

BC Local News - Opinion

Don't play politics with BC Hydro



The Ruskin dam came online in 1930, and it now requires rebuilding at a cost of about \$800 million.

BC Hydro

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By [Tom Fletcher - BC Local News](#)

Published: **March 23, 2011 7:00 AM**

Updated: **March 24, 2011 9:29 PM**

VICTORIA – Rich Coleman is B.C.'s fourth energy minister in the past year, which is as good a measure as any of the political storm that has rocked the government.

On only his second day on the job, Coleman was already showing why Premier Christy Clark calls him a “tough guy” who can stare down the big-spending BC Hydro. Clark is, of course, concerned that it may not be “good for families” if Hydro rates go up 50 per cent in the next five years.

The city media made a big story out of how Coleman is considering pulling the plug on the smart meter program or some other expensive project like the Ruskin dam overhaul. Interim NDP leader Dawn Black is demanding that the new premier “tackle skyrocketing Hydro rates” now that she's eliminated poverty by raising the minimum wage.

Don't hold your breath. What Coleman actually mused about in his first scrum as energy minister was "amortization" and such. It's not a question of whether or not B.C.'s 20-year lapse in grid and dam upgrades needs fixing, only how fast it's done.

Take the [Ruskin dam](#). Many B.C. residents are unaware of the string of hydro dams along the north shore of the Fraser River, namely the Coquitlam, Alouette, Stave and Ruskin dams. They are mainly known for the campsites and recreational beaches on their reservoirs.

These are among B.C.'s oldest hydro assets, privately developed. The Coquitlam River was dammed in 1914 and has recently had a second earth-fill dam added downstream to mitigate the inevitable earthquake catastrophe.

The Stave Falls dam was completed in 1911 and the Ruskin dam followed in 1929. Their modest power output kept up with growing demand – at huge cost to salmon runs – and connecting tunnels between reservoirs also provide flood control.

Ruskin dam is a mossy old concrete monolith wedged in a granite gorge. Until it's completely rebuilt, even a moderate earthquake would not be good for families downstream in the village of Ruskin.

The Ruskin upgrade alone is estimated at a staggering \$800 million, if it starts next year and is done by 2018. It could be delayed to give Coleman and Clark a short-term political boost, if they want to gamble on a deadly dam failure. The resulting inland tsunami would have B.C. featured on CNN for a couple of weeks. Delaying this long-overdue work further will also certainly push the cost over \$1 billion.

Coleman could rein in BC Hydro without directly risking lives by delaying smart meter installation. But as described last week, this project is also unavoidable, and delay can only lead to bigger costs and rate hikes.

Coleman could possibly reduce the rate impact via privatization. According to BC Hydro's most radical union, COPE local 378, this is imminent, as the utility's contract with Accenture expires in 2013.

COPE produced the infamous "Gordon Campbell wants to kill your grandma!" ad campaign for the 2009 election, and its penchant for overstatement continues. It issued a news release last week warning of the "possible breakup" of BC Hydro in outsourcing agreements as much as three times the size of the Accenture deal.

(In 2003 BC Hydro contracted with Accenture to provide customer service, finance, information technology and other back-office functions.)

A BC Hydro spokesman advises me that no, the utility is not considering breaking itself up into three entities, or greatly expanding its outsourcing.

The next time you hear about a quick solution for rising electricity rates, take it with a grain of salt.

Tom Fletcher is legislative reporter and columnist for Black Press and BCLocalnews.com.