

# **No Damn Site C!**

Dear BC NDP Provincial Council Delegates:

***“Courage my friends. It is not too late to build a better world”***  
*Tommy Douglas*

Good morning Council Delegates and observers.

We are progressive political and social activists, who are current and past members of the NDP, Green Party allies and independents, all of whom worked hard to oust Christy Clark & Co. from power and usher in the NDP government.

We believe the NDP cabinet was misled in its ill-considered decision to proceed with Site C. A reconsideration and reversal of that decision, sooner, rather than later, is critical to the long-term interests of the people of BC.

We wish you well and support your Provincial Council deliberations with respect to the upcoming provincial budget and on the campaign to secure Proportional Representation for our next provincial election, both of which are critically important issues. But given that this is the first Provincial Council meeting since the December 11<sup>th</sup> Site C announcement, we believe that it is imperative that you amend your agenda to include a discussion on the Site C decision today.

Provincial Council is a key governing body within the BC NDP and you as delegates have a unique and timely role in demanding an open accounting around the Site C decision on behalf of all party members and all British Columbians.

## **Site C Summit**

On Friday and Saturday, January 26 and 27, over 400 committed political activists from around the province, and beyond, made their own way to Victoria to participate in the sold out ***Site C Summit - Accountability and Action***. Please see the attached the *Site C Summit Communiqué*, which contains specific calls on our government which will hopefully assist you in your deliberations.

The clear majority of those in attendance at the Summit voted for the NDP in the May election. Most of the remaining voted Green. About half of the attendees self-identified as current or past members of the NDP, with current members outnumbered by past members, most of whom have withdrawn their memberships and future financial support from the BC NDP as a result of Premier Horgan’s December 11, 2017 announcement on Site C.

We want to raise key areas of concern regarding the Site C decision with you today:

- 1) the erroneous economic and financing assumptions that appear to have misguided Cabinet’s decision on Site C;

- 2) the rapidly falling costs of renewable energy technologies such as wind and solar that is significantly undermining the economic viability of Site C even as construction continues;
- 3) the impacts on and legal implications of Treaty 8 First Nations actions;
- 4) the loss of irreplaceable agricultural lands and food security on a warming planet, and
- 5) China's state owned CCCC taking over Aecon, the consortium lead in the next phase of Site C construction and need to resume the vision of Power BC.

### **"Unambiguous Advice"**

The Summit heard from a broad range of experts and key activists on the red flags that Site C raises: information that was far more detailed, accurate and compelling than that provided by our own government on Site C.

Attorney General David Eby's comments defending the cabinet decision to continue with Site C was telling. He stated that the NDP Cabinet "**received unambiguous advice**" that while the net cost of termination or continuing Site C are similar, the accounting treatment was dramatically different. He said Cabinet was "**told**" that by abandoning Site C some \$3 – 4 billion would have to be recovered from Hydro rate payers or government would incur an immediate write down of \$3-4 billion. That is simply not true, both the sunk and remediation costs can be amortized over time similar to the costs of continuing.

It must be noted that it is not simply a question of whether the cost of termination versus continuation is similar or not. More importantly, it is a question whether future power demand can be met utilizing technologies that are cheaper and more responsive, as actual demand materializes, compared to what Site C will cost, impacting residential, commercial and industrial rates for decades to come.

David Eby added that "**we were advised**" that with the continuation of Site C, even if it went significantly over budget, which it most likely will, despite our government's best efforts, that Hydro would be able amortize the debt over 70 years, thereby lessening the impact on Hydro rates and the public accounts of both the government and BC Hydro. That is true, as could the sunk and remediation costs.

Eby's comments raise two very critical questions, specifically 1) **who provided that advice and what interest do they have in doing so**, and 2) **was the advice based on fact, fiction or was it politically motivated, and if it was politically motivated, in whose interests was it motivated?**

Most importantly, we ask for the release of the documents, files, emails and meeting notes that were relied upon by the government in reaching its December 11<sup>th</sup> decision to continue this project. This is fully in keeping with NDP policy and our government's commitments on transparency in decision-making.

We know the advice was not contained in the BC Utilities Commission final report of November 1, 2017. We also now know that BCUC's information with respect to the costs of renewable energy alternatives to Site C is provably out of date and therefore renders the similarity of the costs of termination versus continuing less relevant than the cost of renewable electrical technologies, which increasingly favor the alternatives.

For example: on December 13<sup>th</sup>, the government of Alberta received private sector auction bids to build wind farm energy generation at a cost of 3.7 cents per kilowatt-hour guaranteed over 20 years. In Colorado, on November 30<sup>th</sup>, renewable energy developers submitted hundreds of bids to supply wind powered electricity averaging 1.8 cents US or just over 2 cents Cdn per kilowatt hour and solar powered electricity averaging 3 cents US or 3.5 cents Cdn per kilowatt hour. In comparison, the cost of Site C power could easily top 10 cents per kilowatt-hour.

The cost of renewable energy technologies such as wind and solar are falling dramatically while the eventual cost of Site C continues to climb to an as yet to be determined, mind numbing figure. By the time Site C could come on stream by 2025, or later, the cost of renewable energy will have fallen that much farther. Setting aside the serious geological concerns over the stability of the Site C river banks, which could potentially sink the entire project, regardless of how much is spent, Site C is virtually certain to become a White Elephant, and make no mistake, it will be an NDP White Elephant!

So it is absolutely critical to find out where this "unambiguous advice" actually comes from and what is said?

In our view it could only have come from senior public servants and senior management at BC Hydro. Both of those bureaucracies are the results of sixteen years of Liberal Party rule, complete with selective hiring and political interference in the running of our government and BC Hydro's operations.

Gordon Campbell barred BC Hydro from investigating renewable energy technologies such as wind, solar, geothermal, and tidal and instead directed them to focus on existing hydro generation capacity, building Site C and aiding Independent Power Producers to build run-of-river projects, with limited wind and solar operations tossed in as a cosmetic measure. Consequently, BC Hydro does not have substantial in-house renewable energy expertise, but they do have lots of people who really understand how to dam rivers. Not surprisingly, BC Hydro demonstrates a strong institutional bias towards damming rivers and it has been notoriously wrong in its overstating future power demand estimates in order to justify the damming of more rivers.

The senior management levels of our public sector also bear the indelible stamp of those sixteen years of the Liberal governments of Gordon Campbell and Christy Clark. They loaded the upper echelons of our provincial bureaucracies with people compatible with their political and economic perspective, who in turn hired people

below them, also in agreement with the Campbell-Clark views. After a while, when all of your senior and mid-level management people are all singing from the same song book, they begin to believe that they must be right because they all agree.

We also cannot ignore the potential that some of our public service senior bureaucrats may be ideologically loyal to the corporate agenda as expressed by the BC Liberal Party, who are both capable of and willing to engage in a rear guard action from within the bureaucracy against our new government to undermine their longevity and bring about a return engagement of the Liberal Party under their new leader being chosen today.

We are very concerned that allowing those who have it in for our government to remain in positions of critical influence within the provincial government bureaucracy is a recipe for disaster and a path to the early return of Liberal corporate rule. We fear that that is precisely what has happened with respect to the advice Cabinet received regarding Site C.

In contrast, at the Site C Summit, experts with over 100 years of collective experience in energy economics concluded that at least some in the NDP government had to know that the decision to continue Site C was based on erroneous advice. We accept that not everyone around the Cabinet table has the expertise to analyze the economics of infrastructure financing and therefore may have been more easily swayed by whomever Cabinet relied on for the “unambiguous advice” mentioned by David Eby, but contrary to the words of Premier Horgan and Attorney General David Eby, the facts are:

- Cancellation of Site C will not trigger an immediate 12% rate increase;
- Cancellation will not incur a \$3 to \$4 billion write down;
- Cancellation will not mean \$125 - \$150 million in new annual debt service and postponement of needed capital spending;
- Cancellation will not cause a bond rating downgrade, in fact
- Cancellation will save \$3.5 billion for other infrastructure!

The sunk costs of some \$2B are spent whether or not Site C continues. Those costs properly lie solely at the feet of Christy Clark. The remediation estimates may be overstated at \$1.8 B, but regardless of their eventual costs, the remediation will put real people to work who will spend their money in the local economy and pay taxes to both the province and the federal government. Continuation could add upwards of \$12 B to our collective debt load to complete a project that can never repay its costs. There may be some in industry who look forward to this eventuality, anticipating they will be better placed to negotiate for rock bottom power rates to subsidize their bottom lines, but this corporate welfare is not something we should knowingly allow.

The rationale for continuation of Site C simply does not stand up to scrutiny and while we respect that the specific cabinet discussions are properly confidential, the

public has a right to know who provided the “unambiguous advice” and to see the full, un-redacted documentation supporting the decision. We all paid for it!

### **Treaty 8 First Nations**

Treaty 8 covers some 840,000 square kilometres of land from British Columbia through to Saskatchewan. It includes some 39 First Nations communities, including 23 Alberta First Nations, 3 Saskatchewan First Nations, 6 NWT First Nations and 8 BC First Nations.

Of the 8 Treaty 8 BC First Nations, only one is fully supportive of Site C, two others feel their support was solicited under duress by the previous Liberal government and their support has significantly cooled and five are adamantly opposed. Three of the five have active cases before the Federal Court in opposition to Site C. The Blueberry River First Nation lost an injunction to stop work on Site C pending the full court review on the merits this spring. The federal court denied their injunction in May of 2017, prior to the release of the BCUC report of November 1, 2017.

Two others, the West Moberly First Nation and the Prophet River First Nation have federal court cases pending. All three First Nations’ legal challenges have the potential to halt the construction of Site C. Given that potential, fiscal prudence demands our government should stop work on Site C before the sunk costs increase even more than they have to date, and await the outcome of the federal court cases.

Treaty 8 was signed on June 21, 1899. It was signed by **our** governments in **our** names, that **we** would honour the terms of that Treaty. Those treaty rights include, but are not limited to, hunting, fishing, cultural activities and burial grounds. Site C is a gross violation of Treaty 8 rights, a violation done by **our** governments in **our** names, not some strangers on another planet, but in **our** names.

What sort of phony reconciliation is it to flood the very ground that the treaty rights promised to protect?

UNDRIP – the United Nations Declaration on the Rights of Indigenous Peoples - adopted by the United Nations on September 13, 2007, enshrines the right **to free, prior and informed consent** to establish bottom up participation and consultation of an indigenous population prior to the beginning of a development on ancestral land or using resources within the indigenous populations territory.

On May 16, 2016 Canada, the new federal Liberal government, officially withdrew the outstanding objections that the Harper government had mischievously placed on the ratification of UNDRIP. Canada, the provinces, territories are now legally in support of and bound by the obligation to ensure free, prior and informed consent.

Many First Nations around BC have been seriously looking at developing renewable energy technologies such as wind, solar, geothermal, tidal and others, both to supply their own communities and to sell excess energy to BC Hydro for redistribution. Those projects would provide excellent education opportunities and good, long

term jobs and economic opportunity for First Nations peoples and communities as well as provide BC with additional electrical generation capacity. The decision to continue Site C effectively extinguishes any such hopes for First Nations and for non-First Nations communities around BC to develop renewable energy technologies, as BC Hydro will be very reluctant to buy power for redistribution if they have surplus Site C power they are unable to sell at a price capable of recovering the cost of construction and transmission.

Sadly, Premier Horgan stated, during his announcement on continuing Site C, "***I am not the first person to stand before you and disappoint Indigenous people***". However, John Horgan is the first Premier of BC to run roughshod over the Indigenous rights of free, prior and informed consent, since it became the law of the land on May 16, 2016. Christy Clark may hold the distinction of having started the project, but there is no honour in our government continuing Site C when we had, and still have the opportunity to do the opposite and live up to the spirit and the letter of free, prior and informed consent.

Premier Horgan may be prepared to trample on Treaty 8 Rights but we are not prepared to accept such dishonorable conduct in our names and nor should you!

### **Irreplaceable Agricultural Lands**

The bottomlands of the Peace River Valley that Site C would flood are some of the best agricultural soils existing anywhere in our mountainous province. The Peace River Valley contains the only Class A land north of Quesnel, and is just as close to the Lower Mainland as the farms of California, without a border to cross.

Properly managed, the Peace River Valley is capable of supplying some 1 million British Columbians with fruits and vegetables annually, and in doing so, create hundreds of long term jobs in the north. The water necessary for ample irrigation flows inexorably north to the Arctic Ocean every second of every hour of every day. All that is needed to develop this substantial potential is to Stop Site C.

The unique climatic conditions of the Peace River Valley give it a longer growing season than any other lands in the northern half of our province. With climate change and global warming as yet unabated, the conditions for northern agricultural output may well improve, but that will be impossible if the land is flooded.

British Columbia has to date, under the past Liberal government, failed to address the issues of food security for our citizens, which are becoming increasingly acute as our neighbours to the south deal with increasingly dire water shortages, which are already curtailing their agricultural output and their capacity to export food north of the border at reasonable prices.

It makes no sense whatsoever to intentionally destroy one of the earth's most valuable assets required for the sustenance of human life, the capacity to grow abundant, healthy food. There are lots of ways and locations to generate electricity in BC. There are **not** a lot of places to economically grow food!

## **China's Takeover of Aecon**

Aecon, one of Canada's major infrastructure builders, is leading the consortium to build Site C's generating station, spillways, power intakes and ancillary works. It is in the process of being taken over by China's state owned, Communist Party directed, CCCC - China Communications Construction Company. CCCC has an abysmal record when it comes to worker's health and safety, environmental responsibility, immigration practices and working conditions. CCCC was barred by the World Bank from bidding on any bridge and road projects financed by the Bank for eight years as a result of their fraudulent business practices.

CCCC sees the takeover of Aecon as an open door into the Canada's construction industry, which would allow them to bid on other Canadian infrastructure projects.

With our federal government working overtime to develop a Canada-China Free Trade Agreement, Canadians need to be very wary. China wants unfettered access to our economy. When China's state owned CNOOC bought the Canadian tarsands corporation Nexen, they ended up replacing senior management and firing employees.

In Australia, China insisted on the right of Chinese state owned companies operating in there, to bring in temporary Chinese labour rather than hire Australians. The supposed 'compromise' was to require those temporary Chinese workers to be paid Australian wages. Some compromise!

The federal government has yet to formally approve CCCC's takeover of Aecon, but only a fool would pin their hopes on Trudeau's government saying "No" while they are seeking a free trade deal with China.

Our building trades should insist that our provincial government make good on the pre-election promise to Power BC and reform BC Hydro, including extensive energy retrofitting our residential, commercial and industrial buildings, and insisting that BC Hydro focus on developing and facilitating numerous renewable energy projects, rather than continue with Site C. That approach will produce far more good, family supporting jobs across all of our communities than Site C ever could, and virtually all the work must be done here in our existing communities.

## **In conclusion – Action Needed**

In conclusion that the Provincial Council amend your agenda to include a discussion of the Site C decision in your deliberations today and pay particular attention to the points we have raised.

We believe that the December 11, 2018 decision to proceed with Site C should be reconsidered because:

- 1) It dramatically violates and undermines pronouncements regarding reconciliation with First Nations. It debases the honour of the crown in your names

and ours. It tramples the UNDRIP Declaration with respect to free, prior and informed consent. First Nations legal actions may result in the halting of Site C following the federal court decisions, which if allowed to run their course, will entail increased sunk costs in the event of court ordered termination;

- 2) Flooding the Peace River Valley will destroy irreplaceable agricultural lands;
- 3) The advice that Cabinet appears to have received regarding the financing costs of the sunk and remediation costs do not accord with standard accounting practices and appears to have unrealistically skewed Cabinet's decision in favour of continuation rather than termination, when the opposite conclusion is more logical;
- 4) Meeting future power demand given the falling costs of renewable energy technologies such as wind, solar and others, which produce far more family supporting jobs throughout our existing communities compared to Site C, is increasingly makes more sense than proceeding with Site C. The escalating costs of Site C, whatever staggering figure that eventually proves to be, means that alternative renewable energy technologies are certain to be cheaper, capable of incremental construction and expansion, more easily distributed and more resilient, especially when integrated with the storage capacity of our hydro facilities.
- 5) To allow China's state owned CCCC, through control of Aecon, to establish itself at our expense is foolish and a powerful reason to say **No Damn Site C!**

We ask that you include the ten calls to action contained in the attached Site C Summit – Accountability and Action Communiqué in your deliberations.

For all of these reasons, and more, we ask that the BC NDP Provincial Council engage in a serious discussion with respect to reconsidering the Site C decision. We ask that you take this information back to your constituencies for information and discussion.

As activists, committed to building a better, more affordable BC, we cannot turn a blind eye to the painfully obvious truth that Site C is neither needed nor economical. It forecloses more forward looking renewable energy opportunities across BC.

For more information:

Site C Summit on Youtube, <http://sitecsummit.ca> & RollingJusticeBus on Facebook.

In solidarity and with best wishes for a productive Provincial Council discussion.

**Jef Keighley** – VP, Surrey South NDP, **Diane Lake** – Vancouver Point Grey, **Saria Andrew, Scott Scholefield**, MSc, RPF – Cariboo North, **Emile Teresa Smith**, Rector, St. Barnabas Anglican Church & Co-President, Oscar Romero Network of Latin America, **Carol Jerde** – Vancouver West End, **Roger Crowther, Peter Chataway** – Kelowna West, **Bill Horne, Claire Kujundzic, Rita Wong** – Vancouver Mount Pleasant, **Des Wilson** – Port Moody Coquitlam, **Adrienne Peacock** – Port Moody Coquitlam, **Bet Cecil** – Powell River Sunshine Coast