

**From:** [Hadland](#)  
**To:** [Commission Secretary BCUC:EX](#)  
**Subject:** letter to Carole Taylor re: Site C economics  
**Date:** Wednesday, August 30, 2017 4:39:07 AM

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Dear Commissioners,

Please add this discussion to your deliberation when considering the economic impacts of proposed Site C.

Submitted

Arthur A. Hadland

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February 3, 2010

Congratulations on your recent appointment. I can only hope that your deliberations and conclusions are open and transparent to the taxpayers of British Columbia.

This is an appeal to you on behalf of the ratepayers of our public utility BC Hydro and Power Authority [BCHPA] to investigate and better understand the negative impacts and onerous financial commitment of the unnecessary proposed Site C in the sedimentary basin of the Peace River.

At the very least, this project must be reviewed by an independent BC Utilities Commission and at the most by a Royal Commission.

1. **Escalating Debt load** on the backs of BCHydro Power Authority rate payers. The total BCHPA debt in 2003 was \$30 Billion, while in 2013 BCHydro CEO Charles Reid admitted an accumulated debt load of \$70 Billion. (See Newspaper for details)
2. **Escalating cost of construction of proposed Site C.** Current cost estimate is \$9 Billion. We know that the WAC Bennett Dam doubled in cost in a 6 year time frame. This means potentially another \$16 Billion to \$18 Billion added to the existing \$70 Billion Debt. Note that there has been no business plan in place to retire this accumulating rate payer burden.
3. **There were 7 purposes** provided for the use for proposed Site C beginning in 2010 with export to California to energizing 450,000 homes in BC, ending with export to California (on the last day of the Hearing). **This demonstrates no purpose for proposed Site C.**
4. **Provincial Credit Rating** is deteriorating and will likely be downgraded. It is noted that the base debt of BC is \$65 Billion compared to Alberta \$16 Billion. Total Citizen Debt Commitment is estimated at \$181 Billion. Compare our failed Provincial Resource Development Policies with Norway who is parallel in population, geography, and resources now has a wealth pool of \$700+Billion, second only to Dubai! The question is: *Why can we not do as good as or better than Norway?*
5. **Much more affordable alternates:** The Shepherd co-generative gas plant on 60 acres in Calgary is equivalent to proposed Site C. It has been constructed on budget for \$1.3 Billion and has a guaranteed 5 year rate of .08/Kw hour. This is a fraction of the cost of proposed Site C. The current contract of \$1.75 Billion would have built a co-gen plant using our stranded resource (natural gas) adjacent to the load. This only makes good business sense.
6. **Existing infrastructure:** The Burrard Thermal Plant at Port Moody is **paid for**, has been upgraded and is capable of energizing 700,000 homes at the flick of a switch and it is next to the main load. The policy to dismantle a facility equal to Site C needs to be reversed.
7. **Safety Uncertainty – "The uncertainties in predicting both the extent and rate of the shoreline impacts lead to the proposal to adopt an observational approach for periodically reviewing and updating the reservoir impact lines after the reservoir has been filled."** Statement in the September 2009 Klohn Crippen Berger and SNC Lavelin

report produced for BC Hydro. This is supported by the report made by the Geological Survey Branch of British Columbia prepared for the Honorable Jack Weisgerber, Minister of Energy, Mines and Petroleum Resources in 1991. (Quaternary Geology and Landforms of Eastern Peace River Region, British Columbia, by N.R. Catto 1991) Other cautionary examples such as the Mount Polley Disaster, Teton Dam Failure and the Vajont Dam Collapse demonstrate that clay sedimentary basins are the absolute worst places to construct dam reservoirs.

8. **Cost escalations caused by missed expenses:** i.e. PST costs were missed by estimates, TOTAL costs rose from \$ 7.9 Billion to \$9 Billion in one month. Are there others?? How about the mounting disparity of Canadian Dollars/American Dollars?

9. **Most importantly, BCHPA DOES NOT have a social licence to interact with the Peace Region.**

This glaring corporate deficiency continues after 57 years of impact on the Valley growth and two major hydro-electric dams. For example the District of Hudson's Hope has a decreasing population. [1400 in 1978, 970 in 2014] The community revenues should be \$25 Million for industrial taxes, instead an arbitrary \$1.2 M goes to the community coffers. This list goes on: the loss of First Nations (FN) historical sites, the Rocky Mountain Fort (1794) and Rocky Mountain Portage Fort (1806).

10. **Where is the \$400 Million Peace Basin Trust Fund?** There is an existing Columbia Basin Trust recognizing past impacts. Why not one for the Peace?

11. **Former BCHPA CEO Reid, at a Chamber of Commerce meeting in June 2013, stated that the \$1/2 Billion 'dividend' BCHPA pays to the Provincial Budget is borrowed money!!!**

As a business man this tells me that our public utility is **Bankrupt!**

12. Demand for electricity has flat-lined at 53-56,000 Gwhr. since 2008. North America is awash in electrical energy. BCHPA forecasters have consistently got it wrong.

As a business Leader who understands that the bottom line is essential to running a successful business, how would you rate your public utility with the financial facts authored in this letter? The retirement of the existing \$70 Billion debt load is not addressed. The huge debt burden will be on the backs of all British Columbians **forever**.

#### **DEBT IS NOT O.K.**

The litany of poor economic performance and failed energy policies can lead one to speculate there must be a hidden agenda for forcing proposed C on the backs of British Columbians!!! Could it be a future sale of our Public Utility's assets to General Electric, as was proposed in 2005 but was rejected due to immediate public back-lash?

Or is it simply a make work project for SNC Lavalin on the backs of British Columbians?

To quote Harry Swain, Chairman of the Joint Review Panel: the province's failure to investigate alternatives to the dam was a "**derelection of duty**."

We as householders and ratepayers **DEMAND** a sober review by the BC Utilities Commission of the unnecessary proposed Site C Dam.

Submitted by Arthur A Hadland, P.Ag, AACI(retired)

Citizen of the Peace,

Past Peace River Regional District Area C Director

Agrologist of the Year 2001

Food producer and Land Use Consultant

*Background information available upon request.*