

McCULLOUGH RESEARCH

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PRINCIPAL

SUBMISSION TO BCUC - WHAT WE HAVE LEARNED ABOUT SITE C

1. **Terminating Site C and building a renewable portfolio of Wind, Solar and Geothermal would save British Columbia \$.7 to \$ 1.6 Billion.** Greater savings could be achieved by including upgrades to existing hydro facilities. The savings would be even greater if Site C is not on time and on budget (\$1.5 to \$5.9 Billion) or if demand for electricity is less than BC Hydro's overstated load forecast requiring more power to be exported at a loss.
2. **Site C is not needed to nor is able to act as a back-up battery for times when intermittent resources such as wind and solar are unavailable.** The Williston reservoir already plays this role since it has two hundred and fifty times the storage.
3. **If Site C were completed, BC Hydro will almost certainly lose money on any exports of surplus electricity to the United States.**
4. **The findings of Deloitte LLP on Site C delays, cost overruns, and electricity demand and energy generation alternatives are consistent with our findings and the findings of other acknowledged energy experts.**

DELOITTE LLP - KEY FINDINGS ON SITE C

On Delays and Cost Overruns – There is likely to be a cost overrun of \$1.7 to \$4.3 billion or 10% to 50%.

On Energy Demand – Site C is not needed. BC Hydro's previous long term demand forecasts have overestimated demand for electricity by nearly 31%.

On Alternatives to Site C – There are environmentally friendly and less costly alternatives.

For the full reports go to www.peacevalleyland.com/sitecinquiry.

Robert McCullough is Principal of McCullough Research in Portland, OR, and for over thirty-seven years has advised governments, utilities, and aboriginal groups on energy, metals, paper, and chemical issues. He has testified repeatedly in state, federal, and provincial courts as well as before Congress and regulatory bodies. His testimony in front of the Senate Energy Committee is credited with initiating the Enron trading investigations during which he worked for the U.S. Department of Justice and three western attorneys general. He has consulted for U.S. and Canadian clients on hydroelectric issues in many states and provinces, including on many occasions, presenting on issues before Canadian regulators.