

RESEARCH - ANALYSIS - SOLUTIONS

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Critics of Hydro/Government Plans for Bipole III Lack Credibility

Last month the *Winnipeg Free Press* published a full page of criticism regarding the decision to run the Bipole III transmission line down the West Side of Lake Winnipeg. The critique consists of two parts, namely, an open letter by 18 retired engineers titled, “Engineers united on east side,” and an article by Jim Collinson, “‘All or nothing’ wrong approach on east side.” These articles contribute little to the discussion regarding hydroelectric development in Manitoba because they are based on narrow and out-dated ways of thinking about the issues at hand. Their favoured plan – trying to build the new line down the east side of the lake -- would endanger Hydro’s exports and stall or even stop construction of the new BiPole. We should keep in mind that Manitoba consumers and businesses are still paying for similar decisions Hydro made decades ago.

The articles by Collinson and retired engineers do serve to remind us of how decisions about Hydro development were made decades ago – and how important it is not to repeat those mistakes with Bipole III.

Hydro Electric Development and the Principles of Sustainable Growth in Manitoba

It is necessary to understand the broader context in which the debate over the routing of Bipole III has emerged before we address the limitations of the arguments put forward by Collinson and the retired engineers.

The Manitoba government argues that over the past decade it has been establishing a coherent framework for achieving sustainable and balanced economic growth based on hydro electric development, increased immigration and expansion and improvements in the quality of education. As well, the government has stressed the importance of environmental initiatives aimed at conserving our resources and reducing the impact of global warming, and working more closely with Aboriginal peoples to ensure that they have opportunities to contribute to and share in the benefits of sustainable growth.

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The fact that Hydro electric development is key to the economic future of Manitoba is recognized by most observers of provincial and regional economies. For example, a recent publication by the Canada West Foundation (*An Extraordinary West: A Narrative Exploration of Western Canada's Future*) says that: "... [B]y far the greatest opportunity for [Manitoba] is hydroelectric capacity. With such vast water resources it has already become a leader in North America in the generation of clean and reliable energy, and has ample room to grow. It has among the lowest industrial electricity costs in the world...Electricity is exported to markets in both Canada and the mid-western US, and the province's expertise in planning, design and operating hydroelectric plants has been exported to over sixty countries".

The province claims that the projects now underway for the expansion of hydroelectric capacity and the construction of Bipole III recognizes the importance of this resource in achieving sustainable development.

Routing Bipole III Down the West Side of Lake Winnipeg

We previously explained the justification for the new hydro developments on the Nelson River and a west-side route for Bipole III in a paper published in September, 2010, titled, "Taking Stock of the Bipole III Debate."

In brief, the construction of additional dams on the Nelson River will allow the province to maintain the comparative advantage in hydro rates within the province. As well, the expansion in capacity will allow the export of additional power to markets in the US and other provinces, and the revenues from these sales will offset the costs of development and provide additional resources to further diversify economic activities.

The province has concluded that routing of Bipole III down the West Side with a second converter station south of Winnipeg is necessary to achieve diverse and longer-term objectives. These objectives include: securing reliability of our hydroelectric system; establishing with the support of the Ontario government and First Nations on the east side of Lake Winnipeg a 4.3 million hectare UNESCO World Heritage site in the Boreal forest; expanding economic opportunities for First Nations and communities on the East Side; and

enhancing the ability of Manitoba Hydro to expand sales to the US.

In our discussion in this paper, we also noted that abandonment of the west-side route at this time and all the work that has been done in preparation for commencing construction in 2012 will result in significant delays in moving the project forward and impose significant costs on the people of Manitoba.

We turn now to a consideration of the claims made by the 18 engineers and/or Mr. Collinson to justify abandoning the west-side route.

Flaws in the Arguments of Jim Collinson/18 Engineers

Claim 1. Government decision on West Side based on incomplete environmental picture

Available information suggests that the early recommendations for the east-side route referred to by the engineers were based almost entirely on cost and distance factors (less cost, shorter distance) and environmental and socio-economic factors were either ignored or discounted. It was only when these factors were included in the analysis — which recognized the intrinsic value of the East Side, and the potential negative impacts the BiPole line would have on it — that the focus shifted to a possible west-side route.

The value in East Side is in the sum of its parts. The East Side of Lake Winnipeg is one of the last remaining ecological intact forests left in the world and abounds with intact watersheds of rivers, lakes and wetlands that are significant habitat for migratory birds, breeding waterfowl bird populations, and boreal songbirds. It is also critical habitat for endangered woodland caribou populations and other important boreal indicator species. Does the presence of roads, as argued by the retired engineers, compromise this totality? Of course, but the roads are to benefit the First Nations peoples who are also part of the ecosystem; the roads will be constructed largely where the existing winter road system is and therefore very little new linear disturbances will occur. BiPole transmission lines cannot be put in the same category as roads that provides for the delivery of affordable food and basic services to these communities that we in Southern Manitoba take for granted.

Claim 2. Government concerns about gaining UNESCO World Heritage Site Status for boreal forest on East Side is overblown

The arguments of both Collinson and the engineers downplay the significance of satisfying the criteria established to obtain World Heritage Site Status. In particular, they ignore the fact that when the application was submitted by Manitoba, Ontario and First Nations no reference was made to the possibility of having a new transmission line - Bipole III - in the area for which the designation is being sought.

The engineers' contention that the government's decision to build all-weather roads in the area means that the bodies that evaluate applications for UNESCO Site are flexible and would likely also be prepared to accommodate a transmission line is based on conjecture only. In fact, the International Union for the Conservation of Nature (IUCN) clearly states that the Outstanding Universal Values, the key to receiving UNESCO World Heritage site designation, is based on the ecologically and cultural intactness of this site. Running BiPole through the heart of this site would not only jeopardize the Outstanding Universal Value but the nomination itself.

The other point they ignore is that the all-weather roads would be built on rights of way already used for winter roads. As a result, there would not be a major change from the situation that already exists for most of the length of the road. The new roads will help provide affordable goods and services to the affected communities and improve access to development activities associated with a World Heritage Site both of which are compatible with criteria used to assess UNESCO World Heritage applications.

Finally Banff, which was written up some time ago in National Geographic as an example of how NOT to manage an environmentally important area, is hardly the standard we should be referring to when deciding the right mix of economic development and environmental protection. More recently, Newfoundland and Labrador Conservative Premier Danny Williams was forced to cancel plans to build a new transmission line through Gros Morne National Park, due to concerns about environmental damage and the risk of losing the park's designation as a UNESCO World Heritage site. The transmission line was re-routed along a longer corridor outside of the park instead.

Claim 3. There are few economic benefits to First Nations population and communities of a World Heritage Site Status.

Mr. Collinson suggests that there would be very few benefits to First Nations on the East Side of obtaining World Heritage Site Status. The First Nations initiated the proposal to apply for UNESCO status because they believe that increased tourism in the region will improve economic - investment and employment and income - prospects for their communities. Indeed, the five First Nations communities whose traditional territories make up the largest portion of the of the proposed boundaries of the UNESCO site have been the ones in the lead in seeking World Heritage Site designation and recognize, as does the IUCN, that the proposed UNESCO World Heritage site offers the world a ecologically intact cultural landscape with a continuation of traditional land uses that makes this site unique, thereby opening up possibilities for eco-tourism.

Is Mr. Collinson suggesting that the First Nations communities who initiated the UNESCO application do not know how best to plan their futures? Surely their experience with past hydro development — such as the infamous Churchill/Nelson River Diversion and Dams project — has steeled their resolve to chart their own community development. Mr. Collinson, who was involved in the Churchill/Nelson River project, knows better than anyone that these communities would likely protest rigorously to developments that would jeopardize the World Heritage Site designation. Mr. Collinson will also know that Manitoba Hydro rate payers have paid out over \$700 million dollars to Aboriginal people whose lives were terribly disrupted by past hydro development.

Furthermore, Mr. Collinson notes that 2,000 jobs will be needed in the next 12 years to provide work for the growing labour force in these First Nations communities. If these jobs do not come from tourism, where will they come from? Even if the Bipole III line were built on the East Side, the employment gained by First Nations workers would only last as long as the construction period. Moreover, if the UNESCO status were denied because of the construction of Bipole III through the site, the net opportunities would be much diminished.

Claim 4. The effects of Bipole III would be just as bad or worse on the West Side

We agree that we need an analysis that considers the complexities of the environment, energy and economy. But that is not what is provided in the articles published by the Free Press. The engineers argue that the transmission lines would be relatively non-intrusive and benign if placed on the East Side, but intrusive and troublesome if placed on the West Side. The potential for damage seems to be directly related to the density of human population and economic activity. (While there are legitimate concerns around the dangers posed to migratory birds, we don't know enough about migratory routes to understand the full impact.) The farmers and other land owners who will be adversely affected by the transmissions lines can be financially compensated, in the same way they are with oil and gas and wind power development. But who do we compensate for the loss of an internationally recognized ecologically intact cultural landscape?

Conclusion: Times have changed

Hydroelectric power is one of the most valuable assets owned by the people of Manitoba. If Bipole III is done right, Manitobans will enjoy the benefits for generations. The reverse is also true: if decisions around hydro expansion are reckless and short-sighted, the consequences will be felt for decades.

Not long ago, many engineers and government personnel did not consider these factors because no one cared about their impact on the environment and First Nations peoples. If these projects were on the agenda today, outcomes would likely be much different than they were 40 or 30 years ago. But society now demands that we move away from the views of the retired engineers and take into account all the relevant socio-economic and environmental factors.

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