



June 6, 2017

Mr. Andrew Weaver
Leader of the BC Green Party
Room 027C, Parliament Buildings
Victoria, BC V8V 1X4

Dear Mr. Weaver:

As you are aware, I was copied on correspondence from NDP Leader John Horgan to BC Hydro CEO Jessica McDonald with respect to current and future planned activities on the Site C Clean Energy Project in Northeast British Columbia.

The construction and completion of Site C represents a generational opportunity to provide British Columbia with another stable, long-term asset that can provide electricity for the next 100 years and further reduce BC's greenhouse gas emissions.

As you know, with a project of this size and scale, keeping to a tight schedule is critical to delivering a completed project on time and on budget. In the case of Site C, there are approximately 5,500 separate but interrelated actions synchronized as part of the construction schedule to successfully deliver the project.

As such, I wish to inform you that the requests contained in Mr. Horgan's letter, which I assume that you are in support of, are not without consequences to the construction schedule and, ultimately, have financial ramifications to ratepayers.

Mr. Horgan has requested that BC Hydro delay the relocation of two homes pending a potential future review of the project by the BC Utilities Commission.

The relocation of the homes in question is necessary as part of a two-year road and bridge construction project that will enable river diversion to occur in September 2019.

The decision to divert the river in September has been made to accomplish river diversion when the river is at its lowest. During winter months, the river is at high levels due to the need to generate electricity for BC Hydro customers. In the Spring and Summer, the river is at high levels due to runoff and snowpack melt.

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A delay of months puts the road and bridge construction schedule at risk, which in turn presents a significant risk of being able to begin river diversion as scheduled in September 2019. Preliminary work undertaken on this issue by BC Hydro indicates that should river diversion not be completed as scheduled, a year-long delay would occur in order to divert the river during the next low-flow period, in September 2020. This one year delay is estimated to cost ratepayers \$600 million. Given the obligations that BC Hydro has in place with respect to road construction and completion, a decision to proceed will need to be made no later than June 15, 2017 in order to maintain the September 2019 river diversion schedule.

As the government is in a possible period of transition, I wanted you to have the benefit of this information as we move forward.

In addition, there are other decisions that will need to be made this month, that are essential to keeping the project on budget and on time.

Given the above information and the short timeframe in which to decide how to proceed, I am seeking the opinions of you and Mr. Horgan by no later than June 10th.

In your response I would ask you to specifically indicate:

- a) Whether or not you maintain your request to delay the relocation of the two houses in question with the knowledge that BC Hydro ratepayers may be at risk of incurring a \$600 million cost increase to Site C, and
- b) Whether or not you would like government to issue a "tools down" request to BC Hydro on other decisions that are essential to maintaining the budget and construction schedule of the Site C Clean Energy Project, given that the project is likely to progress past the "point of no return" before the BCUC review you have suggested could be reasonably concluded.

I look forward to your prompt response.

Sincerely,



Christy Clark
Premier

PC: John Horgan, Leader of the Official Opposition
Jessica McDonald, President/CEO, BC Hydro
Ken and Arlene Boon