



ORDER NUMBER

G-120-17

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
British Columbia Utilities Commission Inquiry Respecting Site C

BEFORE:

D. M. Morton, Commissioner/Panel Chair
D. A. Cote, Commissioner
K. A. Keilty, Commissioner
R. I. Mason, Commissioner

on August 9, 2017

ORDER

WHEREAS:

- A. On August 2, 2017, the Lieutenant Governor in Council, by Order in Council (OIC) No. 244, requests the British Columbia Utilities Commission (Commission), pursuant to section 5(1) of the *Utilities Commission Act* (UCA), to advise the Lieutenant Governor in Council respecting British Columbia Hydro and Power Authority's (BC Hydro, the authority) Site C project in accordance with the terms of reference set out in section 3 of OIC No. 244 (Site C Inquiry). OIC No. 244 specifically requests that the Commission provide responses to the following questions:
1. After the Commission has made an assessment of the authority's expenditures on the Site C project to date, is the Commission of the view that the authority is, respecting the project, currently on time and within the proposed budget of \$8.335 billion (which excludes the \$440 million project reserve established and held by the province)?
 2. What are the costs to ratepayers of suspending the Site C project, while maintaining the option to resume construction until 2024, and what are the potential mechanisms to recover those costs?
 3. What are the costs to ratepayers of terminating the Site C project, and what are the potential mechanisms to recover those costs?
 4. Given the energy objectives set out in the *Clean Energy Act*, what, if any, other portfolio of commercially feasible generating projects and demand-side management initiatives could provide similar benefits (including firming; shaping; storage; grid reliability; and maintenance or reduction of 2016/17 greenhouse gas emission levels) to ratepayers at similar or lower unit energy cost as the Site C project?

- B. Pursuant to OIC No. 244, the “Site C project” is defined as BC Hydro’s project to construct a third dam and hydroelectric generating station, including related transmission facilities, on the Peace River to add 1,100 megawatts of firm capacity and 5,100 gigawatt hours of annual energy to the authority’s system;
- C. In accordance with section 3(g) of the terms of reference in OIC No. 244, the Commission must submit to the minister charged with the administration of the *Hydro and Power Authority Act* a preliminary report outlining progress to date and preliminary findings by September 20, 2017 (Preliminary Report), and a final report, including the results of the Commission’s consultations, by November 1, 2017 (Final Report);
- D. The Commission has engaged Deloitte LLP, a consulting firm, to produce independent reports on:
 - 1. Whether the Site C project is on time and on budget;
 - 2. The costs of suspending the Site C project;
 - 3. The costs of terminating the Site C project;
 - 4. Portfolios of generating projects and demand-side management initiatives as alternatives to Site C; and
 - 5. The anticipated value and unit prices of energy and capacity from the Site C dam once built; and
- E. The Commission considers that establishment of a regulatory timetable for the Site C Inquiry is warranted.

NOW THEREFORE pursuant to section 5 of the *Utilities Commission Act*, the British Columbia Utilities Commission orders as follows:

- 1. A regulatory timetable for the Site C Inquiry is established, as set out in Appendix A to this order.
- 2. The Site C Inquiry will not include registered interveners. The Commission invites members of the public to make submissions of data and analysis that are relevant to the scope of the Commission’s Site C Inquiry on or before August 30, 2017 for consideration in the Commission’s Preliminary Report.
- 3. The Commission will publish all non-confidential aspects of the Deloitte LLP independent reports prior to issuing the Preliminary Report on September 20, 2017.
- 4. Members of the public may comment on the Commission’s Preliminary Report, and those comments will be considered by the Commission in the preparation of its Final Report. Further, the Commission will conduct a public consultation process following the publication of its Preliminary Report.
- 5. Participant Assistance/Cost Awards (PACA) will be available to support parties for their participation in the Site C Inquiry, subject to the participant’s eligibility under the current guidelines set out in Order G-97-17. PACA applications will be assessed by the panel after the proceeding and awards made based on their individual merits.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of August 2017.

BY ORDER

Original Signed By:

D. M. Morton
Commissioner

Attachment

British Columbia Hydro and Power Authority
British Columbia Utilities Commission Inquiry Respecting Site C

REGULATORY TIMETABLE

Action	Date (2017)
Deadline for the submissions of data and analysis relevant to the scope of the Commission's Site C Inquiry	Wednesday, August 30
Commission issuance of Preliminary Report	Wednesday, September 20
Deadline for the submission of public comments on the Preliminary Report	Wednesday, October 11
Commission issuance of Final Report	Wednesday, November 1