

From: Minister, FLNR FLNR:EX
Sent: Tuesday, June 17, 2014 7:41 AM
To: 'TThielen@treaty8.bc.ca'
Subject: RE: Proposed Permits for Site C Project & the EBA

Categories: info/file

Chief Roland Willson, West Moberly First Nation
Chief Lynette Tsakoza, Prophet River First Nation
Chief Norman Davis, Doig River First Nation
Tribal Chief Liz Logan
Treaty 8 Tribal Association
TThielen@treaty8.bc.ca

Dear Chiefs Willson, Tsakoza, Davis and Tribal Chief Logan:

Thank you for your letter of June 2, 2014, regarding the consultation for applications related to the proposed Site C Project and the Economic Benefits Agreement. Furthermore, thank you for your letter of June 12, 2014, to Honourable Bill Bennett, Minister of Energy and Mines and me, regarding Site C Permitting.

Given your request to meet and discuss these topics, I agree it is best to have open discussions on these important issues. My office will be in touch with you shortly to arrange a discussion.

I look forward to meeting with you.

Sincerely,

Steve Thomson
Minister of Forests, Lands
and Natural Resource Operations

pc: Honourable Bill Bennett, Minister of Energy of Mines
Honourable John Rustad, Minister of Aboriginal Relations and Reconciliation
Honourable Mary Polak, Minister of Environment
Honourable Rich Coleman, Minister of Natural Gas Development
Steve Carr, Deputy Minister of Natural Gas Development
Steve Munro, Deputy Minister of Aboriginal Relations and Reconciliation
Dave Nikolejsin, Deputy Minister of Energy of Mines
Tim Sheldan, Deputy Minister of Forests, Lands and Natural Resource Operations
Wes Shoemaker, Deputy Minister of Environment
Jason Lee, Director, Treaty 8 Coordinating Lands Office
Susan Auger, Executive Assistant, Treaty 8 Tribal Association



September 15, 2014

Ref.: 85296

Ms. Karen Goodings
Chair
Peace River Regional District
Box 810
Dawson Creek, BC V1G 4H8

Via email: reception.dc@prrd.bc.ca

Dear Ms. Goodings:

Premier Christy Clark has asked me to respond on her behalf to your May 26, 2014 letter regarding BC Hydro's Site C Clean Energy Project (Site C).

Site C is a proposed third dam and hydroelectric generating station on the Peace River in northeast British Columbia. If constructed, it would provide 1,100 megawatts (MW) of capacity and produce about 5,100 gigawatt hours (GWh) of electricity each year, which is enough energy to power the equivalent of about 450,000 homes per year in British Columbia. By providing dependable capacity below the upstream storage in the Williston Reservoir, Site C has the ability to shape, firm and help integrate intermittent clean or renewable resources, such as wind and run-of-river.

The Joint Review Panel (JRP) agreed with BC Hydro that Site C would provide a large and long-term increment of firm energy and capacity at a price that would benefit future generations and without contributing measurably to greenhouse gas emissions. The JRP also confirmed that Site C would improve the ability to integrate other renewable, low-carbon energy sources as the need arises.

The JRP concluded that Site C would be the least expensive of the alternatives, and its cost advantages would increase with the passing decades as inflation makes alternatives more costly. While the JRP agreed that there would be a future need for electricity, it questioned the timelines in BC Hydro's load forecast. Like all long-term load and resource forecasting, there are some assumptions that have some uncertainty. However, BC Hydro's load forecast is based on the best available information regarding future conditions, and BC Hydro's load forecast methodology has been endorsed by the British Columbia Utilities Commission (BCUC) in prior public hearings.

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**Ministry of
Energy and Mines and
Minister Responsible
for Core Review**

Office of the Minister

**Mailing Address:
PO Box 9060, Stn Prov Govt
Victoria, BC V8W 9E2**

**Telephone: 250 387-5896
Facsimile: 250 356-2965**

BC Hydro evaluated viable supply portfolios as alternatives to Site C (for example, portfolios without Site C), specifically:

- a clean generation portfolio; and
- a clean plus thermal generation portfolio.

This analysis was included in the Environmental Impact Statement and considered by the JRP. The evaluation included short-term management of any surplus associated with Site C. Regarding supply alternatives to Site C, the JRP concluded that, “in the long term, Site C would produce less expensive power than any alternative.” In addition, I have requested Ministry staff to review independent analysis of alternatives to Site C. This review comparing the cost of the power will ensure due diligence before the Province decides whether BC Hydro is to proceed to project construction, which would be subject to BC Hydro receiving provincial and federal environmental approvals for Site C.

Whether to proceed with Site C is a major public policy decision that will be made by the Government, not the BCUC. As with any other BC Hydro project, if Site C does proceed to construction, the BCUC will determine how costs are recovered through rates.

On May 8, 2014, the JRP Report (Report) on Site C was released to the public. It is important to note that the JRP accepted BC Hydro’s mitigation measures and confirmed that the benefits for Site C are clear:

- Site C is the least-expensive alternative to meet long-term electricity needs (page 298 of the Report) and would “lock in low rates for many decades, and would produce fewer greenhouse gas emissions per unit of energy than any source save nuclear.” (page 308 of the Report);
- Site C would improve the foundation for the integration of renewables (page 273 of the Report);
- Site C would provide opportunities for jobs and small businesses of all kinds, including those accruing to Aboriginal people; and
- Site C would provide multi-generational benefits.

KPMG was engaged in 2010 and again in 2014 to review BC Hydro’s capital cost estimates and financial model for Site C. Its examination concluded the process used in developing assumptions and the construction of a financial model were appropriate.

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All of these factors will be considered by the Government in making a decision on whether to proceed with Site C.

Thank you, again, for writing.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Bennett". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Bill Bennett
Minister

pc: Honourable Christy Clark
Premier

Honourable Norm Letnick
Minister of Agriculture

Honourable Mary Polak
Minister of Environment

Honourable Steve Thomson
Minister of Forests, Lands and Natural Resource Operations

Honourable Suzanne Anton
Minister of Justice

Mr. Pat Pimm, MLA
Peace River North

Mr. Mike Bernier, MLA
Peace River South