Vaughn Palmer: Columbia River Treaty interesting option as NDP ponders Site C



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Undated photo of the Mica Dam, north of Revelstoke and part of the Columbia River Treaty. SUBMITTED / PNG

VICTORIA — Tucked into the back pages of the B.C. Utilities Commission review of Site C is an intriguing discussion of a replacement source of electricity that wouldn't require B.C. to build anything.

The option, laid out in a seven page annex, would see B.C. reclaim its entitlement to a share of the power generated on the US side of the border under the 50-year-old Columbia River Treaty.

Essentially, B.C. (standing in for Canada) agreed to build a series of dams on our side of the border to manage volatile water flows on the Columbia River.

In return, the province was granted 50 per cent of the additional power generated from smoother year-round flows of water through hydroelectric dams operated by the Bonneville Power administration on the US side.

Those downstream benefits roughly equal the output of Site C. They are currently being sold on the US market at depressed prices, there being a glut of subsidized green energy in Washington and Oregon.

So why not just take back B.C.'s entitlement to the power generated on the US side and forget about building Site C? Not that simple, concluded the four-member panel of commissioners.

For starters, the province would have to amend the Clean Energy Act, which requires B.C. Hydro to be domestically self-sufficient in electrical generation. Nor is it clear that cross-border transmission lines could handle the extra flow of power heading northward.

But the biggest argument for hesitating is the pending fate of the treaty itself. Once the term passed the 50-year mark in 2014, it became subject to reopening on 10 years notice by either country.

Many Americans in Washington, Oregon and neighbouring states have been lobbying their government to do just that. They seek to clawback the downstream benefits, arguing that the rationale — helping to pay for construction of dams on this side of the border — has long since expired.

B.C., again standing in for Canada, counters that the main benefit of the treaty to the US was water storage for flood-control, which the dams on this side of the border continue to provide.

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But there are also voices of caution on this side of the border, as the panel discovered: "There are parties, including B.C. Hydro, that argue because the treaty could be terminated on notice, in 10 years, and because the situation with respect to the Columbia River Treaty is politically volatile, this option should not be considered as an alternative to Site C."

The panel did find the possibility tempting: "The amount of energy and capacity available to the province in the treaty is approximately equal to the amount of energy and capacity that Site C will provide. In addition it is as clean as the energy that will be produced by Site C."

But it also conceded that if the Americans have their way, the entitlement could be reduced or gone in the longer term. Noted in passing too was the estimated \$750 million outlay to upgrade cross-border transmission lines.

If that were all the panel had to say, the final report would be no more than an echo of earlier reports cautioning against making too much of taking back the downstream benefits.

But the panel also recounts a novel, perhaps groundbreaking, submission from Robert McCullough, the US-based energy expert retained by the anti-Site C Peace Valley Landowners Association.

Regular readers may recall it was McCullough who last month obtained and published an un-redacted (and damning) version of a Site C assessment done for the commission by Deloitte LLP.

Wading in to the controversy over the downstream benefits, he drew the commission's attention to the rarely discussed non-treaty storage agreement.

As mentioned above, the 1964 Columbia River Treaty obliged B.C. to construct three dams with a specified amount of storage capacity to reduce flood risk and increase power generation on the US side.

But in keeping with the long-term vision of then premier W.A.C. Bennett, one of the three, the 240-metre high Mica dam, was overbuilt with a water storage capacity that was 70 per cent greater than the treaty requirement.

The additional storage is not captured by the treaty, freeing B.C. Hydro to make use of it for other purposes, so long as it doesn't violate flood-control and other treaty terms.

Enter the non-treaty storage agreement.

"To describe the agreement very concisely," advised McCullough, "B.C. built more storage at Mica than is required by the treaty and has rented this storage to the Bonneville Power administration for the past 50 years under a series of agreements that expire in 2024." Which is also Hydro's target date for completion of Site C.

"Instead of renewing this agreement, "McCullough continued, "B.C. Hydro could choose to use this Mica storage capacity in addition to or as a replacement for (other proposed) storage."

Water storage is the key to offsetting intermittent power sources (wind, solar) and providing backup generating capacity at times of peak demand in the system.

The panel acknowledged the possibility that "the additional storage at the Mica dam could be used by B.C. Hydro to meet domestic needs." But it did not go all the way with McCullough, saying "insufficient evidence" was presented during the tight 12-week time-frame of the review.

The hedge on Columbia River Power was characteristic of many of the commission's findings on alternatives to Site C. But that is a topic for another day.

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