**Project Basics**

BC Hydro, a regulated provincial Crown Corporation, is planning to build the Northwest Transmission Line (NTL), a 344 kilometer (214 miles), 287 kilovolt transmission line between Skeena Substation (near Terrace) and a new substation to be built near Bob Quinn Lake on Highway 37 (Cassiar Highway) in west central British Columbia.

**Cost and Funding**

The cost of the project during the permitting stage was estimated at $404 million. BC Hydro currently estimates a cost between $364 million and $525 million. Funding includes:

- $94 million (estimated) from BC Hydro ratepayers.
- $180 million from AltaGas in an umbrella agreement between AltaGas and BC Hydro for construction and development of the NTL.

**Time Frame**

On February 23, 2011, the BC Environmental Assessment Office granted the NTL an Environmental Assessment Certificate. Federal approval for the NTL was granted by the Canadian Environmental Assessment Agency on May 6, 2011. BC Hydro recently awarded the design-build contract to the team of Valard Construction and Burns & McDonnell. All permits are in place for a 2011 construction start. The NTL is projected to be fully commissioned and in service by December 2013.
Threats to Conservation

The NTL will cut through a 344 km long swath of mostly wild country, impacting scenic and ecological values along the route and degrading previously protected areas such as Nisga’a Memorial Lava Bed Park. The real impact of the NTL, however, is not the power corridor itself, but rather what it will bring. At present, there is no industrial power infrastructure in the transboundary region, explaining in part why it remains largely intact and wild. Industrial power into the southern transboundary region will bring threats of huge mines, hydro projects, roads, logging, and other development.

The cumulative impacts of the NTL are exponential. The power line proposal has already led to the start of construction on the AltaGas Forest Kerr run-of-river project, and promises to do the same for the adjoining Mclymont Creek and Volcano Creek projects on the Iskut River. There are at least 18 proposed run-of-river projects in the region that could tie into the NTL.

The NTL will lead to multiple large-scale mining projects within the region. The proponents of the Red Chris, Galore Creek, Schaft Creek, Kerr-Sulphurets-Mitchell mines and numerous other exploration projects have all said the NTL is essential to their development. As Nechako Lakes MLA John Rustad has said, “Highway 37 holds enormous potential for the mining industry in British Columbia, and the power line is the key to unlocking that potential.”

In addition, the NTL could lead to a road and power line that connects BC and Alaska, cutting through the transboundary watersheds. This is not an idle threat. The Forest Kerr and Mclymont Creek projects will extend an industrial-use road within some 40 km (25 miles) of the Alaska border, making the Bradfield Road to a proposed new Alaska port a distinct possibility. As the Tahltan Central Council (TCC) announced in a TCC newsletter: “It is not inconceivable that the Tahltan territory will become the gateway to Alaska over time. Within the negotiations this is referred to as the Gateway Effect. The NTL is essentially the gateway to a completely transformed region over time.”

Review Process Status

Federal approval was the final remaining serious regulatory impediment to the NTL. BC Hydro will still have to meet several commitments throughout various stages of the project, including developing and implementing a fish habitat conservation plan in consultation with First Nations, and developing and implementing an environmental monitoring program. There are also provincial licenses, leases and other approvals required before the project will be allowed to break ground. However, BC Hydro appears confident it has agreements in place to satisfy these requirements and began clearing a right-of-way for the power line in Summer 2011.

The NTL is being considered a “pilot project” by the provincial government for evaluating the cumulative impacts of major industrial projects in BC. The NTL did trigger a Cumulative Effects Assessment for the federal permit. However, according to scientists involved with the environmental assessment process, the “mechanism for cumulative effects did not satisfy everyone on the working group.” Cumulative impacts from the NTL, says a government source, “is on everyone’s radar.” A provincial working group has been established to study cumulative impacts from the NTL. However, there is no agreement as to exactly what will be taken into account in the NTL “pilot project”, or what the time frame will be for reporting conclusions.
Who Benefits From the Northwest Transmission Line

Prime Minister Harper committed $130 million in funding for the NTL from Canada’s Green Infrastructure Fund for two reasons. In his words, it would “facilitate the development of green energy…and help provide British Columbia’s northern and remote communities with more sustainable and affordable power.”

Despite the clean energy spin, it appears that northern communities will not be the primary beneficiaries of the NTL. The three main communities in the region, compromised largely of people from the Tahltan First Nation, are: Iskut (population 350); Dease Lake (population 700), and further west down the Stikine River, Telegraph Creek (population 450). Iskut is completely dependent on diesel power, while the other communities also rely on locally generated hydropower. As currently proposed, the NTL would only go to Bob Quinn (little more than an airstrip built to ensure Canadian access to the mineral rich Unuk, Stikine, and Iskut watersheds), and BC Hydro has yet to specify how it would extend the power line to any of the northern communities. Extension of the line into these communities is not included in the current permitted plan or cost estimate.

The NTL will benefit Independent Power Producer (IPP) hydroelectric projects. For example, some 37 kms (23 miles) due west from Bob Quinn, AltaGas has started construction of the Forrest Kerr run-of-river project on the Iskut River, and is developing the McLymont Creek and Volcano Creek hydro projects nearby. These hydro projects, collectively called the Northwest Projects, are considered the “anchor tenant” for the NTL. Thus, AltaGas is contributing $180 million in an umbrella agreement with BC Hydro for construction and development of the NTL, in exchange for a 60-year energy purchase contract from BC Hydro at prices favorable to AltaGas. In fact, a recent government study indicated that BC Hydro will pay $124 per megawatt hour under this contract compared to spot market prices of between $4.34 and $52.43.

The NTL will also benefit mining companies. The economics for each of the major mining proposals – Galore Creek, Schaft Creek, Red Chris, Kerr-Sulphurets-Mitchell, and others – in the transboundary region are dramatically improved by the presence of the NTL, and mining companies have advocated for the power line for years.

BC Hydro already has an existing 138 kV line running north, generally along the planned NTL route, from Terrace through Cranberry Junction to the Meziadin substation and west to Stewart. Much of the NTL route is a duplication of this existing line. It appears the new 287 kV line capacity is required to power mining projects in the region, and not, as stated by the Canadian government, to deliver “green power” to northern communities. A 2008 Pembina study estimated that even if a 287 kV power line were extended further north to Iskut, Dease Lake, and Telegraph Creek, proposed mining developments would use 97% of the energy at peak power demand. Excess energy from run-of-river projects will be sold into the grid and used for electricity in southern BC. As currently constituted, the proposed mines will use the bulk of the energy from the NTL. The main purpose of the NTL is to facilitate mining development in the region.

Who Pays for the Northwest Transmission Line

In June 2011, a comprehensive financial and administrative review was completed on BC Hydro as a result of significant proposed rate increases (a cumulative increase of 32% over three years). In that report, it became apparent that the cost of the NTL (along with other capital projects) and the new IPP supply contracts such as the one with AltaGas has created significant upward pressure on BC Hydro rates. Ratepayers and taxpayers will ultimately bear all the costs of the NTL and its related agreements, and are essentially subsidizing the IPP and mining industries in the region.
First Nations Positions

There appears to be no unanimous First Nations position on the NTL. Some First Nations have signed Impact Benefits Agreements (IBAs) with BC Hydro, while others have not.

BC Hydro Aboriginal Relations and Negotiations (ARN) have signed IBAs with the Kitselas First Nation, Metlakatla First Nation, the Tahltan First Nation, Gitanyow First Nation, and the Nisga’a Lisims Government executive. Pending federal approval, the NTL will extend through a portion of the Nisga’a Lava Bed Memorial Park and core Nisga’a lands.

ARN is also negotiating with Kitsumkalum First Nation and the Kitsumkalum Band, the Lax Kw’alaams First Nation at Port Simpson, and several Gitsxan Wilp: Tenim Gyet; Wil Hlengwax; Lelt; and the independent Skii km Lax Ha.

According to a recent press release from the BC Ministry of Environment, “The province is satisfied the Crown’s duties to consult and accommodate First Nations interests and the Nisga’a Nation’s treaty interests have been discharged as they relate to the decision to grant the environmental assessment certificate.”

Regional Perspectives

The NTL has considerable industry and political support. As one prominent elected official recently put it, “For the local, provincial and international reasons it seems like this project has got everything. If this power line enables even one significant mine to get off, never mind three or four, boy the revenue generation … would quickly pay for whatever contributions we’re making.”

But skepticism has also been expressed around the fact that the NTL, as currently permitted, will not bring power to communities that need it as advertised. There is also growing concern that the cumulative environmental effects of the transmission line and its associated development projects is not receiving adequate attention by government. National Geographic Explorer In Residence Wade Davis summed up such concerns with this quote in the Tyee: “How would Canadians feel to know their green funds, that have at great fanfare been announced as the government’s commitment to weaning the country from carbon, have actually been used to grind up the most beautiful mountain in B.C.?” Davis’s comment was referencing one open pit mine proposal, and more could be in the offing with the NTL.

Summary

The Northwest Transmission Line in northwest British Columbia is a giant industrial undertaking, both in its cost, and its economic and environmental impact on the southern transboundary region. Proponents tout the NTL as a “green” project that will provide cleaner energy and economic stimulus to a depressed region. In reality, it is a massive subsidy to industry, opening the region to large-scale mining and hydro development and providing power for new proposed mines. The NTL could impose billions of dollars of unnecessary costs on BC Hydro ratepayers. In addition, the NTL has the potential to create an east-west industrial corridor with a new transmission line and commercial road cutting across the wild BC – Alaska border.
BC Hydro
Northwest Transmission Line Project Map
Contacts and Resources

BC Hydro
Phone: 604 623 4472
Toll-free: 1 866 647 3334
Fax: 604 623 3937
Email: stakeholderengagement@bchydro.com
Information Center: http://www.bchydro.com/planning_regulatory/transmission_projects/ntl/info_center.html

BC Environmental Assessment Office – Northwest Transmission Line
http://a100.gov.bc.ca/appsddata/epic/html/deploy/epic_project_home_299.html

BC EAO – Media Relations
Colin Grewar
250-387-9630

Environmental Assessment Office
Address: 1st Floor 836 Yates Street.
PO Box 9426 Stn Prov Govt, Victoria BC V8W 9V1
General Inquiries: (250) 356-7479
E-mail: eaoinfo@gov.bc.ca
Complete list of contacts: http://www.eao.gov.bc.ca/contactus.html

Tahltan Central Council
Website: http://www.tahltan.org/

Nathan Cullen
Parliament Hill
House of Common, Ottawa, ON, K1A 0A6
Telephone: (613) 993-6654
Toll Free: 1-888-622-0212
Fax: (613) 993-9007
Email: Cullen@parl.gc.ca

Constituency
Smithers Office
1283 Main Street, 2nd Floor
PO Box 4914, Smithers, BC, V0J 2N0
Telephone: (250) 877-4140
Fax: (250) 877-4141

Terrace Office
4710 Lazelle Avenue, Suite 104, Terrace, BC V8G 1T2
Telephone: (250) 615-5339
Fax: (250) 615-5344

Prince Rupert Office
818 Third Avenue West, Prince Rupert, BC, V8J 1M6
Telephone: (250) 622-2413
Fax: (250) 624-7737

Doug Donaldson
Victoria
Room 201, Parliament Buildings, Victoria, BC V8V 1X4
Tel: (250) 387-3655
Fax: (250) 387-4680

Smithers Office
1175 Main Street Smithers, BC, V0J 2N0
Phone: 250 847-8841
Fax: 250 847-8846

Hazelton
4345 Field Street, Box 227, Hazelton, BC, V0J 1Y0
Phone: 250 842-6338
Fax: 250 842-6349