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Sent via email: commission.secretary@bcuc.com

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Site C Inquiry Panel
David Morton, Chair, and Commissioners
Karen Keilty, Dennis Cote, and Richard Mason
British Columbia Utilities Commission
Sixth Floor, 900 Howe St, Box 250
Vancouver, BC, V6Z 2N3

Dear Members of the Commission Panel,

Re: Inquiry into continuing, suspending or terminating the Site C project (the “Inquiry”)

We write on behalf of Sierra Club BC with regard to the Panel’s Preliminary Report issued on September 30, 2017 and subsequent postings on the Commission’s Site C Inquiry website. This letter is sent as a follow-up to our August 30, 2017 submission on behalf of Sierra Club BC, in which we focused on demonstrating how continuing with Site C is inconsistent with the *Clean Energy Act’s* (“CEA’s”) provincial energy objectives, and requested that the Commission recommend that the Project be terminated.

We have reviewed the Commission’s Preliminary Report, BC Hydro’s responses to the dozens of Commission questions, and several third party submissions. We also attended a community input session on behalf of Sierra Club BC, where we emphasized the Commission’s legal obligation to consider all the *CEA* objectives in carrying out its Term of Reference (“TOR”), s. 3(b)(iv) mandate to assess alternative portfolios and demand side management (“DSM”) initiatives.

Sierra Club BC remains concerned that the Inquiry's truncated timelines have made it difficult for interested parties to provide meaningful input. We appreciate that the timelines have presented a challenge to all parties, including BC Hydro and the Commission itself. But given the significant social, environmental, and financial implications of continuing with the Project, it is in the interest of ratepayers, taxpayers, and British Columbians in general for this Panel to recommend a more comprehensive review. Only then would the Government know whether continuing with the Project is the "right decision for B.C. families".

Sierra Club BC also remains concerned that continuing with the Project is not consistent with BC's energy objectives. We said in our August 30th letter that the interpretation of *CEA* objectives was of paramount importance in considering alternative portfolios and DSM under TOR, s. 3(b)(iv). Broadly speaking, the relevant *CEA* objectives can be grouped into the following four categories:

- i. reducing greenhouse gas reductions (objectives (g), (h), (i), and (n));
- ii. prioritizing energy conservation and efficiency (objectives (b), (d), and (j));
- iii. fostering innovation technology, jobs and community development (objectives (d), (k), (l), and (m)); and
- iv. encouraging energy self-sufficiency (objectives (a) and (n)).

The importance of properly considering the *CEA* objectives cannot be understated. It is rare for objectives to be included in legislation,¹ let alone objectives that apply to decisions made under other statutes and which capture the energy objectives of an entire province.² As such, it is critical that the Commission adopt a purposive and responsive interpretation of the *CEA* objectives while it considers the evidence regarding Site C, alternative portfolios, and DSM initiatives under TOR, s. 3(b)(iv).

A meaningful consideration of the *CEA* objectives would not be fulfilled by accepting BC Hydro's unsubstantiated statements supporting continuation of the Site C Project. On this point we commend the Panel for refusing to accept BC Hydro's unsupported assumptions and conclusions thus far.³

¹ No other relevant provincial legislation includes statements of statutory objective – see e.g.: *Greenhouse Gas Reduction Targets Act*, SBC 2007, c 42; *Utilities Commission Act*, RSBC 1996, c 473 [*Utilities Commission Act*]; *Hydro and Power Authority Act*, RSBC 1996, c 212; *Gas Utility Act*, RSBC 1996, c 170.

² See e.g., *Utilities Commission Act*, s 44.1(8) which requires the Commission to consider the *CEA* energy objectives when determining whether BC Hydro's long-term resource plan is in the public interest

³ See e.g., Preliminary Report at p 92: "The Panel finds BC Hydro's analysis of the adjusted UEC of the alternative portfolio to be too opaque to be of value in a comparison of costs of Site C to an alternative portfolio and finds the assumptions underlying the UEC to be not well explained ... We request that BC Hydro explain all assumptions made in this analysis of the UEC for the alternative portfolio."

Sierra Club BC urges the Panel to maintain this approach in drafting its Final Report. We also request that the Panel give full effect to the *CEA* objectives by considering and recommending alternative portfolios and DSM initiatives that better fulfill the majority of the objectives, based on the evidence before it.

All of which is respectfully submitted,



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