

10/25/2007

Private power costly

*Ron MacDougall**Garnet Rock*

After reading the editorial and news item depicting Gordon Campbell at still another mom-and-apple-pie photo-op event, I cannot help but be awed by Plutonic Power Corporation's public relations skills ["Energy site given blessing," October 10]. But there's a whole other side to the story that's being ignored. The biggest winner in this whole scenario is actually Plutonic Power Corporation.

The Toba-Montrose project is part of a general bonanza created by the Campbell Liberals for private energy interests, that will add \$400 to \$500 million a year to hydro costs in BC by the next decade. Despite constant denials that it is not privatizing BC Hydro, the Campbell government is, step-by-step, deregulating and privatizing BC's electricity system. It is transforming BC Hydro from a generator of publicly owned and affordable electricity to purchaser of costly energy from private power developers.

BC Hydro, as a public asset, adds \$700 million to public coffers each year. It only costs \$6 per megawatt hour (MWH) to produce the power generated by it, one of the lowest rates in the world. But BC Hydro will be charged an average of \$100 per megawatt hour for power produced by private energy interests. Do the math. Future hydro bills should make the ferry fare increases look like spare change.

So, consumers receive a huge hydro bill. Here's what the private producer gets. A water licence for a whole waterway for \$10,000 or less. The net present value of a single private run-of-river power project can approach \$1 billion. There are currently 500 active applications similar to the Toba-Montrose project in the works.

Power purchase agreements are issued at an average rate of \$100 per MWH and the public receives a flat fee of \$1 per MWH. The private company owns the facility and has a perpetual water licence of incredible value. It receives all of the income above the cost, about a 97 per cent gain. At the end of the contract period with BC Hydro, it can sell to whomever it wants in North America, for as much as it can get. Winds of change indeed.

For those with the stomach for it, readers can go to www.hydrofactsbc.ca for further details.



WARREN BEHAN
Year after year, Powell River's #1 Realtor

Coast Realty GROUP
(POWELL RIVER) LTD.

©The Powell River Peak 2007