

SITE C CLEAN ENERGY PROJECT

SITE C WILL HELP KEEP BC HYDRO RATES LOW

BC Hydro rates are currently among the lowest in North America, largely due to BC Hydro's system of heritage hydroelectric facilities. These hydroelectric resources produce electricity at a very low cost to customers.

The Site C project will provide clean, reliable and affordable electricity, and will help keep overall electricity costs down and rates low.

There is no effect on today's BC Hydro rates from Site C; the costs will not be recovered in rates until the assets are in service. This ensures that the costs for Site C are paid by the ratepayers who are benefiting from the project.

Large hydroelectric projects like the Site C project are cost-effective because after an upfront capital cost, they have low operating costs and a long life (i.e., more than 100 years with maintenance and refurbishment). This helps to explain why, during the environmental assessment process for the project, an independent Joint Review Panel concluded: *"Site C would be the least expensive of the alternatives, and its cost advantages would increase with the passing decades as inflation makes alternatives more costly."*



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The independent Joint Review Panel also stated: *"Site C, after an initial burst of expenditure, would lock in low rates for many decades, and would produce fewer greenhouse gas emissions per unit of energy than any source save nuclear."*

The costs for Site C will be amortized over the useful life of the project's assets (i.e., 70 years on a weighted-average basis). The recovery of costs in rates will be determined through a future regulatory process with the British Columbia Utilities Commission.

Past investments in hydroelectric dams have provided B.C. with low-cost power and supported economic growth. Site C will help BC Hydro maintain its competitive advantage by having a lower rate impact on customers than other clean energy options for the equivalent amount of energy and capacity.

The Joint Review Panel said: *"A few decades hence, when inflation has worked its eroding way on cost, Site C could appear as a wonderful gift from the ancestors of that future society, just as B.C. consumers today thank the dam-builders of the 1960s."*