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BC Hydro Injunction Against Site C Dam Encampment 'Fundamentally Flawed': Former CEO Marc Eliesen ^[1]

[Sarah Cox](#) ^[2] | February 17, 2016

By [Sarah Cox](#) ^[2] • Wednesday, February 17, 2016 - 16:04



Former BC Hydro CEO Marc Eliesen says BC Hydro's claim that a one-year delay in [Site C dam](#) ^[3] construction will add \$420 million to the project's \$8.8 billion cost is "effectively illusory" and based on "fundamentally flawed" analysis.

Eliesen made the statement in an affidavit filed February 16 in the B.C. Supreme Court, in response to BC Hydro's application for an injunction to remove Peace Valley farmers and First Nations members from [a camp they have occupied since New Year's Eve](#) ^[4].

The application, to be heard February 22, seeks to prohibit anyone from physically interfering with Site C work or

counseling others to do the same. If the application is approved, campers who remain at the site will risk arrest.

The peaceful camp, at the Rocky Mountain Fort site on the Peace River's south bank, has prevented clearcut logging of the surrounding old-growth forest in preparation for Site C flooding. Court documents filed by BC Hydro say the area around the fort site must be cleared immediately because it is slated for a "potentially acid-generating" waste rock dump. The documents note that a berm will be constructed to prevent waste from entering the Peace River.

In his affidavit, Eliesen, who has also headed Ontario Hydro and the Manitoba Energy Authority, says BC Hydro's testimony in support of the injunction application "fails to provide the proper and comprehensive historical context of BC Hydro's determinations regarding this project" and is "without merit."

In a January 28 affidavit, Site C Commercial Manager Michael Savidant claims that a one-year delay in logging will inflate the cost of Site C construction by \$420 million, an increase of \$245 million over his previous statements about the cost of a one-year delay.

Savidant, who has worked for BC Hydro since 2004 and who previously worked for Enron Canada, says the revised costs of a delay include \$100 million for inflation and \$160 million "of increased interest costs due to future higher rates."

Eliesen's affidavit says that delaying Site C is likely to save B.C. ratepayers "more than BC Hydro's alleged \$420 million costs" of delay. That is due to BC Hydro's own projections for decreasing demand for electricity, particularly among heavy users such as the pulp and paper industry. Under the circumstances, Eliesen says, proceeding with Site C right now is "highly imprudent."

In a separate affidavit addressing the injunction application, U.S. energy economist Robert McCullough testifies that a one-year delay in construction would save B.C. ratepayers \$268 million, a two-year delay would save \$519 million, and a five-year delay would result in net savings of \$1.18 billion. McCullough says savings result from Site C power sold at a loss due to a "dramatic fall in world energy prices since 2008."

In court documents to support its injunction application, BC Hydro claims the seven-week camp has prevented logging from taking place around the fort site and is causing damage and "irreparable harm" to the crown corporation.

The injunction application follows a civil suit against the campers launched in mid-January by BC Hydro. The suit claims damages against six of the campers, including Peace Valley farmers Ken and Arlene Boon and Helen Knott, a social worker from the Prophet River First Nation.

"BC Hydro has taken this aggressive move of intimidation in terms of suing us," Knott said in an interview. "In the northeast region where I'm from there's a lot of oil and gas industry. We're not against development. This is the project where we're saying 'No, this is enough. It's too much. You're crossing the line.'"

Knott, who is currently in Toronto speaking about the Rocky Mountain Fort camp at an Amnesty International event, was served with the civil lawsuit when she was visiting Peace Valley farmer Esther Pedersen. Pedersen has been collecting food donations for the camp from local residents and businesses. A road right-of-way on her farm has also been used by helicopters that flew to the camp, including one that brought scientist David Suzuki and Grand Chief Stewart Phillip from the Union of B.C. Indian Chiefs to visit and dropped off a second survival shack for the campers.

"We're getting letters from older ladies who are baking pies and making soups [for the camp] and shows of solidarity from across Canada," said Knott. "It's pretty amazing."

The campers, who call themselves the Treaty 8 Stewards of the Land, are asking for Site C construction to be halted until five legal cases against the dam are resolved and the federal government can review Site C's potential infringement on constitutionally-protected treaty rights.

The Union of B.C. Indian Chiefs, Amnesty International and two dozen other national and B.C. groups have asked the federal government to rescind Site C permits ^[5] granted by the Harper government. The Union of B.C. Municipalities has also called for a moratorium on Site C.

Eliesen's affidavit says Site C has not been subject to "an adequate level of due diligence" to determine if the project is needed, if energy alternatives have been adequately explored, and if the timing of construction is

appropriate.

Eliesen points out that the Joint Review Panel which examined Site C for the federal and provincial governments concluded that BC Hydro had not demonstrated a need for the project and recommended it be sent to the watchdog B.C. Utilities Commission for scrutiny, which is also a request from the campers. The B.C. government has exempted Site C from the commission's oversight [6].

Court documents filed by BC Hydro state that further excavation of the fort site will be conducted this spring to search for remains of historic aboriginal encampments dating from the late 1700s and early 1800s when the fort served as a provisioning centre for the fur trade industry.

Survey work by a BC Hydro contractor last summer and fall found evidence of cultural materials, including modified historical artifacts, which are "possible" indicators of aboriginal encampments, according to the documents. The documents say the B.C. government notified all Treaty 8 First Nations and other aboriginal groups about the findings on January 18, after a report on the findings was submitted to the Archaeology Branch of the Ministry of Forests, Lands and Natural Resources three days earlier (and following the first media report on the issue in a January 8 DeSmog story [4]).

The Rocky Mountain Fort site, a designated Class 1 heritage site, is one of 40 heritage sites that would be destroyed by the Site C dam when it floods 107 kilometres of the Peace River and its tributaries. BC Hydro's court documents claim that any delays in logging around the fort site will impact the entire project.

In the early 1990s, when Eliesen was BC Hydro's CEO and President, BC Hydro issued a public statement on behalf of its Board of Directors, saying that Site C would not proceed [7] due to First Nations rights, and economic, social and environmental factors.

Image: Peace River bank undergoing Site C construction. Photo: Garth Lenz.

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