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I believe Termination of the Site C Project must be chosen. There is already a huge surplus of electrical power in BC, and growing. This is due to both declining consumption and increasing production of IPP. Consumption is sure to decline even further in future, as the increasing cost of power encourages consumers to use less electricity. Huge price increases for electricity are inevitable as BC Hydro is already deeply in debt, and must pay IPP outrageous rates for their production far into the future.

# **Review of Site C Project by B.C. Utilities Commission**

## **Public Community Input Session, October 5th, 2017 in Vancouver**

**David Jones**

My name is David Jones, and I live in Tsawwassen. I am a metallurgist (retired), and I worked primarily in the mining industry throughout Canada; I was a consulting engineer for many years and have a good sense of large project economics and financing of large projects. I have an abiding interest in the Environment, but have no affiliations other than supporting a number of environmental NGO's.

### **TERMINATION IS THE ONLY SENSIBLE OPTION**

- 1) I recommend Termination of the Site C project immediately, as it is not needed now or for the foreseeable future, and is reported to be costing \$60 Million per month to continue this unnecessary construction.

### **TERMINATION WILL NOT BE NEARLY AS COSTLY AS B.C. HYDRO CLAIMS**

- 2) BC Hydro claim that Termination will cost several \$ Billion, but this is patently false
- 3) Termination cost is certainly much less than \$ 1 Billion, and even this figure would probably be reduced to zero once credits for agricultural production are taken into consideration, i.e. when the fertile Peace River Valley is saved from flooding.
- 4) The only real termination costs are those for Remediation of the construction damage, (\$700 Million estimated but probably exaggerated), and Termination of Construction (\$300 Million), according to BC Hydro.
- 5) Even these estimates appear to be inflated especially the remediation, as BC Hydro had a vested interest in making the Termination appear to be as expensive as possible. Does anybody believe they made this estimate in good faith?
- 6) Further, this estimate for Remediation was provided by Hemmera, the very same consulting firm that expects to get such remediation work if it happens, and most of the work is merely monitoring for 10+ years, not actual physical work on remediation.
- 7) My instinct, as a long term consultant myself, is that this remediation work has been over-estimated by at least a factor of 2, so that the total cost due to both these two factors will be less than \$ 500 Million.
- 8) The rest of BC Hydro's predicted termination costs are either:
  - Sunk costs, money that is lost already, termination or not, or
  - Costs for 'Alternative Power sources', none of which is needed, as this is to satisfy a perceived need for 'clean energy' to meet demands in the future
- 9) This 'clean energy' from hydroelectric power stations is nothing of the sort .... Ruining the Environment can hardly be called 'Clean'
- 10) And the perceived future needs are illusory in any case.
- 11) So much for the massive costs for Termination.

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## **POWER FROM SITE C NOT NEEDED**

- 12) Power from Site C will not be needed in B.C. for the foreseeable future, e.g. 20+ years, and probably much longer. We have a huge excess of power now, and have had for several years.
- 13) The excess is so large, that the power that we already have from the legacy dams is not needed, and now cannot be sold at any reasonable price.
- 14) In consequence BC Hydro is probably dumping water over the dams, rather than putting it through the turbines to generate power, although have not admitted it.
- 15) It is curious that 15 years ago we were producing almost enough power from the legacy dams to supply all our needs, and now we have an extra 30 % more power (from IPP sources), with all the legacy dams still in operation.
- 16) Where has all this excess power gone? As unused water, over the top of the dams? Or sold as rock-bottom prices to USA or Alberta? Either way the power from the legacy dams is now being wasted.
- 17) This alarming trend is getting worse, as more and more IPP power comes on stream and BC Hydro is forced to buy such hugely expensive power, needed or not.

## **POWER CONSUMPTION IN B.C. HAS STOPPED RISING**

- 18) Power consumption in BC is not rising anymore, and hasn't for about 10 years. We now have an excess power of more than double the Site C capacity, and this doesn't even include the Entitlement under the Columbia Power Treaty with the USA, which is similar to the Site C capacity again. We are awash in power, like it or not.
- 19) Expectations of huge power consumption by LNG Plants has come to nothing, and there is expectation that this will change in the life time of most of us present here today
- 20) Forecasts of power requirements in BC by BC Hydro have never come close to the actual consumption for the last 15 years, and there is no reason to suppose this will change in the next 20 years
- 21) A sea change has taken place in power consumption in all three of BC consumers, residential, commercial and industrial, especially the industrial. The days of heavy industrial consumption are gone forever now, as they depended on cheap power, which is now an impossibility due to the BC govt policies since 2001, specifically the Clean Energy Act, which has permanently crippled BC Hydro and all the major industries in BC

## **HUGE DEBTS NOW LOOM OVER BC HYDRO**

- 22) Over building of power capacity (with the IPP contracts), has resulted in huge debts and even bigger long term liabilities for BC Hydro, such that BC now leads the nation in these dubious measures.

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- 23) Only the Federal government has more debt than BC, and on a per capita basis, and we are beating all other provinces in this regard by at least a factor of four.
- 24) This very serious situation raises the specter of bankruptcy for BC Hydro and hence BC. In fact I cannot see how this can be avoided down the road
- 25) The result of such debt is that power rates have risen so high that it is now discouraging usage, and hence the debt spirals ever higher. Default is probably the only way out now.
- 26) As a miner, I know that the rate for industrial users that BC Hydro charges is impossible to justify any new major mines in the province, a sobering thought.

### **THE BAKKER REPORT .... REASSESSING THE NEED FOR SITE C**

- 27) The Bakker report which I'm sure the Commission has read, has explored the reasons why BC Hydro's forecasts of future power requirements have been so over-estimated for the last 15 years.
- 28) One of the factors this Bakker report explains is the so-called 'Elasticity' factor. By this they mean the degree to which consumers reduce consumption in response to increasing price.
- 29) BC Hydro have used 0.05 for the Elasticity factor. Bakker shows that other experts have estimated the long term value to be at least 0.40, 8X higher than BC Hydro's estimate
- 30) This explains why consumption of electricity has been flat at best for several years, while prices have been steadily rising.
- 31) And it means that future consumption is likely to be even less