

**Peace Valley Environment Association**

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Submission to the BCUC Site C Review

August 29, 2017

Attn: Site C Inquiry Panel**(David Morton, Chair & Commissioners Karen Keilty, Dennis Cote & Richard Mason)**

I am writing to submit concerns regarding the comprehensiveness of the budget prepared by BC Hydro to build Site C dam. I believe that there are a few significant oversights that I hope you will consider in your assessment of the Site C dam business case.

As a brief background, I have been working for the Peace Valley Environment Association for 6.5 years. I facilitated their formal participation in the EA on Site C and continue to work on their behalf, in association with many allied organizations, to educate the public about the many issues of concern associated with Site C Dam.

In the documentation supplied for the EA by BC Hydro, you will note that there are neither plans nor a budget included for the eventual decommissioning of Site C, should it be built to completion. Based on cursory research on the cost of dam decommissioning, it would seem that not accounting for this during the project planning phase is a significant oversight. A 2009 article in International Water Power and Dam Construction [states](#), "Since 1999 the cost of dam removals has increased, typically costing 20-40% of new construction costs," (Par 17). An article in International Rivers by the organization's executive director [states](#), "Removing a hydrodam could even cost more than building one..." (Par 2). Given the present cost of Site C, estimated at \$8.8 billion, the inevitable costs of decommissioning would be significant and should be considered as part of the business case associated with the creation of Site C.

Typically, in private sector financial reporting, a provision is made for decommissioning costs related to production facilities such as well sites or energy plants. These are represented as 'asset retirement obligations' (ARO's), and are reported in the liabilities' section on the balance sheet. As such, it would be appropriate for BC Hydro to include a reasonable estimate of such costs and include them in their business case for Site C.

In addition to concerns about dam decommissioning costs, I also question whether the costs of maintaining and extending the life of WAC Bennett Dam have been adequately considered in the Site C business case. The continued operation of WAC Bennett Dam is integrally linked to the operation of Site C Dam. It's my understanding that the life expectancy of WAC Bennett Dam is 100 years. Thus it is presently just over half way through its life expectancy and Site C, if built to completion, would only just become operational once WAC Bennett Dam was 58 years old. Site C also has a life expectancy of 100 years, thus my concern that the costs of maintaining WAC Bennett Dam should be included in the overall cost estimates associated with the creation of Site C.

From an accounting perspective, when one is submitting a business plan for a project that is contingent on the maintenance or life extension of another asset, those costs should be included in the business plan for the proposed project. One must consider the 'big picture' and include all relevant costs to the proposed project.

Thank you for your consideration of these concerns and I look forward to seeing them addressed through your assessment.

A handwritten signature in black ink, appearing to read "A. Morison". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Andrea Morison, BA, MA
Executive Director, Peace Valley Environment Association