

News

## **Private energy production costing consumers: 'Privatization isn't occurring here, the ransacking of the commons is what's occurring'**

Ian Bickis

750 words

13 November 2007

The Ubyyssey

Front Page

Fundamental changes made to the BC Hydro system will have negative economic and environmental consequences for years to come, said John Calvert, author of a new book on the subject.

His book, *Liquid Gold: Energy Privatization in British Columbia*, was released this past Wednesday. In it, Calvert, an associate professor in SFU's health sciences department, argues that the move away from publicly generated power will cause prices to rise significantly.

Since 2002, BC Hydro has not been allowed to build new generating capacity, and instead has issued licences that allow private companies to use the rivers and build the generating stations. BC Hydro then buys the power from these independent power producers (IPPs) under long-term contracts. So far, BC Hydro is committed to buying \$28.4 billion in power over the next 30 or so years, according to Calvert.

"It's frankly a huge mess," said Calvert. "They've systematically excluded all the other good options we might pursue."

Maude Barlow, chair of the Council of Canadians, a public-interest NGO, was recently in town to promote her own book on water, and spoke of her concern for what she calls the corporate takeover of a public resource.

"It is a very dangerous project. We have to get it out, we have to fight it, and we have to win this one."

With the passage of Bill 30 in 2006, local governments no longer have control over these projects. The bill was passed after the Squamish-Lillooet Regional District rejected a hydro project on the Ashlu river. Zoning powers now rest with the BC Utilities Commission, and the Ashlu project is currently under construction.

"We're witnessing a change in society that no one could have ever imagined," said Tom Rankin of the Save our Rivers Society. "Privatization isn't occurring here, the ransacking of the commons is what's occurring."

According to the 2007 BC Energy Plan, there are 32 IPPs already in operation, and 29 more were approved in 2006. About 500 water licences "on all the best streams and rivers" have also been approved, said Calvert, though a water license does not guarantee a hydro project.

Steve Davis, president of the Independent Power Producers of British Columbia, said independent producers are more suited to building small-scale projects, and with over 100 IPPs in BC, there are dozens of bids for each project.

"When you've got more competitive offers, that usually leads to less expensive projects...That makes for a real sharp-pencilled industry," said Davis.

But Calvert said prices are "unbelievably high." For the 2006 tender of hydro projects BC was paying \$87.50 per megawatt hour, compared with \$50 per megawatt hour for power imported from across the border.

Self-sufficiency, however, is one of the major goals of the 2007 BC Energy Plan, so the government is willing to pay more to increase provincial generating capacity.

The other major goal in the energy plan is to increase the clean energy supply, but how "green" the small-scale projects are, despite being renewable, is in question.

Most projects employ "run-of-river" construction, which has a lower environmental impact than traditional dams. Instead of a reservoir, the incline of the river and the large volumes of water provide the kinetic energy. Part of the river is diverted into a tunnel and through a generator before being returned to the river downstream.

But projects still require transmission lines, roads, and infrastructure on the river. The BC Energy Plan states that the "seasonal flow characteristics" are not altered, but water levels are inevitably reduced on sections of the river. The cumulative effect of dozens of these projects is also being questioned.

On September 8, the Miller Creek generating station near Pemberton malfunctioned and the river flow was shut off for about four hours. The operator reported that the impact was small, with only nine fish found dead, but there is the potential for real ecological damage, especially during spawning season.

A proposed 161 megawatt (MW) project on the Upper Pitt River, roughly 50km North of Vancouver, is currently under review by the Environmental Assessment Office (EAO), but Rankin said the review process is a "total farce," because the EAO has never rejected a project.

Projects under 50MW, such as the Ashlu at 49MW, are reviewed by the Land and Water BC office instead of the EAO. "It's much much easier to get a project approved under the 50MW rule," said Calvert, "because the extent of consultation is far less, and so opportunities for the public to have a say are much more restricted."