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Background Brief

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The Site C Dam: Historic Overview and Key Issues

The Site C project, a proposed third dam on the Peace River, was first suggested by BC Hydro in the 1970s. This paper provides an outline of the history of discussions around the project and an overview of arguments for and against the project.

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The Site C project, a proposed third dam on the Peace River, was first suggested by BC Hydro in the 1970s. Every decade since has seen heated discussion over whether to build the hydroelectric generating plant. The project would flood several thousand hectares of land near Fort St. John, producing enough electricity to power about 460,000 homes.¹ It would take over 10 years to complete² and create approximately 5,110 person years of employment over the construction period.³ In February 2007, the B.C. government said it would enter into “initial discussions around a potential Site C project.”⁴

CHRONOLOGY

Feasibility studies and initial public consultations on Site C were first conducted in the mid-1970s.⁵ In 1980, BC Hydro applied for an Energy Project Certificate to allow it to build the dam. The B.C. Utilities Commission (BCUC) held numerous hearings on the issue, listening to over 70 witness panels at formal hearings and 100-plus representatives at local and special First Nations meetings.⁶ The commission ruled in 1983 that cabinet should defer issuing a certificate until certain conditions were met. Cabinet ultimately refused the certificate.⁷

Three years later, BC Hydro signed a “study agreement” with a U.S. federal energy agency and several utilities in the Pacific Northwest and California. The agreement resulted in a 1987 report concluding a market for power from Site C existed in the U.S. The study agreement referred to Hydro’s willingness to consider building the dam and “allocating power generated... in excess of domestic requirements for export to the United States under long term contracts having economic benefit to British Columbia.”⁸ In 1989, BC Hydro began holding public consultations on building the dam.⁹ However, in 1991, a Hydro spokesperson told reporters the project had been shelved for an indefinite period.¹⁰ In 1993, Hydro’s president said the Site C project was “dead” because it was too costly and environmentally unacceptable.¹¹

The present decade has seen periodic talk of Site C. In 2001, a Hydro spokeswoman said the Crown corporation had commissioned a study to update information on the dam’s environmental impact, generating capacity and economic viability.¹² Information about the project was included in Hydro’s 2004 and 2006 submissions to the B.C. Utilities Commission.¹³ Most recently, the B.C. government stated in its 2007 [energy plan](#) that it would “enter into initial discussions” with key stakeholder groups to “ensure that communications regarding the potential project and the processes being followed are well known.”¹⁴ Energy Minister Richard Neufeld was quoted as saying: “This does not commit the province to building the project, only to explore further the possibility.”¹⁵

REASONS FOR BUILDING

BC Hydro has identified electricity supply sources to meet demand only for the next decade; beyond that, additional reliable sources are required.¹⁶ In its 2006 Integrated Electricity Plan (IEP), Hydro noted the types of projects that “typically offer energy and capacity are large hydroelectric dams, biomass, coal or natural gas facilities.”¹⁷ Reliability is one reason for considering larger-scale hydroelectric projects. Hydro cannot rely purely on a lot of smaller generation projects, said Hydro CEO Bob Elton in a 2004

newspaper interview.¹⁸ (At the time, Elton said Site C was just one possibility and that Hydro was not sure if it was the best option.)

Hydroelectric power has a reputation for being a “clean” energy source that mitigates global warming.¹⁹ It does not release CO₂, radioactivity or dioxins directly harmful to human health.²⁰ It has also been noted that the dam would be built on a river that already supports two dams, rather than a wild, untouched stream.²¹

Some proponents also argue hydroelectricity is a relatively cheap energy option. A former chair of the B.C. Progress Board called Site C “our least expensive source of large-scale new power generation.”²² Cost estimates for building the dam have varied, with recent media reports providing cost estimates ranging from at least \$2-to-\$3.5 billion.²³

SOCIAL AND ENVIRONMENTAL IMPACT

First Nations and Displaced Residents

Local First Nations have long argued that flooding will impact their traditional fishing and hunting.²⁴ Some aboriginal speakers at the BCUC hearings (1981-'82) expressed resentment over their treatment by Hydro during the building of earlier dams.²⁵ The West Moberly First Nation, based south of Fort St. John, was involved with a protest in 2006 against building Site C.²⁶

In 1980, Hydro estimated that approximately 35 households or about 135 people would have to relocate if the dam were built.²⁷ Documents included with the 2006 IEP suggested that about 30 people would be relocated if Site C were built today.²⁸ Residents of Hudson's Hope, B.C., are also concerned about the possible flooding of their route to nearby Fort St. John.²⁹

Impact on Land and Wildlife

The original Site C plan called for the removal of approximately 2,600 hectares of land from the Agricultural Land Reserve in the Lower Peace River Valley. At the time, Hydro stated the dam would not stunt the development of a fresh vegetable market or processing industry since enough necessary land would be unaffected.”³⁰ The BCUC 1983 report noted there could be some impact on climate in the immediate area of the reservoir “from increased fog and humidity which might adversely affect farming in the region.”³¹ The main impact on agriculture would be lost potential farmland, stated the report, which estimated the social value of the land to be about \$59 million.³²

The BCUC report also found flooding would result in the loss of some productive forest land and a “significant loss of both game and non-game wildlife in the region.”³³ The reservoir was expected to create “lake-type habitat and fishing opportunities but eliminate some river-based fishing.”³⁴

Recreation and Heritage Sites

The original Site C plan would have flooded one historic site – the Rocky Mountain Fort – and would possibly have affected the Rocky Mountain Portage House. “Some other areas where artifacts have been found may be affected to varying degrees by the reservoir or construction activity,” according to a Hydro report published at the time.³⁵

The BCUC's 1983 report also found that "while the project will create new reservoir recreational opportunities, these will not offset the quality and value of lost river based recreation."³⁶ At the time, the commission estimated a net recreation resource loss of \$6.9 million.³⁷

JURISDICTIONAL ISSUES - ALBERTA

The Peace River flows from British Columbia into northern Alberta and the Site C dam would be located approximately 60 kilometres from the border. The impact of B.C. dams on water levels across the border has been a sensitive issue for some Albertans. Another dam on the Peace River – the W.A.C. Bennett dam – was blamed by some for lowered water levels in Alberta's Athabasca and Peace deltas. In 2004, members of the Athabasca Chipewyan First Nation were awarded \$4 million by BC Hydro as compensation for the effects of the dam, built during the 1960s.³⁸

In 2005, B.C. and Alberta signed a [Memorandum of Understanding](#) (MOU) on Bilateral Water Management Agreement Negotiations. The document laid out the process for negotiating a Bilateral Water Management Agreement. The MOU noted the agreement would focus on the Peace River watershed.³⁹ In 2007, the B.C. government's [energy plan](#) stated that it would enter into discussions with Alberta to discuss Site C to "ensure that communications regarding the potential project and the processes being followed are well-known."⁴⁰

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