

GOVERNMENT BUNGLE

B.C. official accidentally publishes 'embarrassing' costs of hydro dam

By **Chris Arsenault** Sep 29, 2017

Government officials in British Columbia have accidentally published a private assessment showing hundreds of millions of dollars in cost overruns and other problems hitting the \$8.8 billion dollar Site C dam, one of Canada's largest infrastructure projects.

The disclosure of data compiled by the consultancy Deloitte showing cost overruns on the dam, which will flood vast swaths of land in northern B.C. displacing farmers and

VICE News Canada

The unredacted report clashes with previous statements from B.C. Hydro, the utility firm behind the project, which said last month that the dam was moving ahead on budget and on schedule.

The British Columbia Utilities Commission, the government body reviewing the dam, published part of the Deloitte report on its website earlier this month with sections blacked-out, said Robert McCullough, a U.S.-based energy consultant who first flagged the uncensored report.

“They had drawn large black boxes on the PDF over the material,” McCullough told VICE News in a phone interview on Friday. “If you read it in Adobe you would see large black boxes (over redacted information). If you used other (software) options you would not ... it’s embarrassing.”

The leaked documents, first reported by the *Vancouver Sun*, show that the dam project is already nine percent over budget two years into construction which is slated to finish in 2024.

“Loads of this material is embarrassing,” said McCullough who advises landowners in northern B.C. opposed to the project.

The \$1.8 billion main civil works contract has run through more than 70 percent of its contingency budget with only one quarter of the work being done, according to the leaked documents reported in the *Vancouver Sun*.

Those figures on cost overruns stand in contrast to a report BC Hydro issued to provincial regulators on Aug. 30 where they said the dam was moving ahead “on time and on budget”, said McCullough. Deloitte in its reporting said the project could over budget by up to 50 per cent during construction.

B.C. Hydro, the Crown corporation behind the Site C dam project, did not immediately respond to interview requests.

“We originally posted a version of the report redacted by Deloitte. However, it was then brought to our attention that the redaction was incomplete,” said David Morton, CEO of the British Columbia Utilities Commission, the provincial regulator which published the uncensored documents.

“The unintended posting of the unredacted report and its subsequent removal was not due to an error on the part of the Commission, nor was it an attempt to suppress information,” Morton told VICE News in an emailed statement.

The confidential information contained in the Deloitte report had been submitted to the consultancy firm by BC Hydro, he said, adding that no impropriety occurred.

“Our concern is that the publication of the redacted material could result in significant harm or prejudice to BC Hydro’s current and future negotiating position with its contractors, which would ultimately increase costs to ratepayers and therefore not be in the public interest.”

Opponents of the project say the disclosed documents are evidence that the dam should be scrapped in favour of other energy sources.

“It confirms what a lot of the critics of the project have been saying,” Tim Thielmann, a lawyer representing two First Nations who are fighting against the Site C dam, told VICE News.

The project would flood about 5,500 hectares of land along the Peace River, an area in northeastern B.C. which is home to indigenous people and farmers.

“B.C. Hydro has run through the majority of its contingency budget... but has been telling the public this entire time that they’re on budget because they just continue to assume that they can make up costs later on down the road,” Thielmann said.

“The Deloitte report shows there’s no good reason to take B.C. Hydro at its word because they’ve been lying and misleading the public for months, if not years.”

Cancelling the dam would cost about \$1.2 billion, on top of about \$2 billion spent on construction and several billion more in other costs, Deloitte reported.

Supporters of the dam say it is creating several thousand jobs and will produce enough renewable energy to light more than 400,000 homes a year.

McCullough, the energy advisor, says the province would be best served by cancelling the dam now and opting instead for new wind turbines or geothermal power, which is cheaper for consumers than financing the new dam.

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