

## **British Columbia Utilities Commission**

### **BC Hydro and Power Authority British Columbia Utilities Commission Inquiry Respecting Site C Response to Letter A22 – Comments on Alternative Portfolios**

### **Submission from the Sekw'el'was Cayoose and N'Quatqua First Nations**

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On October 11, 2017 the BC Utilities Commission issued Letter A-22, where the Commission has prepared three illustrative Alternative Portfolios (one for each of BC Hydro's July 2016 load forecasts) based on information submitted in the Site C Inquiry. The Panel invited comments on these Alternative Portfolios of generating projects and demand-side management (DSM) initiatives.

The Commission was also asked to examine Site C's impact on indigenous rights and the environment. As we set out in our written submission of August 30, 2017 and in our oral presentation on October 6, 2017, the impacts that are incurring by Sekw'el'was Cayoose and N'Quatqua are outside of Site C but addressing these impacts provides a clear alternative to building Site C.

In addition, Sekw'el'was Cayoose and N'Quatqua supports the work of Robert McCullough of McCullough Research, and his public statements that building new mega dams for energy is an outdated practice as the cost of renewable energy sources like wind and solar have decreased dramatically. In a recent article Mr. McCullough, succinctly states "The era of big iron has passed... We just have had a technological change that people are adjusting to now. We can actually save \$1 billion dollars by simply abandoning the project and going to other technologies."

As we set out in our submission to the Commission, Sekw'el'was Cayoose and N'Quatqua have made their submission and oral presentation to the BCUC to facilitate a discussion on the alternatives to Site C. Specifically, BC Hydro has existing facilities that are in disrepair and could provide additional capacity and energy as one of the alternatives to continuing to build Site C.

Sekw'el'was Cayoose and N'Quatqua wants BC Hydro to restore the System as a priority in BC Hydro's capital planning and expenditures. By not maintaining the System on an on-going basis over time, BC Hydro has caused substantial damage to the ecosystem, fisheries and wildlife that Sekw'el'was Cayoose and N'Quatqua and the St'at'imc people depend upon to sustain their way of life. BC Hydro is choosing, on their own, to destroy ecosystems that are interdependent, and to destroy ways of life to all people. To choose to not repair aging assets over what we are all gifted from the creator shows how lost our societies are becoming.

Restoring the System to full capacity could be part of a suite of alternatives to Site C and can ensure that ratepayers are not incurring the costs of bring a new generation facility on line.

These alternatives include clean energy and economic development opportunities for First Nations by continuing to purchase power from independent power producers that are either owned by or in partnership with First Nations. The cost of some of these alternatives such as wind and solar are declining. They are far less risky to develop than Site C and can be timed to meet demand.

BC Hydro has indicated that Revelstoke Unit 6 is in the definition phase and is currently planned to be in-service by F26. BC Hydro can also undertake upgrades to G. M. Shrum Units 1 – 5 to provide additional capacity.

In our oral presentation to the Commission we noted that we were in receipt of an e-mail from Chris O’Riley to Chief Edwards stating that BC Hydro is forecasted to invest an incremental \$590M for a seismic upgrade project at the LaJoie Dam.

We note the F2017 to F2019 Revenue Requirements Application (RRA) includes a reference to LaJoie dam but the RRA does not specify any capital expenditures for the facility. We believe that a simple statement in an e-mail from Chris O’Riley to Chief Edwards is not sufficient to ensure that BC Hydro will commit funding and resources to this work.

As stated in our oral presentation we request that the the BC Utilities Commission direct BC Hydro provide an updated 10 year capital forecast that includes the \$590 million for the Bridge Seton facilities including a breakdown of the forecast to separately state the work for LaJoie and the other facilities within the Bridge-Seton system. We also requested that direction be provided to BC Hydro to work collaboratively and at the feasibility stage with St’a’timc to determine how the schedule can be advanced to achieve full restoration by 2028.

We would also draw to your attention the presentation made by Mr. Swain about the potential for the refurbishment of exiting assets that are already owned by BC Hydro. “...pre-nationalization assets, which we calculate could be producing about 12 percent of the total production, rather than the current 8 percent. It has assets which are not fully deployed. Revelstoke 6 is a 1980s project, still hasn't got a turbine but they're still talking about it. Duncan, a 1960s project, still has no generation at all. And of course the CRT, the Columbia River Treaty entitlement, has been rejected for the spot price, which in effect has cascaded through to the provincial balance sheet.”

David Vardy, who was the former Chair of the Public Utilities Board in Newfoundland, stated: “do not overbuild the system. Build according to your need. This is particularly appropriate in an era of rapid technological change. When we need to design a system that is adaptable to change for Newfoundland Labrador, Muskrat Falls was far too large for our needs and far too expensive.”

Ignoring the existing assets and spending scare resources on the Site C mega project does not serve ratepayers or First Nations well.

Finally, we did not think that BC Hydro provided a fully and comprehensive response to the issues concerning their existing assets. Mr. Reimann simply stated in in October 14<sup>th</sup> presentation to the Commission: “In terms of upgrades to the Hydro facility refurbishments, generally speaking Hydro puts those into a sequence and develops them as it makes sense. And one of the considerations is that most of them require you to take a plant out of service prior to making the refurbishments and bringing it back in to get some upgrade. So, you really have to think about when you do it, and if you try to do all of those too quickly, you will face cost risks. And so we don’t think that those can come in as a large block like that.”

No one is asking BC Hydro to do this working quickly, many of these projects have been in the planning stages for many years and can be brought on as part of a suite of alternatives to replace Site C power over the next 7 to 8 years.