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### **Vaughn Palmer: Expect Horgan to approve reframed Site C in a few days**

By Vaughn Palmer | Updated December 8, 2017

VICTORIA – Well before John Horgan became premier of B.C., he left open the possibility that an NDP government would continue construction of the Site C hydroelectric dam on the Peace River.

Horgan the Opposition leader criticized the B.C. Liberals for proceeding without a proper review, expressed doubts about the rationale and budget estimates, and condemned Premier Christy Clark for vowing to get Site C past the point of no return before the election.

But he never promised to kill the thing outright. Rather, he said again and again that if elected, he would send the project to the B.C. Utilities Commission for independent review and assessment.

Horgan stuck to that position before, during and after the election campaign, including during power-sharing talks with the Greens.

Green leader Andrew Weaver did want Site C killed. But Horgan's position prevailed, as the agreement between the two parties pledged only to: "Immediately refer the Site C dam construction project to the B.C. Utilities Commission on the question of economic viability and consequences to British Columbians in the context of the current supply and demand conditions prevailing in the B.C. market."

On taking office in mid-July, Horgan initiated a partial shake-up at B.C. Hydro, installing Ken Peterson as a new executive chair and ousting Jessica McDonald as CEO.

Still, Hydro's new president and chief operating officer, Chris O'Riley was closely tied to Site C, having overseen the project in his capacity as deputy CEO with responsibility for the utility's massive capital infrastructure program.

The New Democrats likewise took a selective approach to Site C itself. They did put a hold on plans to relocate a provincial highway around the planned reservoir. Otherwise Hydro, under NDP leadership, pressed on with construction at an estimated pace of \$60 million a month.

Turning to the review itself, Horgan recently disclosed that he considered shaking up the Liberal-appointed leadership at the B.C. Utilities Commission.

He thought of recruiting David Austin, the energy industry lawyer and harsh critic of B.C. Hydro who Horgan regards as “one of the brightest minds in B.C. when it comes to energy policy.”

But not wanting to be accused of stacking the deck in favour of a particular outcome, Horgan decided to stick with the existing lineup at the commission.

The terms of reference for the review were narrower than some Site C critics hoped. The four commissioners were mainly focused on economic and fiscal considerations and the likely impact on rates, excluding concerns about impacts on the environment, agricultural land and First Nations.

A 12-week time frame made it difficult for the commission to resolve the myriad conflicting claims about the merits of cancelling or continuing Site C in the final report delivered Nov. 1.

“We take no position on which of the termination or completion scenarios has the greatest cost to ratepayers,” wrote the commissioners in a concluding paragraph directed to the cabinet as much as anyone. “We have provided a discussion of the risk implications of each alternative in order to assist in the evaluation.”

Disappointed at the commission’s fence-sitting, the New Democrats fired back with some pointed questions about the likely impact of a termination scenario on electricity rates in the short- to medium-term.

Taken together, the questions suggested the government was looking for a rationale to continue with the project, not kill it. The answers suggested termination could mean a \$4 billion write-off and a 10 per cent increase in Hydro rates, with nothing to show for it.

The past month also saw a strong show of support for continued construction of Site C by the unionized building trades, including experts on retainer Jim Quail and Marvin Shaffer.

Though the trades have not the clout inside the party that they did a generation ago, they do have an affinity to Horgan, who hails from the hard-hat-wearing side of the NDP.

When the premier was asked why he did not invite Quail and Shaffer to present their case to cabinet along with a half dozen other experts last week, he replied that he was already familiar with their arguments and did not need to hear from them again.

As decision day approached, Horgan also shifted his language around the possibility of legal challenges from First Nations. Initially he said the government would likely be sued if it continued with construction. Now he said he expected it would be sued either way.

Another clue about Horgan’s leanings came from his partner in power-sharing. For several weeks Andrew Weaver has predicted the New Democrats would likely proceed with Site C. He also ruled out the Greens bringing down the government if they do.

There was also a hint last week about how the New Democrats could recast Site C as part of a broader plan for electrification of the province to fight climate change.

During a speech to a Clean Energy B.C. conference, deputy energy minister Dave Nikolejsin speculated that the shift would consume the output of multiple Site Cs by mid-century, according to a report by Nelson Bennett in Business in Vancouver.

Putting all these clues together, I expect Premier Horgan to announce early next week that Site C will go ahead, albeit reframed as part of a broader strategy to fight climate change and with a larger role for the unionized building trades in construction.

Have I ever been wrong? Just ask Premier Adrian Dix.

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