

Cost outweigh benefit for third dam, Site critic says

Written by Joan Russow

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By [Energeticcity.ca](http://energeticcity.ca/) : <http://energeticcity.ca/article/news/2014/07/02/cost-r-third-critic-says-outweigh-benefit-fo-dam-site-c->

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Another Site C Dam critic writing in the Troy Media/Marketplace says if the B.C. government decides to proceed with construction of the third dam on the Peace River the lasting legacy will be one of wealth destruction.

Dan Potts is a retired Forest Industry Executive with degrees in Chemical Engineering and Business, and more than 30 years experience managing capital and energy intensive facilities.

He argues the huge cost of \$7.9 billion to build the dam will rob the province of valuable resources, which could be used to deliver other needed government services, and at the same time, burden the provincial economy with debt and high electric power rates that will sap its competitiveness.

Potts notes B.C. Hydro has filed information that the cost of electric power from Site C will be in the area of \$100 per megawatt hour, but that current market prices are in the area of \$30 per megawatt hour.

He therefore argues, if Site C was currently operational, the market value of the power produced would be \$350,000,000 per year less than the cost, and in order for electric power from Site-C to be competitive, natural gas prices will have to increase by a factor of 3.5 times.

Potts also notes these numbers are based on the project being built for its estimated cost of \$7.9 billion, but he suggests there's a significant risk of substantial cost over-runs, and additional costs associated with First Nations accommodation.

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He concludes the province should recognize the costs, risks, and market realities associated with the project and postpone it until there's a reasonable business case indicating its construction will actually be a benefit **to British Columbia.**