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## NEWS RELEASE

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Office of the Premier  
Ministry of Energy, Mines and Low Carbon Innovation

### **Province provides update, next steps for Site C**

VICTORIA – The Government of British Columbia is acting to address the challenges facing Site C from COVID-19 and other factors to ensure the project is completed safely, providing British Columbians with clean, reliable and affordable electricity for the next 100 years.

“When we made the decision to move forward with Site C in 2017, none of us could have imagined the impact that the pandemic would have on projects here in B.C. and around the world,” said Premier John Horgan. “The project is facing new challenges, and we are committed to managing it in the best interests of British Columbians. Cancelling it would cause people’s electricity rates to skyrocket, and we will not burden people with additional financial stress during these difficult times with nothing to show for it. Site C is already 50% finished, and our government will complete this project, ensuring British Columbians have clean and affordable power for decades to come.”

The Province has released the Milburn review, with 17 recommendations aimed at improving oversight and governance. Government and BC Hydro have accepted all the recommendations. Peter Milburn has been retained to provide oversight on implementing the recommendations, which include enhancing the independence, mandate and expertise of the Site C Project Assurance Board and strengthening BC Hydro’s risk reporting and management.

Government has also released the geotechnical review from John France and Kaare Hoeg – two independent, world-leading experts. Their review confirmed the foundation enhancements developed to address geotechnical issues on the project’s right bank will work and will ensure the project meets the highest safety standards. France and Hoeg have been retained to provide oversight to BC Hydro while construction of the foundation enhancements is completed.

Given the challenges facing the project due to delays from COVID-19, the need for foundation enhancements and other factors, the Province has brought in new leadership at BC Hydro.

Doug Allen has been appointed the new chair of BC Hydro’s board. Allen has an extensive background in the public and private sectors in British Columbia. Most recently, he was appointed to the board of directors at Insurance Corporation of British Columbia. In 2015, he was the interim CEO of TransLink. He also has previous experience as the interim president and CEO of BC Ferries, when it was moved to a stand-alone authority from a Crown corporation. He played a direct role in establishing and restructuring both the BC Safety Authority and the BC Land Title and Survey Authority.

Allen replaces Ken Peterson, who was appointed chair on July 10, 2017. After spending more than 40 years in the electricity industry, Peterson led BC Hydro through major reforms over the past three years, including lowering electricity rates for the first time in decades and ensuring

the corporation could continue to provide affordable power to B.C. ratepayers for years to come.

“Our government has taken this situation very seriously, and with the advice of independent experts guiding us, I am confident in the path forward for Site C,” said Bruce Ralston, Minister of Energy, Mines and Low Carbon Innovation. “B.C. needs more renewable energy to electrify our economy, transition away from fossil fuels and meet our climate targets. Site C will help our province achieve these things and is currently employing about 4,500 people in good-paying jobs.”

The revised cost estimate to complete Site C is \$16 billion, with a one-year delay to complete the project (now 2025). The one-year delay due to COVID-19 is the primary reason for the increase in the cost estimate, followed by the foundation enhancements, and other cost and schedule pressures.

The costs to cancel the project, including sunk costs and the costs to remediate the site, would be at least \$10 billion. This does not include the costs of replacing the lost energy and capacity Site C would have provided.

If ratepayers were to pay off this debt over 10 years, then an immediate increase of 26% would be required that would remain in effect for the 10-year period. This is equal to \$216 a year, over 10 years, for the average residential customer. Alternatively, the debt associated with termination and remediation would fall on taxpayers and reduce the resources the Province needs for important investments in infrastructure and services to build back from the COVID-19 pandemic.

Site C will not impact rates until it comes into service, with costs being repaid over the lifetime of the project – more than 70 years. This will ensure BC Hydro customers continue to have among the lowest electricity costs in North America. Continuing with Site C at the current cost estimate means cumulative bill increases will be about \$36 a year higher for the average residential customer, or 3% higher by 2030 than under BC Hydro’s prior rates forecast, and still less than inflation over this period.

BC Hydro’s reliable, renewable hydroelectricity is key to reaching targets in the Province’s climate goals and gives the Province an advantage over jurisdictions that rely heavily on fossil fuels to generate electricity.

### **Learn More:**

Geotechnical Safety Overview

Report: [http://news.gov.bc.ca/files/Site\\_C\\_Geotechnical\\_Safety\\_Overview\\_Report.pdf](http://news.gov.bc.ca/files/Site_C_Geotechnical_Safety_Overview_Report.pdf)

Site C technical briefing deck: [http://news.gov.bc.ca/files/Site\\_C\\_Technical\\_Briefing\\_Deck.pdf](http://news.gov.bc.ca/files/Site_C_Technical_Briefing_Deck.pdf)

Milburn’s Site C Project Review: [http://news.gov.bc.ca/files/Milburn\\_Summary\\_Review.pdf](http://news.gov.bc.ca/files/Milburn_Summary_Review.pdf)

There are five backgrounders accompanying this news release:

- Project status: [http://news.gov.bc.ca/files/2-26-21\\_project\\_status.pdf](http://news.gov.bc.ca/files/2-26-21_project_status.pdf)
- Hydro rates: [http://news.gov.bc.ca/files/2-26-21\\_hydro\\_rates.pdf](http://news.gov.bc.ca/files/2-26-21_hydro_rates.pdf)
- Milburn review: [http://news.gov.bc.ca/files/2-26-21\\_Milburn\\_review.pdf](http://news.gov.bc.ca/files/2-26-21_Milburn_review.pdf)

- Right-bank foundation enhancements: [http://news.gov.bc.ca/files/2-26-21\\_Right\\_Bank\\_Enhancements.pdf](http://news.gov.bc.ca/files/2-26-21_Right_Bank_Enhancements.pdf)
- Site C benefits: [http://news.gov.bc.ca/files/2-26-21\\_Site\\_C\\_benefits.pdf](http://news.gov.bc.ca/files/2-26-21_Site_C_benefits.pdf)

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