

B.C. needs greater scrutiny of industrial water use, report says

Province should be tracking consumption, making data available to public

BY SCOTT SIMPSON, VANCOUVER SUN NOVEMBER 15, 2012 10:02 AM

British Columbia's lack of attention to industrial water use could lead to higher water and energy costs for all residents in the future, a new report argues.

Sectors such as agriculture and natural gas could be constrained by a lack of water supply unless the province gets a better handle on consumption, according to a report coauthored by the Canadian Centre for Policy Alternatives and the POLIS Project for Ecological Governance.

The province estimates water consumption based on volumes allocated to licensed users, but there's no way to measure whether or not licensees are in compliance, or whether they're even using all the water to which they're entitled, according to the report.

Without that data, it would be difficult to determine whether B.C. could accommodate a flood of new applications for industrial water withdrawal.

The report notes that only one of B.C.'s 31 pulp and paper mills is required to report water use volumes. It adds that aggressive water pricing for all industries would encourage conservation and, ultimately, cost savings for existing users as well as new development opportunities on the same resource.

Looking ahead, the report said the government's interest in large-scale expansion of gas production to support export of liquefied natural gas will mean rapid growth in demand for water for hydraulic fracturing of underground gas deposits, as well as the possibility of a demand spike for expanded hydroelectric development to sustain the LNG industry.

B.C. charges natural gas exploration companies about \$2.75 for enough hydraulic fracturing water to fill an Olympic-sized swimming pool, which compares to a \$175 water-use fee for the same volume in Quebec. Low industrial water use fees "encourage waste," according to the report.

"BC Hydro is the only major water user that pays based on a calculation of the water used," it states. Others pay based on the maximum volumes stated in their licenses, but "basing the fees on actual water use and increasing the fees to reflect the true costs of water withdrawals makes sense from a water and energy conservation perspective."

Report co-author Ben Parfitt said in an interview he'd like to see industrial consumption metered, and the data made publicly available. That's not an exceptional requirement, he added.

"For more than two decades, the government has maintained a sophisticated data set that provides

up-to-date information on trees logged across the province," the report states. "It reveals information on the volume of trees logged by species and grade, location, time of year, company or licensee, and on revenue collected, among other information."

Since 2008, B.C. has been consulting with the public and non-government organizations on an updated Water Act, but "modernization" legislation is not expected until at least 2013.

Parfitt said he was encouraged by a decision last year by the government -- under pressure from First Nations -- to oblige gas explorers to report to the B.C. Oil and Gas Commission their consumption of water used in hydraulic fracturing (fracking), but added that all industries need to be similarly transparent and scrutinized by an independent authority.

At the very least, B.C. should act to enable public scrutiny of water consumption across the province, Parfitt said.

"What I believe we need to see in the province is one provincial authority, one only, responsible for all water authorizations, whether they are temporary or long-term. And that entity would also be in charge of all the monitoring and enforcement and data collecting," Parfitt said.

The report recommends publishing "accurate and timely" reports on all water use in B.C., including consumption by municipal and regional governments.

It also calls for water pricing as a mechanism for encouraging conservation, saying that "under-pricing resources encourages waste -- and misses a valuable opportunity for the government to secure resources for effective protection and management of water."

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