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## Site C dam will take 70 years to pay off - Natalie Dunsmuir

In 2094, Premier Christy Clark will be 129-years-old, BC Hydro's current CEO Jessica McDonald will be 125, and British Columbia will have just succeeded in paying off the Site C hydroelectric dam.

The \$8.8-billion project—the biggest infrastructure project in BC history—is going to take 70 years to pay off, according to evidence given to the BC Utilities Commission by BCHydro. The construction of the dam is planned to be completed in 2024. Almost three quarters of a century later, BCHydro will finally get a return on their investment—if, of course, BCHydro's forecasts are correct and the dam does not go over budget.

The length of this paydown period was lost in the midst of hours of technical testimony during BCUC hearings in August, and was only recently stumbled upon by the NDP's BCHydro critic, Adrian Dix, who wrote about the issue in *The Tyee*.

Previously, paydown periods for BCHydro and similar organizations have been capped at 40 years. The \$5 billion Muskrat Falls project in Labrador was given this cap, and negotiations between BCHydro and independent power producers typically result in the same time frame for amortization. But BCHydro says that the 70-year period used for the Site C dam is simply a way of calculating united energy costs.

'In order to make Site C look like a far more attractive financial project than it is, the BC government abandoned the concepts of risk and

return,' said Dix in his *Tyee* article. 'The BCLiberal government's orders to BCHydro and the BCUC on Site C have put ratepayers and taxpayers at risk for multiple generations, without even the prospect of a return or any serious consideration of risk.'

In 2013 plans for the Site C dam, the cost of the project was stated to be \$83 per megawatt/hour. Back then, the dam was budgeted at \$7.9 billion. In today's plan, the dam will cost \$8.8 billion but the power will only cost \$64 per megawatt/hour.

According to David Austin, the lawyer who questioned BCHydro representatives on the paydown period during the BCUC hearings, drawing out the amortization period makes the cost of building Site C seem more attractive to the public. In comparison, other projects financed by the public sector, such as wind and run-of-the-river projects, seem more expensive. Independent power producers, with their 40-year paydown period, usually cost \$85 per megawatt/hour.

Run-of-river projects have roughly the same lifespan as larger hydroelectric dams, so if each project were to have the same paydown period, run-of-the-river would be considered cost competitive, or even slightly less expensive than Site C, according to Paul Kariya, executive director for Clean Energy BC.

'I guess the question to be asked was, 'Shouldn't Site C be paying back something to the ratepayer who's putting up the money and, ultimately, the taxpayer?''

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Island Tides Publishing Ltd, Box 55, Pender Island, BC V0N 2M0 • 1-250-216-2267 • [islandtides@islandtides.com](mailto:islandtides@islandtides.com) • [www.islandtides.com](http://www.islandtides.com)