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JOINT REVIEW PANEL REPORT CONFIRMS SITE C IS COST-EFFECTIVE

Report concludes new energy and capacity resources required to meet future demand

VANCOUVER – BC Hydro provided its initial response today to the release of the Joint Review Panel Report on the proposed Site C Clean Energy Project (Site C).

“Based on our initial review of the report, we’re pleased that the Joint Review Panel confirmed that there will be a long-term need for new energy and capacity, and that Site C would be the ‘least expensive’ of the alternatives to meet this growing demand,” said Charles Reid, President and CEO of BC Hydro. “We have an obligation to support B.C.’s economic growth and meet the long-term electricity needs of our customers, and that’s what we’re doing with Site C.”

The Joint Review Panel report states that after a significant upfront capital cost, Site C: “...would lock in low rates for many decades, and would produce fewer greenhouse gas emissions per unit of energy than any source save nuclear.”

The Site C project is being proposed to meet long-term electricity needs in B.C. BC Hydro forecasts that the demand for electricity will increase by approximately 40 per cent in the next 20 years and new sources of supply will be required. An emerging liquefied natural gas (LNG) sector and significant electrification of vehicles could further increase the demand for electricity in B.C.

“While there will always be some variability with long-term load forecasting, our methodology has been independently reviewed and accepted by the British Columbia Utilities Commission, as well as a 2011 government review,” said Reid.

To meet future growth, BC Hydro is proposing aggressive conservation measures — 78 per cent of future demand is to be met through demand-side management. In addition, BC Hydro is reinvesting in existing facilities, buying electricity from clean energy producers, and proposing to build Site C.

Reid explained that BC Hydro’s analysis of resource options found that Site C provides the best combination of financial, technical, environmental and economic development attributes compared to alternatives.

“All new electricity-generation projects have environmental impacts, including Site C,” said Reid. “That’s why BC Hydro has undertaken years of detailed studies to identify and assess potential effects from the project, and has proposed a comprehensive set of mitigation measures that are expected to largely offset these effects.”

The Joint Review Panel report is part of a three-year environmental assessment process that has included more than 29,000 pages of evidence being filed by BC Hydro.

The report of the Joint Review Panel will be part of the consideration by federal and provincial governments as they make a decision on environmental approvals for the Site C project. Decisions are expected within six months. The provincial government must also make a final investment decision.

Subject to approvals, Site C would be a source of clean, renewable and cost-effective electricity in B.C. for more than 100 years.

Key facts about Site C:

- Site C would provide 1,100 megawatts of capacity, and produce about 5,100 gigawatt hours of electricity each year — enough energy to power the equivalent of about 450,000 homes per year.
- Site C would have among the lowest greenhouse gas emissions, per gigawatt hour, compared to other electricity-generation options.
- By relying on the existing Williston Reservoir for water storage, Site C would be able to generate approximately 35 per cent of the energy produced at the W.A.C. Bennett Dam, with only five per cent of the reservoir area.
- Site C would be among the most cost-effective resource options for BC Hydro ratepayers at a cost per megawatt hour of \$83. After a significant upfront capital cost, Site C would be inexpensive to operate and would have a long life of more than a 100 years.
- The project would create approximately 10,000 person-years of direct employment during construction, and about 33,000 person-years of total employment through all stages of development and construction.
- Site C would contribute \$3.2 billion to provincial GDP from the purchase of goods and services during construction, including an increase of \$130 million to regional GDP.
- Activities during construction would result in approximately \$176 million in provincial revenues, and approximately \$270 million in revenues for the federal government.
- During construction, Site C would result in a total of \$40 million in tax revenues to local governments and, once in operation, \$2 million in annual revenue from grants-in-lieu and school taxes.
- A regional legacy benefits agreement would provide \$2.4 million annually to the Peace River Regional District and its member municipalities for 70 years, starting when Site C is operational. The annual funding would be indexed to inflation.
- Subject to approvals, the construction of Site C would start in 2015 and be completed in 2023.

About Site C

The Site C Clean Energy Project is a proposed third dam and hydroelectric generating station on the Peace River in northeast B.C. Site C would provide 1,100 megawatts (MW) of capacity, and produce about 5,100 gigawatt hours (GWh) of electricity each year — enough energy to power the equivalent of about 450,000 homes per year in B.C.

Construction of Site C is subject to environmental certification, regulatory permits and authorizations, and a decision to proceed.

About BC Hydro

BC Hydro has been providing clean, reliable power to British Columbians for more than 50 years while maintaining among the lowest rates in North America. BC Hydro is a provincial Crown corporation that serves 1.9 million customers and invests in the electrical system and in energy conservation to deliver a safe and reliable supply of electricity for today's customers and for generations to come.

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