

INTRODUCTION TO BACKGROUNDEERS

ON THE BC LIBERAL PARTY, PREMIER'S GREEN ENERGY ADVISORY TASK FORCE

(December 16, 2009)

On November 2, 2009, BC Liberal Party Premier Gordon Campbell announced the establishment of a Green Energy Advisory Task Force. He gave the announcement at the three-day long annual conference of the Independent (Private) Power Producers of BC held at the Hyatt Hotel in downtown Vancouver.

Campbell's announcement was preceded by his promise to do so in his August 25, 2009 Throne Speech at the Victoria Legislature.

A new Green Energy Advisory Task Force will be appointed to complement the work of the BCUC's long-term transmission requirement review. That task force will be asked to recommend a blueprint for maximizing British Columbia's clean power potential, including a principled, economically viable and environmentally sustainable export development policy.



Weeks earlier, on July 27, 2009, the BC Utilities Commission made a significant ruling concerning BC Hydro's Long Term Acquisition Plan (LTAP) that had been under review since 2005, where it recommended against the further privatization of public electric power. The decision, which was not received well by the Premier, and the private power producers with 68 proposals for 17,000 gigawatt hours per year, was most likely reason for Premier's initiative in his Throne Speech to create the multi-advisory Task Force.

The following August 4, 2009 online response article in the Georgia Straight, *BC Utilities Commission pulls the plug on private power*, captures the significance of the BCUC Decision:

You can bet your bottom dollar that the July 27 ruling by the BC Utilities Commission on BC Hydro's 2008 Long Term Acquisition Plan sent a jolt through the premier's office, the provincial energy and environment ministries, and their friends in the private power industry.

After examining the evidence from almost a full year of hearings, the government's own independent regulatory body determined that the LTAP was "not in the public interest".

Without a doubt, the BCUC ruling represents a fundamental challenge to the government's Energy Plan, which called for the province to achieve energy "self-sufficiency" and "insurance" of supply through the purchase of large quantities of electricity. To realize these objectives, the plan prohibited BC Hydro from generating any new sources of energy (excluding Site C, presently part of a five-year review process) and, instead, directed the Crown utility to negotiate long-term energy-purchase agreements with private power producers.

To date, BC Hydro has negotiated more than \$30 billion in contracts—the specific terms and conditions guarded in secrecy—to purchase electricity for the province at rates that dramatically exceed market prices (\$80 to \$125 per megawatt hour).

According to John Calvert, Simon Fraser University professor and author of *Liquid Gold: Energy Privatization in British Columbia*, the BCUC decision raises legitimate concerns about the government's unrealistically high projections of future electricity requirements and its direction to BC Hydro to meet these projections by purchasing more and more electricity from private power developers. It also calls into question the underlying economics of the BC Energy Plan.

"The government should not be forcing ratepayers to subsidize the construction of private power projects by requiring BC Hydro to sign outrageously expensive long-term energy-purchase agreements," Calvert said in response to the BCUC's decision. "We don't need this energy and will end up selling it at a fraction of its cost on the international energy market—with ratepayers covering the loss."

Ultimately, the provincial government will need to seriously examine the content of the BCUC ruling with respect to its energy policy. Essentially, it is left with two options: either accept the decision of the commission and concentrate its efforts on conservation and public renewable-energy projects that are actually needed, or disregard its own independent regulatory body altogether in order to further advance its privatization agenda. As a government elected by the people of this province, one can only hope that it will act—as the BCUC has—in the public's interest.

On November 20, 2009, Blair Lekstrom, BC Minister of Energy, Mines & Petroleum Resources (who also attended the conference and gave its opening address) announced the appointment of 29 members who would sit on the four separate advisory task forces, to be headed by a 13-member Cabinet Committee task force. The majority of task force members, featured in background reports for each group, represent a 'who's who' from the private power industry sector.

16 out of the 29 members privately appointed by the provincial government to the four task force groups either attended/spoke at the November 2009 Independent (Private) Power Producers conference, or had other representatives from their companies/firms in attendance. They are:

- **Tim Newton** (a former vice-president of Powerex) didn't attend, but Powerex representatives were there.
- **Jeff Christian** (litigator with Lawson Lundell) didn't attend, but other legal representatives attended.
- **John Keating** (founder and CEO of Canadian Hydro Developers) didn't attend, but many representatives from Canadian Hydro Developers attended.
- **Dave Kusnierczyk** (managing director of Fred Olsen Renewables Canada) attended.
- **Cheryl L. Slusarchuk** (partner with legal firm McCarthy Tetrault) didn't attend, but another representative of the firm did.
- **Warren Brazier** (Chair, Clark Wilson LLP Energy and Natural Resources Practice Group) didn't attend, but another representative attended.
- **Scott MacDonald** (CEO, Pacific Carbon Trust) attended.
- **Ren Orans** (managing partner, Energy and Environmental Economics) attended.
- **James Tansey** (president, co-founder, Offsetters BC) attended.
- **James Hoggan** (president, Hoggan & Associates, Chair of the David Suzuki Foundation) attended.
- **David Andrews** (principal, Cloudworks Energy) didn't attend, but other representatives did.
- **John Webster** (audit and assurance group partner of Price Waterhouse Coopers, director of Fuel Cell Canada) attended and spoke.
- **Craig Aspinall** (manager of Public Policy for Western GeoPower Corporation) attended.
- **Tzeborah Berman** (executive director, co-founder, PowerUp Canada, co-founder of Forest Ethics) spoke, along with her husband Chris Hatch, the 'blogger' for PowerUp Canada, who also spoke at the conference.
- **Paul Hemsley** (president, Hemmera) didn't attend, other representatives attended.
- **Matt Horne** (director, Energy Solutions, Pembina Institute, an NGO/consulting organization) attended.

The majority of the 29 newly appointed task force advisory members represent the private power producers sector, with two members from non-governmental organizations, one member as a consulting group/NGO, three from First Nations, and the Mayor of Dawson Creek. Given the unpopular political shenanigans around the privatization of public power by the BC Liberals since the implementation of the Energy Act in 2002, the nature of this task force somewhat resembles the highly controversial advisory Private Sector Task Force on Privatization established by the Social Credit government in 1987.

Coincidentally, inter-corporate mogul David Emerson, who now sits (ex-officio) on Premier Campbell's 13-member Green Energy Task Force oversight Committee, and

who also heads the BC Transmission Corporation, was on the original Private Sector Task Force on Privatization, and proposed the privatization of BC Hydro and B.C. Rail in a lengthy April 28, 1987, 67-page report to Privatization Minister Stephen Rogers, the Minister responsible for spearheading the first proposals to privatize public corporations and assets following a visit with United Kingdom Prime Minister Margaret Thatcher. And Dan Doyle, the recently appointed Chair of B.C. Hydro, who also sits (ex-officio) on the oversight Committee, was involved in and advocated the break-up, or privatization of the Ministry of Transportation and Highways during his long civil service years and his appointment in 2001 as Deputy Minister of Transportation.

The obvious question as to why Premier Campbell would so overtly choose a task force membership comprised of many influential private corporate power producers without representation from public power advocates, or public representation, strongly indicates the Premier's obvious intentions. The Premier's actions are abusive, not in keeping with upholding public accountability and in dutiful service to the provincial public.

It was recently reported in the Georgia Straight on December 4, 2009, *Energy Task Force Members Green B.C. Liberal Party Coffers*, that 12 out of the 29 members on the four task force groups have made political contributions to the Premier's BC Liberal Party:

NDP environment critic **Rob Fleming** calls it “a pay-as-you-go system”.

The Victoria-Swan Lake MLA is talking about more than \$250,000 in donations to the B.C. Liberals made by individuals—or their companies—whom B.C. energy minister Blair Leckstrom selected to sit on four green energy advisory task forces.

Of the 29 individuals listed as members of the four task forces, 12 can be linked to campaign contributions recorded by Elections B.C.

Cheryl Slusarchuk, chair of the advisory task force on carbon pricing, trading and export market development, made personal donations to B.C. Liberal coffers totalling \$9,350 between 2005 and 2009. In addition, \$5,000 is listed as a single 2009 donation from Cheryl Slusarchuk Law Corp. Slusarchuk is a partner with the law firm McCarthy Tetrault, which donated \$27,970 between 2005 and 2009.



Duncan McCallum, a partner with the public sector and infrastructure group at RBC Capital Markets, is a member of the advisory task force on procurement and regulatory reform. The Royal Bank of Canada and its subsidiaries gave \$93,200 in total through 24 separate payments between 2005 and 2009.

Other members on the task forces who donated or whose companies donated to the B.C. Liberals include **James Hoggan** (Hoggan and Associates), **Jeff Christian** (Lawson Lundell), **Warren Brazier** (Clark Wilson), **David Andrews** (Cloudworks Energy), **Craig Lodge** (Pinnacle Pellet), **Craig Aspinall** (Western GeoPower Corporation), **Paul Hemsley** (Hemmera), **Jonathan Rhone** (Nexterra), **John Keating** (Canadian Hydro Developers), and **John Walker** (FortisBC).

Wilderness Committee national campaign director Joe Foy told the Straight he thought that the level of money involved meant B.C.'s auditor general "absolutely" needs to investigate.

On the issue of political donations, perhaps a more thorough or forensic audit should be conducted to determine how many more donations were possibly made from other individuals from the same or associated companies.

We all remember the mid to late 1990s, when the BC Liberal opposition drew the heat on the NDP provincial administration for the "fast ferries" controversy, with the figure of some \$400 million or so. The cumulative private power fiasco put into motion since 2002 by the BC Liberals, in terms of what monies are being, and will be, diverted from public coffers, leaves the fast ferry figure way behind in the dust, not to speak of numerous other matters, such as gutting environmental regulations to fast track or more blatantly approve private projects.