



Business Council of  
British Columbia

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(Original to Follow by Mail)

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**Re: Comments on the Site C Clean Energy Project**

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The Business Council of British Columbia is pleased to provide the following comments on the Site C Clean Energy Project, which is currently under review by the Joint Review Panel.

By way of background, the Business Council, established in 1966, is an association representing approximately 250 large and medium-sized enterprises engaged in business in British Columbia. Our members are drawn from all major sectors of the provincial economy. Taken together, the corporate members and the associations affiliated with the Business Council are responsible for approximately one-quarter of all private sector jobs in the province.

Our comments on the Site C Clean Energy Project are focussed in two key areas:

1. The need for Site C to successfully complete the Joint Review Panel process and to receive harmonized Environmental Assessment certification in order to ensure that British Columbia has sufficient options available for effective long-term electricity planning purposes.



2. Recognition of the extensive work that has been done by the Site C office to develop and present the comprehensive information necessary to enable the Joint Review Panel to consider and assess the project.

### **1. Long Term Electricity Planning – the Need for Site C**

Effective long-term planning to meet BC's electricity needs has played a key role in the development of the province's economy. The legacy of major dam construction in the 1960s through to the early 1980s has served the province well from both a cost and a reliability perspective. However, the demand for electricity is not static. Over time, BC's heritage hydro-electric asset base has had to be supplemented by new Demand Side Management programs, dam upgrades, and the acquisition of energy from Independent Power Producers (IPPs), in order to achieve the (recently revised) self-sufficiency targets established by the government following approval by the Legislature.

Driven by population growth, significant economic development, and shifts in technology, electricity demand is expected to increase by 40 percent over the next two decades, according to BC Hydro's latest Integrated Resource Plan re-submitted to the government on November 15, 2013. The Business Council generally concurs with this assessment. As a result, there is a corresponding need to ensure that the predicted growth in demand is met in a timely fashion, using the most cost-effective supply options available under the current energy policy framework set by government policy-makers.

Because the systems upgrades needed to meet load growth, combined with new Demand Side Management programs and new supply (generation) options, will all create incremental cost pressures, maintaining BC's historically competitive electricity rates will be a major challenge for BC Hydro and the provincial government in the coming years. The Business Council is well aware of the implications of rising power costs for the competitive position of a number of industries operating in British Columbia.

Based on the data provided in the draft Integrated Resource Plan and related discussions with interested Business Council members, we conclude that there is justification for advancing Site C through the Environmental Assessment process so as to have the project available as a supply option to meet load growth over the 20 year planning horizon. After reviewing the information provided to date, including the costs estimates developed by BC Hydro, we believe Site C could help to meet the long-term electricity needs of BC customers through this timeframe, providing a reliable and proven option for the utility.<sup>1</sup>

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<sup>1</sup> As noted in the Business Council's recently released "Building New Energy Advantages for BC: A White Paper on Energy Policy in BC," the Business Council recommends independent, third party oversight as part of the cost of supply option analysis (p.44).



Overall, the Business Council believes the Site C project can play an important role in allowing a diverse comparison of supply options to effectively plan for the province's growing demand for reliable electric power – while also delivering significant economic benefits through the planning, engineering and construction phases.

## **2. Environmental Considerations**

The Environmental Impact Statement (EIS) submitted by the Site C office to the Joint Review Panel is one of the most comprehensive EIS reports ever undertaken for any project in British Columbia. The level of detail provided in the EIS for Site C reflects the commitments made during the early stages of the project's development to determine baseline information and potential impacts, with the intent to mitigate environmental impacts in the design, construction and operational phases.

While a detailed review of the chapters contained in the EIS – in particular, the very detailed components dealing with specific environmental impacts and mitigation measures – is beyond the scope of this short submission, the Business Council's assessment is that the EIS report meets and significantly exceeds the level of analysis and mitigation that one would expect from a project of this magnitude.

To be clear, large-scale projects along the lines of Site C inevitably will have some environmental effects that need to be understood and addressed. What stands out in the EIS that has been developed for Site C is the depth of the baseline analysis and the careful attention given to ways to mitigate potential impacts. The level of consultations and discussions with First Nations, key stakeholders and communities potentially affected also provides evidence of a project that exceeds established regulatory requirements

Within the First Nations consultation framework, the Business Council wishes specifically to recognize and note that the legacy and environmental impacts of earlier hydro-electric industrial development have given rise to significant concerns among First Nations. In addition to the work done under the EIS and by both BC Hydro and the government to address First Nations' concerns, there will be a need for further dialogue. This clearly will be important to advancing the Site C project.

## **Conclusion**

The economic and public policy environment surrounding electricity and other areas of energy development in North America has become increasingly complex. Decisions on electric power development today necessarily involve consideration of the economic impacts, together with acknowledgement of the environmental and social implications of different resource acquisition options. In British Columbia, a large number of



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stakeholders are affected by and have legitimate interests in various aspects of provincial energy policy. This further complicates project development and execution and tends to increase costs for all concerned – power developers, utilities, industrial and commercial ratepayers, and households.

Overall, the Business Council believes the EIS plan submitted by the Site C office clearly meets the regulatory criteria and expectations that are expected for a project of this magnitude in British Columbia. This conclusion recognizes that there will be significant requirements for both ongoing analysis and effective implementation of mitigation measures as the Site C project moves forward over time.

The Business Council of British Columbia appreciates the opportunity to provide these comments on the Site C EIS to the Joint Review Panel.

Yours sincerely,

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