



Powering a cleaner more sustainable future for all British Columbians

BC Hydro's Five-Year Strategy

Fiscal years 2022—2026

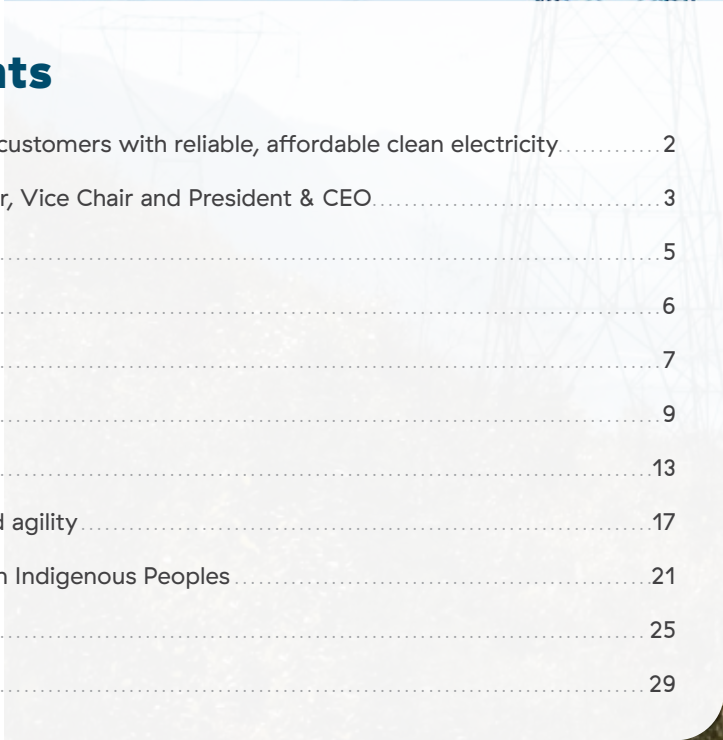
APRIL 2023 REFRESH

 **BC Hydro**
Power smart



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BC Hydro’s planning and reporting ‘year’ is aligned with the provincial government’s. This means we plan and report our results based on a ‘fiscal’ year, which runs from April 1 to March 31 (not a calendar year). This document spans fiscal years 2021/2022 (April 1 2021–March 31 2022) to 2025/2026 (April 1, 2025–March 31, 2026) also referred to as F22–26.

An ambitious plan for a cleaner, more sustainable future

This plan represents our five-year strategy, spanning April 1, 2021 to March 31, 2026 (fiscal years 2021/2022 to 2025/2026). It lays out where we are choosing to invest in addition to the work that drives our mission. Focusing on these areas will allow us to make the most of opportunities, manage challenges, and leave BC Hydro and British Columbia more resilient and better off.

Our plan considers the broader challenges our province is facing. From climate change to affordability and the housing crisis, our strategy guides us in our role in providing electricity to help our province and customers thrive. Our strategy is driven in part by CleanBC, the provincial government's plan for creating a more sustainable future, of which low-carbon electricity is a key component for how we'll achieve aggressive greenhouse gas emissions reduction targets.

We've accounted for the significant changes and shifts taking place in B.C. and the energy sector, the environment and economy, in addition to evolving technologies and the changing needs of current and future BC Hydro customers.

We recognize the role we play in supporting reconciliation by strengthening relationships with Indigenous communities through ownership and participation in the efficient growth of electricity use in the province, and by addressing barriers to employment through capacity development.

This is an ambitious plan. Achieving the objectives we've laid out will require us to make trade-offs to get the most out of scarce resources. It will take targeted investment, organizational focus, and hard work. We'll review our plan annually to validate our focus, consider changing circumstances and to determine where we need to adjust our pace to push our work forward.



Our mission: safely provide our customers with reliable, affordable clean electricity

Our job is to safely and reliably meet the electricity needs of the people of British Columbia. We refer to this as ‘keeping the lights on’—it’s a huge job that requires an enormous amount of effort from our employees across the province.

We know how important electricity is to each one of our lives. Keeping the lights on comes first and foremost in our plans and is the dedicated focus of many of our highly skilled employees.

- It’s about keeping safety at the heart of everything we do and learning from incidents, so that everyone goes home safely each and every day.
- It’s about ensuring that our operations and infrastructure are safe for the public.
- It’s about finding efficiencies in how we perform our work so that we place our valued employees where they’re needed most, focused on the highest value tasks to help us better serve our customers.
- It’s about investing in our electrical system, so that it continues to serve us well—whether we’re maintaining an existing asset, building something new or managing the various factors that can impact system reliability.
- It’s about adapting to our complex external environment; everything from supply chain strategies to new technologies impacting systems and processes.

New areas of focus outlined in this document help us advance and address new challenges and opportunities that come our way. But our mission—to safely keep the lights on—doesn’t change.

Our Five-Year Strategy includes performance measures and targets for each of our goals. The following measures and targets relate to our mission:

Performance measures supporting our mission	Targets
Zero Fatality & Serious Disabling Injury (# of injuries)	Zero annually
Lost Time Injury Frequency—Employees (frequency)	0.74 annually
System Average Interruption Duration Index (hours of sustained interruptions)	3.35 annually
System Average Interruption Frequency Index (number of sustained interruptions)	1.38 annually
Key Generating Facility Forced Outage Factor (%)	1.7% by the end of F25 and maintained thereafter
Customer Satisfaction Index (%)	85% annually



At its core, our job is to safely and reliably meet the electricity needs of the people of British Columbia.

This work is constant, complex and important to who we are as a utility.



Doug Allen
Board Chair



Lori Wanamaker
Board Vice Chair



Chris O'Riley
President & Chief
Executive Officer

A generational opportunity to shape the future

April 1, 2023 marks the third year of our plan. It's sensible to review our progress and validate whether our priorities continue to move us toward our vision of a cleaner, more sustainable future, and for us to make adjustments where needed. We believe our plan remains the right one, and with a few adjustments will continue to move us in the right direction.

Our important work is occurring at the same time that significant social, environmental and economic pressures are challenging the priorities of British Columbians. Globally, climate change continues to be a defining issue of our time. With attention on climate on the rise, individuals are taking action as they rethink their own environmental impact, and they expect the same of the companies they interact with.

As a Crown corporation, BC Hydro has a long history of providing service and solutions through the reach of the system we manage. Our integration into the daily lives of British Columbians is significant. Since our creation, we've contributed to the growth and economic prosperity of British Columbia through the development of our hydroelectric projects and the expansion of renewable electricity to homes and businesses. Site C is an important component of how we'll continue to meet future energy needs. We've learned from our past and are committed to a future that includes meaningful and lasting relationships with First Nations, stakeholders and communities; where

we work together to mitigate the impacts of our operations; and take advantage of opportunities to fight climate change by increasing the use of low-carbon electricity.

Our sector continues to experience significant change in areas like technological advances and the evolution of customer energy use. Our electricity offers British Columbians a cleaner choice and the potential for a healthier environment, both within B.C. and beyond by displacing more carbon intensive energy sources. We're honoured by this role, and recognize the work we do has impacts and benefits well beyond just financial considerations, extending into those areas typically covered by Environmental, Social, and Governance (ESG) frameworks.

We have a generational opportunity to shape the future but that requires us to accelerate our pace. In refreshing our strategy, we've increased focus on the areas that are most important to our customers, like timely connection to the system. We've also emphasized the importance of investing in technology that helps us do our job more efficiently while meeting increasing expectations and the need to remain affordable.

Powering a cleaner more sustainable future for all British Columbians is a vision we know we can achieve with the hard work of each and every one of our talented employees.

We thank you all for being part of shaping the future.



**Our five-year
strategy is our
assurance that we
will continue to not
only do good work,
but the right work
for our province.**



Thriving in a dynamic world

Check out Appendix B for more details on these considerations.

Our plan takes into consideration the environment we operate in, the strengths we have as an organization and the opportunities and challenges that lie ahead.

Here are some of the key drivers that influenced our thinking:

- Climate change is impacting how our system operates, and increasing the demand for low-carbon energy
- The need for resilience and agility is even more important than before to withstand increasing levels of uncertainty and disruption
- Technology is changing how electricity is produced, distributed, and consumed
- Grid modernization is enabling efficiency and new functionality
- There's an increased demand for storage and capacity resources
- There's a commitment to Indigenous reconciliation and Calls to Action of the Truth and Reconciliation Commission
- Customers expect to be more involved and have more choice in managing energy use

Societal expectations are high

Environmental, Social and Governance, or ESG, is a framework that many private and public organizations are using to tell their story and report out on their performance. It promotes a more complete view of value and impact in how a company operates, beyond traditional financial considerations; it emphasizes alignment with what stakeholders and First Nations value, and promotes transparency and accountability. For BC Hydro, this includes:

- **Environmental:** the environmental impact of our operations, including considerations for water use, reducing emissions, and protecting biodiversity.
- **Social:** our work with First Nations, stakeholder engagement, and supporting customers, employees and the public.
- **Governance:** the policies and practices that guide our business decisions. Examples include ensuring our decision-making frameworks and accountabilities are clear to our stakeholders, and our approach to managing our supply chain or cybersecurity practices.

While taking an ESG focus may be new for many companies, corporate responsibility reporting is something BC Hydro has been doing for decades. Our opportunity is to tell the story of the good work we do to be accountable to our province.

A look at our five-year plan



Our mission stays constant

It's the main driver of our work

We are here to safely provide our customers with reliable, affordable, clean electricity.



Our vision for the future is clear

It's renewable power

A cleaner, more sustainable future for all British Columbians.



Our values define our culture

They guide our approach to powering the province

We are safe.

We are here for our customers.

We act with integrity and respect.

We are one team.

We are forward thinking.

We include everyone.

Our job is to safely keep the lights on

This is our mission, and it's essential to everything we do and everything our customers expect. The work to maintain, repair and reinvest in our electricity system is the focus for the majority of our employees. When we do it well and find ways to do it better, we free up capacity to take on new opportunities in support of our province.

To achieve our vision, we need to focus on what our province needs.

- Maintain affordability of electricity.
- Meet rising customer expectations.
- Reduce greenhouse gas emissions through efficient electrification.
- Advance reconciliation with Indigenous Peoples.

FOUROVERFIVE

Four goals make up our plan to move BC Hydro forward over the next five years.



Energize our province



Control our costs



Strengthen our resilience and agility



Advance reconciliation with Indigenous Peoples

Energize our province: a new name, with inspired purpose

We operate in service to our province. Beyond our mission, we're playing a significant role to drive the energy transition from fossil fuels to alternatives that use low-carbon electricity, all while addressing the changing needs of our customers. This work requires an outward-looking perspective to what's happening around us. Changing the name of our first goal "Grow our load" to "Energize our province" more accurately reflects the critical service we provide, and the economic and social value we bring to British Columbia. It shows that what we do at BC Hydro makes a meaningful difference in decarbonizing our province, and how everyone has a role to play.

Four goals will carry us forward



Energize our province

- Help new and existing customers electrify and reduce their carbon footprint.
- Make it easier for our customers to connect to our system and choose electricity to power their homes and businesses.
- Make it easier for industry to connect to our system and choose clean electricity.
- Accelerate the roll-out of electric vehicle charging infrastructure.
- Advance innovative and attractive rate options for our customers.
- Increase use of technology and data to understand customer expectations and to offer products and services that meet their needs.
- Reduce our own greenhouse gas emissions.



Control our costs

- Maintain and reinforce focus on affordability and strategic investments.
- Advocate for solutions to increase regulatory efficiency.
- Continue to realize benefits of improved procurement and supply chain.
- Increase employee ability to make process improvements in order to drive organizational efficiency.
- Achieve process improvement in how we plan and deliver work under the Plan-Build-Operate-Support model.
- Achieve process improvement in MRS sustainment.
- Successfully meet Site C milestones.



Strengthen our resilience and agility


- Develop partnerships to help advance our strategy.
- Implement our Capital Plan to strengthen the resilience of our infrastructure.
- Evolve our workforce strategy to focus on attracting and retaining the talent needed to deliver our strategy.
- Implement the Inclusion, Diversity, Equity & Accessibility Action Plan.
- Invest in modernizing our digital solutions to manage demands on power system and assets.
- Develop Enterprise Compliance Roadmap.
- Implement the Physical Security, Cybersecurity, and MRS Roadmap.



Advance reconciliation with Indigenous Peoples

- Implement our UNDRIP plan.
- Continue deepening relationships with Indigenous Nations.
- Grow our employees' understanding of reconciliation and increase opportunities for Indigenous employment with BC Hydro.
- Implement plan and pursue agile solutions to reduce diesel use in Non-Integrated Areas.

We'll track our progress and measure our success as we go along using clearly defined metrics (see Appendix A).



We have a generational opportunity to shape the future. Powering a cleaner more sustainable future for all British Columbians is a vision we know we can achieve with the hard work of our talented employees.



Energize our province

Climate change is one of the biggest issues facing society. What we do today to reduce greenhouse gas emissions matters, and we need to act urgently. With 98% clean energy generation, BC Hydro is well-positioned to support B.C.'s move away from fossil fuels in support of the provincial government's CleanBC climate action targets.

What's changed

This goal continues to support our vision of a cleaner, more sustainable future for all British Columbians. For the remainder of our five-year strategy, we will increase focus in the following areas:

- Fast-tracking the connection process for both distribution and transmission customers.
- Accelerating the rollout of public EV charging infrastructure.
- Leveraging data and technology to develop new products and services to support our customers in their transition to clean electricity powered by water.



With our clean energy advantage, the opportunity to energize our province is significant—currently electricity represents only 19% of total energy consumption in B.C. While electrification presents a significant benefit to our customers, the economy and environment, it also presents new and complex challenges. Internally, it requires a shift in how we operate and serve our customers; for our customers, it requires thinking about energy use in a new way. Our role is to help our customers with both. B.C. will need more renewable energy to support growth, transition away from fossil fuels and to meet our climate targets. Site C will help our province achieve these important objectives. Wherever possible, we'll extract more value out of technology and infrastructure we've already put in place to avoid the development of additional significant generation infrastructure. And we'll use our established demand-side-management programs to manage capacity in areas of need. As our systems grows, we'll work with government and Indigenous Nations to identify opportunities to efficiently energize our province and meet climate action targets.

The energy transition

Globally, we're seeing a shift away from fossil fuels to renewable sources of energy, such as hydroelectricity, wind and solar. The shift to sustainable energy is driven by climate change and the need to reduce greenhouse gas emissions. Customers will also see a shift in how they interact with energy, there will be more choices and options available than in the past, for example in areas such as energy management and rates.

We've taken great care to integrate sustainable practices into our company, and with low-carbon, hydroelectric generation, we're well positioned to lead the energy transition for B.C. The question we're often asked is whether we have enough electricity to support this transition—and the answer is yes. Our Integrated Resource Plan outlines how we'll meet the electricity needs of our customers over the next 20 years.





What we plan to do

- Develop and implement an electrification plan to grow existing and secure new load, pursuing efficient electrification opportunities with industrial customers, the transportation sector, and the built environment (structures and buildings).
- Develop and implement a rate design strategy that supports the objectives of economic efficiency, affordability, decarbonization, and flexibility, and promotes load growth.
- Implement transportation electrification measures that reduce customer connection costs, encourage off-peak charging of electric vehicles, build out charging infrastructure, and support the growing clean transportation economy.
- Leverage technology and data to develop products and services that meet our customer’s needs and expectations.
- Develop an Integrated Resource Plan (IRP) to meet future load requirements of the system, while controlling costs.
- Identify opportunities for Indigenous ownership and participation in the efficient growth of electricity load in the province.
- Maintain cost effective efficiency programs, including programs targeted to low-income ratepayers, to support customers to be efficient with their current use of electricity and leverage these programs to offer low-carbon electrification programs that encourage growth of electricity.
- Partner with government to attract innovative new industries to British Columbia and promote B.C.’s clean energy advantage, including leveraging Powertech Lab’s leadership and experience.
- Pursue a 100% clean energy standard to ensure continued market access and to increase the value of our product.
- Improve the process and speed at which we connect our transmission and distribution customers.

What success will look like

- We have increased load and reduced GHGs, balanced with efficiency and conservation, and have the revenue required to make key investments while maintaining affordability.
- We successfully managed the generation and transmission demands of electrification while considering cost effectiveness, including mitigating system capacity impacts.
- We have helped our customers leverage CleanBC programs to support GHG reduction through electrification.
- We have found opportunities for Indigenous ownership and participation in and benefit from efficient load growth.
- We have attracted new businesses to B.C. by offering a competitive product and service.
- The public and our customers clearly understand how conservation and electrification work together.
- We have developed new products and services to support our customers switching from fossil fuels to clean electricity.
- We’ve removed barriers and increased the speed of customer connections.

Growth and conservation: complementary strategies

Our demand-side management programs have always been about the smart and efficient use of electricity. In addition to providing customers with bill savings and giving us more flexibility on the system, it’s a more sustainable use of our clean resource.

Electrification is about the efficient use of energy overall. Helping our customers switch to clean electricity helps us reduce carbon emissions, and in areas of high growth and aging infrastructure, we use demand-size management programs to support electrification by freeing up capacity.

In this way, growth and conservation are complementary strategies. We can encourage residential customers to improve home insulation to reduce heating costs, while also encouraging them to switch from a gas to an electric heat pump.



Measuring our success

Performance measures supporting five-year strategy	Targets
Load growth supporting CleanBC (GWh) (Cumulative target compared to F21 baseline)	4,700 GWh by end of F26
New connected commercial and industrial load (MW) (Cumulative target compared to F21 baseline)	750MW by end of F26
GHG emissions reduction—electrification (million tonnes CO ₂ e/year) (Cumulative target compared to F21 baseline)	2.5 million tonnes CO ₂ e/year by end of F26
GHG emissions reduction—BC Hydro operations (% reduction from 2007 baseline)	45% reduction from 2007 levels by 2025
Clean electricity standard (% clean energy)	100% clean energy by Q3 F25
Customer Interconnection studies completed on time (%)	80% annual target
Demand-side management capacity (MW)	170 MW by the end of F26

Partnering with the Province

CleanBC, the provincial government’s plan for creating a more sustainable future, sets big goals—and we’re a big part of them.

The plan outlines how we’ll reduce our greenhouse gas emissions by transforming our buildings, transportation, and how we power our economy and use cleaner energy. A key component of how we’ll do that is through low-carbon electricity.

We used to say our conservation program, Power Smart, was our largest environmental program. Today, it's our electrification program because of the reach and affect it can have on emissions. Playing a bigger role in this space, gives us the opportunity to have meaningful impact on the environment, in the economy and in broader society.

CleanBC sets the stage for a new era at BC Hydro—one where clean electricity is the preferred energy source.



CleanBC GHG reduction targets

Sectoral GHG targets for 2030 are expressed as a percentage reduction from 2007 sector emissions:

- Transportation: 27 to 32%
- Industry: 38 to 43%
- Oil and gas: 33 to 38%
- Buildings and communities: 59 to 64%



Control our costs

Managing costs is critical to providing the affordable and competitive rates that our customers expect. It allows us to address new demands on the business and make investments where they're needed most.

What's changed

This goal remains an important part of our mandate to maintain affordability for our customers. For the remainder of our five-year strategy, we will increase focus in the following areas:

- Strategic investments in technology systems that drive business value and enable the use of new technologies to support the evolution of our business and the changing needs of our customers.
- Driving greater efficiencies in how we operate, including how we manage regulatory processes and mandatory reliability standards.
- Managing the Site C budget as we transition to operation.

Our ability to absorb cost increases is being challenged and tested by factors such as inflation and the increasing complexity of our business. Technology advancement and new regulations and standards are just a few areas challenging our ability to balance investments in our system while managing costs.

We'll continue to make investments in systems that will increase efficiency of our existing assets, while also making strategic investments that will allow us to evolve and grow. With large infrastructure projects and initiatives, like Site C and electrification, we'll need to be more focused on cost-control than ever before. Identifying process improvements will be critical to meeting growing expectations in a resource-constrained environment, while preserving affordability.

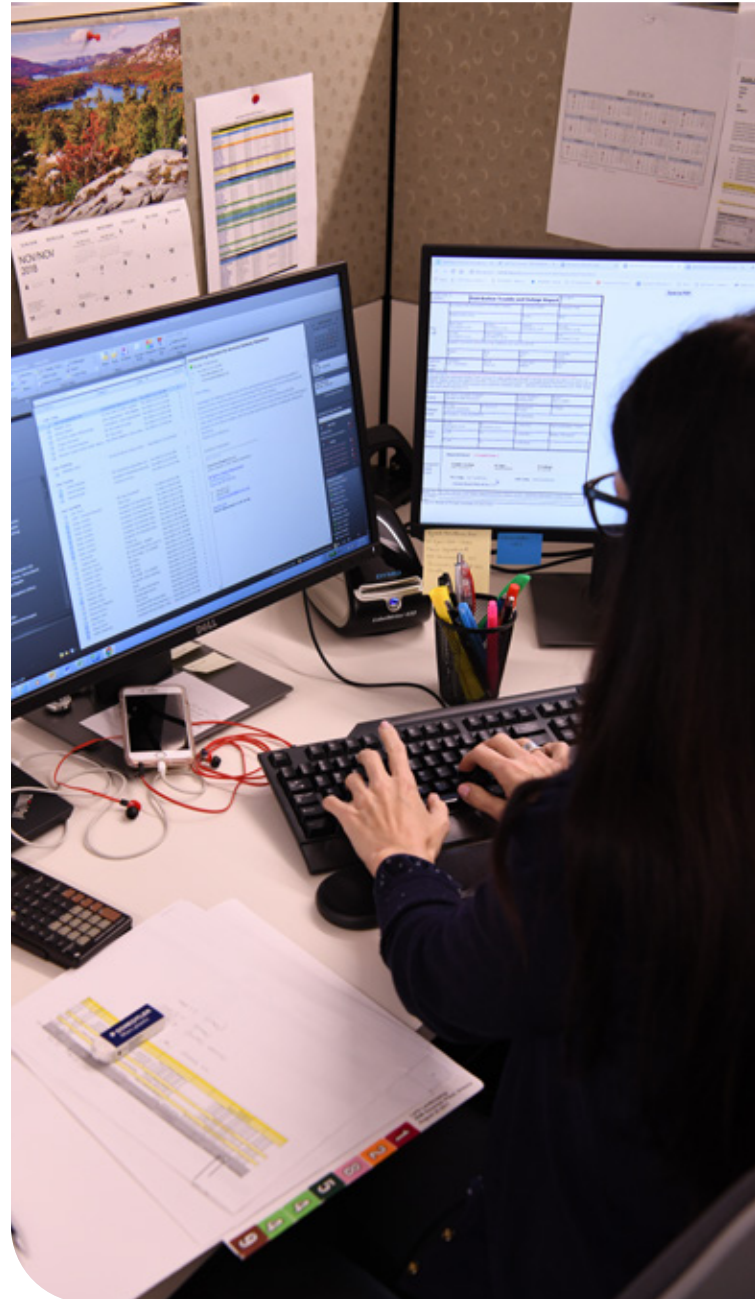
Investing in technology

Digitization and technology are playing an increasingly important role in the growth and transformation of the energy sector. Because of this, we're focused on making the strategic technology investments outlined in our Five-Year Technology Plan. Our technology plan makes the most of our investments while delivering outcomes early and often.

It starts by establishing a strong foundation and governance practice, and is focused on three key areas of work:

- 1. Enterprise technology systems and digitization:** Centered around modernizing our enterprise technology systems, resulting in significant digitization of processes.
- 2. Data and analytics:** Investing in a customer data strategy, data governance and insights to support informed decision-making capabilities.
- 3. Technical debt:** Addressing out-of-date technology systems.

This plan ensures we have the technology needed to meet our goals and deliver on customer expectations.



What we plan to do

- Continue to promote a culture of sustained cost management throughout the organization, while making strategic investments to evolve our business and meet growing expectations.
- Pursue agile technology solutions that are more modest in cost and have a smaller implementation burden than traditional enterprise solutions.
- Invest in technology systems that increase our efficiency and ability to deliver in a cost-constrained environment.
- Increase our capacity to meet growing expectations with existing resources through our process improvement program, Work Smart.
- Achieve benefits of improved procurement and supply chain management practices and tools. This includes a focus on category strategies, contract and supplier management and supply chain related business process improvement.
- Encourage regulatory efficiency through structures and requirements that achieve regulators' objectives at least cost and impact to BC Hydro resources.
- Develop revenue requirements applications that build confidence and support for necessary investments in our system balanced with cost-management and budgeting.
- Implement Site C review recommendations and successfully complete Site C within the revised schedule and budget.

What success will look like

- We have successfully managed cost pressures, matched capital investment to load, achieved efficiencies through process improvement and investment in technology systems, and have been able to maintain affordability for current and future customers.
- We have kept electricity rates affordable by ensuring that rates do not increase above inflation, on a cumulative basis, for the period of Fiscal 2022 to Fiscal 2030.
- We have undertaken necessary investments in management systems and processes required to minimize costs and employ BC Hydro's human and physical capital as efficiently as possible.
- We have maximized opportunities via Powertech and Powerex to maintain affordability and keep rates low.
- We have safely completed Site C, within revised schedule and budget.



Measuring our success

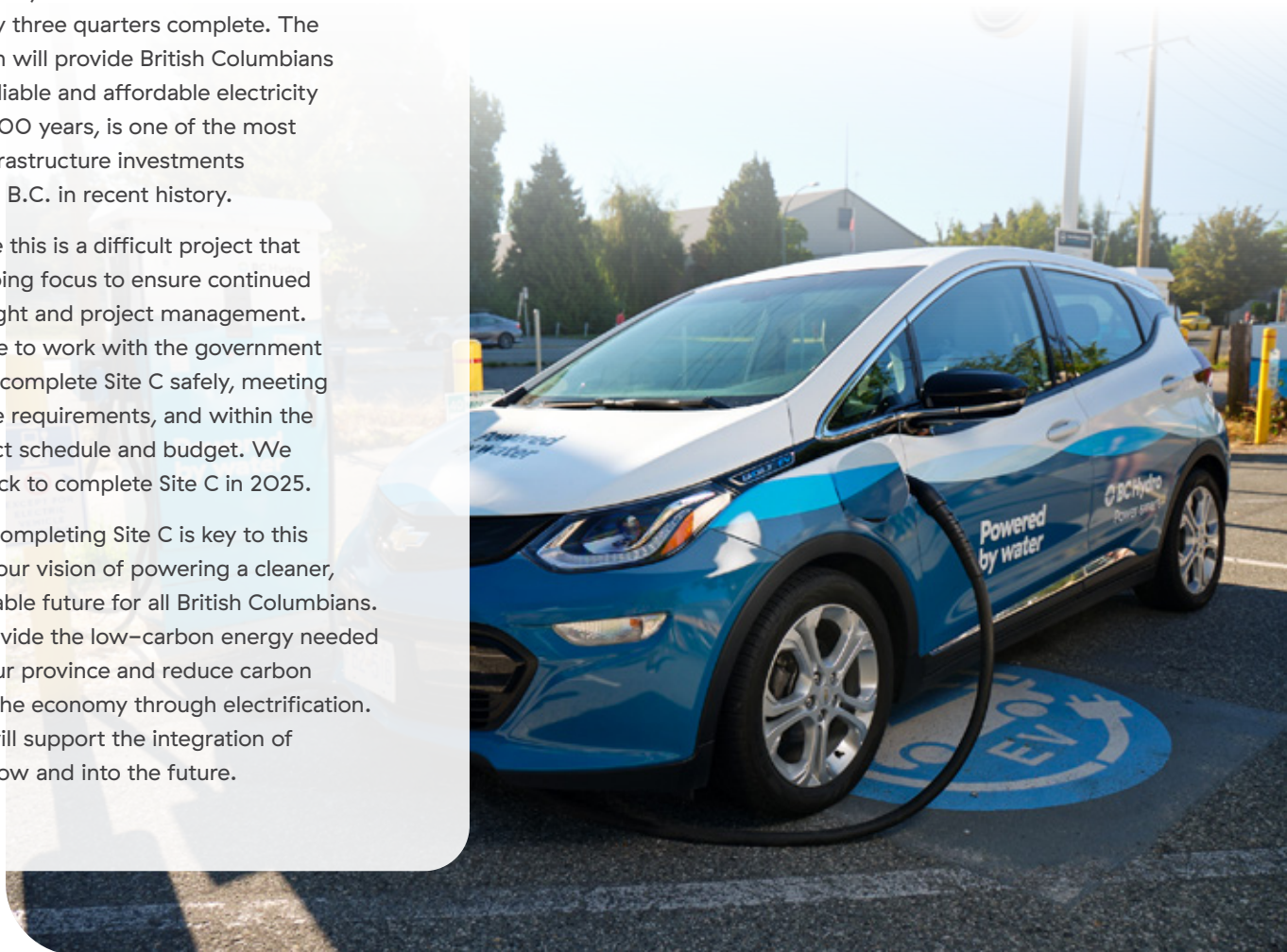
Performance measures supporting five-year strategy	Targets
Affordable bills (quartile benchmark)	1st Quartile (residential, commercial and industrial customer classes) annual target
Project budget to actual cost: cumulative five-years (% variance)	Within +/- 5% of budget excluding reserve amounts
Site C—Cost: Total expected cost (\$)	\$16 Billion
Site C—Schedule: Estimated unit power date (completion month)	First Unit: December 2024 Last Unit: November 2025

Site C: a multi-generational investment in affordable, reliable and renewable energy

As of April 2023, Site C construction is approximately three quarters complete. The project, which will provide British Columbians with clean, reliable and affordable electricity for the next 100 years, is one of the most significant infrastructure investments undertaken in B.C. in recent history.

We recognize this is a difficult project that requires ongoing focus to ensure continued strong oversight and project management. We'll continue to work with the government to ensure we complete Site C safely, meeting all compliance requirements, and within the revised project schedule and budget. We remain on track to complete Site C in 2025.

Successfully completing Site C is key to this strategy and our vision of powering a cleaner, more sustainable future for all British Columbians. Site C will provide the low-carbon energy needed to energize our province and reduce carbon emissions in the economy through electrification. Its capacity will support the integration of renewables now and into the future.





Strengthen our resilience and agility

We need to be prepared for threats ranging from cybersecurity attacks and impacts of climate change, to natural disasters and global pandemics.

What's changed

This goal is foundational to achieving our vision of a cleaner, more sustainable future for all British Columbians. For the remainder of our five-year strategy, we will increase focus in the following areas:

- Expanding our view on compliance, to areas beyond Mandatory Reliability Standards, through the development of an enterprise-wide compliance program.
- Evolving our workforce strategy to consider the resources and skills required to support our changing industry and the expectations and experience of our employees.
- Utilizing digital solutions to improve processes, technology and data to increase resiliency and manage the demands on our power system and assets.



Resiliency is a muscle we build by being proactive and thoughtful in how we plan and manage our work. Training and development, robust compliance, financial discipline, and strong safety performance all support resilience and ensure our people, assets and facilities are safe.

The world is moving quickly around us and our work is getting increasingly complex. Shifting supply chain and labour conditions, changes in weather patterns resulting from climate change and other unexpected events, such as the COVID-19 pandemic, can throw our plans off course if we are not prepared to respond.

We'll need to continue to build agile principles and approaches into our business by finding and efficiently implementing technology solutions to support the vast types of work we do across the organization. We also need to focus on becoming a more inclusive workplace to give our employees the space to deliver their best work.

Resilience is the new reliability

resilience [ri-'zil-y n(t)s] *noun*

The capacity to withstand and recover quickly from difficulties.

Resilience sets us up to manage through challenges and prevents disruptions to the important service we provide. Being resilient enables reliability—something our customers count on—and it gives us the space to be agile, while knowing our core functions continue to operate successfully.

agility [-'ji-l -tē] *noun*

The ability to think, understand and act quickly.

Agility allows us to position our company to take advantage of opportunities when they arise, and to innovate and find better ways of doing things.





What we plan to do

- Implement a robust compliance program.
- Complete implementation of a safety management and assurance system to improve the safety performance of our employees and contractors.
- Increase investment in training and development focused on building workforce capabilities that support resilience.
- Increase our investment to defend against cybersecurity threats.
- Increase investment in vegetation management and mandatory reliability standards compliance.
- Improve how we support our front-line employees and managers to safely deliver reliable, clean, and affordable electricity.
- Evolve our workforce strategy to consider the resources and skills required to support our evolving industry and the expectations and experience of our employees.

Reliability and security: Mandatory Reliability Standards

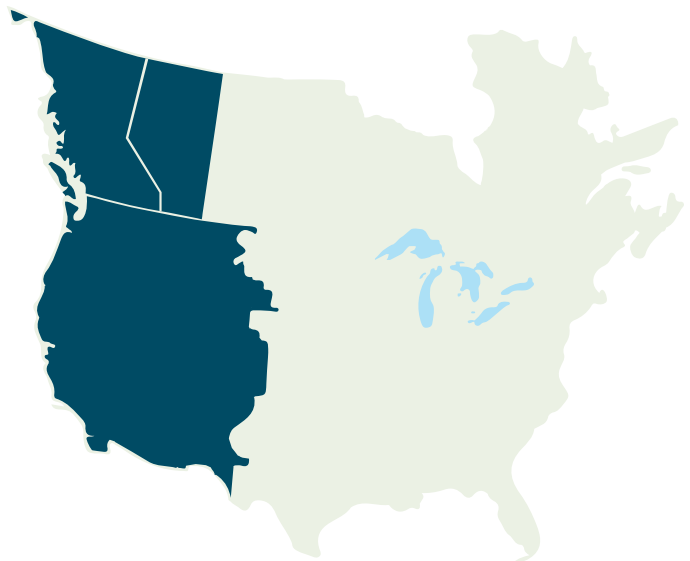
We're part of an interconnected electrical system that covers the western third of North America. Mandatory Reliability Standards (MRS) are designed to assure the reliability and security of that connected system. They were developed following a widespread blackout that affected over 50 million people in the eastern part of North America in 2003. With utilities around the world increasingly being targeted by cyber threats, we each need to do our part to comply with these standards to prevent this from happening again.

Climate change, new technologies, increasing cyber threats, and growing complexity of our interconnected systems require that we achieve a high level of compliance with MRS. We all have to do our part to ensure we keep our systems reliable and resilient now and into the future.

What success will look like

- We are in full compliance with all regulatory requirements, have systems to effectively implement new requirements, and are resilient to external threats and disruptions.
- We have built on our experiences during the pandemic and further institutionalized our agility and ability to adapt across a range of domains from technology to workforce.
- A strong, inclusive, highly-engaged workforce that reflects the diversity of B.C.'s workforce.
- We have no significant compliance violations or successful cyber attacks.
- We have developed and implemented an enterprise-wide compliance program.
- We attract, retain and develop the employees we need to advance key strategies.
- We're an employer of choice, where different perspectives are heard, valued and considered.
- We're able to deliver on the resource needs of our organization now and into the future.
- We've realized capacity in our buildings that advances our properties strategy.

WESTERN INTERCONNECTION





Measuring our success

Performance measures supporting five-year strategy	Targets
Employee engagement score	At or above industry benchmark
Workforce diversity (% of total employee)	Meet or exceed the representation in the available workforce by 2026: Indigenous people: 5% Women: 30% Visible minorities: 25% People with disabilities: 10%
Inclusion and diversity leadership training (% complete)	100% of people leaders trained in inclusion and diversity leadership by end of F24 and maintained thereafter
Training hours—Operations (average hours per Operations technical employee incremental to safety training)	34 Training Hours average per Operations technical employee annually during F22–F26
Mandatory Reliability Standards (Non-Compliance Reduction % Against F21 baseline)	85% non-compliance reduction against F21 baseline





Advancing reconciliation with Indigenous Peoples

Advancing reconciliation is an important part of the role BC Hydro plays in supporting the Province's commitment to reconciliation. Our approach is guided by the the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which the Truth and Reconciliation Commission confirms as the framework for reconciliation.

What's changed

This goal continues to support our vision of a cleaner, more sustainable future for all British Columbians and progresses our relationship with Indigenous Peoples by finding mutually-beneficial opportunities to work together. For the remainder of our five-year strategy, we will increase focus in the following areas:

- Implementing the plan to reduce diesel use within Non-Integrated Areas.
- Exploring options and models for Indigenous ownership of new transmission infrastructure.



We recognize that mutually–beneficial relationships with Indigenous Nations are critical to operating and growing our electrical system. We’re working with Indigenous Nations to find meaningful paths to reconciliation. We drafted our UNDRIP Implementation Plan in consultation with Indigenous Nations. Hearing their perspectives and ideas on what is important to them helped make our plan stronger. The Plan identifies concrete actions we will take to incorporate UNDRIP into our business and continue our journey towards reconciliation. These include:

- Identifying opportunities for Indigenous procurement;
- Bringing Indigenous–designated businesses into our projects and operations;
- Exploring models for partial Indigenous ownership on new infrastructure; and,
- Addressing social inequities and environmental concerns created by lack of access to our connected and integrated electrical system.

These opportunities have the potential to deepen our relationship with Nations by ensuring we are partners in development, and that they are receiving direct benefits as a result of our BC Hydro activities.

As a large employer with province–wide reach, we also recognize the responsibility we have to build Indigenous capacity in the labour market through direct employment. We’ve set ourselves a stretch target of 5% Indigenous representation at BC Hydro. This target exceeds the available workforce in B.C., challenging us to rethink our approach to recruitment and to develop new ways of attracting and supporting Indigenous candidates.

Restoring Indigenous place names along Highway 29

Running along the north side of the Peace River, Highway 29 connects the community of Hudson’s Hope with the Alaska Highway and Fort St. John. As part of the plans to fill the reservoir for the Site C project, we worked with the Ministry of Transportation and Infrastructure and Treaty 8 Nations to realign some segments of the highway and construct five new bridges. A number of Treaty 8 Nations identified cultural sites in the area that included important place names. In some cases, these sites overlapped with sections of the highway, and we saw an opportunity to recognize and reflect the historical and cultural significance of the First Nations in this area by working with these Nations to develop bilingual signage in the Dane–zaa language. Re–establishing Indigenous place names is one way to support the revitalization of Indigenous languages and cultures on the path towards reconciliation.





What we plan to do

- Renew existing Relationship Agreements and finalize four more with Indigenous Nations who are most impacted by our infrastructure.
- Meet our commitments in our Relationship Agreements.
- Develop and publish an UNDRIP implementation plan to demonstrate our commitment to reconciliation and to build transparency around our company's efforts.
- Meet or exceed our Indigenous procurement commitments (in addition to Site C) by exploring opportunities in other parts of our business such as Operations or Properties.
- Continue to create programs that increase opportunities for Indigenous employment and career growth at BC Hydro, such as the Indigenous Professionals in Development (IPID) program or the Try-a-Trade program.
- Reduce reliance on diesel generation in communities that are not connected to BC Hydro's integrated system.
- Pursue Indigenous ownership opportunities such as new BC Hydro radial transmission lines and customer connections.
- Increase opportunities for Indigenous Nations to participate in BC Hydro's planning decisions at a regional level, including co-designing approaches to minimize impacts on the land base.

What success will look like

- We have worked together with Indigenous communities to understand and further reconciliation in a way that creates sustainable benefits.
- All employees understand what UNDRIP is and what it means for BC Hydro and we are actively implementing our UNDRIP implementation plan.
- We have co-developed unique approaches to environmental protection with Indigenous Nations, such as a new approach to cumulative effects.
- We have successfully come to understand and navigate the complexity of relationships between Indigenous governments and the provincial government and have realized efficiencies in consultation and regulatory processes.
- We have played a role to help address capacity gaps in Indigenous communities and this has greatly helped communities achieve meaningful benefits and engagement with the energy system.
- We have developed new and innovative models for Indigenous participation that are aligned to our business, such as exploring different ownership models for transmission lines or new clean energy projects in remote communities.
- We have introduced new Relationship Agreement models that reflects the principles of UNDRIP and seek to address the ongoing impacts of our facilities.

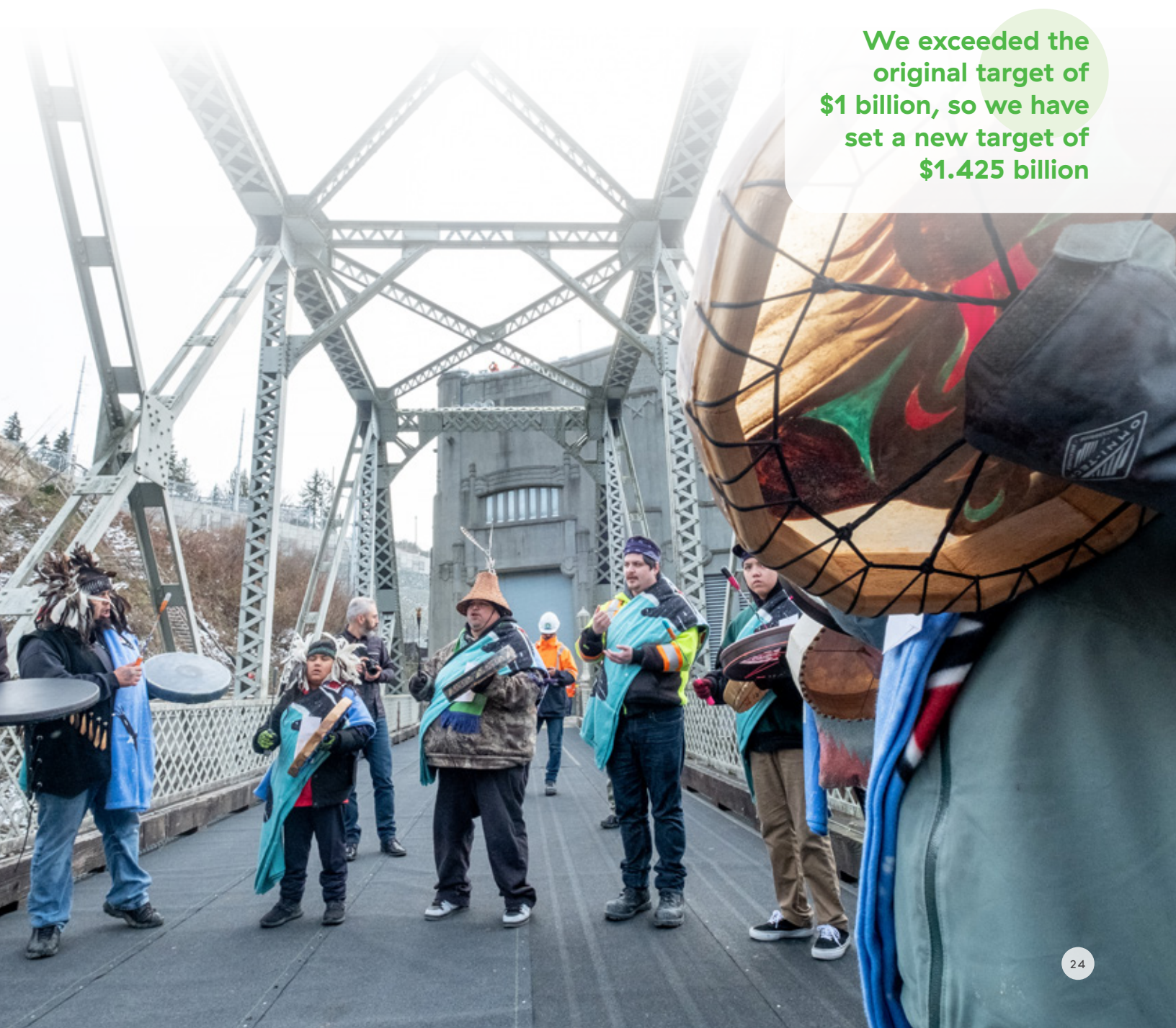




Measuring our success

Performance measures supporting five-year strategy	Targets
Indigenous procurement (Cumulative \$ from F15)	\$1.425 billion by the end of F26 (cumulative target from F15)
Indigenous employment at BC Hydro (% of total employee):	5% by end of F26
Indigenous awareness training at BC Hydro (% complete)	80% of employees trained in INDIG-101 and/or INDIG-201 by end of F26
Progressive Aboriginal Relations Certification (level—external certification)	Gold level

We exceeded the original target of \$1 billion, so we have set a new target of \$1.425 billion



Appendix A: Measuring our success

Metrics and targets are an important component of measuring our success but they’re not the only thing we need to pay attention to. Not everything is easily measured or quantified. In addition to our measures and targets, we also need to be accountable for qualitative outcomes. For example, it’s difficult to quantify the quality of a relationship when thinking about advancing reconciliation with Indigenous Nations, yet this is a critical component of success. Our strategy contains metrics and targets, as well as descriptions of “what success looks like”—and both are important.

Our mission: deliver reliable power safely	
Performance measures supporting five-year strategy	Targets
Zero fatality & serious disabling injury (number of injuries) This is a measure of an incident where there has been a loss of life or an injury has resulted in a permanent disability (for which a disability pension has been received or is expected). This measure excludes contractors or public safety incidents.	Zero annually
Lost time injury frequency (frequency) This is a measure that shows the number of injuries resulting in lost time per 200,000 hours worked (excluding contractors). Lost time injuries are those where the employee was absent from work beyond the day of injury. Note: This metric may be replaced by a ‘leading’ safety metric in future years.	0.74 annually
System Average Interruption Duration Index (hours of sustained interruptions) By measuring the outage duration of sustained interruptions experienced by an average customer in a year (excluding major events), we can track our ability to reliably meet the electricity requirements of customers.	3.35 annually
System Average Interruption Frequency Index (number of sustained interruptions) By measuring the total number of sustained interruptions experienced by an average customer in a year (excluding major events), we can track our ability to reliably meet the electricity requirements of customers.	1.38 annually
Key Generating Facility Forced Outage Factor (%) This measure shows the trend of how the generation assets are performing and supports investment decisions to maintain asset reliability.	1.70 by the end of F25 and maintained thereafter
Customer Satisfaction Index (%) This measures customer satisfaction with BC Hydro on five key drivers: value for money; commitment to customer service; providing reliable electricity; acting in the best interest of British Columbians; and efforts to communicate to customers and communities. This measure gauges the degree to which BC Hydro is meeting customers’ electricity and service needs.	85% annually

Appendix A: Measuring our success

Energize our province	
Performance measures supporting five-year strategy	Targets
Load growth supporting CleanBC (GWh) This measure tracks growth in load (GWh) related to CleanBC (fuel switching and new clean industries) and represents efforts to support CleanBC through electrification.	*4,700 GWh by end of F26 (Cumulative target compared to F21 baseline)
New connected commercial and industrial load (MW) This measure captures load from new or expanded commercial and industrial load.	*750MW by end of F26 (Cumulative target compared to F21 baseline)
GHG emissions reduction—electrification (million tonnes CO ₂ e/year) This metric tracks performance on reducing GHGs and supporting CleanBC. It uses the results from the metric “Load Growth Supporting CleanBC” to calculate an associated GHG reduction benefit.	2.5 million tonnes CO ₂ e/year by end of F26 (Cumulative target compared to F21 baseline)
GHG emissions reduction—BC Hydro operations (% reduction) This metric tracks BC Hydro’s progress reducing GHG emissions related to its own operations in areas such as fleet, buildings, SF6, & CF4 non-integrated areas, thermal, air travel, paper as well as independent power producers (IPPs).	45% reduction from 2007 levels by 2025
Clean electricity standard (% clean energy) This measure represents BC Hydro’s provision of a sufficient quantity of clean energy to meet BC Hydro’s annual average load served by the integrated power system over a four-year period of time. Note—final methodology and target subject to government consultation and resulting legislation and regulation.	100% clean energy by Q3 F25 and maintained thereafter
Customer interconnection studies completed on time (%) This measure tracks BC Hydro’s performance meeting the overall timeline for the completion of studies (all types) required for customers to be connected to the grid. The measure encompasses the timeliness of actions of BC Hydro, the customers and third parties to complete the studies.	80% annual target
Demand-side management capacity (MW) This measure reflects the annual new incremental capacity (MW) savings from the energy conservation portfolio including programs, codes and standards and conservation rates that measure BC Hydro’s performance against annual energy targets.	170 MW by the end of F26

*The Load Growth Supporting CleanBC and New Connected Commercial and Industrial Load targets are not additive and are not designed to be mutually exclusive; there will be some new projects that are captured in both of the two metrics.

Appendix A: Measuring our success

Control our costs	
Performance measures supporting five-year strategy	Targets
Affordable bills (quartile benchmark) This metric measures BC Hydro’s average bills compared to a sample of North American utilities across three different customer classes, based on survey information taken from the annual Hydro Quebec report, Comparison of Electricity Rates in Major North American Cities.	1st Quartile (residential, commercial and industrial customer classes) annual target
Project budget to actual cost: cumulative five years (% variance) This measure compares actual project costs at completion (not including Site C) to the original approved full scope implementation budgets, not including project reserve amounts, for capital projects that were put into service during the five-year rolling period.	Within +/- 5% of budget excluding reserve amounts—five-year cumulative target
Site C—Cost: Total expected cost at completion (\$) The total expected project cost is at or below the approved budget of \$16 billion.	\$16 billion
Site C—Schedule: Estimated unit power date (completion month) The estimated unit power date of the project is compared to the approved first unit power of December 2024 and last unit power of November 2025.	First Unit: December 2024 Last Unit: November 2025

Strengthen our resiliency and agility	
Performance measures supporting five-year strategy	Targets
Employee engagement score This is a measure of employee engagement. It is derived from a confidential survey.	At or above industry benchmark
Workforce diversity This is a measure of the diversity of BC Hydro’s workforce in the representation of women, visible minorities, Indigenous people, and people with disabilities. The targets are based on available B.C. workforce in the subset of the labour market in the occupations we hire, as derived from the current census.	Meet or exceed the representation in the available workforce by 2026: Indigenous people: 5% Women: 30% Visible minorities: 25% People with disabilities: 10%
Inclusion and diversity leadership training (% complete) People leaders play an important role in creating an inclusive and harassment-free workplace. This measure assesses progress against the goal of all people leaders completing the training by F24. Leadership training modules include Bias and Diversity, Safety and Inclusion, and Supporting Mental Health.	100% of people leaders trained in inclusion and diversity leadership by end of F24 and maintained thereafter on an annual basis
Training hours—Operations (average hours per Operations technical employee incremental to safety training) This is a measure of annual training completed by Operations technical employees incremental to safety training. It represents an investment in workforce capability and resiliency.	34 training hours average per Operations technical employee annually
Mandatory Reliability Standards (Non-Compliance Reduction % Against F21 baseline) Measure of BC Hydro's externally reportable MRS non-compliance.	85% non-compliance reduction against F21 baseline

Appendix A:

Measuring our success

Advancing reconciliation with Indigenous Peoples	
Performance measures supporting five-year strategy	Targets
<p>Indigenous procurement (\$) This is a measure of the total dollar value of procurement at BC Hydro with Indigenous Nations across all business groups and procurement. It represents opportunities for Indigenous Nations to share in the benefits of the work that BC Hydro does to build, operate, and maintain the system.</p>	<p>\$1.425 billion by the end of F26 (cumulative target from F15)</p>
<p>Indigenous employment at BC Hydro (% of total employee) This is a measure of Indigenous employment at BC Hydro. It supports efforts to increase the percentage of Indigenous employees at BC Hydro with a particular focus on growing Indigenous participation in non-trade areas.</p>	<p>5% by end of F26</p>
<p>Indigenous awareness training at BC Hydro (% complete) This measure evaluates BC Hydro’s workforce awareness of Indigenous issues which supports our efforts in advancing reconciliation. The measure assesses progress against employees completing INDIG-1O1 and/or 2O1 training.</p>	<p>80% of employees trained in INDIG-1O1 and/or INDIG-2O1 by end of F26</p>
<p>Progressive Aboriginal Relations certification (level—external certification) This measure demonstrates BC Hydro’s commitment to progressive relationships with Indigenous communities, businesses and people. BC Hydro prepares a submission once every three years outlining its approach, programs and results, examples and testimonials, and other supporting information. This submission is reviewed and evaluated by Indigenous business leaders in Ottawa where a final determination of certification level (bronze, silver, gold) is provided by an independent jury.</p>	<p>Gold level</p>

Appendix B:

A detailed look at the drivers behind our strategy

Our five-year strategy is designed to respond to the context we operate in, our strengths and the opportunities and challenges that lay ahead.

Key trends impacting our sector

ECONOMIC UNCERTAINTY

As the direct impacts of the global pandemic begin to fade, countries are dealing with one of the most complex economic situations in decades. Outsized inflation during the past year is moderating, but a key risk to the economic outlook is the increasing of interest rates by central banks almost everywhere. Economists expect a resulting economic downturn of slow or no growth, though a global recession may be avoided or limited if inflation stabilizes. The financial outlook for our large customers will vary by sector, and with households impacted by both high inflation and rising borrowing costs, affordability will remain more important than ever to our customers. In this context of uncertainty, it will be critical for us to use active risk management approaches to maintain flexibility, leaving room to be agile in the decisions we make.

Did you know?

British Columbia's electricity grid is part of a much larger network that includes Alberta, plus portions of 14 western U.S. states and a small part of Mexico. Power trading with these jurisdictions supports grid reliability and affordability for our customers.

CLIMATE CHANGE IS TRANSFORMING THE ENERGY LANDSCAPE

Climate change is impacting the frequency and extremes of weather, precipitation and temperature events, reservoir inflow predictability, and patterns in electricity demand and supply. This has led to an increase in infrastructure damage as a result of more extreme storms, wildfires and floods. In the near term, these climate events drive a growing need for utility investment in infrastructure and technology to maintain and improve safety, reliability, and resiliency. Utilities are at the centre of plans to increase focus on low-carbon electrification to displace fossil fuels and reduce greenhouse gas emissions. We're starting on strong footing here in B.C. Our investment in hydroelectricity gives us a clean energy advantage and positions B.C. as a leader over jurisdictions that rely heavily on fossil fuel generation.

TECHNOLOGIES ARE EVOLVING, AND THE COMPETITIVE LANDSCAPE IS SHIFTING

The costs of solar and wind generation and small-scale battery storage have decreased significantly, resulting in more utilities and even customers adopting these technologies. In North America, the U.S. government's Inflation Reduction Act has provided a major boost for behind-the-meter climate solutions, including distributed generation, energy efficiency, electric vehicle infrastructure, clean transportation, along with many energy storage, carbon capture, and clean hydrogen projects. We're also seeing customers use electricity in new ways as technologies advance and electricity becomes a more prevalent fuel option in all aspects of life, from electric vehicles to more efficient space heating and cooling.

Our competitive landscape is impacted by competing fuel choices and new options for self-generation of electricity by organizations and customers. Under this model, we see the role of the traditional utility shift from providing a product (energy), to providing reliability and energy management services. Rate design and price signals become important as well. This will challenge our ability to retain existing customers, while also attracting new ones.

THE SHIFT TO THE WORKFORCE OF THE FUTURE IS HAPPENING NOW

The workplace is evolving with unprecedented speed. The sudden and disruptive shift to remote working as a result of COVID-19 has triggered challenges and opportunities for companies and employees. There has been unprecedented turnover being coined, "the great resignation," resulting partly from a retirement exodus, but also as workers examine

Appendix B:

A detailed look at the drivers behind our strategy

concepts of loyalty, transparency and personal fulfilment. Employers eager to remain competitive in a talent marketplace with norms that are evolving rapidly must adjust their recruiting, benefits and priorities and their definition of work itself. With a need to for the utility workforce of the future to be equipped with technology and digital skills, our success will depend on our ability to attract, develop and retain our people.

CUSTOMER EXPECTATIONS ARE SHIFTING

Customers today expect more from energy providers than just reliable service. They want more information, input into decisions that affect them and more ability to manage their energy use. Traditionally conservative utilities face the challenge of meeting customer expectations for customized services set by more agile and innovative industries, such as telecommunications providers. We've made progress in enhancing the customer experience by introducing tools such as access to analytics to monitor energy use and a mobile platform for our customers to interact with us. Understanding and meeting changing customer expectations will always be a focus.

GRID MODERNIZATION IS CHANGING THE WAY WE OPERATE

Smart-grid technology provides opportunities for smart and flexible end-use devices or community-based energy resources. We've made significant investments in grid modernization to date, including the introduction of smart meters, an expansive network of automatic reclosers, and new technology in the control centres. This platform puts us in a strong position to take advantage of enhanced functionality and make incremental investments in modernizing our grid. Enhanced functionality includes demand forecasting tools, distributed energy management systems, and communication and control technologies.

ELECTRICITY TRADE IS EVOLVING

We're seeing utilities in other jurisdictions rapidly increase their use of intermittent renewables, as well as system-wide interest in clean supply. As these utilities retire thermal resources, resource adequacy becomes an increasingly important issue. We already have a strategic advantage thanks to our investment in hydroelectricity, which can help with the integration of intermittent resources. Moving forward, optimizing our system flexibility and ensuring market access will be key components of our strategy to maximize trade opportunities, particularly with jurisdictions looking for clean, reliable supply.

Did you know?

The CleanBC Plan sets a target of a 40% reduction in GHGs by 2030 (from a 2007 baseline). We anticipate that policy designed to meet the 2030, 2040 and 2050 GHG reduction targets, could create significant additional demand for our clean electricity.

Appendix B:

A detailed look at the drivers behind our strategy

KEEPING OUR EYE ON EMERGING TRENDS

We are tracking issues that could be important when developing our future strategic plans. Some of these include:

- The role of coalitions and partnerships to achieve objectives and how BC Hydro might leverage this approach—the concept of cooperative advantage versus competitive advantage.
- The role of energy in geopolitics and risks around access to goods and services, and the potential de-globalization as economies adopt ‘re-shoring’, ‘near-shoring’ and ‘friend-shoring’ strategies.
- The impact of urbanization on local energy supply, infrastructure planning and grid capacity challenges.
- The concept of water scarcity and the value of water, as the gap between global demand and supplies of fresh water continues to grow.
- The emergence of metaverse as a digital environment of augmented reality and virtual reality technologies that will change how we connect, communicate, and access information.

The CleanBC Plan sets a target of a 40% reduction in GHGs by 2030 (from a 2007 baseline).

We anticipate that policy designed to meet the 2030, 2040 and 2050 GHG reduction targets, could create significant additional demand for our clean electricity.

OUR STRENGTHS

- Supply of clean energy
- Focus on efficient energy use
- Strong financial footing
- Focus on our customers
- Strong, capable, and resilient workforce
- Relationships
- Commitment to advancing Indigenous reconciliation
- Stewardship role in British Columbia
- Leadership in innovation and clean technology through Powertech Labs
- Market access and electricity trading capabilities through Powerex

OUR OPPORTUNITIES AND CHALLENGES:

- Understanding the diverse population we serve
- Building relationships that advance Indigenous reconciliation
- Completing Site C
- Increasing expectations and compliance requirements
- Maintaining affordability for customers
- Maintaining our large system and aging infrastructure
- Adapting to the impacts of climate change
- Managing organizational capacity

