

# Vaughn Palmer: Horgan calls experts to offer cabinet insight on Site C

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*VAUGHN PALMER*

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B.C. Premier John Horgan has invited six experts to enlighten his cabinet about issues surrounding the Site C project. He remains open-minded on the fate of the controversial project. *JASON PAYNE / POSTMEDIA NEWS*

VICTORIA — As Premier John Horgan tells it, he decided to invite six experts to address the cabinet on Site C next week to help get his cabinet colleagues up to his level of knowledge.

“I know a lot about energy,” said Horgan. “I was the energy critic for a decade in the opposition, and I worked in energy when I was in government.

“I want to make sure that my caucus and my cabinet are as well informed as possible on a multibillion-dollar decision that’s going to have an impact on people for a long period of time.”

The decision being the fate of “the largest public project B.C. Hydro has ever undertaken,” as Horgan characterized it during an interview with me Thursday on Voice of B.C. on Shaw TV.

“They’re \$2 billion into the project already. To stop it would mean \$2 billion in remediation. To finish it could be another \$10 billion. When you start talking in billions, you’re starting to talk about real money.”

The New Democrats first asked the B.C. Utilities Commission to do an expedited review.

“I give them full marks for doing what would have been normally many, many months of work in just a few weeks,” said Horgan, who briefly considered replacing the B.C. Liberal appointed commissioners, then thought better of it.

Still, the New Democrats were disappointed at the commission’s fence-sitting on whether the best option for ratepayers was cancellation or completion of Site C.

“We’ve had people taking shots at the assumptions that the commission made, so the government has asked, through the Ministry of Finance, for some clarification,” explained Horgan.

Don Wright, Horgan’s deputy minister, has also taken the unusual step of assembling a group of experts (<http://vancouversun.com/news/politics/b-c-hydro-says-utilities-watchdog-underestimated-benefits-of-site-c>) to take an oath

of confidentiality and address the cabinet directly at a behind-closed-door session next Thursday.

“We’ve invited six experts that are well known in industry and in energy circles, to come and give us their views, just a 10- or 15-minute presentation from each of them, and then a bit of a debate,” said Horgan.

The six: Marc Jaccard, the Simon Fraser University professor who headed the utilities commission under the last NDP government. Robert McCullough, the Oregon-based energy consultant to the Peace Valley Landowners. David Craig with the major commercial power consumers.

Colleen Giroux-Schmidt from one of the private power producers. Karen Tam Wu of the environmentalist Pembina institute. David Austin, consultant lawyer for the Clean Energy Association.

When I remarked to Horgan the group struck me as more anti- than pro-Site C, he said they were chosen more to get a range of views.

“I don’t look at it as pro or con,” he said and reminded me that in multiple appearances on the show over the years, he’d taken more than one position on Site C.

“The producers could have pulled up a dozen different perspectives that I’ve had on this question. It depends on where you are in the economic cycle and whether demand is up or demand is down, price is up, price is down, and so on.”

The experts won’t be providing the last word in terms of cabinet briefings on Site C. That will be up to staff in the Ministry of Finance, working under the direction of Minister Carole James and her deputy, Lori Wanamaker.

“We’ll be having a final decision after we hear from finance on what are the rate implications for people going forward or stopping, what are the costs to the treasury,” said Horgan.

He’s also concerned about the impact on the credit rating and the NDP ability to borrow for other major projects.

“If we burn \$4 billion that’s going to have an impact on our ability to build other projects, vitally important hospitals and schools and transit infrastructure in the Lower Mainland. And what are the costs going to be if

we go forward with a \$10 billion, \$11 billion, \$12 billion project? What are the rates going to look like?"

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Electricity rates (<http://vancouversun.com/news/local-news/b-c-government-puts-a-freeze-on-b-c-hydro-rates>) being a critical question for a government pledged to keep them low. And the immediate impact on rates could be very different depending on whether Site C is cancelled or continued.

Cancellation means writing off Horgan's \$4 billion. Were the NDP to respect the principle of not sticking future generations with the tab for a non-existent asset, then the writeoff would be amortized in relatively short order — say 10 years.

In the 10-year scenario, the \$4 billion write off "would have a potential rate impact of 10 per cent," the utilities commission conceded this week in response to a written question from the government.

But as the government further suggested, if the project were completed, then the cost could be amortized over the many decades that the dam serves as a useful asset providing power to future generations.

So in the cancellation scenario, the New Democrats would be looking at a big rate shock in the short to medium term along with the layoffs and other negatives.

In the completion scenario, with the dam not operational until 2024-25, the government would be able to put off the ratepayer impact for a couple of election cycles.

Not the only consideration obviously. But not to be dismissed, given that the final call on Site C will be made not by the experts, the commission nor the utility, but by a group of politicians gathered around a cabinet table.

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**Arthur Alexander**

Horgan's approach, to invite experts and to educate the cabinet, seems proper.

Otherwise, the decision will be based on little more than politics and personal bias.

There are only a few options for Site C. Complete it now, Complete it later, Part now, part later, or Shut it down.

What's that? 4 alternatives. What would be the estimated costs and benefits of each? Money, of course, and political fall-out.

The experts can help with the dollar estimates. The politicians have to judge the repercussions.... [See More](#)

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**Markko Caldo**

Where it true they were actually experts. Unfortunately it's really just a panel of Liberal Arts majors, none who could tell a pole transformer from a telephone distribution box.

Like · Reply · 19 hrs

**Tj Snider** · Vancouver, British Columbia

I need to ask what sense Site C makes in terms of the loss of arable land in BC, given the long term trend towards drought in the Northwestern US and BC? We depend so much on produce from California and Oregon, but they are rapidly running out of water... where will our food come from in 10-50-100 years? Good soil is precious, and should be preserved for growing. Too much productive land in the Lower Mainland is being converted to housing... so where is our food going to come from as the world warms? We can harvest energy elsewhere, but we can't re-create soils without a massive amount of energy, and time...

Like · Reply · Nov 27, 2017 8:32am

**Tom Scott** · Simon Fraser University

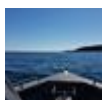
Food will come from greenhouses. The loss of that bit of land is insignificant.

Like · Reply · 1 · Nov 27, 2017 8:49pm

**Markko Caldo**

Tom Scott Maybe not for the millions of folks it could feed at a fraction the cost of greenhouses.

Like · Reply · 19 hrs

**Glenn MacKenzie**

The Liberals deserve credit for developing this relatively clean, green renewable source of energy. We need Site C's energy (and more) just to keep our climate commitments by 2025, according to SFU energy expert and Horgan advisor Professor Mark Jaccard. The price of energy will keep climbing and the demand for electricity will keep growing as fossil fuels increase in cost. We're so lucky to have this source of energy and we'll continue to be the envy of much of the world for it.

Like · Reply · 1 · Nov 26, 2017 12:11pm

**Markko Caldo**



Actually far cleaner wind coupled with existing storage meets our climate commitments at 25% the cost of the C. Jaccard is well known as a BC Liberal Party hack, a shill for the Howe St IPP industry and has considerable responsibility for the \$60B in taxpayer cash completely wasted on the lpp power scam buying power we don't need forcing us to dump it at a near 100% loss.

He has a liberal Arts diploma with no technical expertise on power systems.

Lucky we have all that wind energy available to us.

Like · Reply · 1 · Nov 26, 2017 12:45pm



**Glenn MacKenzie**

Markko Caldo And what are your qualifications?

Like · Reply · Nov 26, 2017 1:00pm



**Glenn MacKenzie**

Markko Caldo That's pretty defamatory language about the well respected Professor Jaccard. Horgan himself has chosen him to join the 6 member group to advise on the viability of Site C. His report of a month ago is very balanced (and certainly non-partisan if you care to read it.

The BC Utilities commission also pointed to the uncertainties and risks of other sources of energy such as wind, geothermal and solar. This project is partway built and should be completed.

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**Philip Gardner**

Site C is a Frankenstein Monster created by Christy Clark and the BC LIberals as their parting shot at the taxpayers and citizens of British Columbia.

It's an economic disaster no matter which way you look at it.

CANCEL CHRISTY CLARK'S PENSION NOW.

Like · Reply · 2 · Nov 26, 2017 11:30am



**Tom Scott** · Simon Fraser University

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**Markko Caldo**

Tom Scott And shut down the Howe st troll farm.

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**Gary Thiessen**

Just end it

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