ASSESSING PUBLIC PARTICIPATION IN CANADIAN PUBLIC ELECTRIC UTILITIES

by

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Abstract

This paper utilizes a qualitative review of three case studies to analyze the impact of public participation on the regulatory filings of Canadian public electric utilities (Crown Corporations). This study identifies four public participation best practices and assesses the public consultation activities of three Canadian electric utilities to find a correlation between public participation methodology and outcomes (successful regulatory filings). After determining that the main challenge to effective public consultation is an uninformed public, this paper develops three policy options to mitigate the problem that BC Hydro (a Canadian public electric utility) has had too little success obtaining regulatory approval for new generation capital projects. The proposed options are: a) the Mutual Gains Approach, b) the Constituent Network Approach and c) No-Build Options. The case study utilities are BC Hydro, Manitoba Hydro and Hydro-Québec.

Keywords: public policy; hydroelectricity; public participation; stakeholder; mutual gains

Executive Summary

Purpose

Canada depends heavily on electricity for maintaining the current quality of life enjoyed by its citizens. Central heating is a necessity of life in most parts of Canada and in some parts, air conditioning is also vital in the summer months. Crown Corporations that own and operate the power generation assets such as hydroelectric dams, nuclear power plants and thermal generators provide the majority of Canada's electricity. These utilities built the bulk of Canada's electricity generation infrastructure between World War II and the mid 1980s. However, since 1985, **BC Hydro has had too little success obtaining regulatory approval for new generation capital projects**. This is problematic because domestic demand in BC now outstrips domestic supply, forcing BC to obtain additional electricity supply from less reliable market imports.

The scope of this study is limited to looking at Canadian public electric utilities because a Crown Corporation's linkages with government create a much different operating environment from the one most private companies experience. Observers feel the differences most acutely when a utility proposes a new capital project. While even private companies must obtain consent to operate from the proposed host community, the burden to consent is driven by the need to obtain a license to build. Because customers of the Canadian public electric utility are also voters, those publics have more leverage to apply against a public utility than they could apply against a private company.

The public utilities have the additional responsibility of ensuring that their proposed projects do not interfere with ongoing treaty negotiations between a First Nation and the Province. In summary, Canadian public electric utilities have a special duty to consult that adds a level of complexity to proposed capital projects not experienced by private companies. This study focuses on examining the role that public participation plays in regulatory filings for new generation projects by Crown Corporations and analyzes the degree to which current practices aligns with public participation best practice. This study intends its recommendations for BC

Hydro, a company that has had too little success obtaining regulatory approval for new generation capital projects during the past 20 years.

Case Study Analysis

This paper looks at three case studies where Canadian public electric utilities have proposed new generation projects:

1. **The Vancouver Island Generation Project, as proposed by BC Hydro**
2. **The Wuskwatim Generation Project, as proposed by Manitoba Hydro**
3. **The Eastmain 1-A Hydroelectric Project, as proposed by Hydro-Québec**

Error! Reference source not found. summarizes the analysis of public participation methodologies used by each of the case study organizations in comparison to best practice methodologies identified in Section 2. While there are too few cases to establish statistically significant correlation between alignment with public participation best practice and a successful regulatory filing, it is clear that there is there is some relationship between the methods used for managing public consultation and the outcome of the project. This paper concludes that while public participation is not the only determining factor in a successful regulatory filing, it is a significant factor.

Summary of Case Study Analysis

		Outcomes		Alignment with Best Practice			
Case Study	Project Type	Successful Regulatory Filing?	Improved Relationship with Public?	Timing of Process	Fairness of Process	Meaningfulness of Input Opportunities	Provision of Technical Information
VIGP (BC Hydro)	Thermal Generation	No	No	No	No	No	No
Wuskwatim (Manitoba Hydro)	Hydroelectric Generation	Yes	Yes	Yes	Yes	Yes	Yes
Eastmain 1-A (Hydro-Québec)	Hydroelectric Generation	Unknown	No	Yes	Yes	Yes	No

These findings lead me to the conclusion that the best practice methodologies all work together to enable a fully informed public. A public that is not fully informed is a negative contributing factor to the success of a regulatory filing for a major capital project. Therefore, the

policy options proposed by this paper are set out with the goal of enabling fully informed public input into a proposed generation project.

Policy Options

Assuming that an uninformed public is a major contributing factor to BC Hydro's problem obtaining regulatory approval for new generation capital projects, the policy options suggested by this paper intend to enable a more fully informed public. This paper evaluates these policy options against the following criteria:

1. **Cost to Consumers**. This criterion assumes that the preferred option would minimize incremental cost increases to customers.
2. **Long-term Reliability of System**. This criterion assumes that the preferred option would not decrease long-term system reliability.
3. **Political Feasibility.** This criterion assumes that the preferred option would be politically feasible with the current Government of British Columbia.
4. **Demonstrated Success of Approach.** This criterion assumes that the preferred option would have a demonstrable record of success in another application or jurisdiction.

Option A: Mutual Gains Approach

This methodology sees the proponent approach public participation around a proposed project like a form of multiparty negotiation. The key elements of this methodology are joint fact-finding, mitigation and compensation for known and unknown impacts, sharing power, acting in a trustworthy manner and focussing on building long-term relationships with the affected publics. In practice, this methodology would see the proponent open up its internal decision-making process to the public from project conception onwards. Affected publics would be intimately involved in project scoping, location selection, environmental impact assessment and the design of mitigation and compensation measures.

Manitoba Hydro is already successfully using a methodology that resembles this option. This option complies strongly with the Cost to Consumers, Long-term Reliability of System and Demonstrated Success of Approach criteria. It scores weak compliance on Political Feasibility because the current Government of British Columbia seems unwilling to give up any decision-making authority to BC Hydro staff or key stakeholders. Ideally, this option would result in fewer affected publics showing up to the regulatory hearings as critics.

Option B: Constituent Network Approach

The Constituent Network Approach is already widely used by economic and industrial development agencies in Canada. Its key advantage over other methodologies is that a range of stakeholders, special interest groups and First Nations communities act in concert to develop policy solutions to problems identified by the sponsoring agency – in this case, Crown Corporation electric utilities. An electric utility would form a constituent network and give it a mandate to generate project options that align with the utility's mandate – typically, low cost power with long-term reliability. Convening this network around an issue takes the focus away from the core business of the utility.

The utility would be available to answer technical questions for the network whenever requested but would not be an active member of the network. Funding would also be available for independent technical review and people resources. After it is established, the utility would identify policy problems to the network. The network would work on the issue internally and pass a recommended option back to the utility. The utility would then forward this option to the regulator and apply for a license to build. This process would not restrict individual network members from opposing the project publicly but it would give the regulator more confidence that the proposed projects are in the best interest of the affected public. This option complies strongly with the Cost to Consumers criterion and complies weakly with the Long-term Reliability of System, Political Feasibility and Demonstrated Success of Approach criteria.

Option C: No-Build Options

The No-Build Option is a unique recommendation in that it is not a tool for enabling a fully informed public but is instead an option that completely forgoes new generation projects. This option advocates smaller-scale projects such as demand-side management (DSM) policies and tools that require little infrastructure and moves trade off responsibility from the utility to individual consumers. By communicating the true cost of power delivery more effectively to consumers, this option would see a net decrease in power demand and solve supply shortfall problems in the short-term. In jurisdictions where peak demand is driving the need for new generation capacity, DSM has the ability to influence consumer behaviour and shift demand away from the peak towards non-peak hours – effectively reducing the need for new generation capacity.

This option complies strongly with the Political Feasibility criterion in large part due to the Government of BC's commitment to experimenting with DSM technology. Complying weakly with the Long-term Reliability of System, Demonstrated Success of Approach and Cost to Consumers criteria tarnishes this option somewhat.

Conclusion

To increase BC Hydro's success in obtaining regulatory approval for new generation capital projects, this paper recommends that BC Hydro adopt the Mutual Gains Approach at the very early stages of any potential generation projects. The Wuskwatim project in Manitoba has demonstrated the value of dealing with an affected public in a way that is open, honest and timely. BC Hydro could pilot this methodology on a few upgrade projects before trying it out on a major project like a new hydroelectric generation dam.

Dedication

Without the love, support and patience of my wife Parminder and my daughter Leela during the course of my graduate studies, I would not have been able to produce this work. I owe them both much for the hours I spent reading, writing and generally being an absentee husband and father.

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List of Acronyms

BCUC	British Columbia Utilities Commission
CEAA	Canadian Environmental Assessment Agency
CEC	Manitoba Clean Environment Commission
COMEX	Québec Environmental and Social Impact Review Committee
CRD	Churchill River Diversion, Manitoba
DSM	Demand-side management, usually of energy
EAO	British Columbia Environmental Assessment Office
GSX	Georgia Straight Crossing – a proposed natural gas pipeline from Washington State to Vancouver Island
IPP	Independent Power Producers – usually private companies that generate electricity to sell to the public utility
JBEC	James Bay Energy Corporation - a wholly owned subsidiary of Hydro-Québec
JBNQA	James Bay Northern Québec Agreement (1975)
NCN	Nisichawayasihk Cree Nation – Nelson House, Manitoba
NFA	Northern Flood Agreement (1977), Manitoba
PCN	Pimicikamak Cree Nation – Cross Lake, Manitoba
VI CFT	Vancouver Island Call for Tenders
VIEC	Vancouver Island Energy Corporation – a wholly owned subsidiary of BC Hydro
VIGP	Vancouver Island Generation Project
VITR	Vancouver Island Transmission Reinforcement

1 Introduction

1.1 Purpose

In these early years of the 21st Century, the average Canadian family owns at least one computer, at least one television and major appliances such as refrigerators, washers, dryers and hot water tanks. With winters cold enough to kill and summers hot enough to induce heat stroke, Canadians also rely heavily on their heating and air-conditioning systems. Electricity plays a central role in the lives of every Canadian and large Crown Corporation electric utilities are a major provider of nearly ubiquitous electricity in modern Canada. Independent power producers (IPPs) also provide a significant portion of Canada's electricity and while this paper only looks at Crown Corporations, IPPs are subject to the same regulatory requirements.

These utilities put a lot of time, effort and money into ensuring that the consumer never has to worry about their electricity supply beyond paying the bill. To achieve this level of service, the utilities have to ensure that they have adequate backup and reserve systems ready for an unexpected supply shortfall. Traditionally, utilities have met forecast shortfalls by increasing the system's generation capacity. However, since 1985[1], **BC Hydro has had too little success obtaining regulatory approval for new generation capital projects.**

Not obtaining regulatory approval for new electricity generation projects raises concerns about the ability of BC Hydro to meet demand growth and to mitigate extraordinary electricity demand spikes. BC Hydro increasingly depends on market imports to meet growing consumer demand (BC Hydro, 2006a). However, because the North American electricity transmission system is already operating at "the margins of operating reliability constraints", new generation facilities in other jurisdictions have limited ability to meet local electricity demand and the extra strain on the electrical grid makes imported power "more susceptible to network failures" (Joskow, 2005, pp 21-22). This means that achieving reliable long-term domestic power supply in

[1] BC's newest hydroelectric facility (Revelstoke) came online in 1985 and BC Hydro has not constructed any new generation facilities since.

BC will require a significant investment in domestic generation capacity or interregional transmission infrastructure.

The scope of this study is limited to looking at Canadian public electric utilities because the Crown Corporation's linkages with government means that they have different restrictions placed on them than private companies. For example, a private sector power company is unrestricted from operating in multiple jurisdictions. If a private power company seeks regulatory approval to build a generation facility in one jurisdiction and is unsuccessful, it can try the same proposal in another jurisdiction. A Crown Corporation cannot operate in other jurisdictions except as a technical consultant.

There are some advantages to the Crown Corporation's position. The provincial and federal governments hold the majority of the property in Canada as Crown land. A province can transfer large tracts of Crown land to a public utility at no financial cost[2]. A private company would have to work out a transfer agreement with the province and pay for that land. Crown Corporations also have access (if approved) to the vast coffers of the government and can afford to pay for multi-billion dollar projects that have long amortization periods. Private companies would have to borrow that money from the lending market. It would not offer terms as favourable as those the government can offer.

In addition to these differences, the Crown Corporation is obligated to ensure that its projects do not cause problems for its political masters. Because customers of the Crown Corporation represent voters, those publics have more leverage to apply against a public utility than those same customers would have to apply against a private company. A private company using private assets on fee simple land is not as answerable to the public as a public utility using publicly owned assets on land transferred to the utility by the government. In the history of public utilities in Canada, governments have made decisions to build or not build capital assets and that governments have to bear any repercussions from that decision. Private companies expose themselves to legal action if their activities lead to public harm but they are not liable for socio-economic impacts in the same way that a Crown Corporation is responsible.

For example, in Manitoba, the Government of Manitoba and Manitoba Hydro negotiated the Northern Flood Agreement with the Cree of northern Manitoba to set out a framework to

[2] The Crown Corp and provincial crown land are both assets of the provincial government. A transfer of land to the utility is as simple as shuffling the assets between categories of asset-holders. However, there is always the opportunity cost to consider. What would be the next-best use for the transferred land?

mitigate and compensate anticipated and existing socio-economic impacts from hydroelectric projects both past and future. This Agreement is a legislated agreement entered into by the government and several Cree communities. A private company can negotiate contracts and land leases but does not have the ability to negotiate agreements of this scope and scale with First Nations communities. However, the private company can find itself targeted by protestors if it completely disregards the socio-economic impacts of its operations.

Another specific reason that Crown Corporations consult the public extensively before applying for licences to build a proposed project is that any capital projects that they develop will have a potential impact on treaty processes currently underway between the provincial government and a number of First Nations. In areas where there are no finalized treaties, the Crown Corporation cannot proceed with a capital project without extensive consultation. All of this is to say that the Canadian public electric utilities have a special duty to consult that adds a level of complexity to proposed capital projects. This extra complexity, combined with the fact that very few previous studies on public consultation have focussed on Crown Corporations (or their equivalent), justifies this research.

Research for this paper revealed that public participation activities have an impact on the outcome of capital projects proposed by large utilities and that there are public consultation best practices that theoretically improve these outcomes. This paper endeavours to examine these best practices and their relation to the actual activities undertaken by Canadian public electric utilities. The identified best practices include:

1. Appropriate timing of the public consultation activities to enable a fully informed public
2. A fair public participation process, especially when there has been past inequities
3. Meaningful input from all affected publics
4. Provision of technical information to affected publics must be from a trusted source and in a format that is appropriate to that audience

1.2 Structure of this Paper

The following sections will explore the aforementioned public participation dynamics in three case studies:

- Manitoba Hydro's Wuskwatim Generation Project
- BC Hydro's Vancouver Island Generation Project
- Hydro-Québec's Eastmain 1-A Generation Project

Section 2 will summarize public participation theory and focus on its application in the Canadian public electric utility context. Section 3 details the analytical framework that enables systematic evaluation of the case studies detailed in Section 4. Section 5 summarizes and analyzes the research findings and makes policy recommendations for BC Hydro and the Government of British Columbia. Finally, Section 6 concludes this research and discusses future research and limitations of this research.

2 Theory

The term "public participation" is used throughout this paper as a way of encompassing the concept that individuals "contribute, either voluntarily or involuntarily, to [the] wealth-creating capacity and activities" of an organization and are therefore its "potential beneficiaries and/or risk bearers" (Post, Preston & Sachs, 2002, p. 19). Corporations and government agencies engage these individuals in order to maintain their license to operate – public acceptance being a key criteria for maintaining legitimacy (authority based on trust) in democratic countries. This paper uses the term "publics" instead of "stakeholders" to include aboriginals[3] that, as the case studies will illustrate, have a very important role to play in the future of Canadian public electric utilities.

To be clear, public participation theory is not just about enhancing democracy, enforcing the rights of the individual or advocating for legislation that would require corporations and government agencies to engage the public (Halseth & Booth, 2003, p 440). Rather, corporate and government agencies owe an "additional obligation over and above that due others simply by virtue of being human" to those stakeholders and aboriginal communities impacted by the actions of those organizations (Phillips, 2003, p. 83). This view implies a moral obligation to certain constituencies while in practical application, public participation usually encompasses more than these groups. This paper's definition of publics also encompasses individuals or organizations that have the power to put something of value to the agency at risk through either litigation or political pressure (Post, Preston & Sachs, 2002, p. 19).

To differentiate between publics owed moral consideration and publics who require consideration for business reasons, this paper talks about mutually exclusive "normative" and "derivative" publics. Normative publics are individuals; organizations legitimately owed something by the project proponent for moral reasons. Derivative publics are individuals, organizations that have the ability to affect the project through lobbying or political action (Phillips, 2003, p. 119). For example, if a Canadian public electric utility built a hydroelectric dam in a community, the utility has a duty to consult, mitigate and compensate normative publics

for impacts resulting from the project that negatively affect the quality of life in that community. Utilities that do no consult mitigate and compensate for impacts on the normative publics expose themselves to legal challenges by the host community.

Derivative publics, such as environmental NGOs (eNGOs), can lobby the public or apply political pressure to gain the support of the responsible level of government. Derivative publics can claim to represent the interests of normative publics but unless the project imposes some tangible burden on them, they would have great difficulty challenge the utility in the courts. If derivative publics are directly impacted, they are a normative public – not a derivative public. For example an eNGO from the US would have great difficulty quantifying the impact of a hydroelectric dam located in Canada's north on their home jurisdiction. They would have the right and ability to lobby the decision makers with their opinion of the proposed project.

2.1 Modern State and Application of Public Participation Theory in Crown Corporations

The majority of academic and "grey literature[4]" on public participation purports to focus on private sector companies. In practice, these publications often cite examples/case studies from Crown Corporations (Susskind, 1996, pp. 160-164; Svendson, 1998 pp. 5-7). Crown Corporations represent a third category of organization that bridges the gap between government and the private sector (Wettenhall, 2001, p.20). This "third sector" also encompasses non-governmental organizations (NGOs), and quasi-governmental organizations (quangos). The case studies examined by this paper are all Crown Corporations, created by special statute within their respective jurisdictions.

The project proponents in each of the case studies examined in this paper have a regulatory body that makes the ultimate decision about a proposed project. That regulatory body as an agent of the government has the decision-making authority over the proposed project. Crown Corporations lever revenue and expenditures to create value for the jurisdictions in which they operate and a "failure to establish relationships" with normative and derivative publics is a "failure to effectively manage the organization's capacity to generate future wealth" (Post, Preston & Sachs, 2002, p. 53).

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[3] Aboriginal peoples in Canada have special status within the *Canada Act* (1982) and do not regard themselves as stakeholders.

[4] "Grey literature" on public participation offer up "practice-based learning resources" and descriptive assessments of civic engagement exercises (Abelson & Gauvin, 2006, p. 19).

The proliferation of academic research and grey literature led to a point in the late 1990s where a large body of new knowledge around the process of public participation existed and garnered the attention (and subsequent institutionalization) of Western governments (Tat-Kei Ho & Coates, 2002, p. 8). Public agencies now have the ability to objectively evaluate their public participation exercises and determine which level of engagement is most appropriate to maximize corporate social responsibility. Starting with Arnstein's work (1969), the body of knowledge about public participation has evolved to a point where some common "truths" have emerged across the hundreds of publications on the subject (both academic and grey). Susskind (1996) best summarized these high-level truths in a set of reflective recommendations for the planners of the Great Whale project[5]:

1. **Fairness in process and substance matters, especially when there has been past inequities.**

2. **Discussions around the design and implementation of controversial developments require meaningful input from all stakeholders.**

3. **A community must be left substantially better off if it is expected to "host" a development.**

4. **Decision-makers should have access to the best technical advice available, but technicians should not make what are essentially political decisions.**

(Susskind, 1996, pp 171-172)

These best practices, grounded in public participation theory and application in the following sub-sections, will form the academic justification for this paper's Assessment Criteria.

2.1.1 Importance of Fairness

In any situation where a large corporation comes into a community with a proposal for a large capital project, there are going to be individuals that benefit more or less than others and that tension "may have substantial short- and long-term consequences for community cohesion and viability" (Luloff, Albrecht & Bourke, 1998). Effective public participation strives for equilibrium amongst participants where every party enters discussions with a desired optimal

[5] The Great Whale project was a previous hydroelectric project in the James Bay region proposed by Hydro-Quebec in 1989 and abandoned by the Government of Quebec in 1994. The Government of Quebec denies that they shelved the project because of enormous international pressure to stop the project but third-party observers (including Susskind) felt that public opposition was what ultimately defeated the project.

outcome in mind but walks away with an equitable solution that facilitates consensus amongst the group. Despite this focus on outcomes, most participants are more concerned with the fairness of the process than with the distributive outcome at the end of the process (Phillips, 2003, p. 25).

Unlike other theories of fairness, stakeholder fairness is compatible with (and independent of) a range of ethical and political standpoints (Phillips, 2003, p. 58) suggesting that an important criterion for judging the success of public participation is the degree to which the social norms and standards of a community are incorporated into that process (Rowe & Frewer, 2004, pp. 523-535). For example, some scholars question the acceptance of traditional knowledge submitted by First Nations communities in environmental assessment, legal proceedings or regulatory reviews as evidence. A "fair" process acknowledges that traditional knowledge because of its cultural value to the consulted.

Aboriginal communities, more so than non-aboriginal communities, place great importance on the incorporation of community values in their interaction with corporations and while they understand that the corporation cannot adopt those values as their own, they hope that the proponent will observe and understand those values (Building Sustainable Relationships, 2005, p. 4). Fairness in the context of public participation only addresses considerations "over and above that due others" through legal and human rights (Phillips, 2003, p. 83). This paper assumes that a framework for addressing legal and human rights violations already exists in the form of courts and human rights tribunals.

A fair process would also ensure that the recommendations of the regulator were binding on the provincial government responsible for the utility. In some cases, a public has meaningful input into a regulatory hearing and project proposal the regulator approves of the project after considering the concerns of the public but the government scuttled the project for political reasons. These situations are unfair to the tripartite public. It not only delegitimizes the regulatory process and the time the public put into it but it dismisses the benefit that the host community might receive from the project.

In order to avoid this situation, the proponent and/or regulator needs to secure some kind of public commitment from the government that they will allow the project to go ahead if the public and regulator approve of it. For example, the BC Citizen's Assembly on Electoral Reform received a public commitment from the Government of British Columbia that it would put their

recommendation to a referendum and after receiving that recommendation, the voters of BC had a chance to vote for or against the recommendation.

2.1.2 Ensuring Meaningful Input

Crown Corporations have an interesting challenge in securing "meaningful public input" in that the public has a tripartite relationship with the company. Theoretically, certain publics warrant more care and attention than others for ethical reasons (Phillips, 2003, p. 83) but as a corporation created by legislation, Crown Corporations are beholden to the government that created them (Sullivan, 2002, p. 37). Since the government is answerable to the public and the government is the sole shareholder of the Crown Corporation, the voting public in that jurisdiction is the *de facto* shareholder of the Crown Corporation (Tat-Kei Ho & Coates, 2002, p. 8). Similarly, as constituents that could affect the operations of the Crown Corporation as normative or derivative publics, every resident of a jurisdiction is also a potential stakeholder of the corporation. Since Crown Corporations have an effective monopoly in each of these jurisdictions, the residents of each province also make up the bulk of the customer base. These three roles – voter, stakeholder and customer – delineate the tripartite role of the public in relation to the public utility.

In most private sector companies, there is a relatively clear distinction between shareholder and stakeholder. Customers can be stakeholders but, in cases where manufacturing of goods bound for one market occurs in another jurisdiction, there is a clear separation between stakeholder and customer. Public hydroelectric utilities generate most domestic power supply within the jurisdiction where there is a high level of overlap between stakeholders and customers. Some theorists argue that there is little difference between stakeholder and shareholder because neither one has much tangible power to influence the company (Post, Preston & Sachs, 2002, p. 31). Phillips (2003) argues that there is a difference between stakeholder and shareholder but from a public participation perspective, they only differ in relative importance to one another, not typology (p. 157). Ultimately, this tripartite relationship between the public and the Crown Corporation means that every stakeholder has three avenues through which to apply pressure and influence that organization (or the regulatory bodies designated to listen to the interests of the public).

Social capital – a concept that has gone through an academic resurgence in recent years – has also influenced public participation policy. Some scholars refer to social capital as the "glue"

that facilitates collective action (Svendsen & Laberge, 2005, p. 8; Post, Preston & Sachs, 2002, p. 42). Processes that emphasize the importance of "long-term relationships" between normative publics, the utility and derivate publics are the foundation of meaningful public engagement (Susskind, 1996, p.13). Public participation and the attendant accumulation of social capital by members of the public result in "increased levels of interest in and knowledge of public issues" and "improved capacity for future public involvement"– both of which are key for future development in a region (Abelson & Gauvin, 2006, p. 20).

2.1.3 Well Being of Host Community

Any discussion about the well-being of a host community that says "yes, in my backyard" (YIMBY) to a controversial capital project must discuss the role that fairness, meaningful input and mitigation/compensation measures have to play in this outcome. To ensure the fairness of an agreement reached with a host community, the proponent must avoid striving for a "balanced" process that ultimately results in equal distributive outcomes for each participant – normative or otherwise. Rather, stakeholder fairness principles hold that distribution of value should be based on contribution to the organization – "the more a stakeholder group contributes to the organization, the greater their voice and share of value created should be" (Phillips, 2003, p. 162).

To ensure the fairness of compensation to a host community, it is important that the project proponent adequately gauge the interests of the publics affected by the project. Finding a location for a hydroelectric dam or a natural gas-fired thermal power plant is going to generate dispute between project critics and supporters – each of whom will distrust parties with an opposing view and distrust the experts cited by the other parties (Smith & Marquez, 2000, p 274). In the case studies examined by this report, the Crown Corporation as proponent is obligated to balance the interests of supporters and opponents as well as the tripartite public while ensuring that the project enhances the well-being of the host community. To do this effectively, the proponent must be able to differentiate between supporters (who say YIMBY), immovable critics (who say NIMBY for reasons that go beyond self-interest) and critics who say NIMBY but mean "maybe in my backyard, if the price is right" (MIMBY$) (Luloff, Albrecht & Bourke, 1998; Lesbirel, 2003, p 7).

In the case of large capital projects, the compensation usually takes the form of shared revenue, community infrastructure, local philanthropy or job creation (Post, Preston & Sachs,

2002, p. 90). Some publics are more willing to look at the risk-benefit tradeoffs from a rational or economic perspective when deciding whether to support a proposed project – especially if there is an opportunity for the community as a whole to gain economic stability from hosting the project (Lesbirel, 2003, p 13). In these cases, the proponent needs to dialogue with the YIMBY or MIMBY$ publics to find the right mixture of mitigation measures (flexibility on the exact location of a project, monitoring infrastructure, access to jobs associated with the project) and compensation (monetary) measures to ensure that the project consultation outcomes do not look like a bribe or a payoff. The best course of action for the proponent in these situations is to offer non-monetary mitigation and compensation first to demonstrate that they are serious about the potential risks to the community that the project poses (Lesbirel, 2003, p 17). A perceived payoff will only serve to increase the anger of the NIMBY publics thereby ensuring future strains between the proponent and the host community (Luloff, Albrecht & Bourke, 1998).

By differentiating between the interests of YIMBY, MIMBY$, NIMBY publics, a proponent does not need to dismiss the interests of the NIMBY publics as irrational. There are four very good rational reasons why a community member or critic might say NIMBY to a project that appears to have positive net impacts for the host community (Luloff, Albrecht & Bourke, 1998):

- **A traditional way of life and resource management procedure is at risk**
- **Fear of losing local control over local resources**
- **Higher valuation of more ecologically sound resource use in a cost-benefit analysis of a project**
- **Previous, negative experience with the proponent in similar circumstances**

In cases where non-monetary issues are the root of opposition and that opposition is sufficient to block a proposed project, the proponent should consider incorporating these values into the net impact assessment of the project. Of course, no proponent can ever secure 100 per cent approval for a project. However, if the net impact assessment is conducted fairly, taking into consideration the rational interests of the normative publics and the net impact is positive for the host community, it is possible to get the majority of a host community to give their consent to a project (Lesbirel, 2003, p 16).

2.1.4 Importance of High Quality Technical Advice

Generating information that is believable and accessible by all parties is fundamental to providing a solid foundation from which to discuss tradeoffs during a net impact assessment of a project. Numerous case studies involving technical issues like medical devices, exposure to toxic compounds and hydroelectric projects have shown that when information is "gathered, analyzed, modelled and carefully packaged behind closed doors" before presentation to public participants, it has little credibility with those participants (Susskind, 1996, p 39). In addition to establishing the credibility of the data, the transparency of the source of information in an important factor in ensuring the perceived fairness of the process (Phillips, 2003, p 26). If joint fact-finding is not feasible, opening up the raw data generated by a proponent's own experts, bringing in third-party evaluations and giving the public access to a credible, well-spoken technical expert can go a long way towards building trust and credibility in that company's technical information (Susskind, 1996, pp 79-85).

2.2 Summary

This foundation of theory highlights several important considerations for policy makers working with Canadian public electric utilities:

1. The proponent must differentiate between categories of public (derivative and normative) during public consultation exercises.

2. The public has a tripartite relationship with the Crown Corporation ant this confounds efforts to effectively engage the public around a capital project.

3. Four identified best practices increase the likelihood that Crown Corporations will have successful community engagement. They are a fair process, meaningful input from all publics, leaving a host community substantially better off and appropriate access to technical information.

3 Methodology and Framework for Analyzing Case Studies

In order to answer how public participation affects the outcome of generation capital project regulatory filings for Canadian public electric utilities, this paper will explore three case studies:

1. **The Vancouver Island Generation Project, as proposed by BC Hydro**
2. **The Wuskwatim Generation Project, as proposed by Manitoba Hydro**
3. **The Eastmain 1-A Hydroelectric Project, as proposed by Hydro-Québec**

Differences in public participation impact indicators were the primary criteria for choosing these three case studies. For this research question, the author chose the following indicators:

1. **A successful regulatory filing and subsequent capital project**
2. **An improved relationship with the affected public**

Representatives from each of the case study Crown Corporations confirmed the importance of these criteria when they identified these indicators as outcome goals for their regulatory processes. I chose two of the case studies because they had (or appeared likely to) receive regulatory approval and would proceed with a capital project (Wuskwatim and Eastmain 1-A). This study examines the Vancouver Island Generation Project because it did not result in a successful regulatory filing and subsequent capital project. The bulk of the research for this paper looked at aspects of the second indicator – improved relationships with the affected public. This paper makes that distinction because a technically proficient regulatory filing can result in approval for a project but in the long-term, harm relationships with the host community.

Table 1: Case Study Public Participation Measures

Case Study	Successful regulatory filing and subsequent capital project	Improved relationship with the affected public
BC Hydro	No	No
Manitoba Hydro	Yes	Yes
Hydro-Québec	Regulatory decision not due until Q3 F2007	No

Table 1 shows the initial assumptions around each of the case studies with regard to the impact indicators. Historically, Hydro-Québec has been an excellent source of case studies where the utility obtained regulatory approval for a capital project but strained relationships with affected publics. The Great Whale project is a prime example of this (Susskind, 1996, pp. 160-164) and typical of an era that did not satisfactorily[6] factor the interests of public constituents into a government's decision to proceed with a capital project (Froschauer, 1999, p. 104). In addition to measuring the degree to which the relationship between proponent and affected public was improved or degraded, this paper also seeks to identify the mechanisms that affect the relationship. Section 3.2 explores the criteria for evaluating these mechanisms.

3.1 Methodology

A Canadian Policy Research Networks (CPRN) report (Abelson & Gauvin, 2006) examined evaluation approaches and identified the following (among other) gaps in previously used research methodologies (pp. 31-34):

1. **Rigorous context evaluation**
   Abelson and Gauvin (2006) cite contextual attributes proposed by Rowe and Frewer (2004) such as "attributes of the sponsoring organization, the type of decision being made, and the decision timeline" (p. 31) and notes that previous studies rarely examine these factors when evaluating a public participation process and outcome.

2. **Multi-disciplinary perspectives and methods in evaluation design**
   Too few studies employ a mix of interviews, surveys, documentary research and direct observation (Abelson & Gauvin, 2006, p. 33).

[6] According to the affected publics, not the project proponent.

3. **Full exploration of decision makers and their organizations as outcome and context variables**

   The internal dynamics of an organization can have a big impact on the kind of outcomes and paths that a public participation process can take yet previous studies rarely factor the internal dynamics into the evaluation of public participation outcomes (Abelson & Gauvin, 2006, p. 34).

This paper addresses these gaps through expert interviews (to achieve a rigorous context evaluation and to explore the decision-makers and their organizations) and documentary research (a methodology borrowed from the communications discipline). By utilizing these methodologies, this paper hopes to produce a hybrid theory/user-based assessment of public participation process and outcomes (Abelson & Gauvin, 2006, p. 12).

3.1.1 Expert Interviews

Recognizing that quantitative methodologies have established the theoretical foundation for examining public participation processes, this paper largely examines the case studies in a qualitative manner. Despite the criticisms that qualitative methodologies endure, the value of a tool like expert interviews lies in the quality of the analysis and the richness of data (Silverman, 2005, p.237). This study used guided expert interviews to obtain qualitative data to expand on publicly available data about the case studies (See Appendix A). This study sought a significant number of representatives from each jurisdiction who were directly involved in the case study projects as subjects for the expert interviews. Table 2 shows how these subjects break down:

Table 2: Expert Interview Subjects

Case Study	Category	Sought	Interviewed
BC Hydro	Utility Representative	3	**4**
	Normative Public	2	**2**
	Derivative Public	1	**1**
Manitoba Hydro	Utility Representative	3	**5**
	Normative Public	2	**1**
	Derivative Public	1	**1**
Hydro-Québec	Utility Representative	3	**2**
	Normative Public	2	**1**
	Derivative Public	1	**2**

Recognizing that academics largely disregard qualitative interview triangulation[7] as a validating methodology (Silverman, 2005, P. 212), this study sought more than one interviewee per category because the quality of analysis that will result from varied perspectives warrants the effort.

3.1.2 Documentary Analysis

Using standard content analysis methodology, this paper will examine publicly available reports issued by the project proponents, publics involved in the regulatory processes associated with these projects and the regulatory bodies themselves. This study also uses newspaper clippings and associated reports to add dimension to the research.

3.2 Framework for Analyzing the Case Studies

To analyze the process and outcomes of each case study, this paper will compare observed outcomes (see Table 1) with a measure of each of the following process criteria:

3.2.1 Timing of Process

The process of developing hydroelectric resources for Crown Corporations measures in decades, not years. As the case studies will illustrate, the sheer scale of these projects means that construction takes at least five years but construction cannot begin until the regulatory process has been completed and the project has received approval from the government in that jurisdiction. In many cases, the process of obtaining permission to build takes much longer than the actual construction of the project. It is also true that in many cases utilities need new capital projects to meet forecast shortfalls in supply[8]. This means that any delay in the process will result in considerable expense for the hydroelectric utility if the utility relies on market-priced power from other jurisdictions to bridge supply gaps.

[7] Qualitative interview triangulation is an attempt to get a true fix on a situation by combining different qualitative findings from different sources.

[8] This paper recognizes the criticisms of academics like Froschauer (1999) who fault public utilities for using public money to build hydroelectric projects to supply power for the export market. In his defence, it is not likely that Froschauer could have predicted (at the time of writing) that jurisdictions like BC and Ontario would have a significant supply deficit by 2006.

For this reason, the timing of public engagement activities around a proposed project is critical. The OECD (2001) established best-practices for public participation (p. 5) that include a provision to start consultation with affected communities early and take the time to hear everyone's views in addition to making adequate resources available to that community to facilitate their participation. This focus on relationship building and a recognition that "collaboration can be costly in human and financial terms" (Svendson, 1998, p.64) is echoed by many grey literature authors including Susskind (1996, p. 13).

In many cases, normative constituents find it "difficult, if not impossible" to meet the burden of proof required by regulators without "the same access to, or expertise in, hydroelectric systems operations" (or, in the case of VIGP, thermal power generation) that the Crown Corporations hold (Froschauer, 1999, pp. 164-165). With adequate time, resources and access to independent experts, most normative stakeholders could meet the standards of the regulator when presenting their views. Table 3 illustrates the measurement of this criterion – a purely objective (measured by statements of timelines in official documentation for each case study) measure that is reinforced by the statements of the interviewees.

Table 3: Alignment of timing process with best practices– measurement of criteria

Alignment with best practices	**Demonstrated by**	**Indicative of**
Perfectly aligned	Start building relationship with impacted communities well in advance of the hearing process, give the community adequate time and resources to address the issue	Crown Corporation follows (or appears to follow) an internationally recognized methodology
Generally aligned	Some effort is made to build a relationship with the community before the hearing process and some time/resources are made available to the community to address the issue	Crown Corporation is aware (or at least peripherally aware) of current best practices
Misaligned	Very few resources are applied to relationship building, only legislated assistance provided to communities to help them address the issue	Crown Corporation is not focussed on public participation methodologies
Severely misaligned	No resources are applied to relationship building, no assistance is given to communities trying to address the issue	Crown Corporation is wilfully antagonistic towards its constituents

3.2.2 Fairness of Process

Recognizing the academic justification for including "fairness" as a criterion for evaluating the public participation processes (see Section 2.1.1), this measure is completely subjective and based on the personal views of the interviewees. That said there is no agreed-upon definition of fairness so the only frame of reference for what is fair is how the public, as individuals, perceive fairness. This measure will be a simple three-point Likert scale ranging from "public participants didn't find process to be fair" to "public participants found process to be fair" with a neutral position in the middle. Appendix B summarizes the actual responses to a specific question on the interview guide about fairness.

3.2.3 Meaningful Input Opportunities for Public Participants

There is no doubt that during a regulatory hearing for a major capital project, a wide range of publics will express their interests in the project. The participants will be both normative and derivative publics but a well-informed proponent will follow best practice when securing community consent by giving the interests of the normative publics primacy during the engagement process (or hearing process, in the cases where a regulatory body is involved in the public consultation phase).

In most cases, a Canadian public electric utility will undertake its own public consultation activities to gauge public interests around a proposed project and to demonstrate due diligence to a regulatory body. Each of the case study utilities is answerable to one or more regulatory bodies. Those bodies usually exercise their own due diligence during the review of a project application by hearing testimony from the tripartite publics (whether they were consulted by the utility or not) to confirm that the proponent has done their due diligence and that the affected publics are in favour of the project. A regulatory body might also undertake its own public participation activities if it is felt that the proponent did not do an adequate job of public consultation.

Table 4: Alignment of opportunities for meaningful input with best practices– measurement of criteria

Alignment with best practices	**Demonstrated by**	**Indicative of**
Perfectly aligned	Input of normative publics given primacy during public participation process. Input of derivative publics considered but only to the extent required to secure enough of their support to satisfy a regulatory body	Crown Corporation/ Regulatory Body follows (or appears to follow) best practices
Generally aligned	Some effort is made to ensure that derivate public interests do not override the interests of the normative publics – especially those normative publics from the host community	Crown Corporation/ Regulatory Body is aware (or at least peripherally aware) of current best practices
Misaligned	Derivative public interests overriding the interests of the normative public.	Crown Corporation/ Regulatory Body has misread the interests of the affected publics
Severely misaligned	Input of derivative publics representing special interest groups given primacy during public participation process.	Crown Corporation/ Regulatory Body is wilfully antagonistic towards normative publics

3.2.4 Quality of Technical Advice Provided

In the case study jurisdictions, a proposed electricity generation project is usually subject to an environmental assessment and an economic review before obtaining government approval to build the facility. The environmental assessment process typically looks at the environmental impact trade-offs of building the project. This requires proponents to account for myriad of variables such as air shed and watershed impacts, greenhouse gas emissions (or lost greenhouse gas sinks[9]) as well as the impact on wildlife habitats and biodiversity. A utility board or commission usually conducts the economic review process, which focuses on the economic assumptions and arguments inherent in the project application. Economic analysis of net present value, forecast revenues, project costs and market dynamics can be enormously complicated – even for those trained in economics[10].

[9] e.g., When a valley is flooded to build the reservoir for a hydroelectric generation dam, the environmental accounting must consider the impact of losing the ability of the trees in that valley (which will be under water) to absorb CO^2 from the environment.

[10] One of the key stages in the regulatory process is for the proponent to demonstrate the need for the project. Forecasting domestic or export-market demand is extremely difficult to do because the forecast would need to take into consideration abnormal weather conditions, potential failures in existing infrastructure, technological change and consumer behaviour.

Given that most publics involved in a review process will not have technical expertise in these areas, the role of trusted technical advisors is paramount. The best way for affected publics to receive sufficient technical intelligence to make an informed decision about a proposed project is to leverage a third-party advisor that is trusted by critics, supporters and proponents (Susskind, 1996, pp 79-85). The best most trusted technical advisor is of little utility to public participants if they do not receive the information in a manner that is appropriate to them. Best practice dictates that the assessed needs of public participant groups dictate the level of detail in reporting, language used, mode of delivery and time required to absorb the information provided to them.

Table 5: Alignment of technical advice provided to best practices– measurement of criteria

Alignment with best practices	**Demonstrated by**	**Indicative of**
Perfectly aligned	All publics get full access to technical information provided by a mutually trusted source at a sufficient level of detail, in a format appropriate for that audience and in a timely manner. Additional accommodations made to provide timely access to the proponent's technical information as well the technical information brought to the table by other publics.	Crown Corporation/ Regulatory Body follows (or appears to follow) best practices
Generally aligned	All publics get access to the technical information provided by the proponent at a sufficient level of detail, in a format appropriate for that audience and in a timely manner. Additional accommodations made to provide timely access to technical information brought to the table by other publics.	Crown Corporation/ Regulatory Body is aware (or at least peripherally aware) of current best practices
Misaligned	Access to technical information limited and not provided at a sufficient level of detail, in a format appropriate for that audience and in a timely manner.	Crown Corporation/ Regulatory Body not aware of or concerned with best practices
Severely misaligned	Little or no access to technical information provided.	Crown Corporation/ Regulatory Body is wilfully antagonistic towards public participants

4 Case Studies

As mentioned in Section 3, I chose the case studies partly based on whether or not the public participation activities resulted in regulatory approval and would proceed with a capital project. Additionally, I looked for case studies with the following features:

- **A filing for regulatory approval no earlier than 2000**
- **Some controversy[11] around the project**
- **A project that went to the hearing stage**

Following these attributes, I landed on three case studies. Table 6 outlines these projects.

Table 6: Summary of case study projects

Crown Corporation	Project Description	Current Status
BC Hydro	Vancouver Island Generation Project (VIGP). Intending to build a thermal generation facility on Vancouver Island in Nanaimo, BC Hydro files for approval with the BC Utilities Commission (BCUC) in 2002.	BC Hydro decided to pull its application in 2005, citing an inability to get the project done in time for its intended purpose.
Manitoba Hydro	Wuskwatim Generation Project. Manitoba Hydro has been working closely with the Nisichawayasihk Cree Nation (NCN) to build a 200 MW hydroelectric dam in the Nelson House area under the framework provided by the *Northern Flood Agreement.*	In June 2006, NCN community members approved the project that subsequently received project licences from the Government of Manitoba.
Hydro-Québec	Eastmain 1-A. After many years of treaty negotiation with the Cree of northern Québec, Hydro-Québec signed the *Boumhounan Agreement* in 2002, which provides the necessary framework for Hydro-Québec to work towards a hydroelectric dam in the James Bay region.	At the time of writing, the proposed project is still awaiting licensing.

[11] Negative attention in the local news media in its current form or in a previously proposed manifestation.

4.1 Vancouver Island Generation Project – BC Hydro

Vancouver Island is home to approximately 700,000 residents (BC Statistics, 2004) and some heavy industry that receives the bulk of its power via submarine cables. These cables, some of which were installed just after World War II, are due to be decommissioned in stages starting in 2007 (Vancouver Island Energy Corporation, 2002, p. 2-1). After modelling the impact of decommissioning the lines and steady customer growth in the region, BC Hydro determined that there could be a supply shortfall to Vancouver Island by winter, 2007. BC Hydro started the process of planning to meet forecast shortfalls on Vancouver Island in 1995.

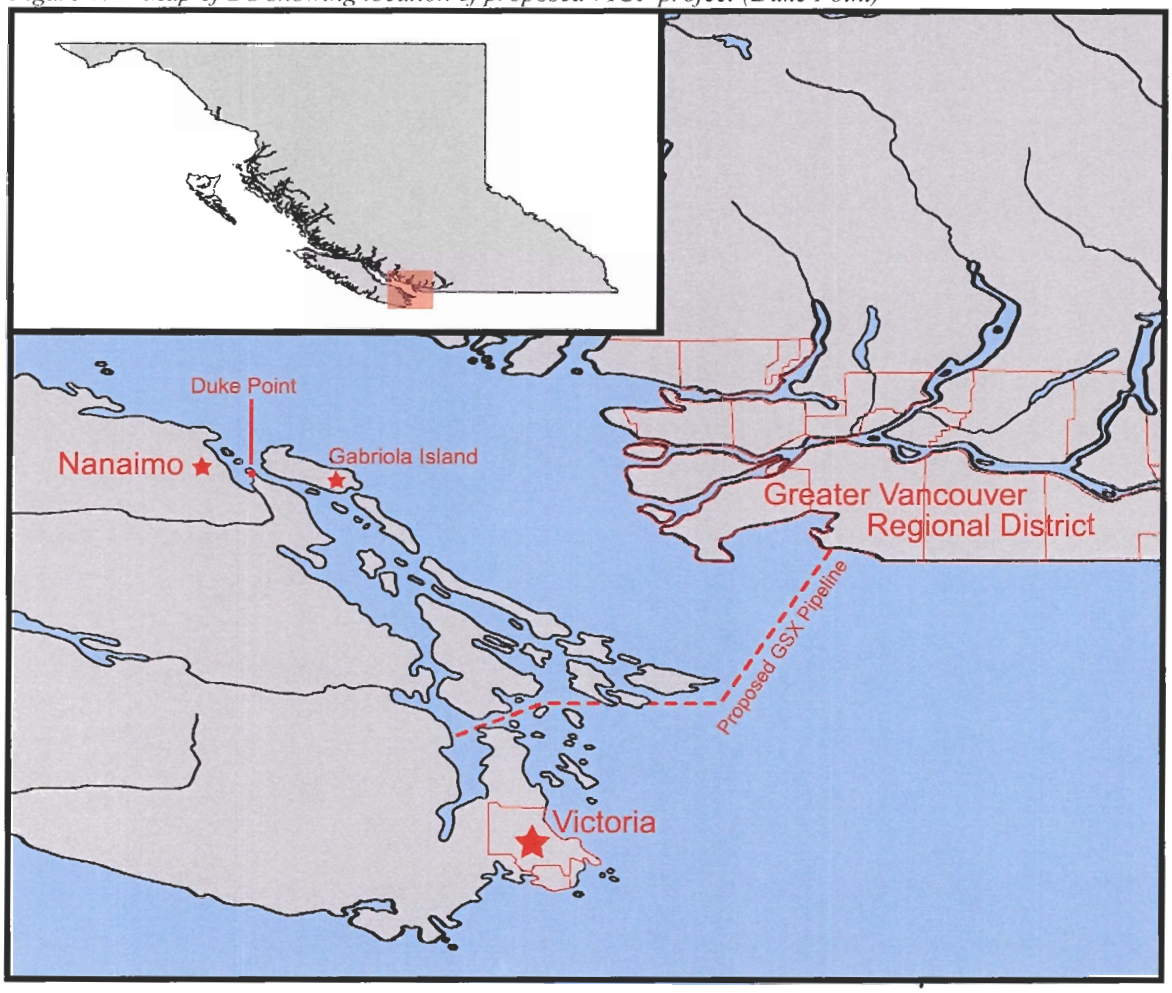
Between 1996 and 2005, BC Hydro (and its wholly-owned subsidiary, Vancouver Island Energy Corporation (VIEC)) proposed a number of thermal generation facilities on Vancouver Island (see Table 7 for timeline) including a thermal plant in Port Alberni – which has been built and subsequently turned over to an Independent Power Producer (IPP). BC Hydro targeted thermal plants because of tight timelines and the regular introduction of thermal generation facilities to meet new capacity needs in other North American jurisdictions at the time.

In June 2002, VIEC submitted an application to the BC Environmental Assessment Office (EAO) to obtain a Project Approval Certificate for a proposed thermal plant in Nanaimo called the Vancouver Island Generation Project (VIGP). The proposal called for a $370 million, combined-cycle, natural gas powered thermal generation plant slated to generate between 265 and 295 MW (VIEC, 2002, p. i). BC Hydro officially abandoned this project and the subsequent Vancouver Island Call for Tenders (VI CFT) (which would have seen IPPs managing a thermal plant and providing power to BC Hydro for distribution) in 2005 while under pressure from public interveners (Bruyneel, 2005). Several BC Hydro interviewees noted that while public opposition to the project was a major factor in BC Hydro's decision to pull its application for VI CFT, natural gas market volatility was another important factor as was a less than favourable conveyance contract with Terasen (Interviewee B, 2006; Interviewee E, 2006).

After BC Hydro abandoned its plans for thermal generation on Vancouver Island, the BC Transmission Corporation (BCTC) proposed the Vancouver Island Transmission Reinforcement (VITR) Project – a project that would see a new transmission line to supply Vancouver Island from the Mainland built. VITR received regulatory approval from the BCUC in July 2006 (BCUC, 2006). The problem with this solution is that because BC Hydro customers pay for electricity at a rate that is in no way reflective of its cost, the residents of Vancouver Island can

impose the negative externalities of their consumption habits on another jurisdiction without penalty. In this case, the residents of Tsawwassen and the Gulf Islands will bear the negative externalities associated with electricity consumption habits on Vancouver Island as the BC Transmission Corporation builds new transmission lines over their community (Simpson, 2006).

Figure 1: Map of BC showing location of proposed VIGP project (Duke Point)



4.1.1 Public Participation Context

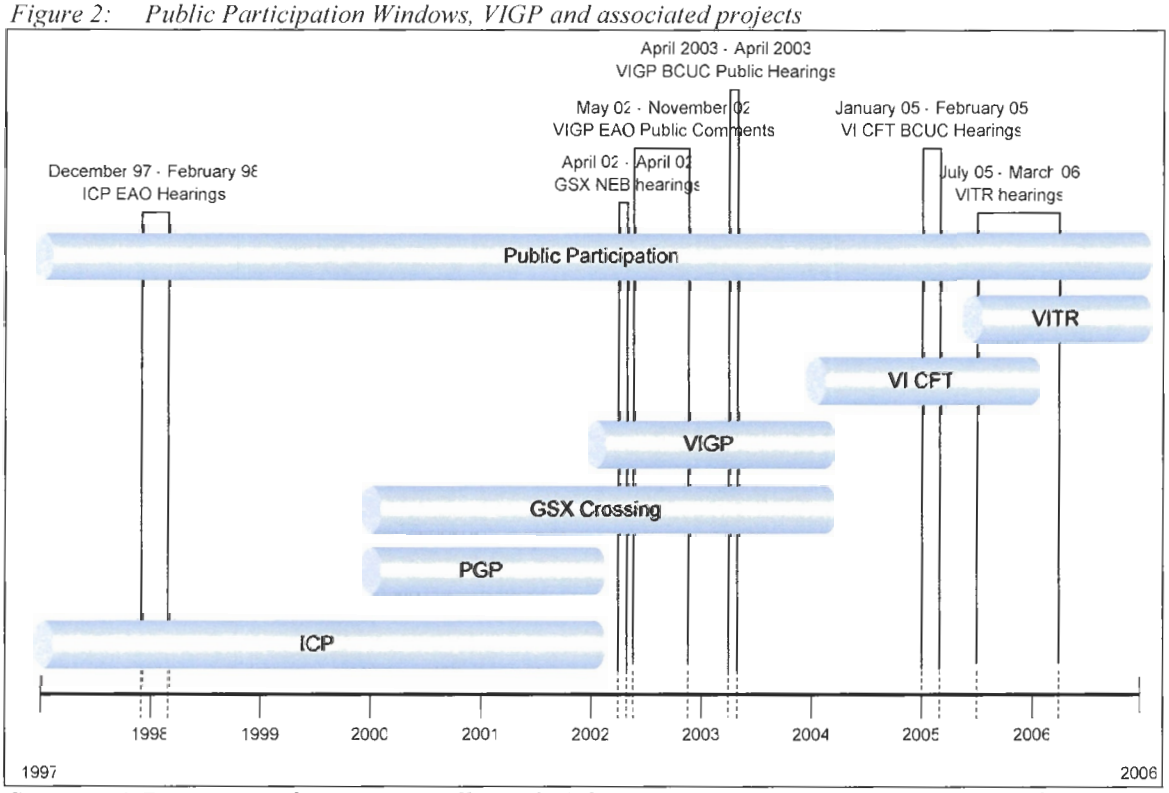
The issue of a supply shortfall on Vancouver Island has spanned several political regimes in BC and between 1994 and 2005. BC Hydro, as a BC Crown Corporation, is obligated to ensure that Vancouver Island customers have reliable power for generations to come. In 1994, the BC Government (NDP) ordered BC Hydro to seek out supply-side and demand-side projects that meet the forecast shortfall in electricity on Vancouver Island (VIEC, 2003, p. xi). From that point

until 2005, BC Hydro proposed a series of component projects that, when taken together, would enable thermal electricity generation on Vancouver Island.

Many of these component projects were subject to public hearings but none of these hearings had the scope to talk about the over-arching issue of a supply shortfall (Interview C, 2006). The scope of the hearings were limited to the mandate of the organization – in each case, whether to issue a licence for a specific project based on its economic (as judged by the BCUC) or environmental (as judged by the EAO) merits (Interviewee B, 2006).

As a result, the public participation components of VIGP and the associated projects (see Table 7) were mutually exclusive and relatively short (compared to the consultation phase of projects like Wuskwatim – see Section 4.2.2). Note that for the purposes of this paper, references to "the project" include VIGP while recognizing that VIGP was a small component of a larger issue – thermal power generation on Vancouver Island (see Figure 2).

Figure 2: Public Participation Windows, VIGP and associated projects



Source: BC Environmental Assessment Office, BC Utilities Commission, National Energy Board

As soon as it was clear that the Port Alberni Generation Project (PGP) was not going to proceed, BC Hydro named Nanaimo as a potential site for a thermal power plant and began

consulting the municipal government and the local business community. Once BC Hydro chose Nanaimo as the best potential location for a thermal plant, BC Hydro placed ads in the local papers announcing the open houses and workshops on Gabriola Island, Cedar Island and in Nanaimo in March 2002 (Interviewee A, 2006; Interviewee B, 2006).

BC Hydro was anticipating the strongest resistance from the nearby First Nations community (Interviewee B, 2006) and support from the industrial customers. The opposite actually happened – BC Hydro settled quietly with the Snuneymuxw First Nation (Interviewee F, 2006) and received massive pushback from the industrial customers (Interviewee B, 2006). Many normative stakeholders participated in the public participation events but supporters of the project tended to write or call BC Hydro without attending any of the public events (Interviewee A, 2006).

Participants held the *structure* of the hearing process and everything leading up in high regard (Interviewee C, 2006; Interviewee D, 2006; Interviewee N, 2006) but there were many questions about the process chosen. Participants would have rather talked about demand-side management (DSM) solutions on Vancouver Island instead of a proposed thermal generation solution in a specific location (Interviewee C, 2006; Interviewee N, 2006).

4.1.2 Project Timeline

Table 7: VIGP Project Milestones

Year	Milestone
1994	Request for Proposals to Independent Power Producers (IPPs) issued to supply power to BC, including Vancouver Island. 80% of submitted proposals are for gas-fired generation.
1995	BC Hydro raises concern about Vancouver Island's critical supply security issues in the 1995 Integrated Electricity Plan. Determines that existing installed capacity on Vancouver Island will not meet peak demand by 2007.
1996	Thermal generation strategy for Vancouver Island developed to include thermal plants at Campbell River and Port Alberni (as well as other potential sites on the Island) and a natural gas pipeline to supply these plants (GSX).
1997	BC Hydro submits regulatory filings for Island Cogeneration Project (ICP)
1998	Island Cogeneration Project receives Environmental Assessment Office (EAO) approval and the Province waives BC Utilities Commission (BCUC) approval. Key principles agreement on Port Alberni Cogeneration Project (PACP) signed.

Year	Milestone
1999	BC Hydro files application and receives approval to build PACP from EAO.
2000	Negotiations on PACP closed without reaching an agreement. Interim agreement to develop Port Alberni Generation Project (PGP) announced and project given ministerial exemption from BCUC review. BC Hydro announces a Vancouver Island Gas Strategy in their 2000 Integrated Electricity Plan.
2001	Regulatory filings for the GSX pipeline filed with the National Energy Board (NEB). BC Hydro submits then withdraws EAO approval application for PGP after Port Alberni City Council decides not to change zoning bylaws for thermal plant. Site selection process begins to find alternate location for a thermal plant.
2002	Duke Point (Nanaimo) identified as favoured location for thermal plant and agreement announced. Vancouver Island Energy Corporation (VIEC) files application for VIGP with the EAO. BC Hydro pulls out of PAGP to pursue VIGP. ICP begins full operation.
2003	NEB/CEAA issues approval for BC Hydro to build GSX pipeline. EAO approves VIGP. BC Hydro files for approval of VIGP with BCUC who denies the application. BC Hydro announces that it is no longer pursuing VIGP. BC Hydro issues a Vancouver Island Call for Tenders (VI CFT) to seek Vancouver Island power generation proposals from IPPs
2004	BC Hydro announces successful bidder for VI CFT process. BC Hydro applies for approval of VI CFT project with BCUC. Duke Point Power awarded Energy Purchase Agreement.
2005	VI CFT receives regulatory approval from BCUC for project. GSX Concerned Citizens' Coalition appeals BCUC decision. BC Hydro announces that it is pulling out of Duke Point Power Project. BC Hydro applied to BCUC for decision on the Vancouver Island Transmission Project (VITR).

Sources: BCUC; BC Hydro

4.1.3 Assessment Criteria

Table 8 indicates that VIGP was not a success in terms of obtaining the approval for a capital project. This is an understatement in some respects because VIGP, as illustrated in Figure 2, was only one proposed project in a long line of proposed projects for Vancouver Island thermal generation. Therefore, while saying that VIGP failed in obtaining regulatory approval, one can extend the analysis to the larger context and say with confidence that BC Hydro failed to obtain approval for thermal generation on Vancouver Island to meet a perceived supply shortfall.

Table 8: VIGP Assessment Criteria and Public Participation Measures

Public Participation Measure	**Outcome**
Successful regulatory filing and subsequent capital project	No
Improved relationship with the affected public	No
Process Assessment Criteria	**Outcome**
Timing of Process	Misaligned
Fairness of process	Not perceived to be fair
Input Opportunities	Misaligned
Provision of Technical Information	Misaligned

Several grassroots organizations emerged in opposition to proposed thermal power generation on Vancouver Island as early as 2000 (GSX Concerned Citizens Coalition). Some of those same groups appealed the 2005 BCUC decision to allow thermal generation on the Island by an IPP. The resultant decision in 2006 to build new transmission capacity to supply Vancouver Island from the Mainland after the failed attempts at getting approval for thermal generation has also met with strong opposition from the affected communities (Simpson, 2006). What is clear is that BC Hydro's relationship with the stakeholders affected by proposed solutions to the supply shortfall on Vancouver Island has not improved over the past 12 years. The following sections will explore the Process Assessment Criteria in more detail (See Section 3.2 for the Analysis Framework).

4.1.3.1 Timing of Process

It is clear from examining Table 7 and Figure 2 that the normative stakeholders in and around the proposed VIGP site did not get much advance notice of the hearings. Those few well informed stakeholders that were involved as interveners in preceding Vancouver Island thermal generation proposals were had an advantage over uninitiated normative stakeholders from surrounding communities (Interviewee D, 2006). Interveners new to the process were very intimidated by the hearing format (Interviewee C, 2006). It is clear that in this case, the timing of the public consultation processes for VIGP were misaligned with best practice. The best practice would see BC Hydro building relationships with impacted communities well in advance of the hearing process, giving the community adequate time and resources to address the issue.

4.1.3.2 Fairness of Process

The majority of the stakeholders interviewed for this study felt that the hearing process for VIGP was not fair (see Appendix B for actual figures). Most of this criticism appears to revolve around the fact that some publics found the BCUC biased towards the interests of BC Hydro:

"The BCUC is biased" (Interviewee N, 2006).

"The fact that BC Hydro managed to push through VI CFT was not fair. There was some 'funny accounting' that took place to make the business case for Pristine Power" (Interviewee C, 2006).]

"[The process was] reasonably fair. The process was fine. I do wonder if the BCUC was biased towards BC Hydro due to the sheer resources at the disposal of BC Hydro in one of these litigation processes" (Interviewee D, 2006).

Regardless of the bias (or lack thereof) of the BCUC, the fact that interveners consistently questioned the legitimacy of the process is highly problematic in a process like this. BC Hydro staff acknowledged this perceived unfairness by interveners (Interviewee A, 2006; Interviewee E, 2006) but was at a loss how to more effectively engage the public in this case:

"The process was fair but the process was not the right one to apply in this case. How do we engage the people who are not adversarial to the process? This is a huge challenge going forward" (Interviewee E, 2006).

This paper therefore concludes that VIGP participants did not find process fair based on the supposed bias of the BCUC and some "funny" accounting by BC Hydro.

4.1.3.3 Input Opportunities

It is clear that throughout the public consultation phase of VIGP, all publics had many opportunities to be heard but as one stakeholder noted:

"Everyone had a chance to be heard but there was some inequality in whose views were taken into consideration by the BCUC" (Interviewee C, 2006).

BC Hydro's technical experts quickly discounted the input of interveners that did not have the technical resources of knowledge to evaluate the proposed project during the hearing process (Interviewee B, 2006), thereby limiting the meaningfulness of their input. Snuneymuxw First Nation (SFN), the most immediate neighbours to the proposed project, engaged in negotiations with BC Hydro and reached a compensation agreement with the utility before the BCUC hearings in June 2003. SFN was an active participant in the Environmental Assessment process (Interviewee F, 2006) but only made an opening statement reserving their right to comment at the BCUC proceedings (BCUC, 2003, p 11).

However, SFN had negotiated a compensation package contingent on the project going ahead and would have likely presented arguments in favour of the project at the BCUC hearing (Interviewee F, 2006). Their input was conspicuously absent from the hearings and was noted by interveners (Interviewee C, 2006). Interviewees noted the lack of input from project supporters throughout the community engagement and hearing processes:

"95 per cent of the attendees at the events were opponents. They made it very uncomfortable for supporters. Supporters [of VIGP] phoned me. Many supporters were worried about speaking out [at hearings and public meetings] because [the fear of] retaliation from community members who were opposed to it. [We] engaged the community at large, engaging detractors primarily. [We] assumed that everyone who didn't come out to the hearing and associated events was not opposed to the project" (Interviewee A, 2006).

"The people who attended were representative of the people who felt strongly about VIGP. Groups with concerns about emissions were heavily represented. These people were carried over from the GSX [pipeline] project" (Interviewee B, 2006).

Unfortunately, for the project supporters, lack of participation does not constitute meaningful input and in the end, few of the parties felt that their input had a meaningful impact during the hearing process saying, "the hearing process didn't work" (Interviewee N, 2006). For the aforementioned reasons and the fragmented representation of interests at the hearing process and community consultation events, it is clear that the public participation process for VIGP was misaligned with best practices. It is important to note that BC Hydro did not have control over aspect of this process. Even critics of the project acknowledged that BC Hydro made every effort to invite a representative cross-section of publics (Interviewee D, 2006).

4.1.3.4 Provision of Technical Information

BC Hydro provided data to interveners and affected publics in hard copy, electronic copies and in the content of poster-boards, presentations and summary documents (Interviewee A, 2006). BC Hydro also provided capacity funding so that stakeholders and SFN could hire technical experts and consultants to help them review the project application (Interviewee B, 2006).

However, many of the participants felt that BC Hydro should have been more forthcoming with the source of their data. A number of parties questioned the assumptions behind the load forecasting data (a deciding factor in the cost-benefit analysis of the proposed project) but BC Hydro did not feel obligated to provide that information to interveners (Interviewee C, 2006). The interveners also made use of a list-serve[12] tool to share technical information and analysis of the evidence between BCUC hearing sessions.

The validity of the technical information presented by all parties was under constant scrutiny. Public participants with a less technical background found their arguments quickly dismissed by BC Hydro's technical experts (Interviewee B, 2006). Similarly, the fact that interveners called into question the assumptions in BC Hydro's load forecast data indicates that not all parties trusted BC Hydro's technical experts. The lack of third-party technical experts indicates that the provision of technical information was misaligned with best practice.

[12] A list serve is an electronic mailing list that allows for widespread distribution of information to many Internet users via e-mail.

4.2 Wuskwatim – Manitoba Hydro

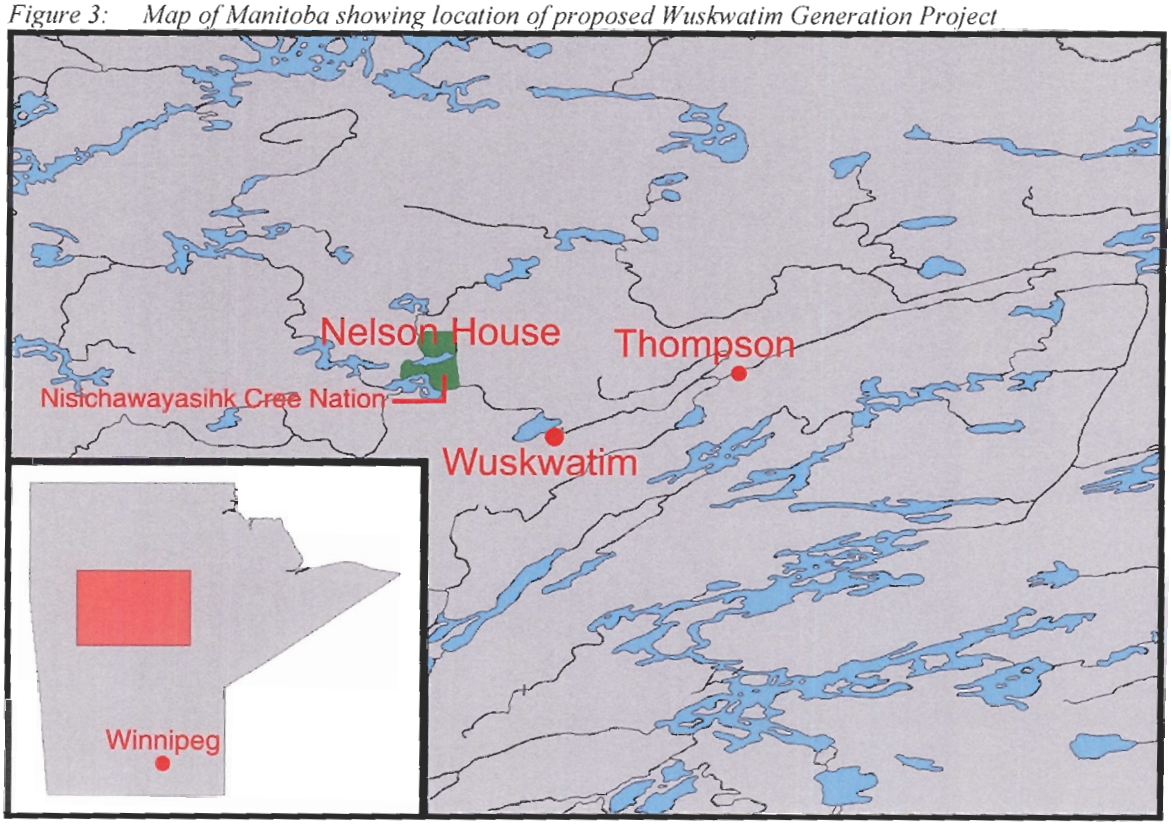
Manitoba Hydro services over 500,000 customers and with a healthy domestic supply surplus, Manitoba Hydro is an active participant in the North American electricity market, selling as much as 30 per cent of domestically generated power to utilities in Ontario and the mid-western US states (Manitoba Hydro, 2006a, p 31). Manitoba's export ambitions have a long history dating back to 1962 when then-Premier Duff Roblin announced his support for a national power grid and pledged new hydroelectric facilities for the Nelson and Churchill Rivers (Froschauer, 1999, p147). Between 1962 and 1992, Manitoba Hydro built six hydroelectric facilities in the Nelson and Churchill River area with a combined generation capacity of 4343 MW – accounting for the majority of Manitoba's generation capacity from a network of 14 hydroelectric dams (Manitoba Hydro, 2006a, p 87).

Manitoba Hydro's long-term strategy is to keep domestic electricity costs low by maximizing the net revenues from power exports (Manitoba Hydro, 2006a, p 61). To further this goal, Manitoba Hydro is currently proposing a series of hydroelectric developments in Northern Manitoba to develop some 5,000 MW of untapped hydroelectric potential (Manitoba Wildlands, 2005, p 11). One of these projects is the Wuskwatim Generation Project located near Nelson House – the home of the Nisichawayasihk Cree Nation (NCN).

After signing an Agreement in Principle with NCN in 2001, Manitoba Hydro filed the proposed project with the Manitoba Clean Environment Commission (CEC). In 2004, the CEC released its review of Wuskwatim and recommends that the transmission and generation components of Wuskwatim received licences from the Government of Manitoba (Manitoba Wildlands, 2006; Manitoba CEC, 2004, p 17).

After extensive community consultation and co-development of the project plans with Manitoba Hydro, NCN ratified the Wuskwatim Generation Project Development Agreement (PDA) by referendum on June 14, 2006 ("Nisichawayasihk Cree", 2006). This ratification gives NCN the option to buy into the project to a maximum of 33 per cent (Manitoba CEC, 2004, p 12) and communicates the consent to proceed with the project to the Government of Manitoba. Within weeks of the NCN PDA ratification, the Government of Manitoba issued licences for the Transmission and Generation components of the project ("Wuskwatim hydroelectric", 2006).

Figure 3: Map of Manitoba showing location of proposed Wuskwatim Generation Project



Under the Project Development Agreement, Manitoba Hydro will lend $56 million to NCN for their investment in the Wuskwatim Generation Project (Manitoba Hydro, 2006b, p 7). NCN will receive roughly $3 million per year from Manitoba Hydro in the form of dividend loans and water power rental rebates to ensure that the community has adequate funding for its community programs until NCN repays the loan for their share of Wuskwatim (Manitoba Hydro, 2006b, p 10). In addition to these funds, NCN will receive an additional $13 million in trust for mitigation and compensation (Manitoba Hydro, 2006b, p 11). After NCN repays their loan, they will receive up to 33% of net revenues from electricity sales at export market value.

4.2.1 Public Participation Context

The Wuskwatim Generation Project builds on existing river modifications developed by Manitoba Hydro in the 1960s designed to divert a large portion of the Churchill River into the Nelson River system for exploitation by hydroelectric projects. In 1974, five Cree communities (including Nelson House) affected by the Churchill River Diversion (CRD) formed the Northern Flood Committee and signed the Northern Flood Agreement (NFA) with Manitoba, Manitoba

Hydro and the Government of Canada in 1977 to mitigate and compensate for the adverse affects of CRD (Manitoba CEC, 2004, pp 7-9).

Some Cree community members in Northern Manitoba have attributed increased incidence of suicide, alcohol abuse and violence to the development of CRD and its associated generation facilities (Squires, 2006). To act on its commitments to NCN through the NFA, Manitoba Hydro signed a NFA Implementation Agreement with the Nisichawayasihk Cree Nation (NCN) of Nelson House in 1996 that initiated a business relationship between Manitoba Hydro and NCN. Between 1997 and 2006, Manitoba Hydro and NCN cultivated a partnership and jointly arrived at the conclusion that a hydroelectric project (Wuskwatim) was the best option for implementing the NFA Implementation Agreement at Nelson House (Interviewee G, 2006).

A 2002 review of the environmental-impact statements (EIS) by the CEC (and the accompanying public meetings held in Thompson, Winnipeg, Nelson House and The Pas) was the first opportunity for publics outside of NCN to review the details of the proposed project (Manitoba Wildlands, 2006). In 2001, NCN completed a survey of its members asking, "Do you trust Manitoba Hydro?" – Only 25 per cent of respondents said "Yes" (Interviewee G, 2006). A group within Nelson House opposed to the Wuskwatim Generation Project formed around this time calling themselves the Justice Seekers. The group is distrustful of Manitoba Hydro and the current elected band council in NCN (Squires, 2006). The Justice Seekers have been calling for more transparency in the process, petitioned the Federal Government for a forensic audit of NCN's operations and successfully lobbied to have Federal election observers oversee the June 2006 referendum on the PDA (Interviewee L, 2006; "Wuskwatim Misinformation", 2006).

Members of the Pimicikamak Cree Nation (PCN) in Cross Lake, Manitoba have also been strong opponents of the project, accusing Manitoba Hydro of creating anomie[13] in their community and enlisting the support of Robert F. Kennedy Jr. and the American Natural Resources Defence Council (Kennedy, 2004). The complaints of PCN culminated in a motion to the CEC in July, 2003 to expand the scope of the Wuskwatim review to include an environmental impact assessment of all existing Manitoba Hydro facilities associated with the Nelson River and CRD as well as all other future planned projects for this water system (Pimicikamak, 2003, pp 1-2). The CEC denied this motion in October 2003 (Manitoba Wildlands, 2006) but PCN continues

[13] A condition or malaise in individuals, characterized by an absence or diminution of standards or values. Often applied to First Nation communities in Canada negatively impacted by the encroachment of Western society and its influence.

to be vocal opponents of the project and have travelled to jurisdictions in the mid-western US to rally support for their cause (Interviewee M, 2006).

In addition to the concerns PCN and other First Nation communities in Northern Manitoba, there has been wider-spread criticism of the project review process. In most Canadian jurisdictions, a proposed hydroelectric project is reviewed by and must receive approval from an environmental regulatory body (which looks at the environmental impact of a project) and a utilities commission (which examines the justification and economic arguments for the project) – not necessarily in that order. With Wuskwatim, the Government of Manitoba tasked the CEC with reviewing the environmental impact even though this body lacks the legislative authority to make their recommendations binding on Manitoba Hydro (*Environment Act*, 1987, p 10). Additionally, the CEC was tasked with reviewing the economic argument and project justification after the Government of Manitoba waived a Manitoba Public Utilities Board (PUB) review – a regulatory body which does have the legislative authority to hold Manitoba Hydro accountable (Interviewee L, 2006; Manitoba Wildlands, 2006).

Although the CEC generally recommended that the Government of Manitoba issue licences to Manitoba Hydro for the generation and transmission components of Wuskwatim, they had additional recommendations around the community consultation process that were not addressed in the licences issued to Manitoba Hydro (Manitoba CEC, 2004). This was the primary complaint of some of the derivative stakeholders like Manitoba Wildlands. The Canadian Environmental Assessment Agency (CEAA) stated on June 21, 2006 that the Wuskwatim Generation Project does not require further review by that body and referred the file back to the Department of Fisheries and Oceans (DFO) for approval (CEAA, 2006b). DFO submitted their federal comprehensive study report (CSR) for Wuskwatim for public review and comment in November 2005 but has not yet issued its final findings on the project (Manitoba Wildlands, 2006).

4.2.2 Project Timeline

Table 9: Wuskwatim Generation Project Milestones

Year	Milestone
1997	Manitoba Hydro and NCN begin Wuskwatim discussions.
1998	Joint environmental studies (Manitoba Hydro, NCN) begin.
1999	NCN and Manitoba Hydro select an Environmental Assessment consultant that reports to both parties.
2001	Manitoba Hydro and NCN reach an Agreement in Principle. Manitoba Conservation issues Environmental Impact Statement (EIS) guidelines for public review.
2002	CEC holds public hearings in affected communities.
2003	Manitoba Hydro publishes Summary of Understandings and submits EIS to the CEC.
2004	CEC holds hearings on Wuskwatim EIS and issues report with recommendations to issue licences to Manitoba Hydro.
2005	DFO releases Federal Comprehensive Study Report (CSR) for review and comment.
2006	Wuskwatim Generation PDA finalized by Manitoba Hydro and NCN, NCN votes in favour of project (June 14, 2006) Minister Of Energy, Science and Technology announces project to Manitoba Residents and issues licences for transmission and generation components of project, infrastructure construction (roads, work camp) begins.
Projected Milestones	
2007	Construction of generating station begins.
2012	Generating station begins to supply power to Manitoba customers.

Source: Interviewee H, 2006; Interviewee G, 2006; Manitoba Wildlands, 2006

4.2.3 Assessment Criteria

Table 10 indicates that the proposed Wuskwatim Generation Project resulted in a successful regulatory filing. At the time of writing, the generation and transmission components of the project are not completed but construction on them has begun. Under "improved relationship with affected public", this report notes that the evaluation of that criteria depends upon which affected public you are referring to. Without a doubt, the relationship between NCN, Thompson and Manitoba Hydro was vastly improved. The relationship with some of the derivative stakeholders (who have filed appeals to the Government of Manitoba's decision to issue licences for Wuskwatim) has clearly not improved. There is also the matter of other

communities that see themselves as normative publics (such as PCN) but who, under the definition of the Wuskwatim regulatory application, are derivative publics.

Manitoba Hydro tried to work with PCN (a.k.a. Cross Lake First Nation) to develop an NFA Implementation Agreement but PCN walked away from the negotiating table in 1997 (INAC, 2004). For that reason, I evaluated the project as though normative publics of the Wuskwatim Generation Project are only those directly impacted by the project while others (such as PCN) are derivative publics. Regardless of outcome, there were winners and losers resulting from the Government of Manitoba's decision to proceed with Wuskwatim and not surprisingly, the losers feel that their relationship with Manitoba Hydro has not improved (Interviewee L, 2006).

Table 10: Wuskwatim Assessment Criteria and Public Participation Impact Indicators

Public Participation Measures	**Outcome**
Successful regulatory filing and subsequent capital project	Yes[14]
Improved relationship with the affected public	Yes (depends on the public)
Process Assessment Criteria	**Outcome**
Timing of Process	Perfectly aligned[15]
Fairness of process	Perceived to be fair
Input Opportunities	Perfectly aligned
Provision of Technical Information	Generally aligned

4.2.3.1 Timing of Process

With regard to the normative publics of Wuskwatim (noting the caveats in preceding section), Manitoba Hydro's timing practices are perfectly aligned with international standards. The steps taken with NCN – first establishing an agreement to mitigate and compensate for past grievances, then establishing a framework for a partnership and finally reaching the decision to build a capital project together with the democratically established consent of the normative public (in this case, NCN members) – are all best practice examples of project development built on a foundation of fairness (see Section 2.1.1 for details).

[14] Construction had just begun on this project at time of writing.
[15] Assuming normative publics of Wuskwatim are only those directly impacted by the project while others (such as PCN) are derivative publics.

Even the strongest derivative public opponents to the project have admitted that the Government of Manitoba has been in consultation with them since 1999 – only a few years after Manitoba Hydro started discussing the project with the normative publics (Interviewee L, 2006). For these reasons, it is clear that Manitoba Hydro is highly aligned with best practices with regard to the timing of public engagement around a proposed capital project.

4.2.3.2 Fairness of Process

As mentioned in Section 4.2.1, a number of the derivative stakeholders and First Nations communities would argue that the process was not fair, based on the defined scope of the project and the limited authority of the CEC (See Appendix B for actual figures). For example:

"The hearings were not fair at all. CEC short-changed the environmental hearings, Manitoba Hydro hand-picked the interveners and stacked it in the favour of proponents and one of the interveners was having side negotiations with Manitoba Hydro and that didn't come out until the hearings were underway" (Interviewee L, 2006).

These same derivative stakeholders claim to be looking out for the interests of the Cree communities in the Northern Flood Agreement. At the same time, they refuse to acknowledge NCN as a normative public and see that community as a proponent of the project despite the fact that the NCN referendum in June 2006 could have stopped the project in its tracks if it became clear that the project did not have the support of the majority of the community. For this reason and the fact that there are factions within NCN that are opposed to the project, I have chosen to view NCN as a normative public, not a proponent of the project. However, as one Manitoba Hydro representative notes:

"Even people who support the project don't necessarily trust [Manitoba Hydro]. There's a political element at play in these communities – people who think that under different leadership, NCN could have gotten a better deal from Manitoba Hydro. Other people have found this process to be relatively fair" (Interviewee J, 2006).

Since the normative publics voted in favour of the proposed project and based on the comments of normative constituents who are satisfied with the fairness of the process (Interviewee M, 2006), it is assumed that the normative publics found this process to be fair.

4.2.3.3 Input Opportunities

While some derivative publics might have felt that Manitoba Hydro did not take their input seriously or that their input opportunities were inadequate (Interviewee L, 2006), it is clear that not all participants felt this way:

"[The process] was very inclusive but it might have been 'too broad' of consultation. Academics and politicians from other jurisdictions were allowed to unfairly dominate the forum" (Interviewee M, 2006).

Even with this kind of support, representatives from Manitoba Hydro recognized that they could have included the surrounding First Nations communities in a more meaningful way:

"[One of the lessons learned from Wuskwatim is that Manitoba Hydro] needed to broaden the environmental scan to address the larger First Nations grievances and issues that remain outstanding. Old issues were raised by surrounding communities and we weren't able to deal with that in this process" (Interviewee I, 2006).

Manitoba Hydro met with directly with a number of these communities to talk about the proposed Wuskwatim Generation Project in 2001 and 2002 (see

Table 11). Certainly, no other communities received the kind of in-depth consultation that residents of Nelson House (NCN) received but none of these communities (with the exception of Thompson) is located within a reasonable distance of the proposed project site.

Table 11: Northern Manitoba Communities Consulted in 2001/2002 re: Wuskwatim

Community	Nature of Consultation with Community Members
Nelson House (NCN)	Meeting with Community Members + Elected Officials
LGD of Mystery Lake	Meeting with Elected Officials + Open House with Community Members
Thompson	Meeting with Elected Officials + Open House with Community Members
Wabowden	Meeting with Community Members + Elected Officials
Thicket Portage	Meeting with Community Members + Elected Officials

Community	Nature of Consultation with Community Members
Pikwitonei	Meeting with Community Members + Elected Officials
Town of Gilliam	Meeting with Elected Officials (Meeting with Community Members not Requested)
York Factory First Nation	Meeting with Elected Officials (Meeting with Community Members not Requested)
Fox Lake First Nation	Meeting with Elected Officials + Career Symposium for Community Members
Ilford	Meeting with Elected Officials (Meeting with Community Members not Requested)

Source: Interviewee H, 2006; Manitoba Hydro, 2003, p 15

The public consultation process itself was very thorough with five rounds of consultation and two rounds that were very activity-heavy (Interviewee K, 2006). In parallel to Manitoba Hydro's public consultation efforts, the Chief and Council of NCN chose to do much of the consultation around the proposed Wuskwatim Generation Project within Nelson House on their own. Manitoba Hydro provided funding for NCN to hire a number of community consultants[16] from its own community that would be responsible for liaising with the community during the review and referendum process (Interviewee H, 2006).

"[NCN] used best practices that incorporated traditional knowledge and values [when consulting the residents of Nelson House]. The goal of their consultation was to inform the NCN population about the project. [The community consultants have] been working in the community for the last six to seven years" (Interviewee J, 2006).

Given this history and the fact that project proponents cite NCN's role "as a partner, co-assessor and a license co-applicant" was critical to the outcome of this project (Interviewee I, 2006), it is clear that the meaningfulness of input opportunities for Wuskwatim was perfectly aligned with best practices.

4.2.3.4 Provision of Technical Information

For NCN, the provision of technical information aligned well with best practices. Providing community consultants that would act as a liaison between Manitoba Hydro technical staff and the residents of Nelson House (some of whom only speak Cree) was an excellent

decision on the part of NCN Chief and Council. While some community members complained that they did not have adequate time to review the 1,500 page PDA (Interviewee J, 2006), NCN took many steps to ensure that the community was receiving the information they needed on the Wuskwatim Generation Project in order to make an informed decision:

"[After consulting with a communications firm] they issued a 15-page summary of the [PDA] to the community, a 60-page FAQ document and lots of newsletters" (Interviewee J, 2006).

Efforts to produce summary documents in layperson's terms combined with the use of the Community Consultants establishes that Nelson House Chief and Council were using best-practice methodologies in their provision of technical information. For the residents of Nelson House, this was a unique opportunity:

"For NCN, this was a huge learning and capacity-building opportunity. Their knowledge on the technology and environmental assessment has increased exponentially" (Interviewee K, 2006).

Derivative publics also received good access to technical documents and increased their knowledge and capacity around large capital projects exponentially. However, inconsistent provision of technical information marred the process for some derivative constituents:

"[Information was provided to us] through requests. The list serve had electronic copies of the documents. Hard copies were available as well. All electronic access to materials stopped once the [EIS] hearing process started though. CEC also shut down the list serve as soon as the hearings started" (Interviewee L, 2006).

The purpose of shutting down the list serve and access to electronic documentation is unclear and only appears to undermine the confidence of some derivative stakeholders in the process. While the alignment to best practices in Nelson House was excellent, the inconsistency of information provision across other publics means that overall, provision of technical information around the project aligns only generally with best practice.

[16] NCN hired between five and seven Community Consultants for the EIS review process. With the assistance of Manitoba Hydro, NCN set up a Future Development Office to provide more information about the project. Leading up

4.3 Eastmain 1-A – Hydro-Québec

As one of the largest electric utilities in North America, Hydro-Québec services over 3.7 million customers and sells roughly 10 per cent of its power to customers in the US (Hydro-Québec, 2006a, p 3). Hydro-Québec states that export sales increase the security of Hydro-Québec's electricity supply while generating additional revenue (Seelo & Roux, 2004, p 3). Intertwined with its long history of distancing itself politically, socially and economically from the rest of Canada was the idea that power sovereignty would make Québec "masters in [their] own house" (Froschauer, 1999, p 81). Between 1971 and 1996, the James Bay Energy Company (JBEC - a wholly owned subsidiary of Hydro-Québec) built eight hydroelectric dams in the James Bay region of Northern Québec totalling 16 GW of capacity (Froschauer, 1999, p 83; Hydro-Québec, 2006b). That is approximately enough capacity to supply all of British Columbia and Manitoba's domestic demand in 2005 (Manitoba Hydro, 2006a, p 87; BC Hydro, 2006, p 6).

The current mission of Hydro-Québec is to generate power for sale in wholesale markets "within and outside of Québec" (Hydro-Québec, 2006, p 9). This is in contrast to the utility's stance in the mid-1980s when, to avoid selling surplus power to neighbouring Canadian jurisdictions[17] (which returned a lower profit than exporting to the US), the utility consistently predicted domestic shortages prior to the launch of a project proposal and revealed an actual surplus upon its completion (Froschauer, 1999, p 93). Like Manitoba Hydro, export sales offset the cost of domestic power to Hydro-Québec customers (Hydro-Québec, 2006, p 54).

The latest hydroelectric project proposed for the James Bay region is the Eastmain 1-A project that would add a 768 MW powerhouse to the grid. The project also involves the partial diversion of the Rupert River – a waterway that has great cultural value for the Cree – and would potentially affect parts of the traditional territories used by six of the nine Cree communities living in the James Bay region (Seelo & Roux, 2004, p 13). By signing the *Boumhounan Agreement* (2002)[18] with the Grand Council of the Crees (Eeyou Istchee), the Cree Regional Authority, the Eastmain Band, the Cree Nation of Mistissini, the Nemaska Band and the Waskaganish Band, JBEC and Hydro-Québec effectively obtained general permission from these communities to pursue the Eastmain 1-A project (Eeyou Istchee, 2002).

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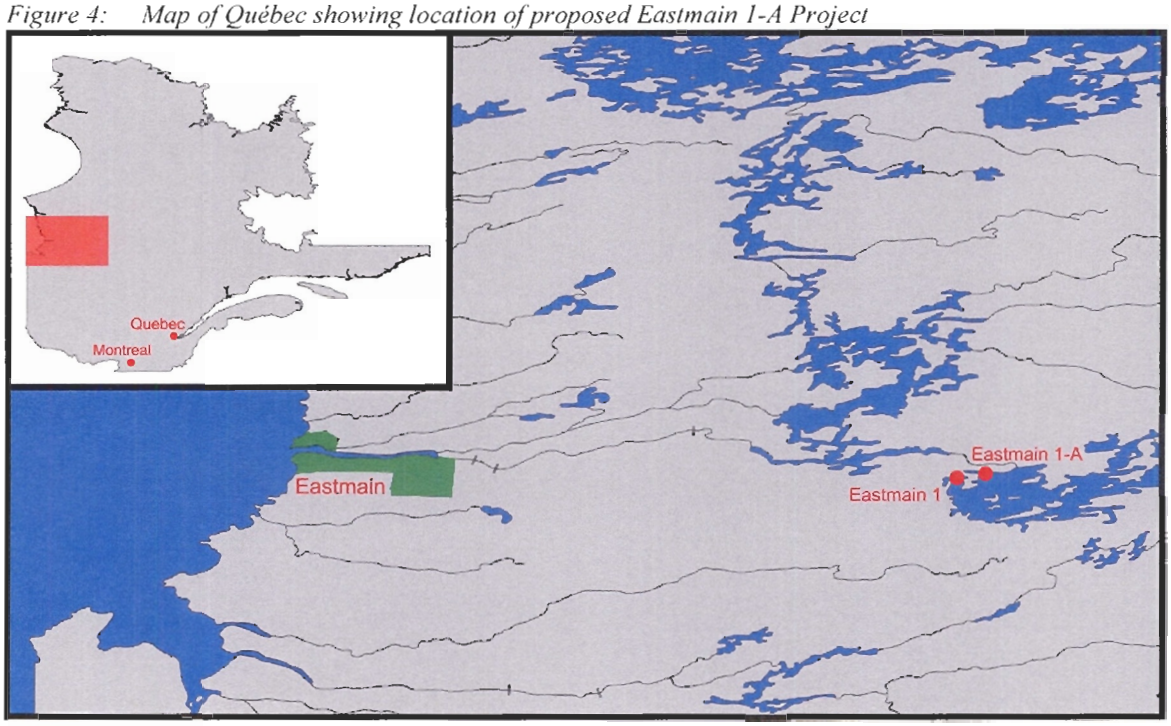
to the referendum, there were as many as 40 Community Consultants to go door to door in the community to talk about the proposed project. All of these positions were funded by Manitoba Hydro (Interviewee K, 2006).

[17] The National Energy Board requires all Canadian power utilities to first offer any domestic surplus to neighbouring Canadian jurisdictions before selling that power to US utilities at market price (Froschauer, 1999 p 20).

[18] The actual Boumhounan Agreement is not available for public review. Highlights are available from various sources online.

The *Boumhounan Agreement* follows the *Peace of the Braves Agreement* (2002) signed by the Government of Québec and the Grand Council of the Crees by way of establishing a new relationship between the "two nations". The *Peace of the Braves Agreement* expands on commitments made in the *James Bay Northern Québec Agreement* (JBNQA) signed in 1975 by the Government of Québec, JBEC, the James Bay Development Corporation, Hydro-Québec, the Grand Council of the Crees (of Québec), the Northern Québec Inuit Association, and the Government of Canada (Manitoba Hydro, 2004, p 1). All of these agreements (effectively, treaties) outline scope and limitation of hydroelectric development in the James Bay region.

Figure 4: Map of Québec showing location of proposed Eastmain 1-A Project



After signing the *Boumhounan Agreement* in 2002, Hydro-Québec and JBEC (hereafter "the Proponents") registered the proposed Eastmain 1-A project with the CEAA and the Québec Environmental and Social Impact Review Committee (COMEX[19]) in November 2002 (CEAA and COMEX, 2004, p 1). The JBQNA Evaluating Committee and CEAA conducted public consultation as part of the preparation of an Impact Statement in 2003 (CEAA and COMEX, 2004, p 1; Interviewee O, 2006). COMEX and the CEAA reviewed the Proponents' Impact

[19] Please note that the COMEX is a permanent agency (mandate defined in Section 22 of the JBNQA).

Statement as a joint panel (formed in 2004) between March 2005 and June (CEAA and COMEX, 2004, p 2; CEAA, 2006a).

The public hearings conducted by CEAA and COMEX concluded in June 2006 and their reports (including recommendations on licences for the Eastmain 1-A project) are due before the end of the fiscal year (March 31, 2007) (CEAA and COMEX, 2004, p 2; CEAA, 2006a; Interviewee P, 2006). Hydro-Québec was very clear to establish that they had very limited influence over the joint CEAA/COMEX review of the project and where there as "paying guests" (Interviewee P, 2006; Interviewee Q, 2006). Until the Proponents receive those recommendations, there is no certainty of the Eastmain 1-A Generation Project.

4.3.1 Public Participation Context

Prior to 1975 (with the signing of the JBNQA), Hydro-Québec was not required to negotiate or consult Cree communities in the James Bay region and during that time, built significant hydroelectric facilities on the Manicouagan and Outardes Rivers (Frocshauer, 1999, p 81). Since 1963, the Cree communities in the region have used litigation and political lobbying outside of Québec to try to stop Hydro-Québec's developments in the James Bay region.

After decades of previous dealings with Hydro-Québec, the Cree of Northern Québec do not hesitate to bring in technical expertise to verify the assumptions made by the Proponents in their application for Eastmain 1-A. A recent report issued by the Cree nations of Nemaska, Washahanish and Chisasibi called into question the Proponents' assertion that there is any "substantial need for additional energy within its planning horizon" and forecast (using Hydro-Québec data), a surplus of 2.9 TWh in 2014 (Raphals, 2006, p 6). They go on to expose the fact that Hydro-Québec recently updated its flexibility margin policy from five TWh (which has been adequate in previous years) to 15 TWh prior to filing the Eastmain 1-A application and assert that by limiting its market exports, Hydro-Québec could meet its new 15 TWh flexibility margin (Raphals, 2006, p 19). This is typical of project review processes where affected publics do not trust the project proponent or supporters of the project, including the technical experts brought to the process (Smith & Marquez, 2000, p 274).

Many members of the Cree communities of Eeyou Istchee do not see the Proponent's proposed development as compatible with the Cree way of life and have some concerns about the proposed development (Hilton, 2006, pp 83-97). The communities of Nemaska, Chisasibi and

Waskahanish have specific grievances associated with the project that Hydro-Québec claims was cleared by those communities as signatories to the *Boumhounan Agreement* (2002) (Nemaska, Chisasibi and Waskahanish, 2006, p 3):

- The *Boumhounan Agreement* only described the proposed project (Eastmain 1-A) in general terms. Hydro-Québec did not release the details of the project until 10 months after the signatories ratified the *Boumhounan Agreement* and did not release the impact statement until 2004. The communities in question argue that they "were not, and could not have been, fully informed about the impacts" of Eastmain 1-A.

- The communities in question understood that by signing the *Boumhounan Agreement*, they were only giving their consent for an in-depth study of the project – they were not authorizing it.

- Chisasibi, as a community affected by Eastmain 1-A, did not sign the *Boumhounan Agreement*.

In this context, it is clear that there is a lot of tension, distrust and conflict between the Proponents and the normative publics associated with this project going into the review process and community consultations. However, Hydro-Québec has learned from its experiences, and has established three essential conditions to for all new projects to meet before applying for licences. Proposed projects must be profitable under market conditions, environmentally acceptable, and well received by the local communities (Seelos & Roux, 2004, p 5).

To act on this commitment, the Proponents have guaranteed special funds and remedial measures as well as economic and community benefits such as training, employment, work contracts and environmental guarantees, commitments and undertakings. As far back as 1999, the Proponent secured the Cree communities' input into the environmental and social studies. Specifically, the Cree participated in conceiving the terms of reference for the environmental study, gathering data and information, and analyzing the results and conclusions before submitted the results to the CEAA and COMEX for review (Seelos & Roux, 2004, p 15).

4.3.2 Project Timeline

Table 12: Eastmain 1-A Project Milestones

Year	Milestone
1995	Rupert Diversion studies begin.
1999	Discussions with Cree in Northern Québec with regard to the Rupert Diversion begin.
2002	*Boumhounan Agreement* signed and the Proponents submit application for Eastmain 1-A project with Government of Québec and the CEAA.
2003	COMEX and Federal Panel hold public consultations in many Cree communities to determine criteria for impact statement. COMEX and Federal Panel send instructions on how to prepare impact statement to the Proponents.
2004	Terms of reference for COMEX/CEAA joint review process published.
2005	Written statements from affected publics received by COMEX/CEAA joint panel.
2006	Between February and June, joint panel (CEAA and COMEX) hear arguments from publics with regard to the Eastmain 1-A proposal.
Projected Milestones	
2007	License recommendations received from CEAA and COMEX.
2012	If successfully licensed, Eastmain 1-A scheduled to begin full power production.

Source: Hydro-Québec, 2006; Interviewee P, 2006; CEAA and COMEX, 2004

4.3.3 Assessment Criteria

At the time of writing this report, the Government of Québec or the CEAA have made no public decision on Eastmain 1-A. The recommendations of these review bodies will be available by October 2006. In terms of Hydro-Québec's relationship with the affected public, it is clear from Section 4.3.1 that there is still a high degree of distrust in the project Proponents. The current actions of Hydro-Québec are doing little to improve the trust according to some participants:

"Maybe the "not so good" history of the proponent in the territory with these communities had something to do with the lack of understanding. However, the complicated PowerPoint technical presentations made by the proponent and the denying of impact for

such an important project were decreasing the openness of the receiver for the proponent messages" (Interviewee O, 2006).

After reviewing dozens of statements by public participants with similar views, it is clear that this review process does not improve the relationship between Hydro-Québec and its affected publics.

Table 13: Eastmain 1-A Assessment Criteria and Public Participation Impact Indicators

Public Participation Measures	**Outcome**
Successful regulatory filing and subsequent capital project	Unknown at time of writing
Improved relationship with the affected public	No
Process Assessment Criteria	**Outcome**
Timing of Process	Generally Aligned
Fairness of process	Fair, but not perceived so by all publics
Input Opportunities	Generally Aligned
Provision of Technical Information	Misaligned

4.3.3.1 Timing of Process

Table 12 clearly illustrates that Hydro-Québec has been in consultation with Cree leaders since 1999. However, individual community members perceive this process as coming on very quickly, giving normative stakeholders little time to prepare for intervention:

"When [the CEAA] announced Phase I [consultations], two years ago, they didn't advertise very well in the Cree community. The project came on very quickly. The timing between when [the community] heard about the project and when that had to have an application in was very short – in some cases, only one week" (Interviewee R, 2006).

Despite the good intentions of the Proponents, it is clear that their invitations did not extend far into the affected communities that they claim to have consulted. Best practice dictates that a project proponent must spare no effort to ensure that all affected parties are aware of consultation opportunities and are given adequate time to prepare for participation. For the aforementioned reasons, this paper concludes that Hydro-Québec generally aligns with best practices with regard to the timing of the consultation process.

4.3.3.2 Fairness of Process

The tight timelines for participants led some derivative publics to conclude that the process was not fair (Interviewee R, 2006, Appendix B). However, the Proponent reminded me that they have spent six years on consultation with communities and have conducted dozens of public meetings, open houses and community consultations to satisfy the consultation requirements of the CEAA and COMEX (Interviewee P, 2006). Structurally, there was nothing unfair about the process that the Proponents conducted. The fact that information about the consultation opportunities took a long time to filter down to individual constituents in these Cree communities is not surprising when one considers the remoteness of these communities. In recognition of the fact that many participants would not have the time or resources to attend the consultation events in their communities, Hydro-Québec took the additional measure of broadcasting all hearings over the radio (Interviewee Q, 2006). These realities create conditions under which it is very difficult to get information to all normative stakeholders. Considering the effort put in by the Proponents, this paper cannot fault their methodology for being unfair.

4.3.3.3 Input Opportunity

From the beginning of this process, COMEX and CEAA very clearly informed the public about their role in the hearings and how the panels would use public input. Hydro-Québec provided information in English and Cree (Interviewee Q, 2006). COMEX told the public that the review panel did not have the authority to tell the Proponents "what to do" but were going to put their recommendations in a report (Interviewee S, 2006). Whatever the intentions of this process, it is a review panel and some participants found the process to be "cold and bureaucratic":

"People who spoke from the heart didn't get anything back. It's a strategy – you need to ask for what you want in the context of the project if you want to get any feedback. They'll listen to the heart-felt feedback but they can't really respond to it" (Interviewee R, 2006).

Clearly, the public had an opportunity for meaningful input but for the sake of keeping the hearings on track, they panel treated emotional appeals with professional distance. In the case of the Proponent hearings prior to filing the project with the CEAA, Hydro-Québec stopped consultations if "things got too emotional with the participants" (Interviewee S, 2006). Granted, given the history of hydroelectric development in the James Bay region, this is an emotionally

charged issue and representatives of CEAA recognize that "a lot of effort was made by the proponent" considering that a process like this had never occurred before in Québec. (Interviewee O, 2006).

In terms of meaningful input, some observers felt that Hydro-Québec placed too much focus on the tallymen[20] and their needs and those other normative publics in the affected communities had little meaningful input into the preparation of impact statement directives (Interviewee O, 2006). For the aforementioned reasons, it is clear that the Proponent generally aligns with best practices but to perfect alignment would require deeper consultation with the broader normative publics.

4.3.3.4 Quality of Technical Information

The Proponents demonstrate a deep understanding of the information needs of the normative publics:

"Public participation is enhanced by clear communication between parties. Most of the First Nations have are oral [sic] oriented societies in comparison with the occidental [sic] written oriented societies. This fact was evident [as] most of the documents prepared by the review bodies [were] not of great help to the communities or not even considered (boxes full of documents not even opened...). The use of local radio to send messages was far more efficient" (Interviewee O, 2006).

Similarly, it was clear that the project review process incorporated the values of the affected communities:

"Traditional knowledge studies (especially with fisheries, hunting and trapping) were utilized. There were many meetings with the Talleymen and their extended families" (Interviewee P, 2006).

"There was money available to these communities to hire consultants and there were a number of specialists working for the Cree General Assembly that gave technical advice on the application to the Cree. Information was translated by Cree into Cree" (Interviewee Q, 2006).

[20] Cree tallymen are responsible for the supervision of the harvest on a Cree trap line.

Despite these efforts, the proponents recognized that they were not in alignment with best practices:

"There was a 2004 impact statement from Hydro-Québec that was 5,000 pages. There were 2,000 pages of responses. It's hard to imagine that anyone from the general public read more than a few pages" (Interviewee P, 2006).

Similarly, participants had their criticisms of the information provision process:

"Hydro-Québec was as transparent as they could be. They could have put more effort into providing detailed information. Technical information was not well translated into layman's terms" (Interviewee S, 2006).

Although the Proponents recognized the challenges inherent in providing technical knowledge to the Cree communities, their execution of information provision was misaligned with best practices.

5 Analysis

5.1 Summary of Findings

The most effective, successful public participation processes are those that enable the affected publics to make a fully informed decision about a proposed project. A less than fully informed public cannot successfully debate the tradeoffs of the project with the proponent and will therefore perceive the process as unfair. Processes perceived to be unfair have a significant, negative impact on the proposed project when it goes before a regulatory hearing where the affected publics are present as interveners. Four factors contribute to achieving fully informed publics:

5.1.1 Timing of the Process

In order to ensure the most efficient use of proponent and public resources (time and money), the public should be involved in the proposed project from conception onwards. Best practice dictates the affected publics review project scoping, potential sites, environmental impact assessments and technical reviews. Canadian public electric utilities appear to run into difficulties with normative and derivative publics when they complete the aforementioned steps in-house and then presented them as a *fait accompli* at the start of the public consultation process. The regulatory process, which is essentially a litigation process, is not the best forum for serious arguments about the validity of the data, the process or the intentions of the proponent.

The utility will also experience a reduction in cost over the course of the project making this methodology more pragmatic (even at the preliminary scoping phase) than the status quo. For example, work done in-house without public scrutiny is not without cost and when presented to the public, the resulting criticism may necessitate numerous re-writes as well as additional, very costly time in front of the regulator.

Figure 5: Analysis of Interviewee Responses Related to Timing of Process

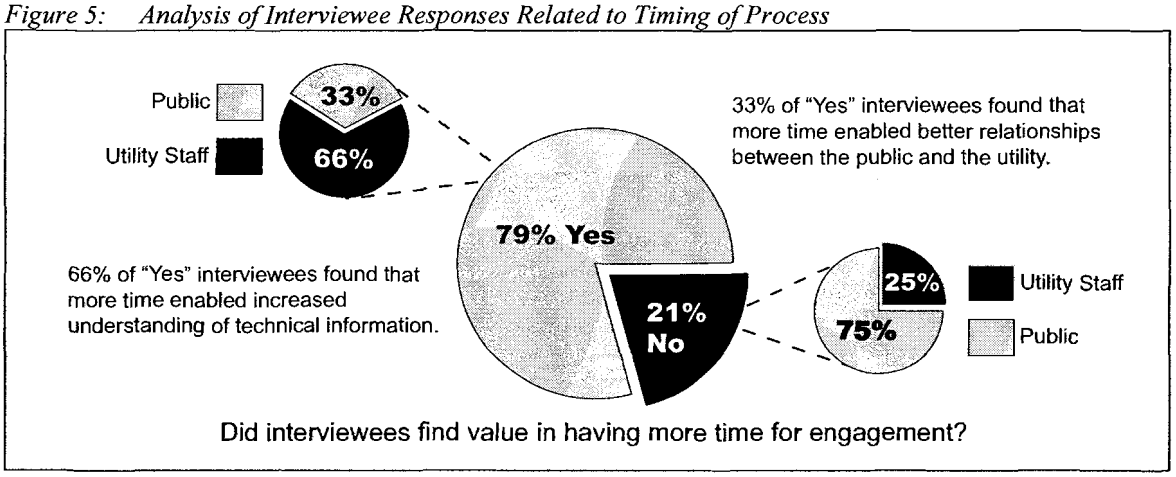


Figure 5 illustrates the coded responses of interviewees related to the timing of an engagement process (n=19). The coding procedure looked for any comments about the timing of the process in the context of the interview. This analysis shows that the majority (79 per cent) of interviewees felt that there was value in having more time for engagement[21]. (See Appendix C for detailed qualitative response coding data). The majority (66 per cent) of those interviewees that did find value in having more time for engagement were utility staff, representing 91 per cent of total utility staff interviewees:

"If we could do it over again, would have started engagement much earlier and done it for longer before the hearing process" (Interviewee B, 2006).

This is in contrast to the few responses from utility staff indicating that they would have preferred a much shorter process:

"The Cree claim that they didn't have enough time to manage the review process. [That is] six years to get a permit. That process is too long for Hydro-Québec" (Interviewee P, 2006).

Of the respondents that felt there was some value in having more time for engagement, 66 per cent specifically mentioned that the additional time enabled a better understanding of technical information while 33 per cent felt that the additional time enabled better relationship

[21] Note: The interview did not explicitly ask the question "did the interviewee find value in having more time for engagement". "Yes" coded responses indicate that an interviewee made an unsolicited comment about the value of more time for engagement. "No" coded responses are not indicative of a negative statement but rather the absence of any unsolicited statements about the timing of the process.

building between utility staff and the public. This clearly indicates that the majority of the interviewees agree that the timing of the process is extremely important to the overall success of the project.

Public dissatisfaction with the technical information, the process or the motivations of the proponent are all symptoms of a less than fully informed public. Where interviewees had complaints about the timing of the process, the root of that complaint appears to be that they felt they did not have enough time to prepare their arguments for or against a proposed project:

"The volume of materials was very challenging to handle. It was stressful to get through that much material during the hearings. There were thousands of pages of evidence" (Interviewee D, 2006).

"The timing between when they [the community] heard about the project and when that had to have an application in was very short - in some cases, only a week. There wasn't enough time allowed for people to insert themselves into the process" (Interviewee R, 2006).

Therefore, the paper concludes that by not including affected publics at an early stage in the project planning process, Canadian public electric utilities are raising barriers to a fully informed public.

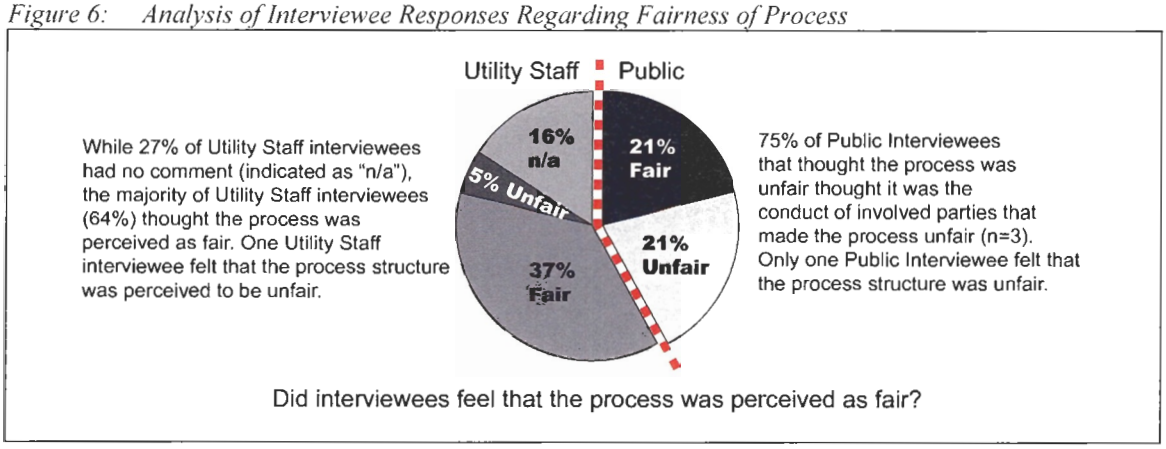
5.1.2 Fairness of the Process

It is important that the process is fair to all participants. Any suggestion to the contrary can derail the engagement process for individuals or, if founded, the claims have impact for the whole community. Figure 6 illustrates interviewee responses to a specific question posed in the expert interviews about the perceived "fairness" of the engagement process (n=19). This study coded the differentiation between "conduct" fairness and "process" fairness from unsolicited statements made by the interviewees (see Appendix C).

Not surprisingly, the majority of Utility Staff interviewed (64%) felt that their engagement processes were perceived by the public as fair. One utility representative went as far as to acknowledge that some members of the public did not feel that the process used was fair but this is in contrast to the 50% of Public Interviewees that felt the process was unfair. The important distinction that emerged once I coded unsolicited remarks from Public Interviewees

about "unfair" processes was that 75% of these complaints have a foundation in the conduct of other parties within the process, not the process itself:

Figure 6: Analysis of Interviewee Responses Regarding Fairness of Process



"The fact that BC Hydro managed to push through VI CFT was not fair. There was some funny accounting that took place to make the business case for Pristine Power" (Interviewee C, 2006).

"Manitoba Hydro hand-picked the interveners and stacked it in the favour of proponents and one of the interveners was having side negotiations with Manitoba Hydro and that didn't come out until the hearings were underway" (Interviewee L, 2006).

In the case of VIGP (BC Hydro), accusations of a biased BCUC (Interviewee N, 2006) boil down to the fact that the proponent had more time and resources to prepare their arguments than the interveners did. BC Hydro representatives felt that pushback from dissatisfied interveners was a major factor in the decision to shelve plans for thermal power generation on Vancouver Island (Interviewee B, 2006; Interviewee E, 2006).

In the other case studies, complaints about the proposed project appear to be concerned with factors that are out of the scope of the project. In the case of Wuskwatim, there were no complaints about the fairness of the process. There were complaints about the legislated mandate of the agency that reviewed the project (Manitoba Hydro's lack of legislated accountability to the CEC) and the context in which the public consultation was taking place (PCN's unsuccessful appeal to widen the scope of the review to include all Manitoba Hydro project in the Northern Flood Agreement area). These complaints are not criticisms of the process, as they do not

comment on the process. Therefore, this paper concludes that affected publics will view a process that does not give the public adequate time and resources to make a fully informed decision about a proposed project as unfair.

5.1.3 Input Opportunities

The interview asked specific questions about the impact of their input on the outcome of the project. However, with the Eastmain 1-A case study, the outcome of that project is not yet known (and will not be known until late 2006/early 2007) so when analyzing the impact of public input, this paper excludes analysis of the Eastmain 1-A project.

Figure 7: Analysis of Interviewee Responses Regarding Perceived Impact of Input on Project Outcomes

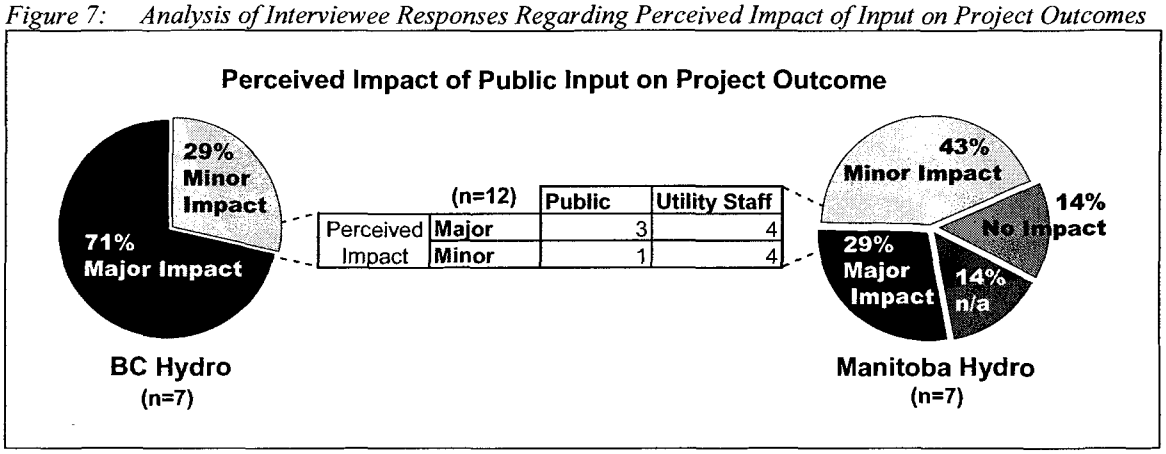


Figure 7 shows the coded responses of interviewees from BC and Manitoba. Responses were coded "major impact" when the interviewee indicated that they felt public participation had a "big" or "huge" impact on the outcome. Responses were coded "minor impact" when the interviewee acknowledged the role that public participation had on the outcome but cited a factor with a larger impact. Responses were coded "n/a" when the interviewee had no response to the question about impact and responses were coded "no impact" when the interviewee felt that public participation had no influence over the outcome of the project (see Appendix C for coded results).

With a similar ratio of utility staff interviewees and public interviewees in both case studies, it is interesting to note that a much larger percentage of interviewees in BC felt that public participation had a major impact on the project outcomes than interviewees from the

Manitoba case study. The Manitoba interviewees were more likely to downplay the role of public participation in the project outcome:

"The [public participation] process played a role but the opportunity for economic development is really driving this decision for NCN" (Interviewee J, 2006).

"It was a good [public participation] process and we did good work but if the referendum results in a "yes" vote[22], it's because the project is going to help NCN move forward. Let's not downplay the efforts to make this project beneficial to the community though" (Interviewee K, 2006).

These interviewees downplaying the role of public participation tend to be utility staff and Figure 7 illustrates the public interviewee's tendency to overestimate the impact of their input. In fact, the best indicator of public participation impact would be the decision makers themselves (the regulators) who were not available for this study. Interveners (affected publics attending the regulatory hearings) with technical knowledge about the project or a good strategy for inserting their interests into the review process felt that they had meaningful input into the process.

Table 14: Analysis of Public's Perceived Impact of Input vs. Satisfaction with Project Outcome

Interviewee	Project	Perceived impact of input on project outcome	Satisfaction with the outcome of the project
C	VIGP	Major	Very Satisfied
D	VIGP	Major	Very Satisfied
L	Wuskwatim	No Impact	Unsatisfied
M	Wuskwatim	Minor	Satisfied
N	VIGP	Major	Satisfied

Table 14 suggests that there may be a positive relationship between perceived impact of input and public satisfaction with the outcome of the project. Interveners that came to the regulatory review process with information that was not technically correct or those interveners who were arguing their points from an emotional stance (as opposed to an evidentiary stance) quickly found their input discounted by the regulator:

"BC Hydro was willing to discuss the process – they had nothing to hide. People got emotional when they had the wrong facts. BC Hydro could be seen to discount the evidence

provided by some interveners because of expertise. This [created] an emotional conflict" (Interviewee B, 2006).

Given the evidence that regulators take fully informed publics more seriously (Luloff, Albrecht & Bourke, 1998), this paper concludes that fully informed publics are more successful at achieving meaningful input into a public participation process than publics who are not fully informed.

5.1.4 Provision of Technical Information

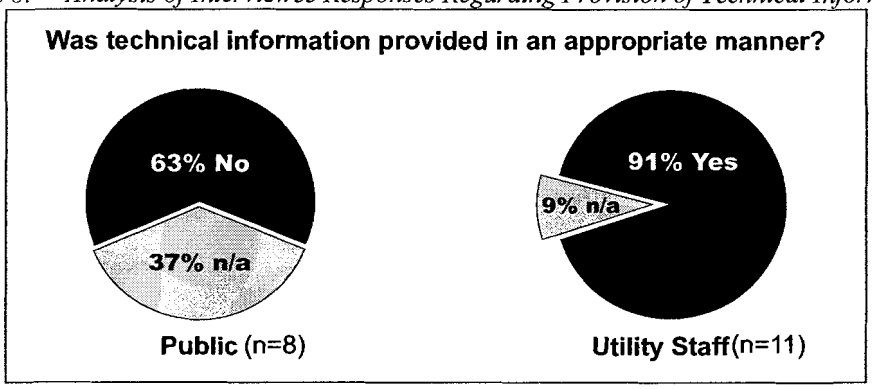
Recognizing that capital projects proposed by Canadian public electric utilities are enormously complicated, it is fair to say that ensuring all affected publics around a proposed project are fully informed is a unique challenge. Affected publics will vary widely in terms of their educational background, communication skills, linguistic profile and existing technical knowledge about power generation technology. Best practice dictates that the project proponent should provide technical information in a format that is best suited for the intended audience.

Despite a recognized glut of technical information, Utility Staff Interviewees that responded to questions about provision of data were unanimous in their conviction that they were doing everything they could to provide technical information in the manner. Public Interviewees who responded to questions about provision of data were also unanimous in their conviction that the utility did not provide technical information to them in a manner that was appropriate (see Figure 8).

Figure 8 shows the coded responses of interviewees with regard to the provision of technical information. In the context of the question "was technical information provided in an appropriate manner", this study coded answers that had specific complaints about data provision as "no". Responses that listed the measures taken without caveats coded as "yes". Interviewees that chose not to answer any questions about information provision coded as "n/a" (see Appendix C for raw data).

[22] Note: I conducted this interview before NCN returned a "yes" vote ratifying the Wuskwatim PDA on June 14, 2006.

Figure 8: Analysis of Interviewee Responses Regarding Provision of Technical Information



Given that the coded data shows that project proponents were confident in the manner that they provided data, it is very unusual that the public would find this information lacking. Table 15 captures and compares the verbatim statements of utility staff and public participants on the topic of information provision. It is clear that there is disagreement between the manner BC Hydro claims to have delivered the information and the manner in which the public received it. Figure 2 seems to indicate that requests for customized information packages would be difficult to accommodate in the brief window that the public had access to BC Hydro staff with regard to VIGP.

There is an important difference between status quo and a process that opens up BC Hydro's decision-making process to normative publics. A highly litigious process in front of a regulator places a heavy reporting burden on the utility. An open process put the right information in front of the affected publics as it becomes available, eliminating much of the need for fast, formalized responses to information requests and thereby reducing the time cost. When necessary, the utility can censor proprietary information or make all participants sign non-disclosure agreements before viewing proprietary information. Table 15 shows that Manitoba Hydro and NCN as partners employed a wide array of information provision techniques including working together from the earliest information gathering stage, utilizing communications experts to best "package" technical information for non-technical audiences and hiring local community members to liaise between the project proponents and the public.

However, as Table 15 illustrates, not all public participants in Manitoba were satisfied with the measures taken by Manitoba Hydro. Interviewee L clearly wanted more information and was dissatisfied with the inconsistent way that electronic information was available to public participants.

Table 15: Comparison of Utility Staff and Public Perception of Information Provision

Case Study	Utility's citation of methods used to provide data.	Public's evaluation of the methods used to provide data.
VIGP	"[BC Hydro] put information up on boards and had technical staff at the open houses who could answer questions about the information presented" (Interviewee A, 2006). "[We provided information in] whatever depth people wanted. Hard copy, soft copy, information requests, transcripts of everything, etc... We provided capacity funding for First Nations and we had consultants come to the project committee meetings" (Interviewee B, 2006). "BC Hydro helped [the Snuneymux First Nation] engage with their community in their own way. [We] helped them hire an individual that speaks the language. No lawyers were present. [We] just worked with them in the way that they wanted to work – very informal" (Interviewee F, 2006).	"[BC Hydro] should have provided detailed information when they were asked for it. There was some controversy about the load forecasting data that was provided by BC Hydro. They provided fancy graphs and told us what the facts were but they wouldn't provide any of the background information that their numbers were based on" (Interviewee C, 2006). "The hearings were very technical and not accessible to laymen. Everyone was able to be heard but the debate was definitely geared towards people with technical know-how. BC Hydro circulated materials by e-mail and hardcopies were couriered to people on request" (Interviewee D, 2006).
Wuskwatim	"In 1999, Manitoba Hydro MH decided to hire an Environmental Consulting team. It was a public RFP process and when it came time to select a winning bidder, NCN insisted that they should be part of the selection committee. Manitoba Hydro agreed [and] the result was an open and complete sharing of all information. [The consultants] reported directly to NCN and Manitoba Hydro" (Interviewee G, 2006). "NCN retained a Winnipeg Communications firm to help them manage the public participation process. After consulting with the Communications Firm, [NCN] issued a 15-page summary of the deal to the community, a 60-page FAQ document and lots of newsletters" (Interviewee J, 2006). "During the consultations at Nelson House, NCN set up the Community Consultants. There were 5-7 CCs during the EIS. There are currently 30-40 CCs at this stage (ed: pre-referendum). NCN asked for more CCs and [Manitoba Hydro] agreed to fund them" (Interviewee K, 2006).	"[We] needed to see more technical reports and traditional studies. All electronic access to materials stopped once the hearing process started. CEC also shut down the listserve as soon as the hearings started. The listserve had electronic copies of the documents. Hard copies were available [on request]" (Interviewee L, 2006). "Hydro bent over backwards to explain what they were doing and to get the word out. NCN did a good job too" (Interviewee M, 2006).

Case Study	Utility's citation of methods used to provide data.	Public's evaluation of the methods used to provide data.
Eastmain 1-A	"Traditional knowledge studies (especially with fisheries, hunting and trapping) were utilized. There were many meetings with the Tallymen and their extended families [to discuss the project and answer their questions]" (Interviewee P, 2006). "There was money available to these communities to hire consultants and there were a number of specialists working for the Cree General Assembly that gave technical advice on the application to the Cree. Information was translated by Cree into Cree" (Interviewee Q, 2006).	"Most of the documents prepared by the review bodies [were] not of great help to the communities or even considered. The use of local radio to [get information out] was far more efficient. Complicated PowerPoint technical presentations decreased the openness of the receiver [to] the proponent messages" (Interviewee O, 2006). "Not much printed materials provided. Hydro-Québec hired someone in each of the communities to distribute the materials. COMEX did not distributed much printed materials and what was provided took a long time to show up on the site" (Interviewee S, 2006).

In the case of Eastmain 1-A, it appears that Hydro-Québec employed similar information dissemination strategies to Manitoba Hydro albeit to a lesser degree. The affected publics preferred less technical, print-oriented provision of information. In all three cases, Table 15 confirms that regulatory reports containing thousands upon thousands of pages of information are not useful to any audience except those paid to read those reports (e.g., the Regulator, a few well-funded special interest groups, etc). While in the Wuskwatim and Eastmain 1-A cases the affected publics are largely aboriginal it would be a mistake to assume that a less technical, more informal information provision process will only be successful in aboriginal communities.

The real issue is that a hydroelectric utility has thousands of staff members with in-depth knowledge of the proposed project and its associated technologies that very few members of the affected publics would also have. From this perspective, it is clear that while aboriginal communities need materials translated into their language, non-aboriginal communities may also need technical information translated into their language – layperson. If the affected publics' reading skills are below average, oral presentations and visual aids might make for a better information medium. Electronic documents are only useful to the technologically well informed. Therefore, this paper concludes that the provision of technical information in a manner that is appropriate for the audience is major factor enabling a fully informed public.

5.2 Policy Implications

This section focuses on the policy needs of BC and the stated problem of BC Hydro's inability to obtain regulatory approval for new generation capital projects during the last 20 years. BC Hydro's current slogan is "reliable power, at low cost, for generations" (BC Hydro, 2006a, p 5). This corporate priority on the long-term reliability of the system and rates has significant implications for any policies designed to meet growing domestic electricity demand.

Before engaging in significant public consultation around a proposed capital project, the proponent must to consider whether the project will result in positive net impacts for the host community (Phillips, 2003, p. 162). A proponent can answer this question by conducting some small-scale intelligence gathering in the proposed host community (e.g., surveys, focus groups, etc). If the answer is "no", there is no need to undertake extensive public participation measures – the proponent should look at another option. If the answer to the positive net impact question is "yes", the proponent should start engaging the host community immediately to ensure fully informed normative publics before a regulatory hearing in the most cost-effective way possible.

Implementing the best practice public participation methodologies can be very costly in terms of overall project budget, associated staff time and opportunity costs. While Manitoba Hydro feels that the Wuskwatim outcome was worth the expense and the effort, they want to "reassess the methodology" to determine if there is a way to "accomplish the same outcome with less expense and time and have the savings shared by all parties" (Interviewee G, 2006). While the actual amount spent on engagement activities around Wuskwatim is not public, public records show that Manitoba Hydro spent $20 million on trades training for First Nations members to stimulate job creation in Nelson House and the surrounding communities (Manitoba Hydro, 2006b, p 12).

However, given the current regulatory and political environment, it is necessary for Canadian public electric utilities to strive for the best practice in public participation as anything less is not politically acceptable. If the application does not win the approval of the public (represented by the regulatory body), the utility cannot charge the cost of consultation and engagement against a capital project and this affects the bottom line of the company. For example, after VIGP failed to gain regulatory approval, BC Hydro took "a $120 million charge against 2004 income to reflect possible losses on the GS-X/VIGP projects" including the costs of a gas turbine, a steam turbine, engineering and land commitments (Brown, 2004).

It is also worth noting that a capital project that has a negative net present value (NPV) after factoring the aforementioned costs is of little utility to the tripartite public. A project sponsor within the utility must carefully weigh the probability that a project will receive regulatory approval before spending significant resources on the public consultation phase. Public participation is only one of several factors influencing the success of a project. Research has shown that Subsequent projects (incremental capital upgrades in an area with existing capital infrastructure) have a much higher acceptance rate with host communities than Greenfield projects (major capital infrastructure investment in an area where there has been no prior infrastructure investments) (Lesbirel, 2003, p 14). With some initial research and public opinion surveys, a project proponent could likely determine the degree of public resistance to a project by looking at what infrastructure is currently at the proposed location.

The socio-economic status (SES) of the proposed host community is also a contributing factor to public acceptance (Lesbirel, 2003, p 11). While there are some ethical concerns about targeting low-SES communities (something that large corporations have been accused of doing for decades), the fact remains that these communities are more willing to accept major capital infrastructure projects if the mitigation and compensation measures outweigh the perceived risk. These non-public participation factors are also much easier to quantify and analyze than factors such as fairness, provision of technical information and meaningfulness of input.

At some point, the cost of mitigation and compensation measures required to take the proposed host community to a positive net impact scenario will result in a smaller net present value (NPV) for the proposed project than a "no-build" option. No-build options still result in expense for the proponent but may require much less public buy-in to implement. A couple of examples of no-build options are demand-side management (DSM) programs and market purchase agreements where the utility buys power from another jurisdiction through wheeling or an intertie[23]. DSM options usually require an initial investment in new metering technology for the utility and some form of incentive for customers to adopt the technology. Increased external market purchases sometimes require significant transmission system upgrades.

Due to their accountability to the tripartite public, provincial politics naturally influence Canadian public electric utilities. When a proposed project lands in the jurisdiction of a particular elected official, that politician is immediately under pressure from their constituents who are also

critics of the project. All three case studies show that, while the Crown Corporation is supposed to be at arm's length from the provincial government, the government can and has stepped in to waive regulatory hearing requirements, stop an unpopular project or steer a proposed project down a specific path (e.g., thermal versus other options, location, etc).

For obvious political reasons, a proposed project must appear to be a good news story for the host community. The exception to this rule is when the host community is in a riding of little strategic importance to the party in power and the proposed project is of strategic importance to the rest of the province. Remote, rural communities tend to bear the majority of any unpopular projects (Luloff, Albrecht & Bourke, 1998). Even in the cases where a proposed host community gives its consent to a proposed project, how much responsibility does that utility bear for the long-term negative impacts – however compensated? Projects have negative impacts. Flooding a valley to make a reservoir for a hydroelectric project does eliminate a carbon sink. Thermal plants do emit greenhouse gasses and airborne particulate matter.

Any project that changes the character of a community is going to have socio-economic impacts. The project proponent is in the difficult position of trying to explain to the affected publics that their community will both bear some of the costs and reap the benefits of the project. The host community would end up "winning" in the sense that they would continue to enjoy low electricity prices (along with every other customer) as well as some mitigation and compensation measures designed to leave the community better off overall. However, the negative externalities of the project will still be present in the form of land alteration.

5.3 Policy Options

In terms of public participation, status quo is insufficient for BC Hydro. The VIGP case illustrates this perfectly and while BC Hydro found a no-build solution for Vancouver Island's forecasted supply shortfall (VITR), the project cost nearly a decade and $120 million in an effort to build a project that may have been doomed to fail from the outset. Recognizing that public participation is not the only contributing factor to a successful regulatory filing, the following policy options have the potential to improve the public participation process for BC Hydro and

[23] "Wheeling" is when power is transported from jurisdiction A, through one or more other jurisdictions to the customer in jurisdiction B. "Interties" are connections between power grids that are contiguous to one another (such as Alberta and BC, Ontario and Manitoba or New York State and Quebec.)

subsequently increase the likelihood of successful regulatory filings for new domestic electricity generation projects:

5.3.1 Mutual Gains Approach

Coined by Lawrence Susskind (1996) and discussed in a book entitled *Dealing with an Angry Public*, the Mutual Gains Approach is a methodology that helps government agencies and private companies effectively engage a tripartite public. This methodology sees the proponent interact with the affected publics as though the process is a "multiparty, multi-issue negotiation" (Susskind, 1996, p 13). The key elements of this methodology are joint fact-finding, mitigation and compensation for known and unknown impacts, sharing power, acting in a trustworthy manner and focussing on building long-term relationships with the affected publics. Table 16 shows how the Wuskwatim case study exemplifies the principles behind the Mutual Gains Approach methodology.

Table 16: Mutual Gains Approach as demonstrated by the Wuskwatim Generation and Transmission Projects

Mutual Gains Best Practice	**Wuskwatim Project Alignment with Mutual Gains Best Practices**
Acknowledge the concerns of the other side.	The Northern Flood Agreement (1977) and the subsequent NCN NFA Implementation Agreement (1996) intend to deal with "adverse effects resulting and continuing to result from the modification of the water regime" (Manitoba CEC, 2004, pp 7-9). This is a legal acknowledgement of past wrongdoings against the Cree of Northern Manitoba.
Encourage joint fact-finding.	"In 1999, Manitoba Hydro MH decided to hire an Environmental Consulting team. It was a public RFP process and when it came time to select a winning bidder, NCN insisted that they should be part of the selection committee. Manitoba Hydro agreed [and] the result was an open and complete sharing of all information. [The consultants] reported directly to NCN and Manitoba Hydro" (Interviewee G, 2006). This joint fact finding exercise predates the Project Development Agreement by seven years.
Offer contingent commitments to minimize impacts if they do occur; promise to compensate knowable but unintended impacts.	Article 11 of the Wuskwatim Project Development Agreement provides $5.7 million in a trust to compensate NCN members for potential adverse effects of the Wuskwatim Generation Project and the Wuskwatim Transmission Project (Manitoba Hydro, 2006b, pp 71-72). Article 11 also dictates that Wuskwatim Partnership (NCN & Manitoba Hydro) will conduct ongoing monitoring to determine if any unanticipated impacts or adverse effects resulting from the Wuskwatim Generation Project or the Wuskwatim Transmission Project.
Accept responsibility, admit mistakes and share power.	As signatories to the Northern Flood Agreement (1977), the NCN NFA Implementation Agreement (1996) and the Wuskwatim Project Development Agreement (2006), Manitoba Hydro has clearly demonstrated that they are accepting responsibility for and admitting past mistakes with the Churchill River Diversion and associated infrastructure. Articles 3 and 4 of the Wuskwatim

Mutual Gains Best Practice	Wuskwatim Project Alignment with Mutual Gains Best Practices
	Project Development Agreement (2006) outline how NCN, through the Taskinigahp Power Corporation, has the option to purchase up to 33% equity in the Wuskwatim Generation Project (Manitoba Hydro, 2006b, p 54). As a partner in the project, NCN will be eligible to collect revenues from the sale of electricity generated by the facility. While Manitoba Hydro will retain the controlling interest, NCN will have significant influence in the operation of the facility both as shareholders and as affected publics. Similarly, the NCN Chief and Council will have four out of the five decision-making seats on the Taskinigahp Trust – a trust which received all mitigation and compensation funds are paid by Manitoba Hydro to NCN (Manitoba Hydro, 2006b, pp 76-80). These funds are available at the discretion of the Trustees for any community development project at Nelson House.
Act in a trustworthy fashion at all times.	NCN members ratified the Wuskwatim Project Development Agreement, indicating that the majority of the community trusts Manitoba Hydro to hold up their end of the agreement ("Nisichawayasihk Cree", 2006). Although some Manitoba Hydro staff have acknowledged that NCN members still may not trust the Crown Corporation, this is a marked improvement from 2001 when only 25% of NCN members polled said that they trusted Manitoba Hydro (Interviewee G, 2006; Interviewee J, 2006). Going forward, the actions of both parties will demonstrate their trustworthiness but at this early stage of a 100-year business partnership, both parties appear to be acting in good faith.
Focus on building long-term relationships.	With an in-service date of 2010 and an estimated operational lifespan of 100 years, Manitoba Hydro could potentially have a business relationship with NCN until at least 2110 and will have a tripartite relationship with NCN as an affected public for much longer than that. The business relationship is renewable in 25-year terms that will automatically renew as long as both parties agree to the existing partnership (Manitoba Hydro, 2006b, p 33).

Source: Susskind, 1996, pp 37-41.

Manitoba Hydro has had Susskind come and speak with them about the Mutual Gains Approach in the past and despite the fact that one employee warned against putting too much emphasis on the Susskind literature (Interviewee G, 2006), Table 16 indicates a high degree of alignment between Manitoba Hydro's practices with Wuskwatim and Susskind's Mutual Gains Approach. Whether intentional or not, the actions of Manitoba Hydro exemplify Susskind's methodology and resulted in the project gaining regulatory approval.

There is ample evidence supporting the validity of Susskind's approach in the US, particularly in situations where the host community bears the significant burden of the negative externalities such as toxic waste disposal (Susskind, 1996, pp 42-59). The high degree of alignment between Wuskwatim and the Mutual Gains Approach serves as evidence that this methodology can work for Canadian public electric utilities.

Implementing this approach requires dedication and an opening up of internal decision-making process to the public. Figure 9 shows how a Canadian public electric utility such as BC Hydro could implement the methodology while working with a potential host community. Primarily, BC Hydro would need to probe a potential host community and the responsible politicians to see if there is any receptor capacity for the proposed project. If the project is met with extreme NIMBYism at the outset and there is little chance of MIMBY$, other alternatives should be examined.

However, if the proposed project is met with "maybe" or YIMBY, this is the point at which BC Hydro needs to get the potential host community involved in the planning process. Like Manitoba Hydro's joint fact-finding process with NCN, BC Hydro and representatives from the host community need to identify and work with external technical experts that are mutually acceptable to both parties. Admittedly, external experts can have their own biases but as long as those biases are known and mutually acceptable to both parties, there is no reason not to utilize external experts. The cost of hiring these experts should not be a large issue, as BC Hydro is required to pay consultants to work with affected publics through the BCUC process when a project gets to the regulatory stage. Further, due to staffing shortages, BC Hydro often brings in outside consultants to aid in its internal evaluation of projects. Therefore, if the benefit of consultants can maximized by having them work with affected publics early in a project planning process, the overall cost of external consultants may be reduced.

After selecting mutually acceptable third party experts, Figure 9 shows how BC Hydro should approach the overall project planning process. Each set of assumptions (forecast data, no-build options, potential capital projects and cost-benefit analysis) evolve sequentially with the full participation of the affected publics. This way, when the proponent submits a final proposal to the regulator, the fully informed public already knows the thought process that led BC Hydro to that particular option.

Some publics come to the process with the intent to disrupt the process and be intentionally antagonistic. These publics take advantage of a lack of transparency (both in process and information provision) to insert misinformation or misinterpretation of public information into the process. It is not the regulator's place to confront antagonistic public participants and if BC Hydro confronts the agitators, it will escalate the confrontation, putting BC Hydro on the defensive. The best possible outcome is if other interveners of publics challenge the antagonistic interveners.

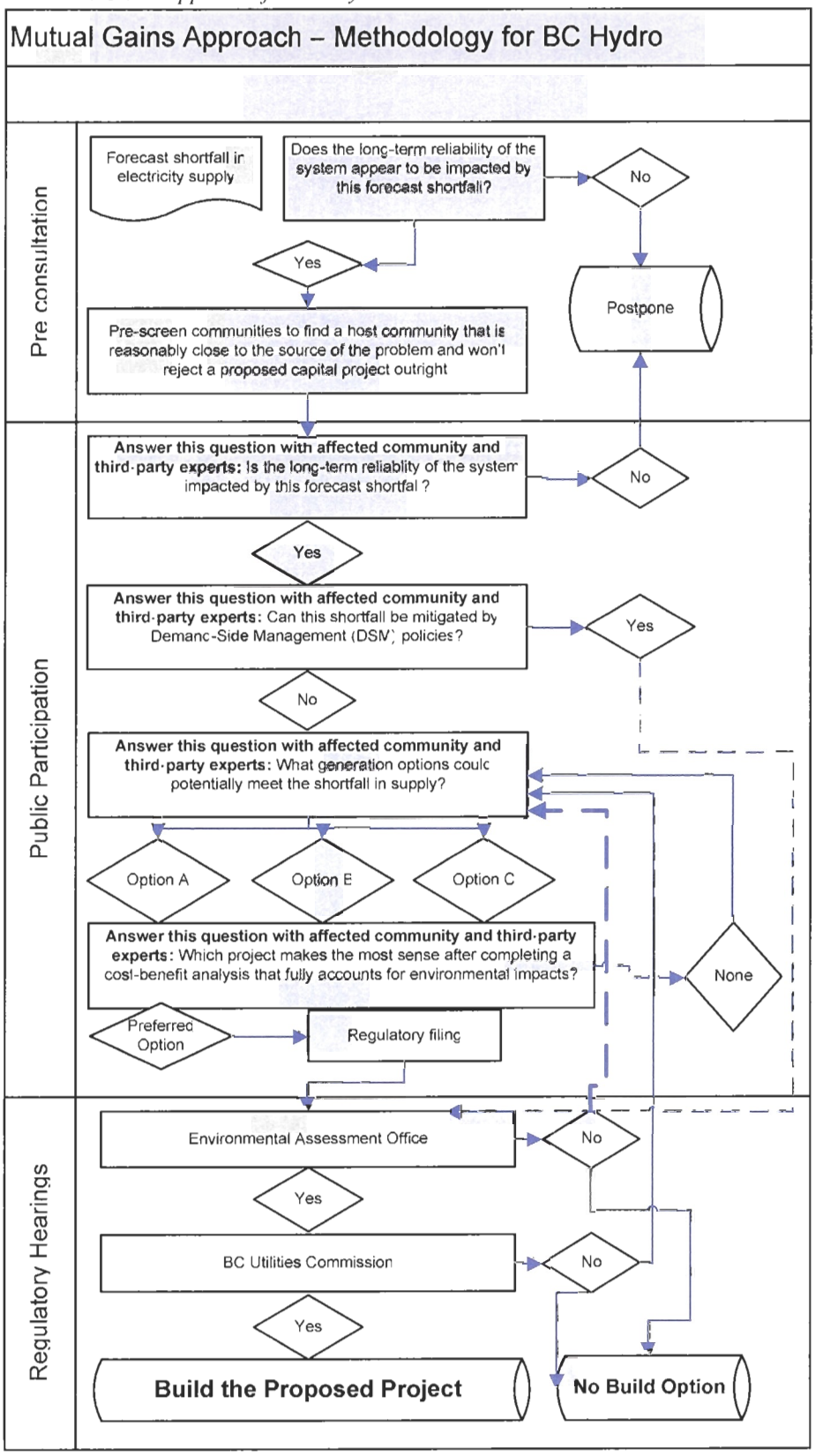
A fully informed public would be able to comment on the assertions of an intentionally antagonistic public and discredit the validity of their arguments. If it turns out that the antagonists are correct, a fully informed public will be able to absorb this new information into their assessment of the project, thereby becoming better able to make an informed decision about the proposed project.

Affected publics would interact with BC Hydro through a project core committee made up of representatives from key stakeholders in the affected area, residents, First Nations representatives and some academic experts in the proposed technology or electricity generation in general. These representatives would not represent anything but their own interests but would attend project meetings regularly and provide input into the planning process. Undoubtedly, there would be some critics of the preferred option on the core committee and they would be free to criticize the project so long as it was there opinion and not an indictment of other core committee members.

BC Hydro would only go to the regulator that had the approval of the majority of the core committee members as well as the BC Hydro executive. This would reduce the likelihood of a failed regulatory filing because most of the major arguments about assumptions and risks would have already taken place at the core committee meetings, presenting regulators with a more unified front.

This process is far from perfect but if BC Hydro did a good job of enticing a representative cross-section of affected publics to sit on the core committee, it would be hard for the regulators to argue that the preferred project did not have the support of the potential host community.

Figure 9: Mutual Gains Approach for BC Hydro



Source: Aaron Cruikshank

5.3.2 Constituent Network Approach

Government agencies in BC have long utilized standing committees made up of a range of stakeholders, special interest groups and First Nations communities as a policy tool to solve problems where the solution would ideally come from the affected publics, not the agency itself[24]. The BC Citizen's Assembly on Electoral Reform is a good example of a constituent network. The Citizen's Assembly was formed by the Government of British Columbia with a mandate to "assess different models for electing members of the Legislative Assembly and to recommend whether [BC's] current system for provincial elections should be retained or whether a new model should be adopted" (BC Citizens' Assembly, 2004, p 1). Bringing together 160 randomly selected BC voters over 11 months, the Citizens' Assembly delivered on their mandate at a cost of $5 million.

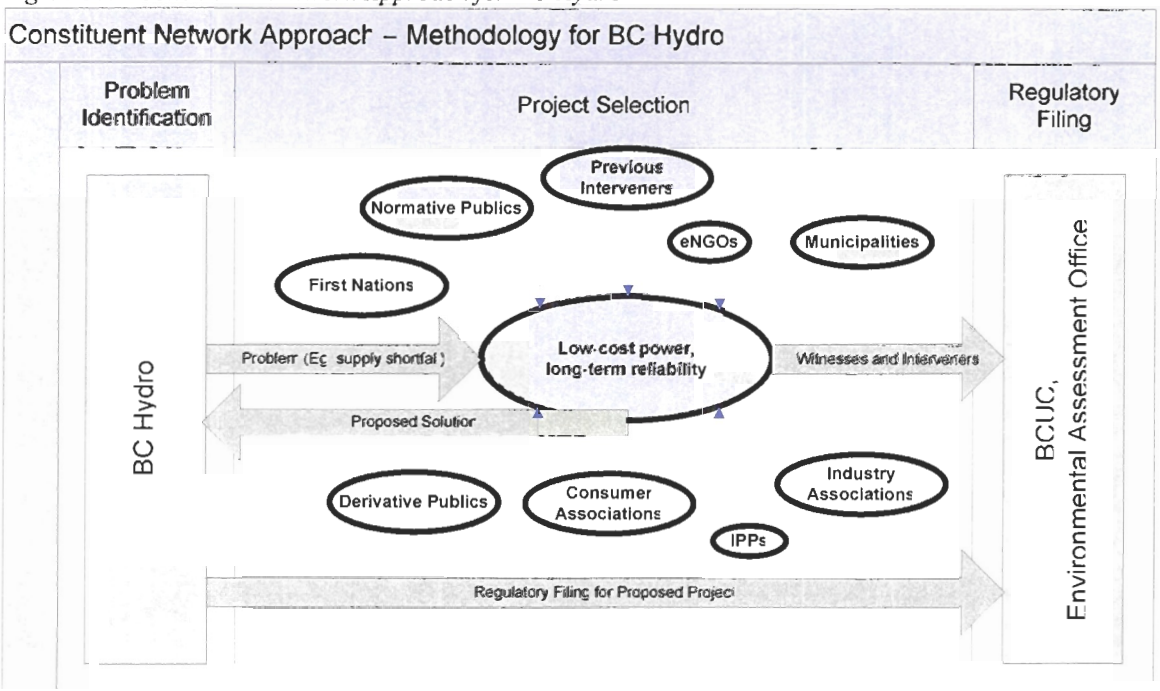
In effect, the Government of British Columbia posed a problem to a group of affected publics, gave them the tools to come up with a preferred solution and forwarded that solution on to the decision makers (in this case, the voters of BC) under the advice of the constituent network. BC Hydro could form a network that enables the utility's mandate and purpose – low cost power and long-term reliability.

To explore this policy option, this paper will use the example of a supply shortfall on Vancouver Island. After determining that there is a forecast supply shortfall for the region, BC Hydro should immediately begin recruiting constituent network members from its existing customer base. Although the Citizens' Assembly demonstrated that 160 voters could produce a policy option that was palatable for the majority of BC voters, this is not to say that 160 BC Hydro customers would be necessary to form a constituent network around supply shortfall on Vancouver Island. Given that new generation options are less theoretical and more accessible to the layperson than electoral reform and the fact that Vancouver Island represents a subset of BC Hydro customers, network membership need not exceed 160 but should be appropriate to the situation.

Like the BC Citizens' Assembly, a BC Hydro constituent network would meet on evenings and weekends to accommodate the work schedule of the participants. BC Hydro would provide reasonable compensation for participant time including travel expenses where necessary. The operating budget for this network should come directly from the Province to put the network

at arms length from BC Hydro. The network would report to BC Hydro with its recommendations to solve the problem of supply shortfall on Vancouver Island. BC Hydro would then fit this recommendation into a Certificate for Public Convenience and Necessity (CPCN) format and submit the preferred option to the BCUC for approval. Figure 10 illustrates this process and identifies some of the desired groups that will ensure a representative membership.

Figure 10: Constituent Network Approach for BC Hydro



Source: Aaron Cruikshank

Despite the cost and the additional complexity that this option adds to the process of obtaining regulatory approval for a project, there are some advantages. Convening a constituent network around an issue takes the focus away from the core business of the utility – which is usually extraneous to the proposed capital project. The constituent network could draw upon BC Hydro's technical expertise to answer technical questions whenever requested but BC Hydro's technical expertise would not be the sole source of technical information for the constituents on the committee – funding would also be available for independent technical review. BC Hydro, as a sitting member of the network, would also review all third-party work and would communicate any concerns that the utility had with the work to the network.

[24] I managed such a group for the Science Council of British Columbia between 2002 and 2003. Starting in the early 1980s. The Science Council of BC formed many such groups which later matured into sector councils and new NGOs.

A constituent network would not replace the BCUC or the Environmental Assessment Office because the mandate of the group is to work independently of BC Hydro to put forward proposals that BC Hydro can act upon to solve problems. In effect, this process would build natural supporters for capital projects and allow the tripartite public to make some of the pre-project tradeoffs that the utility normally has to make before introducing a specific proposal to the public. This is not to say that critics of the proposed projects would cease to exist but the fact that a network of fully informed, normative and derivative publics were instrumental in selecting which proposed projects will go forward will give the regulator more confidence that the proposed projects are in the best interest of the tripartite public.

5.3.3 No-Build Options

After failing to obtain regulatory approval for thermal power generation on Vancouver Island, the British Columbia Transmission Corporation (BCTC) put forward a successful proposal to upgrade the high voltage lines supplying Vancouver Island with electricity generated in the Interior of BC and in other jurisdictions (Simpson, 2006). While this option temporarily solves the problem of supply shortfall on Vancouver Island, it puts additional strain on the BC system, which currently imports a significant amount of supply from other jurisdictions.

If there are no additional generation projects sited in other parts of British Columbia, no-build options are a viable alternative. Due to a long history of low cost power and the influence of politics on public utilities, the tripartite public in BC will not easily accept increased power prices and would apply political pressure on the utility to keep prices low. Recognizing this limitation, some critics of new generation proposals have suggested that demand-side management (DSM) would be a more viable way to ensure that the jurisdiction has reliable electricity available for the short-term. DSM strives to optimize energy use through supply and demand price arbitration. This usually takes the form of time-of-use (TOU) billing[25] or incentive programs for customers who switch to energy-efficient/dynamic demand technology[26].

BC Hydro is already considering a DSM application in the form of the Advanced Metering Initiative (Van Ruyven, 2006, p 16). This nearly $500 million project would see new

[25] TOU billing is a system which, when married to smart metering technology, bills customers a low rate when system demand is low and much higher rates when peak demand is reached.
[26] Dynamic Demand Technology are smart duty-cycle appliances like hot-water tanks, refrigeration compressors and air conditioning units that receive telemetry from a smart meter and will reduce their duty cycles during peak-demand periods.

watt meters installed at customer premises to replace old mechanical watt meters. These new watt meters would leverage the existing telecommunications network to send interval data on power consumption to BC Hydro (BC Hydro, 2006b, p 8-95). While utilities continue to make impressive claims about the ability of DSM to reduce domestic electricity demand, a study of 324 American power utilities between 1989 and 1999 reveals that while DSM does reduce domestic demand, it does not reduce it to the extent claimed by utilities (Loughran & Kulick, 2004, p. 39).

To implement DSM strategies, BC Hydro would first need to launch an education and public relations campaign designed to introduce the customer base to the concepts of DSM. With the third-cheapest electricity in North America, BC Hydro customers are used to low-priced, flat-rate power. DSM would potentially introduce time-of-use billing, peak pricing or other measures that could upset the tripartite public that currently buys BC Hydro's power. BC Hydro has recently announced that it will be running a one-year pilot of advanced metering technology that enables time-of-use billing to ensure that the technology and the incentives are sufficient to induce a consumption behaviour change in customers (Moreno, 2006).

After the pilot, if the results indicate that a DSM program could work in BC, BC Hydro will apply to the BCUC for permission to deploy advanced metering across the province. If successful, a DSM program in BC would have the potential to offset (at least in the short-term) supply shortfalls. DSM transfers the responsibility for making trade-offs to manage long-term reliability from the system level to the individual customer. The utility rewards customers who choose to alter their electricity consumption behaviour to reduce strain on the grid during peak hours with lower power bills. Those customers who choose to disregard the incentives will pay substantially more for their unaltered power consumption. In effect, DSM methods enable a fully informed tripartite consumer.

Calling this option "no-build" is a little misleading. Energy conservation measures of any kind have a limited ability to curb domestic demand. As North America decreases its dependence on fossil fuel for domestic and commercial electricity generation and transportation, the fallback technologies are nuclear, hydroelectricity and other "green" generation options. In this sense, no-build options are only a short-term solution. While BC Hydro could put off the construction of controversial hydroelectric dams for the short-term, new generation capacity will eventually need to come on line when demand outstrips DSM-enhanced supply or if the ongoing expense of DSM solutions exceeds the cost of building new capacity.

5.4 Tradeoffs

To determine the best option (from the options outlined in Section 5.3) for enabling BC Hydro to obtain regulatory approval for new generation capital projects, this paper is using the following evaluation criteria:

5.4.1 Cost to Consumers

An integral part of BC Hydro's mandate is to maintain a low cost service to domestic customers. For that reason, the preferred policy option should minimize increases in the price of power experienced by BC Hydro customers. Increasing prices are only a negative outcome for this criterion as long as the governments in these jurisdictions continue to place value on low cost power in their mandate. As Section 5.3.3 notes, there are policy advantages to transferring responsibility for making tradeoffs to the customer by altering the price of power to reflect supply and demand. For any option to meet this criterion there must be evidence of little or no rate increase for consumers in other jurisdictions using similar options.

5.4.2 Long-term Reliability of System

Long-term reliability – also part of the core mandate of BC Hydro – is important to the tripartite public on almost every front imaginable. The tripartite public expects that 99 per cent of the time, when they flick a switch, the lights come on. Ensuring this level of reliability over the long-term means that systems need redundancies, a reasonable amount of excess capacity to generate power and a robust distribution network that can handle demand at its peak. Unseasonably hot or cold weather can drive normal peak loads to unpredictable levels. An electric utility is obligated to mitigate blackouts due to peak overload. For any option to meet this criterion there must be evidence of reduced blackouts or system failures in other jurisdictions utilizing similar measures.

5.4.3 Political Feasibility

Due to the tripartite relationship with the public, BC Hydro must always ensure that any policy options considered are politically feasible. "Politically feasible" in this case means that the Government of British Columbia is unlikely to veto the project given their prior political leanings

on the topic of large capital projects and/or the specific solution in general. For any option to meet this criterion there must be evidence of political acceptance of this option in a jurisdiction with similar political orientation.

5.4.4 Demonstrated Success of Approach

None of these options are new ideas. They derive from other jurisdictions or applications in other industries. The level of success each of these options has achieved in application outside the policy problem identified by this paper varies but is a good indicator of the suitability of the proposed option to the Canadian public electric utility. For any option to meet this criterion there must be evidence that the option has been demonstrably successful in another application outside of the policy problem examined by this paper.

5.5 Trade-off Analysis

Table 17 illustrates how the three proposed policy options score against the evaluation criteria established in Section 4.2. The measures bases tradeoffs on non-compliance, strong compliance and weak compliance with these criteria.

5.6 Recommendations

Table 17 clearly indicates that based on the established evaluation criteria, the Mutual Gains Approach would be the best policy option for BC Hydro to improve its ability to gain regulatory approval for new generation capital projects. The Mutual Gains Approach not has a recent and demonstrable record of success at another Canadian public electric utility with a similar tripartite public; it also mitigates intentionally antagonistic interveners, reduces time costs for the utility and may lead to reduced costs at the regulatory stage. To begin working with this methodology, BC Hydro could pilot the Mutual Gains Approach with any upcoming upgrades to existing generation facilities. While they lack the level of sophistication that a new hydroelectric dam would generate, it would give staff at BC Hydro the opportunity to adjust corporate culture and policy to this new methodology.

BC Hydro has a long history of strong engineering expertise and to open up the fact-finding process to non-specialists will be a bit of a shock to some BC Hydro employees who feel

that project planning is their domain. This would require a culture shift within certain departments at BC Hydro who may not be used to interacting with the public. BC Hydro has some experience with processes that resemble the Mutual Gains Approach. The Water Use Planning (WUP) process employed consultative planning with government agencies, First Nations, local citizens and other interest groups to meet the requirements of the BC Comptroller of Water Rights.

BC Hydro has developed 23 of these plans since 1998 with tripartite publics affected by the water flow disruptions resulting from BC Hydro's existing hydroelectric facilities (BC Hydro, 2004). Other utilities recognize BC Hydro's WUP process as a best practice. Thus, if BC Hydro wishes to gain regulatory approval for their next capital project, this paper recommends that BC Hydro implement the Mutual Gains Approach at the outset of project planning.

For obvious reasons, the Status Quo is no longer sufficient when issues of supply shortfalls start to arise in BC. However, the Constituent Network approach offers advantages over the status quo. While unproven in the electric utilities context, this approach has some history and political cachet in BC in the form of the BC Citizens' Assembly on Electoral Reform. There is a strong cost advantage to this approach from a ratepayer's perspective but because the Government of BC would be picking up the operating expense of the network, the tripartite public would be picking up this cost in their taxes or other government recovery mechanism.

Finally, this paper ruled out no-build options despite their strong political roots in BC. However, this option's weak compliance with long-term reliability, cost to consumers and demonstrated success in other jurisdictions, no-build options do not appear to be a good long-term solution for BC Hydro. Long-term reliability appears to come from domestic power generation infrastructure.

Table 17: Trade-off Analysis

Policy Option	Cost to Consumers	Long-term Reliability of System	Political Feasibility	Demonstrated Success of Approach
BC Hydro Status Quo	**No compliance.** With an increasing reliance on imports, BC Hydro is vulnerable to price shocks due to unmet demand in other jurisdictions (Joskow, 2005, p 4).	**No compliance.** Reliance on import electricity from other jurisdictions (particularly deregulated ones) increases the incidence of system failures (Joskow, 2005, p 17).	**Strong compliance.** The Government of BC has vetoed several proposed generation solutions over the past few decades (E.g., Site C), indicating a strong preference for the status quo.	**No compliance.** This approach is nearly unique to BC. With a tripartite public, no option to explore nuclear energy and no appetite for new hydroelectric dams, the status quo in BC is very unusual.
Mutual Gains Approach	**Strong compliance.** Given that this approach demonstrates an increase in the likelihood that a proposed project will obtain regulatory approval and therefore offset electricity imports, the total cost to consumers will be reduced (Manitoba Hydro, 2006a).	**Strong compliance.** While new generation projects increase the reliability of the electricity supply, the weak link in the domestic supply market is the transmission system (Joskow, 2005).	**Weak compliance.** While the current Government of BC promotes its dedication to citizen involvement, recent actions around the Integrated Electricity Plan indicate that ultimately, the government wants to be the decision maker. The mutual gains approach might appear to threaten that.	**Strong compliance.** The Wuskwatim Generation Project demonstrates the success of this methodology.
Constituent Network Approach	**Strong Compliance.** Since the costs of running and maintaining this network would be borne by the Government of BC, there would be no direct translation of these costs to a rate increase at BC Hydro.	**Weak compliance.** While the constituent network may arrive at the decision to build, they also have the option to propose wind-turbines or other "green" technologies – technologies that are less reliable than hydroelectricity.	**Weak compliance.** Although the Government of BC promoted and supported the BC Citizens' Assembly, it is clear that they would rather put important decisions to a referendum than leave them in the hands of a few citizens.	**Weak compliance.** This model was successful in the case of the BC Citizens' Assembly on Electoral Reform but is unproven in a hydroelectricity project.

Policy Option	Cost to Consumers	Long-term Reliability of System	Political Feasibility	Demonstrated Success of Approach
No-Build Options	**Weak compliance.** Most DSM measures or no-build options require the customer to pay an increased amount for electricity, either as an incentive to conserve or as a factor or the energy market.	**Weak compliance.** DSM solutions can meet supply in the short-term but do nothing to encourage investment in aging transmission architecture (Loughran & Kulick, 2004).	**Strong compliance.** Currently, BC Hydro is undertaking a communications campaign promoting electricity conservation. This is likely in anticipation of a DSM pilot, possibly around AMI – a project that would have required the blessing of the Government of BC.	**Weak compliance.** A decade of utilizing no-build options like DSM in the US has led to the conclusion that utilities typically overestimate the benefits gained from DSM (Loughran & Kulick, 2004, p. 39).

6 Conclusions

This paper has identified several policy options to address the problem of BC Hydro having too little success obtaining regulatory approval for new generation capital projects. This problem has faced power utilities worldwide since the early 1980s (Lesbirel, 2003, p 6). Some of this problem can be attributed to the fact that public acceptance for Greenfield projects has lessened since the early 1980s because the environmental impacts of these projects is more widely understood than before. It is also true that the tripartite public largely does not trust its government and requires more scrutiny of any proposed plans that affects them.

Add to this increasing demand for electricity and it is clear that any public electric utility needs to carefully consider any actions that will affect the tripartite public. To do nothing is not an effective option for these utilities. Utilities must either find a way to get more generation projects through regulatory approvals (as this paper suggests – by enabling a fully informed public) or they must move away from generation projects altogether and focus on ways to reduce demand to levels compatible with existing domestic supply.

6.1 Limitations of this Research

Because this research had no operating budget, I was not able to get out to the First Nations communities in Québec and Manitoba in person to interview constituents there. Aboriginal constituents rarely respond to phone or e-mail inquiries from outsiders. Without prior interaction with these communities or a common connection, I was unable to talk with more than one aboriginal constituent. This is a major shortcoming of this research. However, I am confident that the public statements of First Nations members, interviews conducted by other researchers and the transcripts from regulatory hearings adequate captures their views.

A quantitative survey of previously consulted public constituents would have also yielded some interesting findings but because only the names of registered interveners are available, the sample size would be too small to obtain statistical reliability. The depth of information available

from expert interviews tends to be of more utility than survey results in emotional issues like finding a location for a major hydroelectric facility.

6.2 Future Research

The outcome of the Eastmain 1-A project was not conclusive at the time of writing this paper. Future research on this topic would apply some of these findings to the Eastmain 1-A project and perhaps undertake to do a longitudinal study of several public participation processes to try to quantify the impact of a fully informed public on regulatory processes. Experimentation would be ideal but in cases like these, the cost of failure would be too great to condone experimentation. Artificial experiments in a focus group-like setting could yield some interesting results but they would ultimately be poor proxies for the enormously complex reality of engaging thousands of constituents over a multi-billion dollar project.

Appendices

Appendix A: Expert Interview Guides

Aaron Cruikshank, Master of Public Policy candidate
Expert Interview Guide A – Utility Representatives

Assessment of Public Participation in Canadian Public Electric Utilities

Note: This is not a survey, it's an open-ended interview with a list of general questions that would be ideal to cover but depending on the respondent's willingness to discuss the topic, the interview may only cover a portion of these questions or may cover all of them and ask clarifying questions about specific responses.

Interview procedure:

1. **Identify yourself**: "Good morning/afternoon/evening. My name is Aaron Cruikshank and I am a graduate student with the Master of Public Policy program at Simon Fraser University. I would like to talk with you about your experience with Public Participation around the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. My Masters thesis is looking at this project as one of three case studies in Canadian Public Electric Utilities across Canada. I will need about 30-40 minutes of your time to discuss the project. Are you willing to answer a few questions about your experience with public participation in relation to the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project?"

2. ***If the response is yes***, "Thank-you. Before I go on, I want to advise you that I am also an employee of BC Hydro. As an employee of BC Hydro, I am doing this research solely in my capacity as a Masters Student at SFU. My research will not be evaluated by BC Hydro but I will be sharing my final report with BC Hydro and anyone else who is interested in reading it – including yourself. I will be keeping your views anonymous in the final report to protect your views from misinterpretation by other parties. ***Any information that is obtained during this study will be kept confidential to the full extent permitted by the law. Knowledge of your identity is not required. You will not be required to write your name or any other identifying information on research materials. Materials will be maintained in a secure location.*** Are you still willing to talk to me about the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project?"

3. ***If the response is yes***, "Thank-you. I also need to let you know that your employer has not been contacted for approval for you to speak with me about the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. Do I need to seek approval from a superior before discussing the project with you?"

4. **If the response is yes, re-schedule the interview and/or arrange to speak with their supervisor about my research. If the response is no**, "Thank you. Your comments will be used to gain deeper insight into the public participation activities that (BC Hydro, Manitoba Hydro, Hydro-Québec) conducted in association with the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. Your comments in the final report will be attributed to "representative of (BC Hydro, Manitoba Hydro, Hydro-Québec)" and no other identifying information about you will be published. You may stop the interview at any time. Simon Fraser University's ethics committee has granted ethical approval for this interview."

5. **For any negative response above**: "Thank you. May I ask why you do not wish to participate in this interview?" (*Write down answer below*).

6. "Are you 19 or older?" (***If not stop the survey***).

7. Commence interview. (***If the participant discontinues the interview at any time, please ask and record the reason why the respondent has stopped***).

8. At the end of the interview, thank the respondent for participating and ask them if they'd like to receive an electronic copy of the final report. Record their e-mail address. They can also obtain a copy of the research results or address any concerns/complaints to Nancy Olewiler, Director of the Public Policy Program at SFU. Phone: 604.291.5289. E-mail: Olewiler@sfu.ca.

Aaron Cruikshank, Master of Public Policy candidate
Expert Interview Guide A – Utility Representatives

1. What was your organization's definition of success going into the public participation process? Did you have a desired outcome from engagement?
2. Who are your key public participants (stakeholders and aboriginals) in association with this project?
3. Does your organization follow a specific methodology/best practice for public participation? Is so, what is it?
4. What steps did your organization take to ensure that all relevant public participants (stakeholders and aboriginals) were involved in your process?
5. When did your organization start planning this project?
6. When did your organization first contact public participants (stakeholders and aboriginals) in regard to this project?
7. Out of the public participants (stakeholders and aboriginals) that were identified, roughly what percentage attended and participated in your scheduled engagement activities?
8. What mechanisms were in place to ensure that all public participants (stakeholders and aboriginals) had equal opportunity to be heard?
9. How much flexibility was built into the engagement process to allow public participants (stakeholders and aboriginals) to modify the agenda to reflect the priority issues identified as a group?
10. What was done by your organization to ensure the transparency of the engagement process?
11. Was structured decision-making used to aid the engagement process? If so, how?
12. What kinds of resources were made available to public participants (stakeholders and aboriginals) to facilitate/aid their full and informed participation?
13. How was the purpose of your engagement activities described to public participants (stakeholders and aboriginals) at the beginning of the process?
14. Were third, independent/neutral parties utilized to aid the engagement process and if so, how were they selected?
15. How did your organization handle providing factual information to public participants (stakeholders and aboriginals)?
16. Please describe, in detail, the scheduled public participation activities associated with this project (including timelines).
17. Were there opportunities for public participants (stakeholders and aboriginals) to interact with your organization or people within the organization outside the formal scheduled activities? Please describe.
18. Please describe your relationship with the affected public participants (stakeholders and aboriginals) before and after the formal public participation process for this project.
19. What did your organization do to ensure that public participation was convenient for public participants (stakeholders and aboriginals)?
20. Describe how deliberation by public participants (stakeholders and aboriginals) was facilitated by your engagement process.
21. How were the values and beliefs of public participants (stakeholders and aboriginals) incorporated into the engagement process?
22. Overall, how effective did you find your engagement methodology/best practices to be in achieving your goals for engagement? (Refer them back to their first answer).
23. In your opinion, did the process effectively increase public competence in the project?

24. In your opinion, how open was the engagement process?
25. In your opinion, what was the comfort level of the public participants (stakeholders and aboriginals) who participated in this process with the process?
26. In your opinion, how satisfied were the participants with the outcome of the process?
27. In your opinion, how fair was the process perceived to be by participants?
28. The overall project (is looking to be/is/was not) a success. To what do you attribute this outcome?
29. How big of a role do you feel public participation had to play in this outcome?

Aaron Cruikshank, Master of Public Policy candidate
Expert Interview Guide B – Stakeholders and Aboriginals

Assessment of Public Participation in Canadian Public Electric Utilities

Note: This is not a survey, it's an open-ended interview with a list of general questions that would be ideal to cover but depending on the respondent's willingness to discuss the topic, the interview may only cover a portion of these questions or may cover all of them and ask clarifying questions about specific responses.

Interview procedure:

1. **Identify yourself**: "Good morning/afternoon/evening. My name is Aaron Cruikshank and I am a graduate student with the Master of Public Policy program at Simon Fraser University. I would like to talk with you about your experience with Public Participation around the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. My Masters thesis is looking at this project as one of three case studies in Canadian Public Electric Utilities across Canada. I will need about 30-40 minutes of your time to discuss the project. Are you willing to answer a few questions about your experience with public participation in relation to the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project?"

2. ***If the response is yes***, "Thank-you. Before I go on, I want to advise you that I am also an employee of BC Hydro. As an employee of BC Hydro, I am doing this research solely in my capacity as a Masters Student at SFU. My research will not be evaluated by BC Hydro but I will be sharing my final report with BC Hydro and anyone else who is interested in reading it – including yourself. I will be keeping your views anonymous in the final report to protect your views from misinterpretation by other parties. ***Any information that is obtained during this study will be kept confidential to the full extent permitted by the law. Knowledge of your identity is not required. You will not be required to write your name or any other identifying information on research materials. Materials will be maintained in a secure location.*** Are you still willing to talk to me about the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project?"

3. ***If the response is yes***, "Thank-you. I also need to let you know that your employer has not been contacted for approval for you to speak with me about the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. Do I need to seek approval from a superior before discussing the project with you?" **Note: only ask this if the stakeholder is representing an NGO, company/organization or First Nation. No need to ask this of non-affiliated stakeholders.**

4. **If the response is yes, re-schedule the interview and/or arrange to speak with their supervisor about my research. If the response is no**, "Thank you. Your comments will be used to gain deeper insight into the public participation activities that (BC Hydro, Manitoba Hydro, Hydro-Québec) conducted in association with the (Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) project. Your comments in the final report will be attributed to "(Wuskwatim/Eastmain 1-A/Vancouver Island Generation Project (VIGP)) public participant" and no other identifying information about you will be published. You may stop the interview at any time. Simon Fraser University's ethics committee has granted ethical approval for this interview."

5. **For any negative response above**: "Thank you. May I ask why you do not wish to participate in this interview?" (*Write down answer below*).

6. "Are you 19 or older?" (***If not stop the survey***).

7. Commence interview. (***If the participant discontinues the interview at any time, please ask and record the reason why the respondent has stopped***).

8. At the end of the interview, thank the respondent for participating and ask them if they'd like to receive an electronic copy of the final report. Record their e-mail address. They can also obtain a copy of the research results or address any concerns/complaints to Nancy Olewiler, Director of the Public Policy Program at SFU. Phone: 604.291.5289. E-mail: Olewiler@sfu.ca.

Aaron Cruikshank, Master of Public Policy candidate
Expert Interview Guide B – Stakeholders and Aboriginals

1. What was your definition of success going into the public participation process? Did you have a desired outcome from engagement with (BC Hydro/Manitoba Hydro/Hydro-Québec)?
2. Who do you think are the key public participants in association with this project?
3. Do you feel that every effort was made by (BC Hydro/Manitoba Hydro/Hydro-Québec) to ensure that all relevant stakeholders and community members were involved in the process? If not, what could they have done differently?
4. When were you first contacted by (BC Hydro/Manitoba Hydro/Hydro-Québec) in regard to this project?
5. Did you think that the public participants in this process were representative of the larger community (including stakeholders, aboriginals and NGOs)?
6. Do you feel that all participants had equal opportunity to be heard in these processes?
7. Did you feel that there was adequate flexibility built into the engagement process to allow participants to modify the agenda to reflect the priority issues identified as a group?
8. Do you feel that the engagement process for this project was transparent?
9. What kinds of resources were made available to participants by (BC Hydro/Manitoba Hydro/Hydro-Québec) to facilitate/aid their full and informed participation?
10. How was the purpose of the engagement process described to you at the beginning of the process?
11. Were third, independent/neutral parties utilized to aid the engagement process and if so, how were they selected?
12. How was factual information about the project provided to you?
13. Please describe, in detail, the activities associated with this project that you participated in (including timelines).
14. Were there opportunities for you to interact with (BC Hydro/Manitoba Hydro/Hydro-Québec) outside the formal scheduled activities? Please describe.
15. Please describe your relationship with (BC Hydro/Manitoba Hydro/Hydro-Québec) before and after the formal activities associated with this project.
16. What did (BC Hydro/Manitoba Hydro/Hydro-Québec) do to ensure that your participation was convenient for you?
17. Describe how deliberation on the project was facilitated by (BC Hydro/Manitoba Hydro/Hydro-Québec).
18. How were your values and beliefs incorporated into the engagement process?
19. Overall, how effective was your participation in these activities in achieving your goals with regard to this project? (Refer them back to their first answer).
20. Did the process increase your competence with regard to the project?

21. In your opinion, how open was the engagement process?
22. What was your comfort level with the process?
23. How satisfied were you with the outcome of the process?
24. In your opinion, how fair was the processes in which you participated?
25. The overall project (is looking to be/is/was not) a success. To what do you attribute this outcome?
26. How big of a role do you feel your input and the input of other participants had to play in this outcome?

Appendix B: Quantitative Interview Results

Table 18: Quantitative Data from Expert Interviews

Interviewee	Project	Category	Were third, independent/ neutral parties utilized to aid the engagement process?	Were there opportunities for public participants and staff to interact outside the formal scheduled activities?	Overall, how effective did you find your engagement methodology/ best practices to be in achieving your goals for engagement?	In your opinion, how fair was the process perceived to be by participants?
A	VIGP	BCH Staff	No	Yes	Very effective	Not fair
B	VIGP	BCH Staff	No	Yes	n/a	n/a
C	VIGP	Non-staff	No	Yes	Not very effective	Not fair
D	VIGP	Non-staff	No	Yes	Effective	Fair
E	VIGP	BCH Staff	No	No	Not Effective	Fair
F	VIGP	BCH Staff	No	n/a	Effective	Fair
N	VIGP	Non-staff	n/a	Yes	Not Effective	Not fair
G	WUSK	MH Staff	Yes	Yes	Very effective	Very Fair
H	WUSK	MH Staff	Yes	Yes	Effective	Fair
I	WUSK	MH Staff	n/a	n/a	Very effective	n/a
J	WUSK	MH Staff	n/a	n/a	n/a	Fair
K	WUSK	MH Staff	n/a	Yes	n/a	Unknown
L	WUSK	Non-staff	Yes	Yes	Not Effective	Not fair
M	WUSK	Non-staff	n/a	n/a	Effective	Very Fair
O	EM1A	Non-staff	Yes	Yes	n/a	Very Fair
P	EM1A	HQ Staff	Yes	Yes	Effective	Fair
Q	EM1A	HQ Staff	n/a	Yes	n/a	Very Fair
R	EM1A	Non-staff	n/a	Yes	n/a	Not Very Fair
S	EM1A	Non-staff	n/a	Yes	n/a	Very Fair

Note: "n/a" indicates when an interviewee refused to answer the question or was not informed enough to answer.

Appendix C: Qualitative Interview Results

Table 19: Qualitative Data from Expert Interviews

Interviewee	Project	Type	Found value in having more time in this process	Value = Better relationship between SH and Utility	Value = Increased Understanding of Technical Information	Perception of process	Unfair process	Unfair conduct	Felt that public input had a significant impact on the outcome of the project	Satisfaction with the outcome of the project	Technical information was provided in an appropriate manner
A	BCH	Staff	Yes	Yes	Yes	Not fair	Yes	No	Minor	n/a	Yes
B	BCH	Staff	Yes	Yes	Yes	n/a	n/a	n/a	Major	n/a	Yes
C	BCH	Public	Yes	No	Yes	Not fair	No	Yes	Major	Very Satisfied	No
D	BCH	Public	No	No	No	Fair	No	No	Major	Very Satisfied	No
E	BCH	Staff	Yes	No	Yes	Fair	No	No	Major	n/a	Yes
F	BCH	Staff	Yes	Yes	No	Fair	No	No	Minor	n/a	Yes
G	MH	Staff	Yes	No	Yes	Fair	No	No	n/a	n/a	Yes
H	MH	Staff	Yes	Yes	No	Fair	No	No	Major	n/a	Yes
I	MH	Staff	Yes	No	No	n/a	n/a	n/a	Major	n/a	n/a
J	MH	Staff	Yes	No	Yes	Fair	No	No	Minor	n/a	Yes
K	MH	Staff	Yes	No	Yes	n/a	n/a	n/a	Minor	n/a	Yes
L	MH	Public	Yes	No	Yes	Not fair	No	Yes	No Impact	Unsatisfied	No
M	MH	Public	Yes	Yes	Yes	Fair	No	No	Minor	Satisfied	n/a
N	BCH	Public	No	No	No	Not fair	No	Yes	Major	Satisfied	n/a
O	HQ	Public	Yes	No	Yes	Fair	No	No	Minor	n/a	No
P	HQ	Staff	Yes	No	No	Fair	No	No	n/a	n/a	Yes
Q	HQ	Staff	No	No	No	Fair	No	No	n/a	n/a	Yes
R	HQ	Public	Yes	No	No	Not fair	Yes	No	n/a	n/a	n/a
S	HQ	Public	No	No	No	Fair	No	No	n/a	n/a	No

Note: "n/a" indicates when an interviewee refused to answer the question or or was not informed enough to answer.

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