Review of "AHC Response to BCUC Final Report on Site C"

Summary: UBC's Program on Water Governance has reviewed the *AHC Response to BCUC Final Report on Site C*, released by the Allied Hydro Council on November 15, 2017.The AHC Response contains many errors of fact and reasoning. It is not comparable in quality to the documents prepared by the BC Utilities Commission, BC Hydro, Deloitte or by several interveners during the Site C Inquiry.

General Comments[1]

- **Factual errors and false claims**. The AHC Response contains numerous and important factual errors, particularly in relation to the BCUC Alternative Portfolio.
- **Repetition of pre-existing information**. The AHC Response reiterates many of the points made in its submissions to the Commission. It suggests better ways to manage the project, but presents no new information or analyses that have not already been reviewed in detail by the Commission.
- **Not substantive**. At only four pages, with no technical analysis, the AHC Response is not a substantive or significant review of the complex issues considered in the BCUC Final Report.

Load Forecast: The AHC prediction of load growth is not credible.

The AHC Response asserts that BC Hydro's load forecast is reasonable. The Commission – after reviewing AHC's submissions, and those of Deloitte and other intervenors, as well as BC Hydro's responses to its pointed questions – concluded otherwise. The Commission's extensive review and findings regarding the load forecast compose the largest portion of its Final Report.

- **Overly optimistic load growth prediction**. The load growth of "just 1% per year from 2017 to 2036" proposed by AHC would be 10 times the 0.1% per year load growth actually observed from 2010 to 2016.[2] This recent load growth is significantly lower than the load growth predicted by Deloitte and the BCUC. The AHC Response overlooks the systematic over-estimation of demand by BC Hydro over the past few decades.
- **Misinterpretation of LNG load**. The AHC Response misunderstands the importance of LNG load. Without LNG, BC Hydro's need for new energy supply is delayed to at least 2033 and maybe to 2040.
- **Misunderstanding of drivers of electrification**. The AHC Response argues that, if current growth in electric vehicles continues, the BCH load forecast will be low. In fact, BC Hydro's load forecast already includes for substantial growth to 580,000 electric vehicles in BC by 2036.[3] There are currently just 6,000 electric vehicles in the province.

Alternative Portfolio: The AHC criticisms contain factual errors regarding the BCUC's report.

- **False claims**. The AHC Response claims that the BCUC Alternative Portfolio contains resources such as solar, batteries and natural gas generation. The Alternative Portfolio as issued by the Commission contains only wind, geothermal and additional conservation.
- **Reliability**. The wind, geothermal and conservation resources in the Alternative Portfolio are all mature technologies that meet the Order in Council requirement of being "commercially feasible". Following its review of evidence, the Commission determined that the Alternative Portfolio would provide similar benefits to the Site C Project.
- **Meeting peak demand**. Contrary to the AHC Response, Site C and the BCUC alternative portfolio would both be able to provide electricity when it is needed to meet peak demand.

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[1] *UBC's Program on Water Governance has published 5 research reports on Site C (www.watergovernance.ca/projects/sitec/), and made 6 technical submissions to the BC Utilities Commission (http://www.sitecinquiry.com/submissions-and-comments/). The research reports were reviewed by independent academic experts and extensively cited by the BCUC.*

[2] BC Hydro. January 23, 2017. F2017 to F2019 Revenue Requirements Application, Response to Information Request CEC 2.135.1.

[3] BC Hydro. July 28, 2016. Fiscal 2017 to Fiscal 2019 Revenue Requirements Application, p.3-15.