

20 September 2020

Open Letter re: Site C Project

To whom it may concern,

The Site C Project is currently experiencing significant financial pressures. There is uncertainty with the Project's schedule and in-service date, resulting from several ongoing issues including serious geological challenges. Despite these recent acknowledgements by BC Hydro, insufficient information has been made publicly available to satisfy ratepayers and taxpayers that it remains in the public interest to proceed with the Project as planned.

In 2017, we produced a series of research reports¹ examining the social, environmental and economic justification for the Site C Project. These reports and our additional analyses informed the B.C. Utilities Commission Inquiry Respecting Site C² (which was completed in 2017). In its final report, the Commission determined that increased Site C Project costs or decreased future electricity demand would increase the benefit of an alternative portfolio of resources compared to continuing with the Site C Project. Though BC Hydro has yet to produce public estimates of the potential additional costs resulting from the numerous ongoing issues, these significant financial pressures imply that the \$10.7 billion estimated total Project cost used in the BCUC analysis is now materially underestimated.

In its most recent load forecast of June 2019, BC Hydro forecasted electrical energy and capacity requirements to be 4,000 GWh/year and 1,300 MW lower by the mid-2030s than in the forecast it provided to the BCUC for its review.^{3 4} In essence, loads equivalent to the 5,286 GWh/year of energy and 1,145 MW of capacity to be provided by Site C have disappeared from BC Hydro's most recent load forecast. Moreover, BC Hydro has yet to produce a load forecast inclusive of the effects of the pandemic, which are expected to further erode the need for Site C on the current timetable.

The public now needs adequate information in order to properly assess the future of the Project and the material risks facing ratepayers and taxpayers, particularly in light of the deteriorated financial position of the provincial government resulting from the pandemic.

We are writing this open letter to urge the provincial government to:

- (i) make relevant information (including financial and geotechnical data, and updated load forecast scenarios) public immediately, and continue to update this information in a timely, accessible, and transparent fashion;
- (ii) task the BCUC with updating its earlier Inquiry, making use of the analytical frameworks developed previously;

¹ For copies of these reports, see: <http://watergovernance.ca/projects/sitec/>

² For a copy of the report, see: <https://www.bcuc.com/Documents/wp-content/11/11-01-2017-BCUC-Site-C-Inquiry-Final-Report.pdf>.

³ For the November 2016 Load Forecast, see: https://www.bcuc.com/Documents/Proceedings/2016/DOC_48161_B-9_BCH-Responses-to-BCUC-IRs.pdf

⁴ For the October 2019 Load Forecast, see: https://www.bcuc.com/Documents/Proceedings/2019/DOC_55779_B-15-BCH-20Year-Load-Forecast.pdf

- (iii) request BC Hydro to make available to the Commission updated information of a similar scope to that provided previously for the Inquiry; and
- (iv) provide an opportunity for meaningful participation in this updated Inquiry by intervenors and the general public.

The provincial government should also give consideration to suspending activities at the Site C Project during the course of the BCUC review, since any further incurred costs will undermine any benefits that might be realized by abandoning the Project or suspending it indefinitely in order to pursue an alternative path.

Sincerely,

Dr. Karen Bakker, Professor, UBC

Rick Hendriks, Director, Camerado Energy

Phil Raphals, Executive Director, Helios Centre