

RECOMMENDATIONS FOR RESPONSIBLE CLEAN ELECTRICITY DEVELOPMENT IN BRITISH COLUMBIA

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Overview

Many British Columbians — including those deeply concerned about climate change — harbour concerns about how renewable electricity is currently planned, promoted and developed in BC. They want to see renewable electricity projects, but they want to be confident that those projects are planned and developed in a way that limits impacts and maximizes benefits for British Columbians.

While government energy and climate policies have stimulated a rapid increase in the rate of development of green electricity projects, public support for this development has not kept pace. Projects have frequently been opposed due to concerns about social, environmental, and economic costs. Governments have been criticized for a lack of land-use and regional planning; for excluding public participation in decision-making; for deficient project assessment and monitoring requirements; for concerns over project licensing; for perceptions of weak energy conservation efforts; for negative impacts on BC's long-term planning and electricity security needs; and for restructuring BC Hydro and restricting its ability to directly produce power.

We believe that it doesn't have to be this way. We believe that a green and more prosperous future for BC is still possible — and desirable. The undersigned groups believe that planning and development for clean electricity can proceed in a way that is demonstrably more transparent, strategic, and inclusive of and beneficial to all British Columbians — First Nations and the public alike — and with limited environmental impact.

We offer six basic recommendations on the direction we think government should take in clean electricity planning and development. Specifically, we believe that British Columbia's progress on clean electricity policy and development can be dramatically improved by:

1. Ensuring that energy conservation and efficiency is the highest priority.
2. Making BC's electricity supply as clean, renewable and low-impact as possible.
3. Adopting a renewable electricity planning framework that limits environmental, social, and economic impacts and maximizes public benefit.
4. Reforming water licensing, land leasing decisions and governance.
5. Strengthening the environmental assessment process, addressing and managing cumulative effects, and improving monitoring and compliance performance.
6. Developing an informed consensus about the conditions whereby renewable electricity could be exported from BC, if at all.

These recommendations are explained below.

1. MAKE ENERGY CONSERVATION AND EFFICIENCY THE HIGHEST PRIORITY

As BC's homes, buildings, and industries become more energy efficient, the province's electricity system becomes more valuable, because each kilowatt-hour of electricity is used to power more activities. Increased efficiency also gives the province more options. Every unit of electricity saved can reduce the need for new projects — or allow for new projects to power other demands. BC has made strides towards the more efficient use of electricity; however, as indicated by BC Hydro's Conservation Potential Review, there are still many untapped opportunities. Realizing these opportunities requires creative thinking and willingness on the part of the government, BC Hydro, and others to ensure that energy conservation and efficiency are the highest priority.

How to get there:

- Implement an appropriate mix of incentive programs, rate structures, and regulations so that all cost-effective opportunities to reduce electricity consumption are pursued — that is, wherever the cost of efficiency and conservation is less expensive than the full environmental, social and economic cost of new supply. This should include restoring funding to LiveSmart BC.
- Pilot innovative programs like Local Improvement Charges and Pay-as-You-Save models, and deploy them at scale as soon as possible to make it easier for families and businesses to use energy more efficiently.
- Seek new supply options only after the BC Utilities Commission has confirmed that all cost-effective energy efficiency opportunities are being pursued.

2. MAKE BC'S ELECTRICITY SUPPLY AS CLEAN, RENEWABLE AND LOW-IMPACT AS POSSIBLE

Renewable electricity is an important part of the portfolio of energy solutions needed to reduce greenhouse gas emissions. British Columbia has the ability to meet all of its domestic electricity needs for new supply through renewable sources.

How to get there:

- Require 100% of new electricity supply in BC to be clean, renewable and low-impact.

3. IDENTIFY THE BEST AND WORST AREAS IN BC FOR LOW-IMPACT RENEWABLE ELECTRICITY, AND PLAN THE PATTERN OF DEVELOPMENT ACCORDINGLY

The lack of a rigorous and transparent provincial-scale planning framework for new electricity generation projects is leading to social, environmental and economic impacts. BC has recently participated in, or undertaken, a number of energy and water planning exercises, including the Western Renewable Energy Zones initiative, the BC Utilities Commission Transmission Inquiry, and water use plans for BC Hydro facilities. Meanwhile, BC Hydro operates a separate process for deciding which Independent Power Projects (IPPs) to purchase electricity from, and the BC government has committed to the Living Water Smart program (BC's new "water plan"). These

processes will be ineffective unless they are integrated and given appropriate mandates so as to create an effective overall planning framework.

How to get there:

- Complete a provincial environmental lands screen, such as that originally developed for the Western Renewable Energy Zones process, as quickly as possible, and use it in all energy-related planning processes now underway. This will be an important first step towards systematically identifying environmentally sensitive areas and lands outside of parks and protected areas that are inappropriate for the development of renewable electricity.
- Develop a long-term land-use framework for renewable electricity with meaningful public and stakeholder participation and a meaningful and appropriate role for First Nations, to enable strategic development of renewable electricity in British Columbia. This framework must build upon and integrate with other resource management strategies (e.g. land and resource management plans, Living Water Smart); set maximum thresholds for environmental impacts in defined development areas based upon a credible cumulative effects assessment; and be implemented by means of a reformed water licensing and Crown Land lease structure incorporating project-specific environmental assessments. The form and substance of this land-use framework should be consistent with the constitutionally protected title and rights of First Nations.
- Allow BC Hydro to develop all types of clean, renewable and low impact electricity generation projects.

4. REFORM WATER LICENSING AND CROWN LAND LEASING SYSTEMS TO IMPROVE GOVERNANCE AND ENGAGE COMMUNITIES

A number of crown leases and licenses for renewable electricity projects have been issued in locations that are inappropriate for industrial development due to inadequate consideration of ecosystem, social and cultural impacts. Nominal application fees encourage proponents to acquire more multi-year licenses than they will use, blocking competitors at low cost and raising concerns for the public, who don't know which or how many sites are actually intended for development. Local communities are simultaneously overwhelmed by demands to provide comment on numerous development applications, while not being allowed to comment at all in other cases. This results in frustration and opposition to many new developments, and wastes the time and resources of citizens, governments, and industry. First Nations and the public also lack the opportunity to participate in water licensing and land leasing decisions in a meaningful way.

How to get there:

- Restrict electricity developments to appropriate zones identified by the long-term land-use framework and related planning processes discussed above. Ensure that Crown Land leasing and water licensing decisions are consistent with the outcomes of these processes, and that water licenses include mandatory instream flow requirements to sustain natural biodiversity and ecosystem integrity. No licenses should be issued in "no go" zones identified in the land-use framework and related planning processes. Existing licenses in areas deemed inappropriate in the planning process, and where projects have not yet been developed, should be revoked. All new water licenses and electricity purchase agreements should be issued based on the outcome of the provincial planning framework and regional assessment processes.

- Improve the existing system of Crown leasing and water licensing. For example:
 - In areas of the province identified as appropriate for development, give priority to renewable electricity projects with community or First Nations ownership. Incentives should be available to facilitate these models.
 - Where community or First Nations ownership is not pursued, make new licenses for large-scale developments (over 10 megawatts) in areas suitable for renewable development subject to competitive bidding.
 - Ensure that the public and First Nations have meaningful opportunities to affect project plans while details are still being formulated, and to appeal licensing and leasing decisions.
 - Place an appropriate time limit on water license applications and Crown Land investigative use permits to require careful project development within a reasonable time frame. After its expiry, the applicant would need to meet certain conditions to retain the license application and/or investigative use permit, such as demonstrating that they are investing resources into developing a project and that the site continues to be socially and environmentally appropriate.
 - Create effective mechanisms to discourage speculation, for example, by modifying the price structure of water licenses, Crown Land leases, and application fees.
 - Change the *Water Act* and water governance to require ecosystem-based minimum instream flows, protect water and watershed health, and ensure enhanced community involvement and benefits.
- Ensure and demonstrate that all electricity purchase agreements, water rental rates, and Crown land leases provide fair and equitable long-term benefits to British Columbians.
- Ensure that these reforms are designed and implemented in a manner that respects the constitutionally protected Title and Rights of First Nations.

5. STRENGTHEN AND COORDINATE ENVIRONMENTAL ASSESSMENT, MANAGE FOR CUMULATIVE ENVIRONMENTAL EFFECTS, AND ENSURE ROBUST MONITORING AND COMPLIANCE

Environmental assessments are not being conducted in a manner that satisfies public confidence or minimizes the erosion of ecosystem structure and function. Projects are assessed under narrow terms of reference, and cumulative and residual impacts of multiple electricity generation projects along with other land and water uses are not considered at the appropriate ecosystem scale or over a sufficient time horizon. British Columbians also have concerns about governments' capacity to oversee projects during construction and operation. Given the importance of healthy aquatic and terrestrial ecosystems, environmental reviews for all projects must be transparent and scientifically robust, and environmental requirements must be precautionary and fully enforced.

How to get there:

- Conduct comprehensive regional-scale cumulative environmental impact assessments for renewable electricity, consistent with our recommendations regarding land and water use

planning. Once vetted through these regional assessments and planning frameworks, suitable projects would then undergo environmental assessment prior to the issuance of any new water licenses or electricity purchase agreements.

- Revise provincial environmental assessment requirements generally to be equivalent to or better than those set out in the 2001 *Environmental Assessment Act*, including returning the threshold for site-specific environmental assessments of electricity projects to 20 megawatts.
- For all projects under the threshold for environmental assessment, enact mechanisms for transparency and public consultation that are analogous or equivalent to those required for projects that are over the threshold.
- Conduct regular, transparent, independent and verifiable audits on all electricity projects to ensure compliance with environmental regulations and license conditions, and to ensure consistency with regional-scale cumulative assessments and site-specific environmental assessment certificates. Ensure that the results of the audits are made public.
- Ensure that penalties for violations of license conditions are meaningful enough to deter purposeful violations and that resources are in place for adequate enforcement.
- Ensure that power projects are not exempted from existing environmental protections by being categorized as minor tenures.

6. DEVELOP TERMS AND CONDITIONS UNDER WHICH RENEWABLE ELECTRICITY FROM BC WOULD BE ELIGIBLE FOR EXPORT, IF AT ALL

While our generation system was not built to supply exports, the export of renewable electricity from British Columbia already occurs. Under current direction from government exports could grow significantly. A renewable electricity export strategy, similar to evolving low carbon fuel standard policies, would enable clearly planned exports of renewable electricity to other jurisdictions provided that demonstrable greenhouse gas reductions will accrue in the importing jurisdiction. The goal would be to ensure that, over time, exports of BC renewable electricity are accelerating the reduction of greenhouse gas emissions in other jurisdictions.

How to get there:

- Engage British Columbians in a meaningful public dialogue about the terms and conditions according to which existing and future exports of renewable electricity should occur, if they should occur at all, including discussion of potential NAFTA implications and energy security impacts. This dialogue should occur prior to any decision to expand power exports.
- Allow expanded exports to occur only where there will be demonstrable greenhouse gas emission reductions in the importing jurisdiction.

ENDORSED BY

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Sierra Club of Canada, BC Chapter
Skeena Watershed Conservation Coalition
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