
INDEPENDENT POWER PRODUCERS CONFERENCE

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Premier Gordon Campbell's Speech to the Independent Power Producers Association of B.C.

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Check Against Delivery

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Thank you very much, David, and thank you all for joining us here today. We are on the traditional territories of the Coast Salish First Nation, as you know. I think one of the things that this industry is really already becoming exemplary for is the way they've built a relationship with First Nations across the province. It's one of the things that I think is really critically important to all of us as we think about the future that David was just talking about.

We do have to think about how we create the kind of world that we want to live in, and when we do that, it's going to challenge us all to think about the frameworks we've had in the past, to think about the mindsets we've had in the past and decide what we actually want to accomplish. What do we want the world to look like in ten years and 20 years hence as opposed to what did the world look like ten years and 20 years past?

And I can tell you you're very, very well-represented by two I think not just strong advocates but really public-spirited and public-minded people, and I want to say a special thank you to Harvey Campbell, my cousin Harvey, and Don McInnes, both of whom have never lost track of the fact that what we're talking about today is how we accomplish broad public objectives that make the world a better place not just for us in British Columbia but in other jurisdictions as well. I'd like you to join me in saying thank you to both Harvey and Don.

I know that you've had the opportunity to hear from both Ministers Penner and Lekstrom today, so I'm going to try and just move us a little bit forward and think about where we want to go and what we'd like to be able to accomplish.

President Obama was speaking at MIT the other day, and he said: "The world is now engaged in a peaceful competition to determine the technologies that will power the 21st century. The nation that wins this competition will be the nation that leads the global economy." I think what's really important for President Obama to know is that we intend to win that competition in British Columbia and in Canada, but we are glad to share in that win with the United States and the rest of the world.

Here's what's really important for us to note: is that there's a whole series of problems that we confront in the world today, and virtually none of those big problems that I can think of are going to be solved by government alone. All of those tasks and challenges ask us all to break down the barriers between government and the private sector, between provinces in a country, between countries and the world so that we actually can recognize how we all improve the quality of life for the entire planet. As

we confront the challenge of climate change, regardless of what people may or may not think, it is here. It is having an impact today. It will have an impact tomorrow. And your industry is an industry that can help us not just deal with that, not just cope with it but put that to work on behalf of all us, not just in terms of the environment but in terms of the economy, in terms of our social infrastructure, and that's what we have to think about as we go through the challenges from day to day or from month to month.

You are on the front lines of change, and it is by capturing the changes that we must embrace that you will actually provide us with the vehicle we need to move into the 21st century feeling stronger, feeling more vital in terms of the initiatives that we undertake and knowing that we are doing what's important for the generations that will follow us. We have set a number of goals and tasks for ourselves in the province of British Columbia. I can tell you candidly that one of the challenges that we face is to recognize that the world today is dramatically different than the world we inherited even eight years ago, in 2001, and that was certainly different than the world in the 1960s or the 1980s, and it's very difficult for us to catch up and try to get ahead so we can maximize the benefits of the world that's in front of us.

You know that we have enormous resources in British Columbia, and those resources allow us to provide not just the people that live in this province with green and clean low-carbon power. It allows us to expand our horizons to build an economy based on green, clean low-carbon power, and we have to do that together, and that means we have to do it with the independent power producers of British Columbia, and we intend to do just that. Whether the potential is hydro power or geothermal or bioenergy or wind or ocean or solar, all of those opportunities, the run-of-the-river projects we've had – all of those are going to be critical as we reach for our goal of being electricity self-sufficient by 2016, reducing our greenhouse gases by 33 per cent by 2020, by creating an economic opportunity and investment opportunities in every corner of this province.

We can generate more than enough electricity for every household with clean power across the province, but if we decide we are going to do that, we are going to have to create the framework that will allow it to take place. We have to do that thoughtfully, we have to do it quickly, and we have to do it in concert with communities, with First Nations, with investors, with the private sector and with government working together.

I think it is important to recognize that as we look at building the kind of robust and healthy and vital future we want in terms of the economy and the environment and our social infrastructure, we are going to have to change our mindset, and that mindset means that B.C. Hydro or B.C. Transmission Corporation and B.C. Utilities Commission and the independent power producers and the government of British Columbia and First Nations and local communities are going to all have to work together. It's difficult to work together if people can't see the benefits that go with that initiative, because it's always hard work to change. Change is difficult, but change is important if we are going to deliver to the next generation and the generations that follow us the quality of power that they need to build their quality of life into the future.

We will have to establish new value, which we haven't done very much in British Columbia. We do have to talk about the value of reducing greenhouse gases. We do have to talk about the value of maintaining and enhancing our nature environment as well as building our economic environment and our social environment, and we have to engage people in that in a way that recognizes two things. Number one, electricity is not free. It feels free sometimes to people. I've noticed that people don't even think about the waste that they put into the system, the literally thousands of kilowatts that we lose as a result of people not thinking about the fact that it costs money and resources, their money and their resources, to generate. I can tell you in my job there's lots of times when I wish the lights were a little lower. It doesn't work for

everybody, but it works for me.

I think it really is important for us to bring everybody into this solution as we look forward, because there is no question that British Columbians expect to and want to be leaders with regard to a low-carbon economy. There is no question that they are proud of the position that we currently hold, with competitive electricity rates but also with clean electricity. When I tell people that 90 percent of our electricity is driven by clean power, renewable power, they just can't believe it in most parts of the continent, but it's something that's a huge asset for us, and it's an asset that we should make sure that we nourish, that we nurture and that we build for the future, because there is going to continue to be energy demand as we look to the future.

When President Obama said that he wants to ensure that 10 per cent of the United States' electricity comes from renewable sources by 2012 and 25 percent by 2025, I actually think the president should be setting his hurdles a lot higher. I think we are capable on this continent of delivering far more, but we are going to have to set those goals high, and then we have to strive to make the changes we need to, to reach them if we are going to fully deliver on the opportunities not just in terms of jobs but investment and improving the climate that it's necessary for us to meet.

We are clear in British Columbia that we intend to be electricity self-sufficient in British Columbia by 2016. We are already the world's third largest clean technology centre. We generate almost 4,000 jobs in the clean technology sector alone. We want to continue to build on that. It will not happen if we don't create the public policy framework that's necessary and if we don't encourage the kind of risk-taking that's necessary and the innovation that's necessary in the private sector to take full advantage.

It should be a core objective of ours to be a smart-thinking, smart-delivering, dependable, reliable electricity source for the continent, not just for British Columbia. We can help Alberta meet their challenges. We can help Saskatchewan. We can help Washington, Oregon and California. We can help Wyoming and Wichita, Kansas if we want. But we have to set those goals for ourselves and then we have to execute those goals in a way that makes sense.

In British Columbia, as you know, we already have some incredible power assets that we intend to enhance and to improve. It's important for us to recognize that as we do that we have to build an independent power sector that has confidence in government and confidence in the direction that we intend to go. So as you know, last week we made the announcement that we will no longer be relying on Burrard Thermal to provide power in the future in British Columbia. Emergency power, yes, but it will not be part of our long-term power plan for the province of British Columbia.

There are a number of reasons for that, not the least of which are the health concerns which we identified almost 13 years ago as a reason for closing down Burrard Thermal. There are also greenhouse gas concerns that we have, which is calling upon us to close down Burrard Thermal except for emergency uses. There are also economic benefits, about \$100 million or at least tens of millions of dollars over the next decade that we will save in terms of maintenance and ongoing capital costs for that facility. But we have to have the investments stepping up to make sure that they fill that potential demand gap that exists for us in the province, and we'll do that.

It means that B.C. Hydro can no longer include the 6,000 gigawatt hours of potential annual energy for their planning purposes, and that 6,000 gigawatt hours of power will be met through new, clean energy production. That energy has got to be cost-effective and it won't be bought at any price. But I can tell you if we work in concert and we work together and we think about what our objective is, we will have lots of independent power projects taking place in this province that will generate clean, green low-carbon energy that will help meet the needs not just of British Columbia but

other jurisdictions as well, and we're counting on you to help us get there.

It is important, I think, as we think of this and we think about what we're trying to do as a province, to recognize the impacts that our province has already felt from climate change. Literally hundreds of millions of dollars have been spent trying to deal with the challenges that we have been hit with already by climate change. So as we think about where we're going, we have to recognize that no action at all also costs taxpayers and ratepayers money. So as we think about where we're going, we have to remember who our customers are. We have ratepayers who are customers, major industries who are customers, and we want to be sure we have a competitive rate base that we can actually continue to build our industry from. But we want to actually engage them in the partnership of becoming more productive, more competitive and investing in their plant as well so that we can reduce the impacts we may have on greenhouse gases.

It is important also, I think, perhaps as we think to the future we invest ahead of the curve. That's one of the most challenging things that we have that we can do is investing ahead of the curve. There are people, for example, that say...and here's a simple one that people actually do get pretty quickly. They say it's a mistake to invest in the Port Mann Bridge because it will have a larger capacity than will be required in the short term. Or it's a mistake to invest in the Prince Rupert port because it has more capacity today than it needs right now. Actually the only way we build a strong economy for the future is by investing in the future today.

And that's, I think, one of the things that we've done with regard to B.C. Transmission Corporation and it's working, again, in partnership with the federal government. We will be building a Northwest Transmission Line in the northwestern part of our province to open up enormous areas of opportunity, not just for independent power but for the mining industry as well. We also are going to look at investing in B.C. Transmission Corporation to try and liberate the opportunities that exist from that supply of wood that is now called the pine beetle forest, the dead pine that are there that we believe can turn into a river of wood that will generate power and not just for our province but for communities around the world if we do pellets or whatever.

Bioenergy is a critical component of what we want to try and accomplish in British Columbia building that bioenergy network, looking at cellulosic ethanol but also looking at how we can use our bioenergy resources here at home to immediately meet the needs of people here at home. As we renew our power and renew our forests we also renew our communities. We also renew the quality of our environment. And that's what I think is really critical as we look at the overall picture that we're trying to accomplish here. Our independent power producers are a critical component of not just innovation and creativity but they're a critical component of building a strong social base for the future of the province to stand upon.

We've done a number of things in the province, and I'm sure you're all aware of them: the energy plans, the climate action plan, the energy efficiency buildings that we're working to plan. We're working on that strategy, innovative clean energy plans. All of those are meant to try and get us to a destination where we don't just encourage but we watch the development of power that we can use not just in British Columbia but along the entire Pacific corridor and potentially to the east across the Rockies as well.

I do think that as we do that, it's important to look at this partnership as one that you will help to fuel. One of the most important things that you can do for us is that you can ensure that as we move ahead, that not just the Ministry of Energy, Mines and Petroleum Resources but the Ministry of Environment, the Ministry of Forests, the Ministry of Aboriginal Relations and Reconciliation, BC Hydro and BC Transmission Corp. are all part of your team. As we do this, I should tell you the government is taking some steps. I can tell you today we've taken some steps to try and make sure that we have an integrated approach as government. So you're not going to one

ministry and then another ministry and then a ministry after that.

You've probably heard that we will be establishing, you've probably heard, the climate action team, the cabinet committee on climate action... The cabinet committee on climate action and clean energy will include the Minister from Energy, Mines and Petroleum Resources, Aboriginal Affairs and Reconciliation, Small Business and Technology, and Forests. The chair of BC Hydro and the chair of BC Transmission Corp. will also sit ex officio on those cabinet committees.

With those cabinet committees we intend to establish a number of specific task forces where we will ask the industry to come and provide us advice in a very short period of time so we can get on with developing the kind of long-term dependable strategy, resilient and robust strategy that you have been calling for.

We intend to have four specific task forces in place: the task force on procurement and regulatory reform which will recommend improvements to BC Hydro's procurement and regulatory regimes, to enhance clarity, certainty and competitiveness in promoting clean and cost-effective power generation. They will also be responsible for fostering improvements in future clean energy power calls and procurement processes. The task forces will report into the cabinet committee; cabinet will make recommendations, and we'll get on with executing the recommendations.

There will also be an advisory task force on carbon pricing, trading and export market development. I want to take a moment on this. As we develop our clean energy it's important for us to maximize the benefits of low carbon and carbon pricing that's available there for us in the province. We want to make sure that our ratepayers maximize the benefits they have from the fact that we are in the front of a lot of the initiatives for us to reduce our greenhouse gases.

But we also have to think of this: in just about [any] industry, if you think about our export. We have our forest industry going around the world trying to think of where they can build new products, how they can make sure that their customers have access to those products.

We have to think of the same thing in terms of our energy industry. If we are going to be – and I believe we can be – the clean energy powerhouse of North America and recognized locally not just for our technologies but for our delivery of those services and how we can actually enhance those services and make them an international part of what we do, we are going to have to make sure that we develop markets so they know what we have and know that they can depend on us.

If they can't depend on our markets, they're not going to come and sign contracts in our markets, so that's a critical component of what we want to do and how we move ahead.

It will include making sure that we take full advantage of the cap-and-trade system which is being developed with the Western Climate Initiative. It will assure that we are not just listening to what's happening in the United States; we're paying attention to what's happening there. They will be one of our largest single markets. And I think that as we move ahead, we're going to have to have our [focus] not just on this room but on our country and on our continent as we seek to take full advantage of the opportunities that lie ahead of us.

So that's going to be a critically important part of the advice that we get, and I can tell you that from all these advisory task forces we are asking for that advice to be ready and written and submitted by January at the latest. If you can do it faster, great; if you can't, fine; but we have to move on with it. Everything I've heard from the industry says let's get on with it, let's make the decisions, let's know where we

stand so we can keep moving forward, and we do intend to do that. We intend to do it, and then we intend to continue to build that partnership and the literacy amongst ourselves about how we can be even stronger as we go ahead.

It's also important, I think, for us to think about how we can maximize the potential that comes from resource development across the board. I mentioned earlier – and you all know this better than I do – we have a massive amount of energy – clean energy, low-carbon energy – resource. The question we have to do is how do we make sure we maximize the benefits of that? Whether it's wind or geothermal, whether it's run of the river, whether it's ocean.... I'm sorry if I missed another one out, but you know the list, right.

We have to make sure that we understand that each of those sectors of the clean energy economy basis. Then how do we actually help deal with them?

I think one of the things that you should always recognize is there's been an awful lot of you that have been out there working on this thing and you've forgotten in some cases more than people inside of government may know. The question for us is how do we create an environment where that is shared and where we're in a position where we can act on it as quickly as possible.

I should tell you this, though, just as I'm saying that. I've been in this job for a little bit of time now, and there is no end of people who visit me after visiting ministers and say something along these lines: Premier, with my brain and the taxpayers' money we're going to make wonderful music together.

This is not about the taxpayer or the ratepayers doing something on your behalf. It's about you doing something on the behalf of the ratepayer. That's maximizing and optimizing the value that both sides of that table get. It's really important to understand that because one of the challenges we're going to face – and we will face challenges when we go through these changes – is we'll have people saying consistently we should always go for what's called the low-cost choice.

We want to go for the high-value choice. We want to go for the optimum-value choice which combines all of the goals and objectives we have, in which already we've watched as independent power producers have been an important part of this.

With that in mind, we will be building, we will be initiating an advisory task force on community engagement and first nations partnerships. We want to make sure that everyone is included in the opportunities here. They will develop recommendations to ensure first nations and communities to see the clear benefits from the development of clean, renewable, low carbon energy. We want them to see the job's done properly. We want them to understand the communication strategies that we put in place so that everyone, again, this whole province gets behind this.

Someone mentioned Martin Luther King's dream. Martin Luther King's dream wasn't that he would tell everyone what to do. It was that he would set a goal and everyone would decide how they were going to reach that goal together. He brought together a country around reaching that goal.

When President Kennedy announced that they were going to go to the moon, it was everyone coming together and sharing in the belief that they could get there, committing themselves to it and finding themselves in alignment with those public objectives.

The community engagement and First Nations partnership advisory group will be looking at ways that all of us can find a way that we can align those objectives.

Each of those task forces will share academic backgrounds. They may have climate change experts; they may have business experts; they may have representatives of your different groups. Here's what's really important: we have to find a way that we break from the group up into those decision-makers, the important issues that you face.

Let me be clear about this. I'm sure there are 127 things at least on all of your lists here that we could do. We have to start with the most important, and we'll get those done in January. We'll then do the next most important. But we have to start sending clear and unequivocal messages that we intend to be a clean-energy powerhouse in British Columbia.

There will be difficult choices to make. Cabinet will confront those and make those. If cabinet doesn't agree, we'll let you know why, and we'll let you know what we think an alternative will be.

But you have to feel comfortable saying to us this is what would be ideal. We have to search for the best and see if we can reach for the best.

I know from my brief experience in public life that when we do set our goals for ourselves like that in British Columbia, we often accomplish them. We often surprise ourselves with how much we can do and how good you are at what you do.

So one of our goals as we set this clean energy cabinet committee up is to make sure that we get the best of your ideas, that they come forward. If they can happen quickly, if they can happen directly from government.... We can't make certain things happen, but we can help lots of things often happen. I think we can start to set the kind of framework that we need not just for 2016 when we become clean energy self-sufficient but also for 2026 and 2036 and the 2,000 years after that.

The fact of the matter is we are in an exceptional position. You are actually at the forefront; you're the precursors of what can be if we just decide to be smart about it and focused about it and dedicate ourselves to it.

So we want to be part of your partnership. We want to do that with you. We see huge construction opportunities. We see there are major job opportunities, literally thousands and thousands of jobs around the province. We see this as a place where you can bring together those twin goals of a strong economy and a healthier environment. Too often we actually rule out one of the options when we can actually bring them both together.

I think that the leadership that you've shown over the last number of months has particularly helped us and helped the people of British Columbia see what can happen.

I can tell you when I talked to the people of the Klahoose First Nation, they are excited about being part of the independent power production industry. They are excited about the benefits that they get.

When we talk about the potential in Williams Lake and Cranbrook and Terrace, in the northwest, I can tell you people there are excited about the opportunity for them to participate.

You'll often hear what's wrong. It's kind of an occupational hazard for me: you tend to get to hear what's wrong. I want to use an example from Friday morning for you. Actually over the last little while most of the stuff that you hear is what's wrong with the Olympics. I arrived in Victoria with the Olympic torch. The torch came. I arrived at the capital Parliament buildings. There were probably 25,000 people on the lawn. They went all the way down Government Street. They were cheering; they were excited

about the fact that we had won the Olympics. There were about 150 or 200 people that didn't like it.

The same thing's going to happen with independent power if we do this in a way that's open, that's smart and that's direct. People are going to see the benefits for them and their community, the benefits for their kids and their grandkids in the future, and the benefits for the economy short term and for the environment long term. They will see it if we act together, if we act together and keep our eye on what we can be as a province.

When we started searching for the Olympics or our quest to have the Olympics given to us, there were a lot of people that said at the time you'll never get there, it'll never happen, the competition is too tough.

The competition in your industry is tough. It's tough for you; it's tough for us. It will require all of us to design a platform that will allow you to pursue your goals and your objectives and to be successful. We can't guarantee success, but we can actually put you in a position where you, through what you do and how you think and your creativity, can help guarantee success of your endeavour.

When we do that together, British Columbia will lead. We'll lead not just in clean energy and in low-carbon energy. We will lead in economic resurgence of Canada as we move into the 21st century and as we move into the Pacific century. What we develop here, we can share.

What we develop here, we can trade. The technologies we develop, the techniques we develop here can be actually exported around the world, as we've done with all of our other resources.

We need your help to do it. I'm looking forward to working with all of you. I'm looking forward to the cabinet committee coming forward with some explicit plans to make sure that this happens.

I want to close by saying this: I understand how much work and time and effort that's gone into bringing you to this point today. But this is the work where we're almost at the top of the mountain. We've got to keep on striving; we've got to keep on climbing until we get there. As we get to the top of that mountain, we will watch as the momentum builds for clean power, for healthy and robust economies, and for a strong social foundation for our future.

An economy that works, an environment that's been restored, and a future that's second to none: that's what we're after in British Columbia. With your help I know we'll get there.

Thank you all very much.

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