

Op-ed: B.C. Liberal fix for B.C. Hydro rates misses the real problems

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By John Horgan, Special to the Vancouver Sun

Electricity is a vital part of our daily lives. Commodity-based operations like pulp mills, saw mills and mines depend on electricity. Service and retail sectors need power to drive sales and grow the economy. Families and individuals use electricity for heat, food, entertainment and education. Every corner of our lives is affected by energy.

For decades, BC Hydro has been an important driver of economic development and a publicly owned supplier of low cost, reliable electricity. That is, until the B.C. Liberals took over running the operation. In 2003, the Liberals launched the first phase of their energy plan by separating the transmission system from generation and distribution to establish a second parallel corporation called the BC Transmission Corporation. After millions were wasted, the Liberals were forced to admit to their failed experiment seven years later, when they brought BCTC back into the main company at even more expense to ratepayers.

Then the Liberals imposed a policy on BC Hydro that forced the utility to only buy new electricity supply from private providers here in B.C. This "independent power" purchase plan costs ratepayers as much as four times the market rate for electricity and will see at least \$45 billion in unfunded liabilities over the next 30 years. They also introduced unnecessary requirements to be electricity self-sufficient, boosting the need for such purchases. With the damage done, BC Hydro was forced to request rate hikes of more than 50 per cent over five years. The Liberals called for a review of BC Hydro, prepared by a panel of deputy ministers and released earlier this month.

The panel did a fairly thorough job of looking over the situation at BC Hydro from the perspective of accountants and administrators. And to their credit, they did touch on the policy decisions made by the Liberal government. However, the report failed to emphasize the magnitude those policy decisions have on electricity rates for British Columbians. The Liberal government's reaction to the report? Just days before the premier would announce her new focus on job creation, Energy Minister Rich Coleman laid the blame on the number of employees at BC Hydro. He argued that up to 1,000 people should lose their jobs, an unfair hit on working families that totally ignores the real problems that led to the rate hikes.

The question that must now be answered by Premier Christy Clark and Energy Minister Rich Coleman is, "Where do we go from here?" The public deserves to know what government's plans are for the long term. Will Premier Clark and Minister Coleman revisit the Clean Energy Act the Liberal government brought in? Will they do away with the wrong-headed and destructive self-sufficiency goal? Will they reign in the smart meter program?

Sadly, it appears we already have the answers to some questions. The Liberals won't open up the long-term contracts they've signed to buy power we don't need from private producers and will sell at a great loss on the open market. The Liberals won't revisit the smart meter program and will hide the billion-dollar price tag until after the next election.

The Liberals must revisit the Clean Energy Act and allow for a comprehensive debate in the legislature on the changes. The legislature's Crown Corporations Committee should be allowed to meet to explore these issues after sitting dormant for years. And the B.C. Utilities Commission must be restored to allow for an independent review of smart meters and other major capital projects.

The Liberals have shown through years of bad policy and wrong-headed thinking that they have lost their way and cannot be trusted to manage energy policy. Every Liberal MLA, and five different ministers of energy supported the policies that led to the skyrocketing rates we are seeing now and into the future.

The time has come for a broad discussion about our energy needs for the long-term. Adrian Dix and the New Democrats are prepared to have that discussion.