

COMMENTARY (/SECTIONS/COMMENTARY/)

Affordable power or Site C power: British Columbians must choose

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BC Hydro's Site C project has operated on the principle that it is better to ask forgiveness than permission. Deadlines have been short and scheduling seemingly driven more by the premier's vow to get Site C past the point of no return than by ratepayer concerns or the need for power, which Hydro's figures show is not needed until well past 2024, when the project is scheduled to be online.

The most expensive public project ever undertaken in the province, Site C was exempted from scrutiny by the BC Utilities Commission and the Agricultural Land Commission and shielded from virtually every process aimed at protecting the public interest. Environmental assessment, the lone survivor, was crippled by restrictions and terms of reference so narrow that the panel chairman, Harry Swain, has taken the unprecedented action of publicly speaking out against both the process and the project itself.

Site C lacks a persuasive business case. BC Hydro's cost comparisons were outdated when originally tabled, overstating the cost of alternatives and understating the cost of the project. McCullough Research tabled a study two years ago documenting that.

Site C's estimated cost has steadily increased over the years. Most recent was the 11% jump from \$7.9 billion, which Hydro submitted at the beginning of the environmental assessment process, to \$8.8 billion shortly after the panel issued its report.

Meanwhile the trend line for alternatives is sharply down.

The U.S. Department of Energy has estimated that the cost of renewables has fallen 41% to 64% in just the last six years. Wall Street's estimates are even higher.

Lazard, the highly regarded Wall Street firm, has published similar values for wind. In Canada we see cost reductions of similar magnitude.

Site C is now twice as expensive as a basket of alternatives that have the added capability of being able to closely follow the load demand rather than coming online in one big lump whether needed or not.

We have billions of public dollars being spent on a project for which there is an increasingly bad business case. Ratepayers are expected to blindly accept outdated costs that were never tested by cross-examination and are challenged by experts in the field.

We are already in the middle of a 28% rate increase over five years with a promise of five more years of annual increases to follow. All that before we even start to pay off the massive \$8-billion-plus Site C debt or the \$5.9 billion deferral accounts through which Hydro is delaying paying off its current obligations.

Much is made these days of the three-generation Bennett family dam-building legacy in British Columbia.

Indeed there is much of which to be proud. Now would be a good time to invoke another of the Bennett legacies: one of W.A.C. Bennett's famous "second looks" that he took whenever circumstances changed or plans didn't pan out. The electricity industry is in the midst of rapid and massive transformation. There is no shame in acknowledging that what seemed like such a great idea in the early 2000s now deserves a second look. Ratepayers would be grateful if a path to lower-cost electricity bills were found.

By choosing cheaper alternatives, British Columbians not only avoid amassing billions of dollars of debt, they also spare a valley capable of feeding a million people in perpetuity, maintain a wildlife "nursery" that has existed for thousands of years and honour First Nation treaty commitments. The choice is a win-win for B.C. ratepayers and, ultimately, for our Crown corporation.

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