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Dear Resident,

Re: Victoria to Esquimalt Cable Replacement Project

I would like to advise you of our Victoria to Esquimalt Cable Replacement Project that will have works taking place in and around the Gorge Waterway.

Firstly, we are reaching out to residents along the Gorge Waterway, including the Arbutus Park and Banfield Park areas, to provide awareness of early project planning work starting around mid-August. A barge will be within the waterway doing investigative geotechnical drilling work and you may see and hear the drilling activities. This is advance notice of the work, and should you have any questions, who to contact.

Secondly, the actual project construction work within the Gorge Waterway may start as early as December 2025. We will be sharing information on what these activities may look like in future project update letters and through meetings.

Below I have provided some background on how we deliver electricity to the Greater Victoria area, a project overview and the benefits, the geotechnical work this summer, and how you can follow the project along.

General power supply overview

There are four transmission circuits that serve about 160,000 BC Hydro customers in the Greater Victoria area. Two of those circuits have either been upgraded or are in satisfactory condition. One transmission circuit from Victoria to Saanich is at moderate risk of failure and there is a project underway to replace this circuit by 2028. The circuit I am communicating with you about in this letter is at high risk of failure and requires replacement. It's 2.7 kilometres long, with 0.4 kilometres located under the Gorge Waterway, and runs under city streets between the Horsey Substation on Summit Avenue in Victoria, to the Esquimalt Substation off Devonshire Road in Esquimalt. The circuit was installed in 1980.

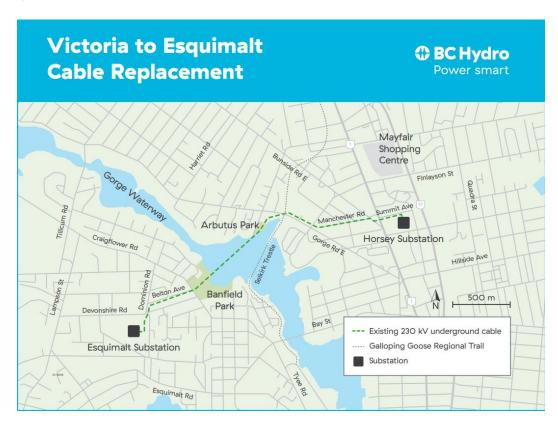
Our system is designed for back up infrastructure so we can provide reliable power to our customers. We can supply our Greater Victoria customers with three of the above noted circuits.

Project overview

In August 2023, we had a circuit failure in the Arbutus Park area near the shoreline of the Gorge Waterway and Cecelia Creek, and during those repairs we found widespread corrosion on the

outer sheath of the cables. We initiated an emergency project to replace the cables. We are currently working on the cable placement design, sourcing the new cables, and working to start construction within the Gorge Waterway area as early as December 2025 with an in-service date in 2026.

We plan to install new underground cables within a new underground duct bank between the Horsey and Esquimalt Substations. We will follow a similar route along land (see project map). Vehicle and pedestrian traffic management plans will be developed. The routing under the Gorge Waterway requires a significant level of planning and is subject to Fisheries and Oceans Canada reviews. We have geotechnical investigations planned within the Gorge Waterway and we've been reviewing aquatic details along the potential routes, such as eel grass surveys. We are looking at various routing options, as well as how we'll place the cables through either shallow burial construction by barge or horizontal drilling from land. I will send a follow up letter once we've confirmed the routing under the Gorge Waterway and the constructability on how we plan to place it.



Project benefits

The project is emergency driven to keep the electricity system safe and reliable for the Greater Victoria area. There are three other benefits:

- Capacity: The new circuit will provide about 50% more capacity than the existing circuit and meet the continued electricity growth in the area for next 20-40 years.
- Seismic Resiliency: The three existing cables are direct buried in the ground and have low seismic withstand. The new cables will be installed in a duct bank and designed to withstand a 1-in-2,475 year seismic event.

• Environment: The existing cable is insulated with mineral oil. The new cable will be an oilfree polyethylene cable. That means no future mineral oil leaks.

To add to the environmental considerations and benefits, you may have noticed the two existing containments booms and sorbents within the Gorge Waterway at the end of Washington Avenue and near Cecilia Creek by Arbutus Park. We had two separate cable failures in 2022 and 2023 that resulted in mineral oil spills and ongoing remediation activities. The cables were repaired and the mineral oil leaks stopped. However, residual mineral oil from the original incidents remains within the upper shoreline and there's a possibility the mineral oil could seep out of the soil and enter the waterway. We are continually monitoring soil and surface water, and our spill response contractor monitors the booms at least twice a week. Mineral oil has low toxicity and is biodegradable and will break down over time. This monitoring work will continue until the new circuit is in service and the old cables removed. When the old cables are removed, any impacted soils from mineral oil leaks will be remediated along the 2.7 km route.

Summer geotechnical work

The purpose of the geotechnical work is to better understand the material and rock under the Gorge Waterway. This will help inform the design and constructability of the cables within the marine area. Drill holes are planned in various locations within the Gorge Waterway and near the Selkirk Bridge. The drilling with be done by barge and may take about four weeks to complete. Work is being done within the fisheries work window will avoid eel grass beds. The work, with full-time environmental monitoring, will likely take place from mid-August to mid-September. The geotechnical drilling will be done by barge and will move around to about six drill hole locations. We are working to limit the noise from the drilling. The Gorge Waterway will remain open to recreation users such paddle boarders and kayakers though there will be marine closures where the barge is operating.

We will also be doing investigative geotechnical drilling work on land within Banfield Park and by the Galloping Goose Trail near Cecelia Creek. Around four drill holes in total. That work will take place in the fall. Public awareness signage and cordoned off areas for public safety considerations will be an important part of that work coordination.

Indigenous and community engagement, project information and contact

We will continue to consult with First Nations and engage with the Victoria and Esquimalt communities, including local governments, government agencies, neighbourhood associations, business organisations, and the general public. You can visit the project website at www.bchydro.com/victoriatoesquimalt for more information.

Please reach out directly with any questions or if your apartment complex, condominium complex, or group of single-family homes would like a presentation about the project. I can be reached at steve.watson@bchydro.com or 1-250-616-9888. Please note I will be unavailable from mid-July to mid-August. During that time you can contact Karla Louwers at karla.louwers@bchydro.com or 1-250-755-4713.

Sincerely,

Stephen Watson