

Need For Power

BY FRANK PEEBLES



The Site C Clean Energy Project will be a third dam and hydroelectric generating station on the Peace River in northeast B.C.

There is some new buzz about B.C.'s natural resource sector, amping up after more than a decade of decline and a global economic downturn.

Mining, oil & gas, the ever dominant forest sector, and the emerging green energy industry have a common line running through them all — electricity. As much as the price of outflow commodities dictates the operational success of mills and mines, the chief intake commodity they all rely on is power.

The industry coming online fastest is the energy thirsty mining sector. Projects like Mt. Milligan and Prosperity mines are on the doorstep of going into operation, and both would pull heavily on the provincial grid.

The area with the highest concentration of proposed mines is the province's northwest quadrant which is low on population, and utterly lacking in electricity infrastructure. Yet it is poised to feed China's buffet appetite for natural resources.

It is impossible to presuppose the path any mine proposal is going to take before it breaks ground, but there are a number of projects in various stages of development. They have names like Red Chris (copper/gold), Galore Creek (copper/gold/silver), Kitsault (molybdenum) and many others. Between the coal rich Cassiar region near the Yukon border and the communities along Trans-Canada Highway 16 there are about 25 identified sites of concerted mine or quarry interest.

This has the interest of not only of the mining sector but the service sector as well, starting with the sector that plugs it all in.

"Every mine needs electrical. With the amount of money they spend on infrastructure, everything has to be reliable," says Robert Lashin, chairman of the Electrical Contractors' Association of BC. "The installation and the equipment have to be of a nature to operate under extreme conditions.

"The other issue is technology has advanced so our industry has to advance with it. Control systems, computer systems, fiber optics and site security, they are all being incorporated into these operations so it is a real opportunity for companies with diverse disciplines."

Lashin is also president of Houle Electric, a company that leverages its multi-disciplinary approach in a number of different sectors across B.C. Houle's industrial group, responsible for mining sector opportunities, has their hands in the dirt at projects such as Endako Mine near Fraser Lake, Peace River Coal near Tumbler Ridge, and in Alberta with the Albian Sands project near Fort McMurray.

The service sector is taking aim at emerging mines down the barrel of the Prince George-Prince Rupert transportation corridor, which points at China with good reason. Our two countries share geographic advantages at a fiscally advantageous time.

"There is a huge interest from China in coal and copper and nickel," says Tim McEwan, CEO

of Initiatives Prince George only days after delivering a keynote address on B.C. mining opportunities at the China International Fair for Trade and Investment. "The opportunities are staggering. The U.S. and China are the two most dynamic economies in the world and we are the shortest point between them."

When it comes to overseas markets, B.C. is also a huge beneficiary of mining activity happening in our neighboring provinces. Companies such as Canpotex, the world largest exporter of potash, rely heavily on railways and terminals to bring their product from Saskatchewan to the shores of B.C. in order to access the growing needs of international buyers.

The private sector is running a blitz on the provincial government to build the necessary public infrastructure to support our own mining activity. That, in a word, is electricity.

"Development of Red Chris into a mine is contingent upon the construction of a power line to service northwest British Columbia," said a statement from Imperial Metals, part of a mining company chorus on this subject. "The (2005) Red Chris feasibility study was based on the assumption that power supply would be available at Tatogga near Iskut, a distance of 23 kilometres from the mine site. At present, the power supply grid extends only to Meziadin Junction, a distance of 257 kilometres from the mine site."

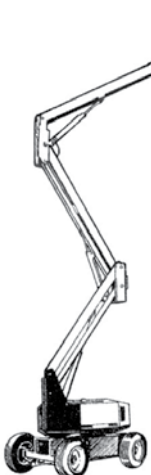
It is therefore no coincidence that a map of the proposed Northwest Transmission Line's

Peace River Coal Maintenance Building, near Tumbler Ridge B.C. Completed spring 2010 by Houle Electric.



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path basically connects the dots between the proposed mines in the top left quarter of the province. The Mining Association of BC reported that “this power line has the potential to attract more than \$15 billion in investment, create 10,700 jobs and generate \$300 million in annual tax revenues to governments.”

Just building the thing is expected to cover 517 kilometres between Terrace and Dease Lake and inject \$600 million into the construction pool.

That electricity superhighway will have all kinds of side roads. Aside from mills and mines, entire communities will be lit up by dependable power after surviving up till now on diesel generators.

“They will require electrical contractors. Each one is an opportunity for an electrical company like Houle,” says Lashin, adding he is having to build his resources and train his labour force now for economic flowers that won’t bloom for years. “It’s a multiple-faceted business model for us. We have buying power because of our size, labour mobility because of all our locations, so we can draw on a lot of people with a lot of skills when the time comes. It is already happening. We don’t have to wait for a new mine to open. In all my years in the business, I have never seen activity in the industrial sector like we’re seeing right now.”

It is all going to draw down on the available power in the provincial grid. So where is all this power going to come from, considering B.C. is already a net importer of electricity?

“You’re going to need Site C,” says Lashin. “For the continued growth of this province you will need Site C, and you will need more and more IPPs (independent power producers) and the co-gen plants that are coming online.”

Those IPPs and co-generation plants, along with wind farms and solar panels and other emerging energy technologies, can’t yet carry the load that B.C. is asking of it, but Lashin says, “I honestly feel that as our traditional resources for generating power diminishes, we will find new ways.”

Regardless of which projects emerge, which technologies come to the fore, and what the timeline is, it is crackling with high voltage optimism in the electrical contracting industry. **CB**