

THE MYTH OF A POWER-STARVED BC¹

Max Fawcett©

"This government can't seem to think outside of hydro. They want to dam everything and exploit every river valley, and I can't for the life of me understand it." When Peace River farmer Ken Forrest confessed his exasperation with BC Hydro's seemingly insatiable hunger for energy to me, it was clear he had spent very little time in the boardrooms of a renewable power sector taking shape in British Columbia under the BC Liberals led by Premier Gordon Campbell. The push to develop new sources of hydroelectric capacity, whether through privately operated and owned run-of-the-river projects or the development of the Site C Dam, is being driven by a desire to turn British Columbia into the green economy's answer to Saudi Arabia, a hydro-state whose economy is supported by energy exports. If approved, Site C would join the slough of new -- and controversial -- run-of-river IPPs in delivering a surplus of electricity that the government could export to the energy-starved American market to the south.

The provincial government's commitment to this vision of British Columbia as an energy exporting powerhouse was underscored by the recent appointment of Robin Junger, the former head of the provincial environmental office, as the new deputy minister of energy and clean technology in the office of the premier. As the Vancouver Sun's Vaughn Palmer wrote in a March 12 column, his job will be to enforce the message that Premier Gordon Campbell believes isn't being heard by the various government ministries and agencies with overlapping jurisdiction for developing and approving green power. That message, Palmer writes, is "his determination to make the province self-sufficient in electricity, to develop new sources of emissions-free generation, and to prepare the way for building power to export." If British Columbia's economic future is to be tied so intimately to the exporting of energy, the exploitation of the Peace River's remaining hydroelectric asset seems inevitable.

This strategy also marks a dangerous step backwards from any serious effort to promote a greater awareness about the full cost of energy use and the need for greater conservation in the province of British Columbia. Yes, BC Hydro has committed to satisfying 70 per cent of future energy needs through conservation, but for the people who stand to be affected by Site C, that figure isn't nearly high enough. More importantly, the construction of another major hydroelectric project postpones the inevitable reckoning that will have to take place between the average citizen and their detached approach to energy consumption.

'Nothing Will Voluntarily Restrict Its Growth'

Gwen Johansson knows a thing or two about these issues. As an advocate for the Peace River, a former representative on her community's district council, and a one-time member of BC Hydro's board of directors, she's seen every side of the issue. Sitting in the dining room of her home, one that sits just 20 feet from the Peace River on a modest property a few kilometres northeast of Hudson's Hope, Johansson says that creating more capacity will simply encourage people to use it. I used to have this argument with my neighbor all the time," Johansson said, "and he used to argue that nothing that is alive will ever voluntarily restrict its own growth. I used to argue that we were smarter than that, and that we would realize that we were going to

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destroy ourselves if we continued to place these demands on the planet. This was years ago, and he's dead now, but he was right. I never told him that."

The problem, she believes, is one of distance. "As long as it's coming from somewhere else, it's easy to just use it because you're not seeing the consequences of your own consumption. You have to be able to look out the window and see that if you leave the lights on more smoke gets produced by the local natural gas plant. You need to be able to see the consequences of your own consumption, I think."

The solution, she believes, isn't the installation of more generating capacity or the construction of another dam, but instead the creation of linkages between people and the power that they use. "In North America, we always seem to go for the big projects," she said. "We don't seem to trust our population. It seems to me that if you were to come out with more robust programs for doing renovations, you could get a lot of energy. We have families around here that are going with geothermal and rooftop sun collectors for hot water, and they're looking at doing wind, and they can get close to self-sufficiency. That's one individual, but on a bigger scale, if there were incentives to do that kind of thing, I think there's a lot of potential for that distributed generation."

BC Hydro's True Power Balance Sheet

Johannson's holistic view isn't shared by the organization that she used to work for, though. BC Hydro remains steadfast in its assertion that the Site C Dam is a necessary addition to an electrical generation grid starved for new sources of production. The province, it has argued, has slipped from being a regular exporter of energy to becoming a habitual importer, a situation that can only be remedied by introducing a significant new source of power. "For much of the last decade, we have been a net importer of electricity, depending on other jurisdictions to supply between ten and 15 per cent of our electricity needs," BC Hydro's Site C informational website says. "By planning now, BC Hydro is working so that British Columbians will continue to enjoy the benefits of a secure, reliable and affordable electricity supply."

But BC Hydro's critics note that this is a deliberate misrepresentation of the state of energy consumption and distribution in British Columbia, as the crown corporation and the province are not interchangeable entities when it comes to power production. As University of British Columbia professors George Hoberg and Christopher Mallon noted in a 2009 paper, "BC Hydro electricity trade is not the same thing as BC electricity trade." Fortis BC, a private energy utility, operates in the Kootenays, and large industrial generators also provide power to the grid from Alcan's operations in Kitimat and Teck Cominco's in Trail. In 2008 these industrial producers contributed 20 per cent of the province's total electrical generation, and that figure has only fluctuated between 19 and 22 per cent over the last five years.

BC Hydro's claim that it has had to deal with a structural production deficit over the last decade is further complicated by the terms of British Columbia's Columbia River Treaty with the United States, which provides the province with "Canadian entitlements to downstream benefits." Because B.C. agreed to build dams on the Canadian portion of the Columbia River to assist the United States with flood control measures downstream, and because those dams also increase the amount of power the United States can get from their dams, the province receives an entitlement of approximately 1,200 MW, more than ten per cent of BC Hydro's total capacity of about 11,280 MW. "While the U.S. officially delivers this power to B.C.," Hoberg and Mallon observe, "we don't take it as power to be used in the province. Instead, Powerex, the BC Hydro

subsidiary that handles cross-border trades, sells it in the U.S. market, and B.C. gets revenue without ever importing the power."

In fact, Professors Hoberg and Mallon argue, British Columbia is almost always a net *exporter* of energy. Over the last 32 years, they note, there have only been five in which B.C. has brought more power into the province than it has sent out. And if the Canadian Entitlement from the Columbia Treaty were to be included in the calculations, the most recent five years that they studied would have been transformed from a 1.5 per cent deficit to a 5.1 per cent surplus. Given that BC Hydro believes that 72 per cent of future demand growth can be offset through conservation, the province could ensure energy self-sufficiency well into the future with only a nine per cent increase in new sources of electricity. "Including the downstream benefits of the Columbia River Treaty doesn't eliminate the forecasted gap in B.C. electricity supply," they write, "but it does narrow it."

An Addiction Without End

Marvin Shaffer, a consulting economist and adjunct professor in the Public Policy Program at Simon Fraser University, thinks that last year's unexpected ruling by the British Columbia Utilities Commission represented a rebuke of the belief that BC Hydro needs more production capacity in the system. "The recent BC Utility Commission decision not to endorse BC Hydro's plan to purchase more private power was a simple one," Shaffer wrote in a piece for the Vancouver Sun. "The Commission concluded, based on the evidence presented and thoroughly examined in public hearings, that BC Hydro did not need additional power at this time." The notion that the Site C Dam is needed to prevent the power from going off is, then, at best a misrepresentation by BC Hydro and at worst a deliberate smokescreen.

If the government is truly interested in transforming the province's rivers and streams from public assets into mediums for profit-oriented enterprise, it's highly unlikely that its efforts will end with Site C. It isn't a choice between a publicly owned Site C Dam or privately operated run-of-the-river projects, Sandra Hoffman argues, but instead a philosophical question of whether we ought to generate enough energy to suit our needs or as much as we possibly can. If it's the latter, the construction of the Site C Dam may do more to encourage the development of new run-of-river projects than prevent them from being built.

"Part of the problem with down south is that some people unfortunately believe that it's a matter of run-of-river or Site C," Hoffman said. "What they don't realize, and what they need to realize, is that it's run-of-the-river and Site C, that they're going to exploit all of the rivers. It's not like they can do Site C and stop there, and that will save their rivers. No, they're going to do it all, and they have to realize that."