



September 15, 2014

Ref.: 85296

Ms. Karen Goodings  
Chair  
Peace River Regional District  
Box 810  
Dawson Creek, BC V1G 4H8

Via email: [reception.dc@prrd.bc.ca](mailto:reception.dc@prrd.bc.ca)

Dear Ms. Goodings:

Premier Christy Clark has asked me to respond on her behalf to your May 26, 2014 letter regarding BC Hydro's Site C Clean Energy Project (Site C).

Site C is a proposed third dam and hydroelectric generating station on the Peace River in northeast British Columbia. If constructed, it would provide 1,100 megawatts (MW) of capacity and produce about 5,100 gigawatt hours (GWh) of electricity each year, which is enough energy to power the equivalent of about 450,000 homes per year in British Columbia. By providing dependable capacity below the upstream storage in the Williston Reservoir, Site C has the ability to shape, firm and help integrate intermittent clean or renewable resources, such as wind and run-of-river.

The Joint Review Panel (JRP) agreed with BC Hydro that Site C would provide a large and long-term increment of firm energy and capacity at a price that would benefit future generations and without contributing measurably to greenhouse gas emissions. The JRP also confirmed that Site C would improve the ability to integrate other renewable, low-carbon energy sources as the need arises.

The JRP concluded that Site C would be the least expensive of the alternatives, and its cost advantages would increase with the passing decades as inflation makes alternatives more costly. While the JRP agreed that there would be a future need for electricity, it questioned the timelines in BC Hydro's load forecast. Like all long-term load and resource forecasting, there are some assumptions that have some uncertainty. However, BC Hydro's load forecast is based on the best available information regarding future conditions, and BC Hydro's load forecast methodology has been endorsed by the British Columbia Utilities Commission (BCUC) in prior public hearings.

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**Ministry of  
Energy and Mines and  
Minister Responsible  
for Core Review**

**Office of the Minister**

**October 9, 2014**

**Mailing Address:  
PO Box 9060, Stn Prov Govt  
Victoria, BC V8W 9E2**

**Telephone: 250 387-5896  
Facsimile: 250 356-2965**

BC Hydro evaluated viable supply portfolios as alternatives to Site C (for example, portfolios without Site C), specifically:

- a clean generation portfolio; and
- a clean plus thermal generation portfolio.

This analysis was included in the Environmental Impact Statement and considered by the JRP. The evaluation included short-term management of any surplus associated with Site C. Regarding supply alternatives to Site C, the JRP concluded that, “in the long term, Site C would produce less expensive power than any alternative.” In addition, I have requested Ministry staff to review independent analysis of alternatives to Site C. This review comparing the cost of the power will ensure due diligence before the Province decides whether BC Hydro is to proceed to project construction, which would be subject to BC Hydro receiving provincial and federal environmental approvals for Site C.

Whether to proceed with Site C is a major public policy decision that will be made by the Government, not the BCUC. As with any other BC Hydro project, if Site C does proceed to construction, the BCUC will determine how costs are recovered through rates.

On May 8, 2014, the JRP Report (Report) on Site C was released to the public. It is important to note that the JRP accepted BC Hydro’s mitigation measures and confirmed that the benefits for Site C are clear:

- Site C is the least-expensive alternative to meet long-term electricity needs (page 298 of the Report) and would “lock in low rates for many decades, and would produce fewer greenhouse gas emissions per unit of energy than any source save nuclear.” (page 308 of the Report);
- Site C would improve the foundation for the integration of renewables (page 273 of the Report);
- Site C would provide opportunities for jobs and small businesses of all kinds, including those accruing to Aboriginal people; and
- Site C would provide multi-generational benefits.

KPMG was engaged in 2010 and again in 2014 to review BC Hydro’s capital cost estimates and financial model for Site C. Its examination concluded the process used in developing assumptions and the construction of a financial model were appropriate.

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All of these factors will be considered by the Government in making a decision on whether to proceed with Site C.

Thank you, again, for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bennett". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bill Bennett  
Minister

pc: Honourable Christy Clark  
Premier

Honourable Norm Letnick  
Minister of Agriculture

Honourable Mary Polak  
Minister of Environment

Honourable Steve Thomson  
Minister of Forests, Lands and Natural Resource Operations

Honourable Suzanne Anton  
Minister of Justice

Mr. Pat Pimm, MLA  
Peace River North

Mr. Mike Bernier, MLA  
Peace River South



## PEACE RIVER REGIONAL DISTRICT

Via email: [premier@gov.bc.ca](mailto:premier@gov.bc.ca)

Office of: Chair

May 26, 2014

The Honourable Christy Clark  
Premier of BC  
P.O. Box 9041 Stn. Prov. Govt.  
Victoria, B.C. V8W 9E1

Dear Premier Clark:

Re: Site C Clean Energy Project Joint Review Panel Report Recommendations

Peace River Regional District Directors have reviewed the recently released Site C Clean Energy Project Joint Review Panel Report and we discussed the Panel's recommendations at our May 15, 2014 regular meeting. The Regional District Board subsequently resolved:

"That a letter be forwarded to the Premier of BC requesting that the British Columbia Utilities Commission be involved in the Site C Clean Energy Project approval process, in keeping with several recommendations of the Site C Clean Energy Project Joint Review Panel and in the interest of open and transparent decision making. Further, that the letter be copied to all BC cabinet ministers, leaders of opposition parties, Member of Parliament Bob Zimmer, South Peace MLA Mike Bernier, North Peace MLA Pat Pimm, and all UBCM members."

We request that our Provincial government endorse the Joint Review Panel's recommendations 47, 48, and 49. We believe the public's interests will be best served if, prior to any final decision being made, the Site C Project is referred to

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PLEASE REPLY TO:

**October 9, 2014**

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the British Columbia Utilities Commission for public hearings and Commission review of the Project's costs and impacts on ratepayers.

We look forward to your reply.

Yours truly,



Karen Goodings,  
Chair

cc. Executive Council of BC:

Honourable Amrik Virk  
Honourable Andrew Wilkinson  
Honourable Bill Bennett  
Honourable Coralee Oakes  
Honourable Don McRae  
Honourable John Rustad  
Honourable Mary Polak  
Honourable Michael de Jong  
Honourable Naomi Yamamoto  
Honourable Norm Letnick  
Honourable Peter Fassbender  
Honourable Rich Coleman  
Honourable Shirley Bond  
Honourable Stephanie Cadieux  
Honourable Steve Thomson  
Honourable Suzanne Anton  
Honourable Teresa Wat  
Honourable Terry Lake  
Honourable Todd Stone

Official Opposition Party of BC

Mr. Bob Zimmer, MLA Prince George – Peace River

Mr. Mike Bernier, MLA – South Peace

Mr. Pat Pimm, MLA – North Peace

UBCM Membership