrical system and in energy conservation to deliver a safe and reliable supply of electricity for today's customers and **for generations** to come.

About SNC-Lavalin

SNC-Lavalin is one of the leading engineering and construction groups in the world, and is a major player in the ownership of infrastructure and in the provision of operations and maintenance services. Founded in 1911, SNC-Lavalin has offices across Canada and in over 40 other countries around the world, and is currently active in some 100 countries. www.snclavalin.com.