

From: [McRae, Meghan GCPE:EX](#)
To: [MacLaren, Les EMPR:EX](#); [Mihlar, Fazil EMPR:EX](#)
Subject: Fw: Final materials attached.
Date: July 31, 2020 8:05:44 AM
Attachments: [NEWS-22789.pdf](#)
[2020EMPR0032-001443.pdf](#)

Here are the final materials, for release at 9 AM and 9:05 AM for the media advisory.

From: McRae, Meghan GCPE:EX
Sent: July 31, 2020 7:58:53 AM
To: Cuddy, Andrew EMPR:EX; Farmer, Leila GCPE:EX
Cc: Grewar, Colin GCPE:EX; Karemaker, Kent GCPE:EX
Subject: Final materials attached.

These are ready for release at 9 AM and 9:05 AM for the media advisory (to majors and press gallery).

Kent, you may want to be prepared for North-East reporters calling this AM. This will be web-posted.

Thanks!
Meghan

MEDIA ADVISORY

For Immediate Release

Ministry of Energy, Mines and Petroleum Resources

July 31, 2020

MEDIA ADVISORY – Ministry of Energy, Mines and Petroleum Resources – teleconference

Media are invited to join Bruce Ralston, Minister of Energy, Mines and Petroleum Resources, as he responds to BC Hydro's filing of its latest reports on Site C with the BC Utilities Commission (BCUC).

Event date: Friday, July 31, 2020

Time: 10 a.m. (Pacific time)

Note: In line with the BC Centre for Disease Control's physical distancing guidelines, media must call in rather than attend in person.

Special instructions: Participants are requested to dial in 20 minutes prior to the announcement. Media are asked to have the participant pass code ready when dialing in to save time. Failure to do this may mean a delay for you or others joining the call.

Media dial-in information:

From anywhere in B.C. and Canada, toll-free: 1 888 892-3255

Participant pass code: **s.15**

Contact:

Ministry of Energy, Mines and Petroleum
Resources
Media Relations
250 952-0628

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STATEMENT

For Immediate Release
2020EMPR0032-001443
July 31, 2020

Ministry of Energy, Mines and Petroleum Resources

Minister's statement on BC Hydro's Site C reports

VICTORIA – Bruce Ralston, Minister of Energy, Mines Petroleum Resources, has released the following statement in response to BC Hydro's filing of its latest reports on Site C with the BC Utilities Commission (BCUC), found here: <https://www.sitecproject.com/news-and-information/progress-reports-to-the-bcuc>

"I am very concerned about the latest reports that BC Hydro has provided to the BCUC on the Site C project.

"COVID-19 has created significant challenges for the project that we could not have anticipated.

"In March, BC Hydro scaled down the project significantly and focused only on essential work and meeting crucial milestones, particularly river diversion.

"This was done in line with the advice and directions from the provincial health officer to ensure the safety of workers and communities.

"While the project remains on track to achieve river diversion this coming fall, there is uncertainty with the project's schedule and budget due to the ongoing pandemic.

"BC Hydro continues to safely scale up construction activities at the site. It has also begun the process to re-baseline the project to determine the cost and time required to complete the remaining work.

"The previous government chose to start Site C in 2010 and made clear they wanted to push it past the point of no return. And they did.

"We knew there were significant cost pressures and risks with Site C when we formed government. COVID-19 has dramatically added to these challenges.

"We take this very seriously. Today, I am announcing the appointment of Peter Milburn as a special advisor to work with BC Hydro and the Project Assurance Board.

"As a former deputy minister of finance and secretary to Treasury Board, I fully expect Mr. Milburn will play an important role in reviewing the project and will provide the government with independent advice."

Contact:

Ministry of Energy, Mines and Petroleum
Resources
Media Relations
250 952-0628

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From: [Foster, Doug FIN:EX](#)
To: [MacLaren, Les EMPR:EX](#)
Subject: FW: heads up for announcement tomorrow
Date: July 30, 2020 4:49:09 PM
Attachments: [Site C review - Questions and Answers - draft 1.docx](#)

From: Foster, Doug FIN:EX
Sent: July 30, 2020 4:36 PM
To: Youngs, Kirsten R GCPE:EX <Kirsten.Youngs@gov.bc.ca>
Subject: heads up for announcement tomorrow

Site C Review TOR

Q.1 Why are you announcing a review of the Site C project?

- BC Hydro has experienced significant impacts from COVID – 19 on the Site C project.
- Because of COVID-19 safe distancing requirements, construction work at the site was scaled down to focus only on critical river diversion by September 2020, which remains on track.
- But this has come at a schedule price as a reduction in staff has meant that work needed for other parts of the Project has been delayed and there is risk of delay to the in-service date.
- BC Hydro is filing with the BC Utilities Commission, its 2019 Site C annual report (to December 2019), as well as the quarterly progress report for January - March 2020.
- The reports identify overall project health and cost being at risk, and the quarterly report to March outlines additional cost and schedule risk resulting from COVID-19.
- Aside from COVID – 19 impacts, there is also an identified need for enhancements to the foundations of structures on the right bank, including the powerhouse, spillways, as well as the earth-fill dam.
- Because of these and other developments, the Province has decided that an independent review at this time would be appropriate to help determine the full scope of Site C challenges and mitigation strategies available.

Q.2 Who will be doing this review of the Site C project?

- The Ministry of Finance, in co-operation with the Ministry of Energy, Mines and Petroleum Resources, will be leading the review to be carried out by Mr. Peter Milburn, an independent consultant to the Province.
- Mr. Milburn worked extensively on provincial transportation infrastructure projects over a public service career spanning over 30 years. His roles evolved from being a designer and geotechnical engineer; to direct senior project supervision and oversight of large projects; to Deputy Minister of Transportation of Transportation and Infrastructure; and CEO of the BC Transportation Financing Authority.
- From 2011 to 2015, Mr. Milburn was appointed Deputy Minister of Finance and Secretary to Treasury Board. In that role, amongst overseeing reviews of a number of major capital projects and programs, Mr. Milburn provided direct oversight of a due diligence review of BC Hydro's initial Site C Project budget in 2014/2015.
- Mr. Milburn is currently an independent consultant under a strategic advisor contract awarded through a competitive procurement process undertaken by the Ministry of Finance. He has also served as Board Chair for the BC Investment Management Corporation since 2017.

Q.3 Who will the consultant report to? How long will the review be and will a report be made public?

- The consultant will account to the Deputy Minister of Finance and Minister of Finance, in cooperation with the Minister of Energy, Mines and Petroleum Resources, responsible for BC Hydro and Site C.
- We expect the consultant's review to take 60 days.
- When the review is finished and government has reviewed the findings and recommendations with BC Hydro, it is the intention of government to make results public, along with an action plan based on recommendations of the consultant.

Q.4 How much will the review cost?

- We are currently working with the consultant to determine what additional resources will be needed to support the review work. So it is too early to say how much the 60-day review will cost at this time.

From: [Foster, Doug FIN:EX](#)
To: [MacLaren, Les EMPR:EX](#)
Subject: FW: material
Date: July 31, 2020 5:57:07 AM
Attachments: [Minister's Statement -Site C. final .docx](#)
[MA Site C response.docx](#)
[Site C review - Questions and Answers - draft 1.docx](#)
[Site C review - additional subcontractors.docx](#)

Keeping you in loop. d

From: Foster, Doug FIN:EX
Sent: July 31, 2020 5:57 AM
To: s.22
Cc: Wanamaker, Lori FIN:EX <Lori.Wanamaker@gov.bc.ca>
Subject: material

Peter, enclosed is:

1. Minister statement and schedule for today.
Your name will be referenced as special advisor.
Roll out:

8 AM-Hydro will file with the BCUC, and then post their reports on the Site C website.

9 AM- the attached Minister's statement and a media advisory will go out to province-wide media.

9:15 AM-we're doing another media prep with MBR. Darwin will call in to that as well.

10 AM-Minister will do a media scrum from VCO. The pool camera will be present, as well as a call-in line. No media will be present.
2. A few Q/As about the engagement and yourself.
3. Templates for the Confidentiality Undertaking and Conflict of Interest Disclosures that you will need each of your proposed subcontractors to complete.
s.13

I will keep checking in.

d

Page 09 of 23 to/à Page 11 of 23

Withheld pursuant to/removed as

s.13

Page 12 of 23 to/à Page 13 of 23

Withheld pursuant to/removed as

s.12; s.13; s.17

APPENDIX 7 – SUBCONTRACTOR’S CONFLICT OF INTEREST DISCLOSURE

Subcontractor:

Contractor: ^{s.22}

Statement of Work #: 2020 – FIN (Site C Review)

Definition: “Conflict of Interest” means an actual, perceived or potential inconsistency between the Contractor’s obligation and duty to act for the benefit of Her Majesty the Queen in the Right of the Province of British Columbia (the “Province”), and the Contractor’s, its employees’ and/or its Subcontractor’s duty to act for the benefit of another party or the Contractor’s, its employees’ and/or its Subcontractor’s interests. A Conflict of Interest may take a number of forms: it may be financial or non-financial; it may be direct or indirect; it may be professional, personal or family related.

Discussion: A Conflict of Interest may arise from existing, former or prospective:

- directorship, employment or contractual interest;
- interest in business enterprises or professional practices;
- share ownership;
- beneficial interest in trusts;
- professional or personal association with the Province;
- professional association or relationship with other organizations or individuals;
- personal association with other organizations or individuals;
- family relationship;
- any relationship that may cause a person to perceive that a person has a divided loyalty to the Province and another party with interests that are inconsistent or competing with the Province’s interests; or
- a set of circumstances in which a person has a private or personal interest that may appear to influence the objective exercise of the person’s duties to, or in respect of, the Province.

The Subcontractor has reviewed this Statement of Work and has read and understood the definition and discussion of the term Conflict of Interest as set out above.

The Subcontractor hereby declares on behalf of itself and its employee(s) (collectively “we” or “our”), that it has disclosed any Conflicts of Interest that currently exist in respect of this Statement of Work in the space afforded below.

1. A direct or indirect conflict with the “Contractor’s duties to the Province under this Statement of Work may arise because (please indicate if non-applicable):
2.
 - a) I/We, or my/our Associates¹, hold the following offices (appointed or elected):
[SUBCONTRACTOR TO COMPLETE]

¹ “Associate” of a person means any person closely connected by blood or otherwise including, but not limited to, a spouse (including common-law spouse), parent, grandparent, brother, sister, child or grandchild.

- b) I/We, my/our Associates, or any trustee or any nominee on my/our behalf, own or possess, directly or indirectly, the following interests (i.e., shares, businesses, trusts or properties):
[SUBCONTRACTOR TO COMPLETE]
 - c) I/We, or my/our Associates, have the following interests in existing or proposed transactions or agreements with, or involving, the Province.
[SUBCONTRACTOR TO COMPLETE]
 - d) I/We, or my/our Associates, have existing professional associations or relationships with other organizations or individuals:
[SUBCONTRACTOR TO COMPLETE]
 - e) I/We, or my/our Associates, have personal associations or affiliations with the following other organizations or individuals:
[SUBCONTRACTOR TO COMPLETE]
 - f) I/We, or my/our Associates, have family relationships with people who may have a Conflict of Interest arising from directorships of, employment by, business, professional or personal relationships or affiliations with, the Province or other organizations that are adverse in interest to the Province, or legal or beneficial ownership of trusts or other property, namely:
[SUBCONTRACTOR TO COMPLETE]
3. The nature and extent of the conflicting office duty or interest referred to in section 1 of this declaration (please indicate if non-applicable):
[SUBCONTRACTOR TO COMPLETE]
4. A Conflict of Interest with the Contractor's duties to the Province under this Statement of Work may arise because I/We receive financial remuneration (either for services performed by me/us, as an owner or part owner, trustee, or employee or otherwise) from the following sources (please indicate if non-applicable):
[SUBCONTRACTOR TO COMPLETE]

5. The following is a list of each Subsidiary² or Affiliate³ of a company listed in section 1 of this declaration.

Company Listed in Section 1	Name of Subsidiary or Affiliate	Type of Business Ordinarily Carried on by Subsidiary or Affiliate
<i>SUBCONTRACTOR TO COMPLETE IF RELEVANT</i>		

6. Other than disclosed above, I/we have the following relationships or interests that could compromise, or be perceived to compromise, my employee(s)/our ability to exercise judgment with a view to the best interests of the Province under this Statement of Work.

[SUBCONTRACTOR TO COMPLETE]

SIGNED on the ____ day of _____, 2020_ by the Subcontractor (or, if not an individual, on its behalf by its authorized signatory or signatories)

Signature(s)

Print Name(s)
Subcontractor

Print Title(s)

² For the purposes of this declaration, a corporation is a subsidiary of another corporation where:

- a. it is controlled by:
 - (i) that other corporation;
 - (ii) that other corporation and one or more other corporations, each of which is controlled by that other corporation; or
 - (iii) two or more other corporations, each of which is controlled by that other corporation;
- or
- b. it is a subsidiary or a subsidiary of that other corporation.

³ For the purposes of this declaration, one corporation is affiliated with another corporation where one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same person.

From: [Wanamaker, Lori FIN:EX](#)
To: [MacLaren, Les EMPR:EX](#); [Mihlar, Fazil EMPR:EX](#)
Subject: Hydro
Date: July 30, 2020 11:37:09 AM

FYI - don and I met with Ken Peterson and Chris about an hour ago. **s.13**
s.13

Lori.

Sent from my iPhone

From: [MacLaren, Les EMPR:EX](#)
To: [Wanamaker, Lori FIN:EX](#); [Mihlar, Fazil EMPR:EX](#)
Cc: [Foster, Doug FIN:EX](#)
Subject: RE: Site C review TOR.docx
Date: July 29, 2020 4:07:12 PM
Attachments: [Site C review TOR LM.docx](#)

Some suggestions tracked.

Les

-----Original Message-----

From: Wanamaker, Lori FIN:EX <Lori.Wanamaker@gov.bc.ca>

Sent: July 29, 2020 2:19 PM

To: MacLaren, Les EMPR:EX <Les.MacLaren@gov.bc.ca>; Mihlar, Fazil EMPR:EX <Fazil.Mihlar@gov.bc.ca>

Cc: Foster, Doug FIN:EX <Doug.Foster@gov.bc.ca>

Subject: Site C review TOR.docx

Attached find an early draft. Comments appreciated.

Page 19 of 23

Withheld pursuant to/removal as

s.13

From: [Foster, Doug FIN:EX](#)
To: [Mihlar, Fazil EMPR:EX](#); [MacLaren, Les EMPR:EX](#)
Cc: [Wanamaker, Lori FIN:EX](#)
Subject: Site C review - Final TOR
Date: July 30, 2020 6:53:59 AM
Attachments: [Site C review TOR - Final.docx](#)

Colleagues, we have built out the TOR some more, incorporated your earlier suggestions, and also addressed comments and suggestions from Geoff M.

Attached is the final TOR which I have reviewed with Lori and the Contractor Peter Milburn, and we are now executing a contract and statement of work.

Peter is currently preparing a detailed work plan and also putting together a list of staff support requirements that he will need to complete the engagement within the deadlines.

I expect we will have further discussions as we work to building out the review team.

We will make amendments to the statement of work later as appropriate, to incorporate additional team members if needed.

Please let me know if any questions.

d

Site C Review Engagement TOR – Final

The Contractor will provide the Services described in this Statement of Work and, at all times, in compliance with the Umbrella Agreement.

The Ministry of Finance (“the Ministry”) plays a key role in establishing, implementing, reviewing and overseeing government’s economic, fiscal, and financial management policies, decisions, and initiatives, as well as a number of financial and corporate regulatory functions. The Ministry draws on both internal and external resources to plan and carry out its mandate.

Context

BC Hydro’s Site C Clean Energy Project (Project) will be a third dam and hydroelectric generating station on the Peace River in northeast B.C. It will 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.

The Provincial government approved the continuation of the Project in December 2017, following a review by the BC Utilities Commission (BCUC). In January 2018, the Province’s Treasury Board approved a revised Site C Project budget under oversight of BC Hydro, as well as a Project Reserve to be overseen by Treasury Board.

BC Hydro is required to submit quarterly and annual Project reports to the BCUC and to make such reports public. On July 30, BC Hydro is filing the 2019 Project annual report, as well as quarterly progress report no. 19, with the BCUC. Both reports identify overall project health and cost as being at risk, while quarterly report 19 outlines additional cost and schedule pressures resulting from COVID-19.

- The annual report covers Jan. 1 to Dec. 31, 2019, while quarterly progress report no. 19 covers Jan. 1 to Mar. 31, 2020.
- The reports use a dashboard system where key project areas are classified as red (at risk), amber (moderate issues) or green (on target).
- Both reports classify overall Project health and cost as “red”, signifying there are serious concerns due to identified cost pressures.

In addition, quarterly report #19 also classifies project scope and schedule as “red”, largely due to:

- increased cost and schedule pressures resulting from the scale-back of work on March 18 due to the COVID-19 pandemic; and
- the need for enhancements to the foundations of structures on the right bank, including the powerhouse, spillways and earth-fill dam.

The other subcategories (safety, quality, regulatory, permits and tenures, environment, procurement, Indigenous relations, litigation and stakeholder engagement) are classified as either “amber” or “green.”

Engagement

BC Hydro has experienced significant changes over the last 12 months in relation to identified cost, schedule, procurement, geotechnical and scope risks associated with the Project. Some key drivers of these changes include:

- A. Impacts of COVID – 19 and resulting changes in operations
- B. Impacts of emerging geotechnical challenges at the Project site

s.12; s.13; s.17

The Ministry, in co-operation with the Ministry of Energy, Mines and Petroleum Resources (responsible for BC Hydro and the Project), wish to engage the expert services of the Contractor. Amongst other activities the Contractor will review, clarify and evaluate the impact of recent decisions and events at all levels on Project schedule and budget, and make recommendations for mitigation measures.

The scope of the review will include the following activities:

1. Review and assess the governance and reporting structure in place for the Project.
2. Examine the latest identified cost, schedule, geotechnical, and scope risks and assumptions associated with the Project.

s.12; s.13; s.17

4. Examine how and when actual and forecast assumptions and risks have changed since January 2018 to today.

s.12; s.13; s.17

6. Review and assess risk management for the Project, as well as contract supervision.
7. Prepare a draft and final report with findings based on the above analysis, as well as options and recommendations that mitigate Project cost and schedule risks.
 - a) Prepare an Interim Report for review of the Minister and Minister of Energy, Mines and Petroleum Resources by 30 days after start of engagement.
 - b) Prepare a Final Report for review of the Minister and Minister of Energy, Mines and Petroleum Resources by 60 days after start of engagement.
8. The Contractor will have full access to people and records at BC Hydro and the Project. The Contractor will provide ongoing engagement progress reports to the Province Lead;
9. As directed by the Province Lead, provide briefings and/or presentations on the results of the Services; and
10. Other Services directly related to this Statement of Work as may be mutually agreed to by the Contractor and the Province Lead.

Site C Review TOR

BC Hydro has experienced significant changes over the last 12 months in relation to identified cost, schedule, geotechnical and scope risks associated with the Site C Project.

Some key drivers of these changes include:

- A. Impacts of COVID – 19
 - B. Impacts of emerging geotechnical challenges at the Project site
- s.12; s.13; s.17

s.12; s.13; s.17

The scope of the review will focus on any or all of items B – D.

The purpose and objectives of the review will be to:

1. Review the governance and report structure in place for Site C.
 2. Examine the last identified cost, schedule, geotechnical, scope risks and assumptions associated with the Site C Project.
 3. Compare those to the assumptions and risks identified in January 2018
 4. Examine how and when actual and forecast assumptions and risks have changed since January 2018 to today
- s.12; s.13; s.17
6. Prepare a report of findings