

BRITISH COLUMBIA UTILITIES COMMISSION INQUIRY RESPECTING SITE C

Definitions

1 In this order:

“Act” means the *Utilities Commission Act*;

“Site C project” means the authority’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.

Referral to commission

2 By this order, the Lieutenant Governor in Council, under section 5 (1) of the Act, requests that the commission advise the Lieutenant Governor in Council respecting the Site C project in accordance with the terms of reference set out in section 3 of this order.

Terms of reference

3 The terms of reference in accordance with which the commission must inquire into the matter referred to it by section 2 are as follows:

- (a) the commission must advise on the implications of
 - (i) completing the Site C project by 2024, as currently planned,
 - (ii) suspending the Site C project, while maintaining the option to resume construction until 2024, and
 - (iii) terminating construction and remediating the site;
- (b) more specifically, the commission must provide responses to the following questions:
 - (i) 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)?
 - (ii) 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?
 - (iii) What are the costs to ratepayers of terminating the Site C project, and what are the potential mechanisms to recover those costs?
 - (iv) 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?

- (c) in making applicable determinations respecting the matters referred to in paragraphs (a) and (b), the commission must use the forecast of peak capacity demand and energy demand submitted in July 2016 as part of the authority's Revenue Requirements Application, and must require the authority to report on
 - (i) developments since that forecast was prepared that will impact demand in the short, medium and longer terms, and
 - (ii) other factors that could reasonably be expected to influence demand from the expected case toward the high load or the low load case;
- (d) the commission must consult interested parties respecting the matters referred to in paragraphs (a) and (b);
- (e) in carrying out its inquiry, the commission must be guided by the understanding that the inquiry is not a reconsideration of decisions made in the environmental assessment process or by statutory decision makers or the courts;
- (f) the commission may obtain expert advice on any subject related to the inquiry and may exercise any of its powers under the Act in order to carry out the inquiry in accordance with these terms of reference;
- (g) the commission must submit to the minister charged with the administration of the *Hydro and Power Authority Act*
 - (i) a preliminary report outlining progress to date and preliminary findings by September 20, 2017, and
 - (ii) a final report, including the results of the commission's consultations, by November 1, 2017.