

BC Hydro award gives green company a lift

Finavera stock jumps after wind farms selected in search for renewable sources of electricity

BY SCOTT SIMPSON, VANCOUVER SUN MARCH 13, 2010

Shares of tiny Finavera Renewables doubled in value on Friday after the Vancouver-based green power company was awarded four wind farm contracts from BC Hydro.

Finavera is one of 10 companies that made it through a drawn-out Hydro call for new sources of renewable electricity and, according to CEO Jason Bak, potential suitors are anxious to help the company celebrate its success.

Hydro announced the awards after stock trading closed Thursday.

Finavera shares closed at 14 cents on the Toronto Venture Exchange, up from seven cents the previous day.

"It started yesterday with all the knocks on the door saying, 'Hey, we'd like to fund your project,'" Bak said in an interview. "We've had a 100-percent success rate on the projects we submitted. All four were awarded.

"Being the belle of the ball, it certainly opens up a number of doors to us and we definitely want to find the best deal for ourselves and ultimately, because these are good projects accepted by BC Hydro, the best deal for the ratepayer."

Potential partners may want to note that Finavera, which is developing a wind farm in Ireland, signed a deal in 2008 with GE Energy Financial Services for up to \$800 million to cover all debt and equity for the B.C. project.

However, Bak said Finavera is open to offers that would allow it to retain an equity share in the B.C. projects.

"We are sort of at the MOU stage with GE, but we are definitely looking for a way to ensure that Finavera has the best and largest interest that it can."

In total, Hydro accepted 19 projects, and proponents range from newcomers such as Vancouver's Swift Power to energy sector veterans Capital Power of Edmonton, formerly EPCOR.

Most require approvals from B.C.'s environmental assessment office before they can proceed.

Capital's Quality Wind project is the single-largest in the call, a \$455-million, 142-megawatt wind farm involving 79 turbines on a site near Tumbler Ridge.

Capital has five operating power facilities in B.C. including the Williams Lake biomass plant which is the largest in North America, and four run-of-river hydro facilities.

It has a roster of 31 generating facilities in three provinces and eight states, including coal-and natural gas-fired generation, wind and hydro.

Capital Power president and CEO Brian Vaasjo declared the company satisfied with the Hydro call process, which some in the independent sector have criticized as too drawn-out.

"We're happy with the way things went. It's always an issue, whether it's in British Columbia, or Ontario, or Colorado or anywhere else, when you are dealing with more public-type entities."

Swift Power, which was awarded contracts for two small run-of-river hydro projects near Terrace, said that for most companies named by Hydro, the work is far from done.

"There are many, many challenges in developing these projects," Swift president and CEO Alexi Zawadzki said. "Politically it's not easy. Getting a power purchase agreement certainly wasn't easy. It was a very long, very competitive process.

"Achieving our [environmental] permits is not going to be easy. There is a very rigorous and thorough permitting process, even for smaller projects.

"Although there are many challenges I firmly believe the technology is one of the best that can be harnessed to generate electricity and I think all of the hard work is absolutely worth it."

Meanwhile, Aaron Hill of Watershed Watch Salmon Society questioned the timing of BC Hydro's announcements, which precede clean energy legislation planned for this session of the B.C. legislature.

Watershed Watch was one of the principal sponsors of a set of recommendations presented last year to government by 26 environmental groups, calling for a coherent and responsive process for reviewing all new power projects.

Hill said the government is "plowing ahead with no planning."

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