

To: Kathy Eichenberger, Project Assessment Director
Bute Inlet Hydroelectric Private Power Project
eaoinfo@gov.bc.ca

Marie-France Therrien, Canadian Environmental Assessment Agency - Agency Reviewer
Marie-France.Therrien@ceaa-acee.gc.ca

Bute Inlet Hydroelectric Private Power Project Wilderness Committee Comments on the Draft Terms of Reference

On behalf of our 30,000 members the Wilderness Committee would like to register our opposition to the massive 1027 MW Bute Inlet private power project proposed by Plutonic Power and General Electric in the Bute Inlet watershed, 150 km north of Powell River.

There are numerous problems with the proliferation of private hydropower projects in BC. Since 2002, when the BC government forbade BC Hydro from building new sources of hydro-electricity, there has been a gold-rush by the private sector to stake streams and rivers in the province. Today, over 700 water bodies have been staked by private power producers. Projects are proceeding without regional or provincial planning threatening the ecological integrity of our rivers and streams. Regional governments are no longer allowed to zone for these developments since their zoning authority was removed with the passing of Bill 30 in 2006. Cumulative impacts are ignored. For instance in the Sunshine Coast / Powell River riding over 186 streams and rivers have been staked – each one approached as a “one-off” with governments not assessing the impact that multiple projects can have on the landscape.

The Plutonic Power / General Electric joint venture is particularly problematic due to its size and scope. With over 445 km of transmission lines, 314 km of roads, 104 bridges and the diversion of 17 rivers – the impact that this project will have on the environment is profound. Of notable concern is the amount of water being diverted from rivers – in some cases the proponents project that as little as six percent of the Mean Annual Discharge will be left in the original water body. The fact that significant fish-bearing lengths of streams will also be impacted and important fish / salmon habitat is projected to be lost in numerous locations is another reason why this project should not proceed.

Our comments are regarding the Draft Terms of Reference on the proposed Bute Inlet Hydroelectric private power project. This is an unusually large private hydroelectric project (we understand it to be the largest private hydro power project in Canada) and will have province-wide implications. **Given the size of the project and the ramifications to the environment, including impacts to salmon, grizzly bears and mountain goats, we are requesting a panel level review under Canadian Environment Assessment Act. This should be a Joint Panel Review.**

We are dismayed that requests were rejected by the EAO officials for public meetings in Vancouver and Victoria, and throughout BC regarding the Draft Terms of Reference. We note that at the time of writing, councilors from Vancouver, Whistler and Coquitlam have asked for public meetings in or nearby their communities. There is grave concern that the proponent is designing the public consultation process in a manner that diminishes the need for meaningful public consultation.

Public confidence in this project has been undermined by the failure of the provincial or federal EAO officials to hold public meetings on the Draft Terms of Reference in Vancouver and Victoria.

The Bute Inlet project, among river diversion private power projects recently proposed and/or permitted in BC is unprecedented in its scope and potential environmental impact.

With a peak generating capacity of 1027 MW, it should be subject, at the very least, to public input processes similar to what BC Hydro is presently conducting for Site C (estimated to have a 900 MW peak capacity). To date, public consultation for Site C has included at least 10 public meetings and dozens of stakeholder meetings in venues across the province for a project which remains in its “pre-consultation” phase prior to the development of draft Terms of Reference.

The Bute project's risk to salmon populations, for example, potentially impacts all those British Columbians who rely on the fishing and tourism industries. In addition, the high cost of this power and volume of power could result in rates rising for residential and industrial users across the province at a time of fiscal restraint and uncertainty. The continuing failure to hold public meetings regarding the Draft Terms of Reference throughout the province indicates to us that there is one rule for public power projects and another (much less open and transparent for the people of the province) for private power projects. Private power is getting a free ride. This is unacceptable, and appears to show bias towards the proponent by the BC EAO – at the very least it undermines public confidence in the integrity of this process.

In addition to its 1027 MW peak capacity and 445 km of transmission lines, the Bute Inlet private power project would divert rivers in the Bute Inlet Watershed in 17 places, placing the majority of the water in these rivers in large pipes for many kilometers. The project would require the construction of approximately 314 km of permanent roads requiring a minimum of 104 bridges. An unspecified amount of forested land would be cut down, and permanently lost with impacts on wildlife, including At Risk Species such as the Marbled Murrelet. The timber harvesting land base would be decreased significantly. Tourism, including future opportunities would be negatively impacted by all the roads, power line scars and river diversions. All this in an area that has consistently been referred to by wilderness tourism enthusiasts as one of the ten top scenic mountain areas on the planet. For example, the Bute Inlet area encompasses some of the tallest peaks in BC including BC's tallest peak, Mt. Waddington

Furthermore, an unspecified amount of land will be transferred from Crown authority to a private corporation through long term leases or land transfer.

The BC Energy Plan prohibits BC Hydro from developing any new electricity projects and orders Hydro to purchase power in blocks of time running from two to four decades, at very high rates from private producers. The electricity produced by the proposed Bute Inlet private project would be of a poor quality, intermittent in supply and produce most of its electricity during spring which is when BC Hydro has excess capacity during freshet. If the Bute project were built and the power purchased by BC Hydro, we could very well see power being bought at a very high rate from Bute then exported as excess to Hydro's needs to the USA at a much lower rate. It is likely that energy that is obtained at a high cost, both economically and environmentally, would be sold at a loss to California. It would result in a kind of buy high sell low strategy – doomed to fail in time – in the end perhaps bankrupting Hydro, forcing it into the arms of the private power industry.

The Bute private electricity would cost BC Hydro up to four times that which its industrial users pay and double the cost that power is currently being exported out of BC to the USA. For example a similar amount of hydro power could be obtained by BC Hydro at a lower cost and in amount, timing and reliability much more useful than Bute Inlet private power simply by taking back BC's downstream Columbia treaty benefits in power instead of money as we now do.

Indeed, data from BC Stats shows that British Columbia has been a net exporter of electricity seven out of the last eleven years. Additionally, BC Hydro commissioned a report which showed that with robust conservation measures BC could be using as much energy in 2027 as it uses today – still taking into account population and economic growth.

Thus, apart from immediate impacts on the environment (which risk being substantial, far-reaching and long-lasting) the overall value of and need for this project is simply not there – Bute private power is bad value and there is no need for it. Given the massive scope of this project, its potential impact on public resources and limited ability to meet the needs of BC electricity consumers, and potential to damage those consumers with high prices we request that the project not proceed: should it proceed the environmental assessment must be conducted at the highest level of review possible under CEAA and should include public hearings in communities throughout BC, including Vancouver and Victoria.

Finally, the Bute Inlet project must not be considered in isolation from other similar projects proposed or already permitted in this area. Some of these include projects in East Toba/Montrose (196 MW capacity, Plutonic Power), Upper Toba (166 MW, Plutonic Power), Knight Inlet (121 MW, Plutonic Power), Toba/Powell/Jervis (180 MW, Hawkeye Energy), Klinaklini/Knight (700 MW, Kleana Power) and Tzoonie (62 MW, Stl'ixwim Hydro). In total, these projects would dam, divert and significantly dewater 44 rivers and fundamentally alter every inlet on this portion of the BC coast. In addition, Hawkeye is examining potential for another 22 run-of-river projects within this same area. The inadequate BC Environmental Assessment Act provides no way for the cumulative impacts of all of these projects to be considered.

Potential cumulative impacts are many and varied. Rapid industrialization of such a large swath of natural area puts BC's tourism reputation at risk and could certainly put a number of coastal tourism operators in great difficulty. Grizzly bears who need undisturbed access to the salmon spawning rivers, as well as the ability to travel great distances into adjoining valleys could be restricted by all the industrial activities. As this area is one of the last in the southern part of the province to offer refuge for healthy populations of grizzly, such wide spread industrialization in key areas of grizzly habitat could well turn out to be a disaster for the great bear. These projects would impact all species of wild Pacific salmon, at a time where populations are under stress from habitat loss due to industrial activities and residential construction. These impacts, combined with impacts caused by over fishing, salmon farming and climate change have put salmon populations in a very fragile state.

Given the high cost likely associated with all of the hydro power coming from these private projects, as well as the poor timing of the power, the cumulative impacts on the social well being of British Columbians in their homes and businesses is likely to be widespread, long lasting and negative for many.

These private power projects are currently proceeding in the absence of any strategic land use planning or a public process to determine the best future options for electricity supply and conservation in BC.

We believe it is imperative for the province to convene such planning and engage with the public. **We request that, until such public consultation and land use planning processes are completed, a moratorium should be declared on all electricity-generation proposals in BC.**

In addition, the Wilderness Committee calls for power production in BC to be publicly owned, regionally planned, environmentally appropriate and acceptable to First Nations governments.

In addition to these overall comments, we also submit the following specific comments on the draft Terms of Reference.

Need for Project:

A demonstrated need for this particular project should be shown – or the project should be dropped. For example, conservation, i.e., more efficient use of existing electricity resources, is a vastly more efficient, far less costly and less environmentally damaging way to ensure an adequate supply of electricity, in fact a study conducted for BC Hydro shows that implementation of conservation measures alone would allow BC to meet future electricity needs by 2027 without the need for any additional new sources. In addition if the Bute Inlet private power project were to be built BC hydro would end up paying for Bute hydro power twice the amount it could get it from our downstream Columbia River Treaty benefits or from the hydro power that Teck Cominco currently exports from BC to the USA. There are numerous existing BC Hydro facilities that could be retrofitted at a much lower cost to the rate payers and environment than Bute private power. BC Hydro's Duncan Dam for example currently has no power generator installed, which doesn't need to be the case. Certainly these other sources of hydro power should be tapped before Bute is even considered as a potential source of hydro power.

Qualification for Green Energy:

While the public is often assured that river diversion projects generate only “green energy”, the greenhouse gases created during construction and on-going maintenance of the project never seem to be taken into consideration. Given that conservation is the most effective way to meet our future electricity needs, we recommend the carbon footprint from construction and maintenance should be taken into consideration. Thus, we ask that these inputs be calculated so that the public can understand how many years these projects would have to operate before they would become truly greenhouse gas-free. In addition, other jurisdictions such as California and Washington State do not classify river diversion projects such as the Bute private power project as either “Green” or “Sustainable” because of the risks to biodiversity that these projects pose. Therefore, in our opinion, it is very misleading to suggest that the Bute Inlet private power project is capable of producing “Green Energy”. It simply does not meet generally accepted criteria for “Green Energy”.

Additionally, although these projects arguably produce low-carbon energy the results can not be considered green, democratic or sustainable due to the environmental degradation, lack of planning and undemocratic nature of these projects.

Impacts on Eco tourism and Visual Quality:

Impacts and future impacts on tourism, especially eco tourism must be taken into account. At present, Bute Inlet is a spectacular wilderness area where grizzly bears are viewed by eco-tourists and is within relatively easy reach of visitors arriving from around the world via Vancouver International Airport. The area supports a very high quality guided sports fishery, where customers arrive via helicopter to fish its world renown wild watersheds.

Visual quality objectives should be considered as part of the environmental assessment as this area is increasingly visited by tourists and residents who wish to experience the spectacular coastline of British Columbia. Transmission lines, and the swaths that are clear cut to accommodate them can mar a landscape and detract considerably from a wilderness feeling.

Impacts on Aquatic Species and Habitat:

River diversion power projects have huge biological impacts on the river systems which are dammed and diverted into pipes or tunnels for many kilometers. The degree of diversion allowed, typically 80-90% of mean annual discharge (in the case of Southgate 2 - 94% and in the case of Allaire – 94%), is excessive and has major impacts on the aquatic ecosystem.

We know of an equipment failure on Miller Creek, an operating private power river diversion project near Pemberton which led to an unplanned dramatic drop in water levels in the river. In the remote Bute Inlet, there are unlikely to be many people around to report such equipment failures and subsequent threats to the aquatic ecosystem.

Many, if not all of the 17 rivers targeted for diversion in the Bute Inlet Watershed are glacial rivers. That is to say that they are likely to carry a great deal of sediment, much of which will be trapped behind the dams in the headpond. Excess sediment in the head pond would be released potentially having deleterious impacts on fish habitat downstream. We are concerned about impacts these headponds could have on wildlife including harlequin ducks. It is our understanding that these ducks move downstream towards the end of the breeding season by following natural water flows downstream and that headponds on private river diversion projects act as barriers to prevent such movements.

We are also concerned about the impact that climate change will have on water flows. The TOR should include future climate change scenarios and how these scenarios will affect glacial flows.

We have noted that in other river diversion projects, bull trout and dolly varden are at extreme risk from the effects of the river diversions. Care should be taken to avoid impacting these species and their habitats.

Impacts on Terrestrial Species and Habitat:

Given that this project will require the construction of permanent buildings, roads and transmission lines, we anticipate impacts on the terrestrial environment will be very significant. The development of river diversion projects on the major rivers in Bute Inlet would be precedent-setting and cause permanent environmental impacts.

In particular, we are very concerned with impacts to marbled murrelet and mountain goat habitat as well as habitat identified for species at risk. These include all COSEWIC-listed species as well as red- and blue-listed species or candidates for such listing in BC.

Bute Inlet is famous for the grizzly bears which inhabit this area. The contribution these grizzly bears make towards creating opportunities for ecotourism and to population stability has already been noted. Of particular concern is the impact on the high concentration of grizzly bears in the Orford River area – given the close proximity of the proposed industrial road it appears that mitigation will not be possible.

Corridors and low mountain passes which serve as critical areas for bears (and other species) to move between watersheds must be identified and protected. Such corridors should remain undisturbed. All inventory work must be carried out according to RIC standards. In addition, the proponents should identify areas considered critical for grizzly bear activities such as feeding and avoid disturbances to these areas as well as identified corridors for movement between such areas.

Bute Inlet also contains critical habitat for marbled murrelets. All habitat areas used by marbled murrelets must be identified and ensure such areas are left undisturbed. Transmission lines pose serious impacts on marbled murrelets as they fly between nesting and feeding areas.

Impacts on winter range for ungulates especially for that of mountain goats is a risk to these species posed by clearing for transmission lines and construction sites. In addition, impacts to mountain goats and their habitat throughout the year with regard to helicopter flights and other movements of personnel and equipment is a risk.

An inventory and description of critical habitat for migratory birds should be undertaken and made public. This habitat must be protected. Of particular concern is the use of herbicides to control vegetation under transmission lines. Any designated old growth management areas should be clearly identified and, if these OGMAs actually contain mature forest and/or critical habitat, a plan should be developed which will avoid impacts on them.

Bute Inlet is known to be subject to severe weather including outflow storms. Locals tell us that structures built on the valley floor risk extreme floods and even river tidal waves caused by avalanches into glacial lakes. Structures built on the mountain sides risk mud slides and snow avalanches. Extreme icing events can put very thick layers of ice on structures. There is great risk of severe weather including avalanches which could block roads and high rainfall events which could wash out roads and sever connections to projects. Considerable environmental damage could occur during such periods.

In closing we would have to say that having attended a number of EAO public meetings regarding private river diversion power projects we have noted that information provided to the public is unacceptably scant. However, the information provided thus far to the public regarding the Bute Inlet Private River Diversion Power Project has been the least we've seen – even though this project is the largest with the greatest potential environmental and social impacts. That combined with the paltry three public meetings scheduled to gather public comment on the Draft Terms of Reference is we believe a very poor start to this process – and one that will not bring about public confidence that this is anything more than a rubber stamp process in favour of the private developers.

In general the existing terms of reference are unacceptable due to insufficient or missing data and vague language particularly in regards to water sampling, fish distribution, aquatic fauna, species-at-risk, climatic events and general wildlife data as well as the impacts of hundreds of kilometers of transmission lines and roads.

Sincerely,

Joe Foy
Wilderness Committee National Campaign Director

Gwen Barlee
Wilderness Committee Policy Director