# BC Hydro and Power Authority

# 2024/25 – 2026/27
# Service Plan

**February 2024**


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# Board Chair's Accountability Statement

The 2024/25 – 2026/27 BC Hydro Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of December 31, 2023 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Hydro's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BC Hydro's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

Lori Wanamaker
Board Chair, BC Hydro
January 31, 2024

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# Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the *Declaration on the Rights of Indigenous Peoples Act* and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 service plan outlines how BC Hydro will support the government's priorities and action items identified in the most recent BC Hydro Mandate Letter.

# Purpose of the Organization and Alignment with Government Priorities

BC Hydro is one of the largest electric utilities in Canada and is publicly owned by the people of British Columbia. We generate and provide electricity to 95 percent of B.C.'s population and serve approximately five million people. The electricity we generate and deliver to customers throughout the province powers our economy and quality of life.

As a provincial Crown Corporation, BC Hydro reports to the Provincial Government through the Minister of Energy, Mines and Low Carbon Innovation. Government's expectations are expressed through the following legislation and policies:

- The Hydro and Power Authority Act
- The Utilities Commission Act
- The BC Hydro Public Power Legacy and Heritage Contract Act
- The Clean Energy Act
- CleanBC and the CleanBC Roadmap to 2030

Our mission is to safely provide our customers with reliable, affordable, and clean electricity. To fulfill this mission on behalf of our customers and the Province, our Service Plan sets out a three-year plan with strategies, performance measures, and targets aligned with the priorities outlined in the B.C. Government's Mandate Letter from the Minister of Energy, Mines and Low Carbon Innovation. Our Service Plan also aligns with our Five-Year Strategy to deliver on our vision of a cleaner, more sustainable future for all British Columbians.

We have identified five strategic goals for the Service Plan based on the foundational principles and documents described above:

1. We will safely continue to deliver reliable, affordable, and clean power;

2. We will energize our province with clean electricity to support achieving British Columbia's climate action targets;
3. We will control our costs;
4. We will strengthen our resilience and agility; and,
5. We will advance meaningful reconciliation with Indigenous Peoples.

# Operating Environment

As a utility that operates in a high hazard industry, we keep safety and reliability at the centre of everything we do. Our job is to safely keep the lights on for the people of B.C., and that means that every person working for BC Hydro and interacting with our system goes home safely each day. It has been more than 13 years since our last employee fatality in August 2010. We continuously work to improve our performance by sustaining and strengthening our internal Integrated Safety and Compliance Framework.

Climate change and extreme weather events continue to affect our business. Colder winters are increasing electricity consumption demands. Hotter, drier summers are leading to lower water levels and increased threats to our infrastructure from wildfires. More powerful major storms are bringing strong winds and heavy rain that can result in power outages for our customers. These impacts require us to increase the resilience of our infrastructure and adapt how we plan and operate the system. BC Hydro will continue to provide reliable service and implement improvements to how we communicate accurate and timely outage information to the customers and communities we support.

BC Hydro's clean electricity can make a significant positive impact on climate change by reducing greenhouse gas (GHG) emissions through increased electrification. BC Hydro is supporting the Province's CleanBC Roadmap to 2030, which commits to reducing pollution and building a cleaner, stronger economy for people throughout B.C. The CleanBC Roadmap to 2030 focuses on energy efficiency and draws on B.C.'s abundant supply of clean and affordable power as an alternative to fossil fuels to reduce GHG emissions.

We continue to make significant strategic investments to expand the system and maintain aging infrastructure, while prudently managing all costs to help keep electricity affordable for our customers. Our 2021 Integrated Resource Plan (IRP), currently being reviewed by the British Columbia Utilities Commission (BCUC), provides a 20-year outlook to guide decisions on our integrated system to meet the future electricity needs of our customers. Our 2023 signposts update to the 2021 IRP indicated increased demand as well as decreased supply, resulting in an earlier need to acquire approximately 3,000 gigawatt hours of new clean or renewable resources as early as fiscal 2029.

We continue to safely advance the Site C Clean Energy Project which, when completed, will provide 1,100 megawatts of capacity, and produce about 5,100 gigawatt hours of electricity each year – enough energy to power the equivalent of about 450,000 homes or 1.7 million electric vehicles per year in British Columbia.

The North Coast of B.C. is seeing significant growth in many areas, including ports, mining, clean fuels, and liquified natural gas. BC Hydro is advancing planning for additional transmission capacity[1] to meet this growing demand and support the objectives of our Electrification Plan and CleanBC. We started engagement with First Nations, stakeholders, and customers in 2023 and will continue throughout 2024. In particular, there will be a focus on engaging with Indigenous Nations on co-ownership of the line and other means of participation, engaging with stakeholders on project development, and with prospective customers on connecting to BC Hydro's system.

Operating, maintaining, and expanding BC Hydro's extensive electricity system impacts First Nations and Indigenous peoples across the province. We are working with Indigenous Nations to advance reconciliation and continue to pursue meaningful, long-term relationships that better reflect Indigenous interests. Pursuant to the historic passing of the Declaration on the Rights of Indigenous Peoples Act in November 2019, BC Hydro has developed an Implementation Plan, in consultation with First Nations. The plan outlines BC Hydro actions to incorporate the principles of UNDRIP into our business, expanding on the significant relationship building that has taken place. BC Hydro will also continue to work to implement the Calls to Action of the Truth and Reconciliation Commission and the Draft Principles that Guide the Province of B.C.'s Relationship with Indigenous Peoples into our business.

Our new Call for Power announced in June 2023 will seek new sources of clean or renewable, electricity to meet that anticipated increased demand. We are committed to exploring meaningful economic reconciliation opportunities as part of this call and will require that all projects include meaningful First Nations participation. The formal launch of the call for power is targeted for spring 2024 and will be informed by First Nations, industry, and stakeholder feedback through an extensive engagement process.

BC Hydro continues to work with the Province to implement our Electrification Plan – A clean future powered by water. This plan will make it easier and more affordable for people to efficiently use more of B.C.'s clean electricity to power their homes, businesses, and vehicles and meet the Province's climate goals while attracting innovative new clean industries to B.C. The plan details programs and incentives to advance the switch from fossil fuels such as the continued expansion of BC Hydro's electric vehicle fast charging network as part of the province's Electric Highway. Together, these actions are expected to contribute approximately 3,100 additional gigawatt hours of load by the end of 2026.

Inflation continues to put pressure on British Columbians and our economy. We are advancing affordability measures, including supporting electricity conservation efforts to help our customers save money on their electricity bills. We are focused on making it easier for our customers to do business with us and attracting innovative new industries to B.C. To do so we are reducing the time and cost for the approximately 40,000 new customers annually to connect to our system which will support housing, clean economic growth, and electrification throughout the province.

[1] BC Hydro's transmission system moves electricity from generating stations to distribution substations where it is transformed to lower voltages for customers. BC Hydro has more than 18,000 km of transmission lines.

BC Hydro is regulated by the BCUC. In fall 2023, we began customer engagement on our upcoming 2024 Rate Design Application which will provide customers with more choices on how they pay for the electricity they use. This application is in addition to our Optional Residential Time-of-Day Rate application, which was approved by the BCUC in December 2023 and is expected to be available to customers in June 2024. This new add-on rate will provide customers an option to save money on their electricity bills by shifting their electricity use from hours of peak use to times when more system capacity is available in the BC Hydro system.

In August 2023, we released our inaugural Environmental, Social and Governance (ESG) report – Powering a sustainable B.C. to meet our stakeholders' growing demand for transparency and the desire to evaluate our impact on the world. As per our report, BC Hydro endorses the UN Sustainable Development Goals as part of our framework and for our 2023/24 reporting cycle, our ESG reporting efforts will be focused on sharing in-depth information on select areas of our business where we see emerging legislation/policy developments, issues, or interests.

The BC Hydro Task Force is providing strategic advice to government on how to ensure reliable, affordable, and emissions-free energy for future generations. This includes assessing potential changes to improve the speed of permitting and infrastructure delivery, modernizing the regulatory framework, and identifying, enabling, and accelerating economic opportunities in clean energy. In October 2023, the Task Force provided initial recommendations to government for early targeted actions focused on accelerating the planned acquisition of new clean or renewable energy resources. BC Hydro is working with government to explore options for implementation.

With thoughtful planning and prudent decision-making, BC Hydro is well-positioned to safely provide reliable, affordable, clean electricity throughout B.C., today and into the future.

# Performance Planning

## Goal 1: Deliver reliable power safely

This goal reinforces our corporate mission to safely provide reliable, affordable, and clean power to our customers.

### Objective 1.1: BC Hydro will safely and reliably meet the electricity requirements of our customers by prudently planning and investing in the system.

As a utility that operates in a high hazard industry, safe and reliable operations supported by strategic investments to strengthen our system are key to ensuring we provide our customers with clean electricity that they can count on to meet their energy needs.

**Key Strategies**

- Continue to develop, implement, sustain, and improve safety processes and programs, in alignment with our internal Integrated Safety and Compliance Framework.
- Enhance the reliability and resilience of the generation, transmission, and distribution system by continuing to effectively implement maintenance and vegetation programs.
- Empower workers to share their knowledge and capably execute their work to improve how we learn from our safety performance and focus on preventing fatalities and permanently disabling injuries.
- Protect the public from hazards around our reservoirs and dams by aligning our practices with the Canadian Dam Association "Guidelines for Public Safety Around Dams."

**Discussion**

This objective emphasizes our core focus on keeping the lights on for our customers and strengthening our safety performance.

We will continue to adapt how we plan and manage the electricity system to provide reliable service to our customers as climate change impacts the frequency and extremes of weather events. Safety is always top of mind and BC Hydro is continually monitoring our progress to improve the safety of our employees, contractors, and members of the public.

### Objective 1.2: BC Hydro will meet the evolving expectations of our customers.

This objective emphasizes our continued commitment to integrate customer perspectives regarding our rates, service, and planning in order to meet their evolving expectations.

### Key Strategies

- Sustain robust customer engagement in our rate design and project planning processes.
- Increase the use of data, modelling, and technology to inform the development of solutions, offers, and rates that meet the different needs of BC Hydro's wide range of customers.
- Continue to make it easier for customers to do business by incorporating Gender-Based Analysis Plus (GBA+)[2] to broaden our understanding of how BC Hydro practices impact our customers.

### Discussion

This objective reflects our ongoing efforts to ensure our customers receive reliable power, our continued commitment to customer service, and improvements in customer communications.

Customers expect more information, input into decisions, and involvement in managing their energy use. BC Hydro will redouble our efforts to engage with different groups of customers and analyze their electricity needs to help us develop additional programs and customer supports. Analytical tools such as GBA+ allow us to assess how diverse groups of people may experience our policies, programs, and initiatives. We will monitor our progress on customer service through the Customer Satisfaction (CSAT) performance measure.

## Performance Measures

| Performance Measures | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [1a] Fatality & Permanently Disabling Injury[1] | 0 | 0 | 0 | 0 |

Data Source: BC Hydro Incident Management System

[1] Loss of life or the injury has resulted in a permanent disability. BC Hydro's safety performance measures do not include contractor or public safety injuries or fatalities.

### Discussion

Achieving our target of zero fatalities and permanently disabling injuries is an indicator of the effectiveness of our safety plan. This measure can indicate systemic issues with our safety management system that can drive improvements to our operations.

To ensure accuracy and reliability of the data, each incident is reviewed to ensure the correct injury category and seriousness has been assigned in BC Hydro's Incident Management System. The target for this metric is set at zero, which aligns with our focus on safety by preventing all fatalities and permanently disabling injuries.

[2] GBA+ is a process for understanding who is impacted by the issue or opportunity being addressed by the initiative; identifying how the initiative could be tailored to meet diverse needs of the people most impacted; and anticipating and mitigating any barriers to accessing or benefitting from the initiative.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [1b] Serious Injury or Fatality Potential Incident Frequency[1] | N/A | 0.27 | 0.27 | 0.27 |

Data Source: BC Hydro Incident Management System

[1] Incidents per 100 employees per year. This metric will only measure incidents where hazard exposure had a realistic potential to result in a fatality, life-threatening or life-altering situations for employees, as defined by WorkSafeBC.

### Discussion

This new performance measure calculates the number of incidents that had potential to result in a fatality or a serious injury as defined by WorkSafeBC, per 100 employees over a 12-month period. This frequency metric is a leading indicator of safety and will only include incidents with the unrealized potential for serious injury or fatality and does not include incidents which resulted in actual serious injuries or fatalities. The definition and calculation of this metric aligns with industry standards and follows Electricity Canada methodology. We are taking a proactive approach to safety by investigating incidents that had potential to result in a fatality or a serious injury. The results of our performance against our targets will either confirm the effectiveness of existing interventions or drive further improvements to our Integrated Safety and Compliance Framework that focus on preventing serious injury or fatality.

Targets are set based on BC Hydro's previous five-year average performance excluding 2020/21, which was an anomaly heavily impacted by the COVID-19 pandemic. We are enhancing our incident tagging procedure by aligning with Electricity Canada standards. We will re-evaluate the targets annually as we gain experience using this performance measure.

| Performance Measures | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [1c] SAIDI (System Average Interruption Duration Index)[1, 2] | 3.71 | 3.35 | 3.35 | 3.35 |
| [1d] SAIFI (System Average Interruption Frequency Index)[1, 3] | 1.53 | 1.38 | 1.38 | 1.38 |

Data Source: BC Hydro Distribution Outage Data Warehouse System and Asset Registry

[1] Reliability targets are based on specific values, however performance within 10 percent is considered acceptable given the reliability projection modelling uncertainty, the wide range of variations in weather patterns, and the uncontrollable elements that can significantly disrupt the electrical system. BC Hydro reviews performance during major events and takes the performance into consideration in reliability improvement initiatives.

[2] Total outage duration (in hours) of sustained interruptions experienced by an average customer in a year (excluding major events)

[3] Total number of sustained interruptions experienced by an average customer in a year (excluding major events)

### Discussion

BC Hydro's service reliability to its customers is measured using SAIDI and SAIFI. These performance measures, along with correlated cause analysis for customer service outages, support targeted investment, planning, and process improvements to meet our customers' needs for reliability.

SAIDI and SAIFI targets are based on several factors including long-term historic reliability trending, current year performance, previous years' investments, and future years' investment plans, while also accounting for annual variability due to weather. BC Hydro reports reliability under normal circumstances, because major events are not predictable and largely uncontrollable. The reliability measures are therefore based on data that excludes major events. The targets remain stable to align with expected benefits from planned capital investment and ongoing investment in vegetation management programs.

The data measuring our reliability performance measures is collected and validated using a process that begins with operational staff recording the start and end time of each power outage, as well as the cause. Based on the location of the outage, the number of customers impacted is calculated automatically. This information is collected in a centralized database that allows outage records to be reviewed by managers regularly to ensure accuracy. Outages that impact a significant number of customers or involve lengthy repair times require a formal outage report to be written by an engineer and approved by management.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [1e] Key Generating Facility Forced Outage Factor (%)[1] | 1.2 | 1.7 | 1.7 | 1.7 |

Data Source: BC Hydro Unit Status Recording Systems managed by the Asset Performance Planning team

[1] Key generating facilities include: Bridge River, GM Shrum, Kootenay Canal, Mica, Peace Canyon, Revelstoke, and Seven Mile

### Discussion

A forced outage occurs when a generating unit is unable to start generating or does not stay in service when needed. The Key Generating Facility Forced Outage Factor shows the trend of how the generation assets are performing and supports investment decisions to maintain asset reliability.

There are seven Key Generating Facilities, representing those plants with installed capacity greater than 200 megawatts (MW). Together, they provide over 90 percent of the average annual electricity generated by BC Hydro's facilities. Key Generating Facility Forced Outage Factor is reported as a 60-month rolling average and defined as the total forced outage time in a period relative to the total number of hours in the same period. Annually, the Forced Outage Factor can be relatively volatile, and applying the historical 60-month rolling average smooths the range to provide a more stable measure for which targets can be set.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [1f] CSAT Index[1] | 85 | 85 | 85 | 85 |

Data Source: BC Hydro customer satisfaction surveys

[1] Percentage of customers satisfied or very satisfied. Customer Satisfaction Index (CSAT) is an index measuring customer satisfaction of BC Hydro's three main customer groups (residential, commercial, and industrial). The index is comprised of the five key drivers of satisfaction weighted equally across the three customer types.

**Discussion**

As a Crown corporation serving over five million people in B.C., customer service and satisfaction is at the core of our mandate. Our Customer Satisfaction (CSAT) Index 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. The stable target for the CSAT index reflects that customers' service needs are being met; however, continued effort is necessary to address gaps in specific areas, as well to meet customer's changing expectations from their interactions with other organizations. Maintaining our current target of 85 percent customer satisfaction indicates strong customer support of our work.

# Goal 2: Energize our province

This goal reflects our significant role in driving the energy transition and electrifying British Columbia's growing economy to reduce GHG emissions and meet the Province's climate targets.

## Objective 2.1: BC Hydro will help electrify the province's economy and encourage our customers to use our clean electricity.

This objective focuses on our ongoing efforts to encourage our customers to switch to BC Hydro's clean electricity in support of our Electrification Plan.

**Key Strategies**

- Continue to implement our Electrification Plan to displace the use of higher carbon energy sources and attract new clean industries to British Columbia.
- Strengthen the growing clean transportation economy by continuing to promote electric vehicle adoption and implement measures that reduce customer connection costs, encourage off-peak charging of electric vehicles, and help to expand and improve charging infrastructure.
- Advance policy changes, process improvements, and consistent and timely scheduling communications which make it easier for residential, commercial, and industrial customers to connect to our system and choose clean electricity.
- Explore new rate proposals to offer customers more choice and encourage them to efficiently use more of B.C.'s clean electricity.

**Discussion**

These strategies emphasize the work we are undertaking to increase the electrification of B.C.'s economy with our clean electricity by understanding and delivering on the needs of our existing and new customers.

We will monitor and measure progress toward this objective with the Number of Public Electric Vehicle (EV) Charging Ports in Operation, Residential Electrification Program Participation, New Connected Commercial and Industrial Load, Customer Interconnection Studies Completed on Time, and Demand Side Management Capacity performance measures.

## Objective 2.2: BC Hydro will support achieving British Columbia's climate action targets.

This objective highlights the ongoing work BC Hydro is undertaking to support the Province's CleanBC Roadmap to 2030 and reduce GHG emissions.

### Key Strategies

- Plan for and launch a new Call for Power to acquire more clean or renewable electricity.
- Advance actions – including Call for Power, accelerating the ramp up of energy efficiency programs, demand-response programs and industrial load curtailment – as identified in the June 2023 update to the 2021 Integrated Resource Plan, a flexible plan which supports British Columbia's legislated GHG emissions reduction targets and electrification goals to help fight climate change.
- Implement our 10-Year Capital Plan so that our customers continue to receive clean, reliable, and affordable electricity.
- Continue to implement BC Hydro's GHG emissions management plan to reduce emissions from our operations.
- Continue to implement a 100 percent clean electricity standard, the percent of clean energy available to meet BC Hydro retail sales on the integrated grid, to ensure continued market access and increase the value of our product.

### Discussion

These strategies reflect the work BC Hydro continues to undertake to reduce GHG emissions and fight climate change, including by expanding and investing in our system and reducing our own emissions.

## Performance Measures

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2a] Number of Public Electric Vehicle (EV) Charging Ports in Operation[1] | N/A | 550 | 800 | 1,150 |

Data source: Electric vehicle network management system

[1] This metric measures the total number of BC Hydro owned and operated public electric vehicle charging ports in operation.

### Discussion

The new measure of Public EV Charging Ports in Operation provides insight into how we are supporting our customers through the energy transition, particularly in regard to electric vehicle deployment. Using BC Hydro's reliable, clean electricity to power a growing network of charging stations across the province will make it easier for more British Columbians to switch to an EV.

Public EV Charging Ports in Operation targets are based on numbers in our Public Electric Vehicle Charging Service Rates Application to the BCUC and directly align with specific direction in our mandate letter to support the Province's goal of installing 10,000 public EV charging stations by 2030.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2b] Residential Electrification Program Participation[1] | N/A | 160,000 | 320,000 | 480,000 |

Data Source: Product participation databases

[1] Residential electrification program includes customer enrollment in the following products: Team Power Smart Challenge, HydroHome, heat pumps, EV Power Management, Peak Saver, and Time of Day Rate.

### Discussion

The new Residential Electrification Program Participation measures the number of our residential customers who enroll in optional energy efficiency products that support the energy transition, including planned, current, or upcoming offerings such as Team Power Smart Challenge, HydroHome, heat pumps, Electric Vehicle Power Management, Peak Saver, and the new Time of Day Rate. This metric represents a good proxy for residential customers' overall engagement in fuel switching and energy transition.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2c] New Connected Commercial and Industrial Load (Megawatts (MW))[1] | 1,100 | 625 | 750 | TBD[2] |

Data Source: BC Hydro Energy Analytics Solution, Customer Care System, and Customer Service Staff

[1] Cumulative additional MW from new or expanded commercial and industrial load since 2020/21

[2] Fiscal 2026/27 target is currently under development

### Discussion

The New Connected Commercial and Industrial Load performance measure reflects how businesses in B.C. are making the shift to use BC Hydro's clean electricity. Specifically, it captures additional megawatts from new or expanded commercial and industrial load, incremental load growth at existing sites requiring a service upgrade or a change to the Electricity Supply Agreement, and new operations at brownfield sites. It is measured using contract demand for large industrial customers, peak annual kilowatts for metered light industrial and commercial customers, and peak annual kilowatt-hour per hour for non-

metered light industrial and commercial customers. The targets are based on our December 2020 Load Forecast and Electrification Plan.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2d] GHG Emissions Reduction – BC Hydro Operations (%)[1] | 43 | 44 | 45 | 46 |

Data Source: Collected by various BC Hydro groups, including: Environment (sulfur hexafluoride (SF6)/CH4); Supply Chain (paper use and air travel); Fleet Services (vehicle emissions); Properties (buildings); Asset Planning (Non-Integrated Areas and Independent Power Producers); and Operations (thermal).

[1] Cumulative GHG reductions from BC Hydro operations since 2007

### Discussion

GHG Emissions Reduction – BC Hydro Operations measures BC Hydro's progress in reducing GHG emissions related to our own operations to align with and support the Province's climate goals. This includes areas such as: fleet; buildings; sulfur hexafluoride (SF6) and carbon tetrafluoride (CF4); thermal; air travel; paper; independent power producers; and non-integrated areas. Non-integrated areas are communities that are not connected to BC Hydro's integrated grid and instead receive electricity service from local generation sources. Targets for this measure have been set to exceed the 38 to 43 percent provincial reduction targets for industry from 2007 levels by 2025 and 2030, respectively.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2e] 100% Clean Electricity Standard[1] | Met | Met | Met | Met |

Data Sources: BC Hydro domestic sales, metered output of BC Hydro-owned generation, and contracted resources and net clean deliveries associated with Powerex.

[1] BC Hydro generates and acquires clean energy to meet BC Hydro domestic sales on the integrated grid on a cumulative basis over a four calendar year period. As this is a new measure, there are not yet four years of data available; 2023/24 will measure cumulative results from January 1, 2021 to December 31, 2023. 2024/25 will measure the cumulative total from January 1, 2021 to December 31, 2024. The measure is considered met if the result is 100% or greater.

### Discussion

The 100% Clean Electricity Standard helps confirm BC Hydro's alignment with provincial GHG emission reduction targets and CleanBC objectives while securing the Province's competitive position when offering surplus hydro capabilities to customers in other jurisdictions. The 100% Clean Electricity Standard requires the generation, procurement, or import of clean energy in a quantity at least equal to 100 per cent of the domestic sales for energy in BC plus any energy exports made by Powerex represented as being sourced from clean supply over a four calendar year period. The measure is considered met if the result is 100 per cent or greater. A multiple year period is required to balance annual variations in load and hydrology and is similar to how this is measured in other jurisdictions. The first four calendar-year period for 2024/25 spans from January 1, 2021 to December 31, 2024.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2f] Customer Interconnection Studies Completed on Time (%)[1] | 80 | 80 | 80 | 80 |

Data Source: BC Hydro Interconnections group

[1] Completion of interconnection studies to allow customers to connect to BC Hydro's system.

**Discussion**

Customer Interconnection Studies Completed on Time measures BC Hydro's ability to complete customer interconnection studies for transmission and major distribution customers to connect to our system. The target dates are compared to the actual completion dates to determine the percentage of customer interconnection studies completed on time. Achieving the timelines for completion of interconnection studies is dependent on both BC Hydro performance and the timely provision of inputs by the customer. Given the increased volume of customer interconnection requests, maintaining a target of 80 percent will require additional effort and investment.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [2g] Demand Side Management Capacity (MW)[1] | 110 | 150 | 210 | 290 |

Data Source: BC Hydro Conservation and Energy Management group

[1] Annual new incremental capacity (MW) savings from the energy conservation portfolio.

**Discussion**

Demand Side Management (DSM) Capacity reflects the annual new incremental savings from the energy conservation portfolio including programs, codes and standards, and conservation rates that measure BC Hydro's performance against annual energy targets, which are reviewed on an annual basis. This measure also includes savings from capacity-focused initiatives such as demand response programs. The targets are derived from the DSM Plan and 2021 Integrated Resource Plan, which are subject to BCUC review and approval.

# Goal 3: Control our costs

This goal focuses on BC Hydro's efforts to manage costs to balance affordability with necessary, ongoing investments in our electricity system to sustain current service and meet growing future demand.

## Objective 3.1: BC Hydro will manage costs to provide affordable and competitive rates.

This objective reinforces our work to balance affordable rates for customers while making prudent investments to maintain and expand our system.

**Key Strategies**

- Advance applications with the BCUC that manage our costs while continuing our track record of keeping cumulative bill increases below BC inflation over the decade to drive affordability for customers.
- Working with the Province, continue to deliver affordability measures, including demand-side management programs targeted to low-income households, to help our customers manage their electricity bills.
- Advance rate design proposals with the BCUC to keep customers' electricity bills affordable.
- Safely complete the Site C Clean Energy Project within the approved budget by the end of 2025.
- Continue to refine and enhance our systematic and disciplined project delivery methodology to ensure that our projects are put into service safely, on time, on budget, and to a high standard of quality.
- Continue to achieve the benefits of improved procurement and supply chain management practices and tools by focusing on category strategies, contract and supplier management, and supply chain-related business process improvements.
- Continue to achieve business process and system improvements that increase our efficiency and ability to meet growing expectations with existing resources.

**Discussion**

We continue to make significant investments to expand our system, support the growing use of clean electricity, and maintain aging infrastructure, while prudently managing our costs to keep electricity affordable for our customers. We work across teams, suppliers, and experts to ensure thoughtful assessment of how to successfully operate and deliver our projects on time and on budget. We will monitor our progress of managing costs to provide affordable and competitive rates through Goal 3's performance measures.

## Performance Measures

| Performance Measures | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [3a] Affordable Bills – Residential[1] | 1st quartile | 1st quartile | 1st quartile | 1st quartile |
| [3b] Affordable Bills – Commercial[1] | 1st quartile | 1st quartile | 1st quartile | 1st quartile |
| [3c] Affordable Bills – Industrial[2] | 1st quartile | 1st quartile | 1st quartile | 1st quartile |

Data Source: Hydro-Québec's annual report on North American electricity rates, "Comparison of Electricity Prices in Major North American Cities"

[1] BC Hydro calculates the Affordable Bills performance measure for residential and commercial customers as the median consumption level for residential and commercial customer classes compared to the equivalent power consumption sub-

category. The rankings of the 22 participating utilities are then allocated into quartiles. The 1st quartile ranking represents the six utilities that have the lowest monthly electricity bills on April 1 of a given year.
[2] BC Hydro measures affordability within the industrial category based on the largest consumption level.

### Discussion

The Affordable Bills measures are based on BC Hydro's rankings in the residential, commercial, and transmission service rate categories in the annual Hydro-Québec report, Comparison of Electricity Prices in Major North American Cities. Our targets, based on this report, demonstrate that our bills are affordable compared to other major North American utilities.

In Hydro-Québec's 2023 Comparison of Electricity Prices in Major North American Cities report, monthly bills have been calculated based on rates in effect on April 1, 2023. In addition to Hydro-Québec, this comparative analysis of electricity prices across North America includes 22 utilities: 12 serving the principal cities in the nine other Canadian provinces, and 10 utilities in American states. The results are based, in part, on a survey to which 14 utilities (including BC Hydro) responded, and, in part, on estimates of bills calculated by Hydro-Québec. Further information about Hydro-Québec's methodology can be found in the Hydro-Québec report.

The methodology for calculating Affordable Bills performance measures uses the median consumption level for the residential and commercial performance measures and the largest consumption level for the industrial performance measure. Median consumption level provides a better representation of the central tendency than average and the largest consumption level provides the best indication of BC Hydro's performance regarding rate competitiveness for large industrial customers.

Targets of first quartile aim to maintain the highest level of performance when benchmarked against other North American utilities.

| Performance Measures | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [3d] Project Budget to Actual Cost: Cumulative Five Years (% variance)[1] | +0.46% on $2.6 billion | Within ±5% of budget | Within ±5% of budget | Within ±5% of budget |

Data Source: BC Hydro Capital Infrastructure Project Delivery

[1] This measure compares actual project costs at completion to the original approved expected cost budget for the project, not including project reserve amounts, for capital projects that were put into service during the five-year rolling period. Site C is not included in this measure because it has its own specific cost and schedule performance measures, and the size of the Site C Project would dominate the results of this measure making the results less meaningful.

### Discussion

The Project Budget to Actual Cost measure includes Dam Safety, Generation, Transmission, Substation, and Distribution projects managed by BC Hydro Capital Infrastructure Project Delivery, as well as properties over $1.5 million over the last five years. BC Hydro reports the past five years' performance annually at the portfolio level in delivering capital projects.

Since 2015/16, BC Hydro has utilized the Project Budget to Actual Cost measure for the delivery of capital projects, with a target of actual project costs to be within five percent of the

budget, excluding project reserves at the portfolio level. The ± five percent target is the same over the plan period, as the objective is to have the entire project portfolio in service within this actual cost range, as we continue to prudently manage capital expenditures and keep rates affordable for our customers.

| Performance Measures | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [3e] Site C – Cost[1] | $16 billion | $16 billion | $16 billion | N/A |
| [3f] Site C – Schedule[2] | First Unit: December 2024 | First Unit: December 2024 | Last Unit: November 2025] | N/A |

Data Sources: quantitative information from the Project Risk Register; estimates developed by the project's Estimating, Scheduling and Cost team; input from risk owners and subject matter experts; and output from our risk software.
[1] Total expected cost at or below approved budget. The output from the Cost Risk Analysis is identified and compared to the approved budget for the project of $16 billion.
[2] Estimated unit power date. The output from the Schedule Risk Analysis is identified and compared to the approved first unit power for the project of December 2024 and last unit power for the project of November 2025.

**Discussion**

The Site C cost and schedule metrics measure how we are progressing against our approved cost and schedule for the Site C Project. Ensuring that the project is delivered on time and within budget will allow us to continue to provide affordable and competitive rates for our customers. The documented approaches to performing schedule risk and cost risk analyses for the project will be followed to determine yearly performance.

The Site C schedule metric includes the estimated first and last unit dates to account for ongoing project construction progress and milestones. The approved last unit power for the project is targeted for November 2025. Targets are not included for 2026/27 because the project is anticipated to be complete by that time.

# Goal 4: Strengthen our resilience and agility

This goal highlights our planning to face existing and emerging threats which have the potential to create disruptions to the essential service we provide to our customers.

## Objective 4.1: BC Hydro will enhance resilience to threats like cybersecurity attacks, impacts of climate change, natural disasters, and other challenging conditions.

External factors increasingly add to the complexity of our work, and this objective ensures we are prepared to address these challenges and continue to serve our customers.

**Key Strategies**

- Enhance our preparedness for severe events, including related to wildfires, extreme weather, and water conditions by working collaboratively across BC Hydro with external partners, including the Province, to address impacts and implement solutions.

- Implement and bolster our strategies to mitigate supply chain risks across key categories of materials and services.
- Strengthen our representativeness by advancing our plan to build an inclusive, diverse, equitable, accessible, and harassment-free workplace.
- Evolve our workforce strategy to focus on attracting and retaining the talent needed to deliver the essential service we provide customers.
- Modernize our digital solutions to increase resiliency and agility and incorporate them into business process and system improvements, security, and customer experience.
- Continue to implement robust compliance programs and assurance systems to ensure compliance with Mandatory Reliability Standards.

**Discussion**

A robust set of resiliency strategies prepares BC Hydro to mitigate threats on multiple fronts. Enhancing our preparedness to external threats such as climate change, supply chain disruptions, or cyber attacks ensures our people, assets, and facilities are safe and reliable. An engaged, diverse workforce offers different perspectives which supports sound decision-making and strengthens BC Hydro's ability to respond to the various threats we face.

## Performance Measures

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4a] Employee Engagement Index (points)[1] | 74 points | At or above the engagement score of the BC Public Service | At or above the engagement score of the BC Public Service | At or above the engagement score of the BC Public Service |

Data source: confidential biennial employee engagement survey administered by an external service provider.
[1] At or above the score of the BC Public Service, which is 67 points.

**Discussion**

The Employee Engagement Index measures the extent to which employees are motivated to contribute to business success and are willing to apply discretionary effort to accomplish tasks important to the achievement of business goals. An engaged workforce can have a significant effect on financial and operational results. Businesses with highly engaged employees see higher customer satisfaction, have lower turnover rates, and outperform businesses with lower levels of employee engagement.

All data is collected and generated from the confidential biennial employee engagement survey, administered by an external service provider. With the provider change to BC Statistics, an industry benchmark is no longer available. Rather, targets are compared with other organizations in the public sector.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4b] Workforce Diversity (%) | | | | |
| • Women[1] | 32.2 | ≥ 31.8 | ≥ 31.8 | ≥ 31.8 |
| • Visible Minority[1] | 30.4 | ≥ 29.9 | ≥ 29.9 | ≥ 29.9 |
| • Indigenous[2] | 4.3 | Progress towards 5% | Progress towards 5% | Progress towards 5% |
| • Persons with Disabilities[2] | 4.9 | Progress towards 10% | Progress towards 10% | Progress towards 10% |

Data source: Employees are asked to respond to an optional survey, administered and confidentially maintained by an external service provider on behalf of BC Hydro, requesting them to self-identify as a member of the designated groups when they join BC Hydro. BC Hydro measures the participation of the four designated groups by their representation as compared to the available workforce in B.C.

1 Targets for these groups are set to be at or exceed the available workforce in B.C.

[2] We define progress as an increase in percentage to the first decimal place.

### Discussion

Workforce Diversity measures the representation of women, visible minorities, Indigenous peoples, and persons with disabilities in BC Hydro's workforce. This metric helps measure whether BC Hydro is representative of the customers and communities we serve, which enriches our strategy and operations by the inclusion of different perspectives and world views. This measure will inform areas where we need to focus our recruitment and retention efforts to be representative. Diversity is important not only at the overall workforce level, but also as meaningful representation across various levels and groups. While not captured by this performance measure, meaningful representation is also monitored by BC Hydro.

The targets for women, visible minorities, and persons with disabilities are based on the available workforce in the province. For Indigenous peoples, we have set a higher target than the available provincial workforce of 3.9% given our larger responsibility as a Crown corporation to contribute to reconciliation.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4c] Inclusion and Diversity Training (% complete) | 100 | 95 | 95 | 95 |

Data source: Results are determined by tracking participation of BC Hydro people leaders in the LEAD-133VT – Inclusive Leadership and LEAD-133 – Inclusive Leadership for Crew Leads courses at BC Hydro.

### Discussion

People leaders play an important role in creating an inclusive and harassment-free workplace. Inclusion and Diversity Leadership Training is a measure that assesses progress of people leaders completing the LEAD-133 and LEAD-133VT training for inclusive leadership which includes sessions on bias and diversity, safety and inclusion, and supporting mental health. The targets have been set at 95 percent of BC Hydro's people leaders completing the

recommended training as this represents a very high completion rate for a non-mandatory course.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4d] Cyber Security Ranking amongst Canadian Peers[1] | N/A | Upper quartile | Upper quartile | Upper quartile |

Data source: BitSight Security Rankings

[1] The 11 Canadian peers BC Hydro is benchmarked against includes: SaskPower, Hydro One, TransAlta, Nova Scotia Power, Hydro-Quebec, NB Power, Manitoba Hydro, Nalcor Energy, Atco Ltd., Northwest Territories Power Corporation, and Ontario Power Generation.

### Discussion

As BC Hydro is a critical infrastructure operator, this new performance measure has been added to reflect our performance in addressing cyber risk which can cause significant disruption to our operations. BitSight's Security Ranking Amongst Canadian Peers is an industry-recognized measure of preparedness to withstand cybersecurity incidents. There are a total of four quartiles in the calculation, with the "upper" quartile indicating performance among the top three Canadian peers. We have set targets in the upper ranking against Canadian peers to aim to achieve the highest level of cyber security in our operations.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4e] Number of Hazard Trees Removed on the Distribution System | N/A | 25,000 | 25,000 | 25,000 |

Data source: Spatial Asset Management

### Discussion

Trees are often the largest single source of customer interruptions, resulting in up to half of all customer hours lost annually. This new performance measure reflects how removing hazard trees is critical to the safe and reliable operation of our system. In the context of climate change, appropriately managing hazard trees reduces the potential impact to customers during extreme weather events such as major storms. Targets are based on the Vegetation Management Strategy recommendations, in addition to our historical performance and our new contracting strategy. The target represents a 22 percent improvement from our 10-year historical performance. We will re-evaluate the targets annually with the goal of removing 100 percent of the hazard trees identified.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [4f] Mandatory Reliability Standards Non-Compliance Reduction (%)[1] | 70 | 80 | 85 | N/A |

Data source: BC Hydro Safety and Compliance group. Reliability Standards incidents are reported to the Reliability Standards Assurance team and investigated to determine if the incident is reportable to Western Electricity Coordinating Council.
[1] Non-compliance reduction compared to 2020/21

### Discussion

Mandatory Reliability Standards (MRS) help ensure the reliability and security of the bulk electric power system in North America and the BCUC is responsible for monitoring and assessing entities' compliance. BC Hydro's MRS Non-Compliance Reduction is a measure that shows the percentage decrease in non-compliance incidents reportable to the Western Electricity Coordinating Council relative to 2020/21.

The targets have been set to indicate continual improvements made in BC Hydro's management of reliability standards compliance risks. MRS Non-Compliance Reduction of 85% represents maintaining a significant improvement in non-compliance since the baseline, and a tolerable number of incidents. BC Hydro forecasts meeting or exceeding the 85% target prior to 2025/26. Therefore, from 2026/27 onwards BC Hydro will continue monitoring sustainment at this level internally and consider introducing a different performance measure in support of Goal 4.

## Goal 5: Advance reconciliation with Indigenous Peoples

Advancing reconciliation is a long-standing priority for BC Hydro. As a Crown corporation, we also have an important role to play in supporting the Province's commitments to reconciliation.

### Objective 5.1: BC Hydro will advance reconciliation by continuing to invest in and build mutually beneficial and stronger relationships with Indigenous communities.

Constructing and operating our electricity system has left lasting impacts on Indigenous peoples, cultures, traditions, and ways of life which we deeply regret. Developing mutually beneficial relationships with First Nations is critical to our ongoing approach to operating and growing our system of clean electricity.

### Key Strategies

- Continue to meet our commitments in our Relationship Agreements and work together with Indigenous communities to further reconciliation by creating sustainable benefits.
- Establish with the First Nations Energy and Mining Council, a UN Declaration Advisory Committee and UN Declaration Advisor role to assist BC Hydro with implementing the principles of the UN Declaration.
- Promote and deliver Indigenous awareness training and other cultural awareness opportunities to our employees to increase understanding of reconciliation and UNDRIP.
- Continue to implement our Indigenous employment strategy including delivering on our Indigenous employment programs.

- As part of the CleanBC plan, partner with First Nations communities, the Province, and the federal government to develop a plan to support remote communities to reduce or eliminate diesel generation.
- Increase opportunities for Indigenous Nations to participate in BC Hydro's planning decisions at a regional level.

**Discussion**

The key strategies support ongoing reconciliation initiatives at BC Hydro as well as our recently released UNDRIP Implementation Plan which focuses on our Relationship Agreements, Indigenous awareness training, Indigenous employment programs, and Indigenous participation in planning processes.

Creating sustainable benefits for First Nations includes renewing existing Relationship Agreements and finalizing additional agreements with Indigenous Nations most impacted by BC Hydro infrastructure. BC Hydro is taking partnership-based approaches to our decision-making and infrastructure upgrades by advancing community renewable energy projects, implementing energy efficiency measures, investing in enabling technologies like battery energy storage solutions, and co-designing planning approaches to minimize impacts on the land base.

BC Hydro also has a number of Indigenous employment programs, such as Indigenous Professionals in Development, which hires recent Indigenous graduates into various management and professional positions at BC Hydro with the goal of integrating Indigenous perspectives into our workforce.

In consultation with First Nations, BC Hydro has also developed an UNDRIP Implementation Plan that outlines actions we will take to incorporate the principles of UNDRIP into our business. Key themes in the plan include respectful relations, social and cultural well-being, decision-making, stewardship of water, lands and environment, and economic relations. The UNDRIP Implementation Plan was released in early 2024. Progress on our ongoing work with Indigenous Nations to find meaningful paths to reconciliation will be monitored through Goal 5's performance measures.

## Performance Measures

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [5a] Indigenous Procurement ($ billion) | 1.350 | 1.425 | 1.525 | 1.625 |

Data source: BC Hydro Supply Chain group

**Discussion**

Indigenous Procurement is a measure of the total cumulative dollar value of procurement at BC Hydro done with Indigenous Nations beginning in 2014/15. Consistent with BC Hydro's Indigenous Contract and Procurement policy, this measure demonstrates BC Hydro's support

for the long-term economic interests of Indigenous peoples in British Columbia by committing to directed procurement opportunities. This supports our relationship agreements, impact benefit agreements, and other arrangements with Indigenous Nations.

The Indigenous Procurement performance measure represents opportunities for Indigenous Nations to share in the benefits of the work that BC Hydro does to build, operate, and maintain our system. With the latest available procurement and costing information, BC Hydro is forecasting that the value of direct Indigenous procurement contracts will exceed $1.36 billion since 2014/15 before the end of 2023/24 and has therefore adjusted its targets upward for future years. Additional economic and community benefits flowing from direct and indirect Indigenous procurement are not captured by this metric.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [5b] Indigenous Awareness Training at BC Hydro (% complete) | 82 | 85 | 85 | 85 |

Data source: Employee participation rates in BC Hydro's INDIG-101 and/or INDIG-201 courses.

### Discussion

Indigenous Awareness Training evaluates BC Hydro's workforce awareness of Indigenous cultures and supports BC Hydro's goal of advancing reconciliation by increasing the number of employees who understand their role in reconciliation.

The Indigenous Awareness Training measure assesses progress towards having 85 percent of all BC Hydro employees completing INDIG-101 and/or 201 training over a five-year period, starting in 2021/22. Targets for the 2024/25 to 2026/27 Service Plan were increased to 85 percent over the next three years because the previous targets under last year's Service Plan for Fiscal 2025 (71 percent) and Fiscal 2026 (80 percent) have already been exceeded.

With thousands of employees across British Columbia, the 85 percent target will ensure a high level of employee awareness, provide tools to our managers to incorporate the principles of reconciliation into our business, and improve employee retention and recruitment.

| Performance Measure | 2023/24 Forecast | 2024/25 Target | 2025/26 Target | 2026/27 Target |
|---|---|---|---|---|
| [5c] Progressive Aboriginal Relations Certificate[2] | Gold | Gold | Gold | Gold |

Data source: The Progressive Aboriginal Relations certification program is overseen by the Canadian Council for Aboriginal Business. It is reviewed on a three-year cycle.

### Discussion

Gold is the highest level for the Progressive Aboriginal Relations (PAR) certificate from the Canadian Council for Aboriginal Business. This level of certification offers external validation of BC Hydro's continuous improvement and focus on enhanced Indigenous relations. The PAR

certification program is designed to help Canadian businesses benchmark, improve, and signal their commitment to progressive relationships with Indigenous communities, businesses, and peoples. PAR certification evaluates four areas of performance including: leadership actions; employment; business development; and community relations. Certification every three years is supported by an independent third-party verification and is determined by a jury comprised of Indigenous businesspeople. BC Hydro has attained the highest, gold-level designation from the Canadian Council for Aboriginal Business since 2012. BC Hydro is one of 22 companies in Canada that have attained that this designation.

# Financial Plan

## Summary Financial Outlook

| Consolidated Statement of Net Income[1] ($ millions) | 2023/24 Forecast | 2024/25 Budget | 2025/26 Budget | 2026/27 Budget |
|---|---|---|---|---|
| **Domestic** | 5,559 | 6,205 | 6,547 | 6,667 |
| **Trade** | 418 | 1,007 | 1,526 | 1,624 |
| **Total Revenues** | **5,978** | **7,212** | **8,073** | **8,291** |
| **Operating Costs** | | | | |
| **Cost of energy** | 2,541 | 2,688 | 2,792 | 2,867 |
| **Personnel expenses, materials & external services[2]** | 1,553 | 1,676 | 1,872 | 1,870 |
| **Amortization and depreciation** | 1,081 | 1,146 | 1,342 | 1,409 |
| **Grants and taxes** | 310 | 341 | 373 | 401 |
| **Other** | 142 | 124 | 138 | 152 |
| **Finance charges** | 405 | 793 | 1,153 | 1,196 |
| **Total Expenses** | **6,033** | **6,768** | **7,670** | **7,895** |
| **Net Income (loss) before movement in regulatory balances** | **(55)** | **444** | **403** | **396** |
| **Net movement in regulatory balances** | **369** | **268** | **309** | **316** |
| **Net Income** | **314** | **712** | **712** | **712** |
| | | | | |
| **Other Selected Financial Information** | | | | |
| **Dividends** | **-** | **-** | **-** | **-** |
| **Net Debt[3]** | **29,219** | **31,894** | **33,512** | **35,900** |
| **Equity** | **7,669** | **8,381** | **9,093** | **9,805** |
| **Capital Expenditures** | **4,573** | **4,430** | **3,595** | **4,399** |

[1]Table may not add due to rounding.

[2] These amounts are net of capitalized overhead and consist of the following:

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|---|---|---|---|---|
| Domestic Base Operating Costs | 972 | 974 | 1,190 | 1,246 |
| Other | 581 | 701 | 681 | 624 |

Other largely consists of Powerex & Powertech operating costs, IFRS-ineligible capital overhead, and expenses subject to regulatory deferral.
[3] Debt figures are net of sinking funds and cash and cash equivalents.

# Key Forecast Assumptions, Risks and Sensitivities

| Key Assumptions[1] | 2023/24 Forecast | 2024/25 Budget | 2025/26 Budget | 2026/27 Budget |
|---|---|---|---|---|
| **Growth and Load** | | | | |
| B.C. Real Gross Domestic Product Growth (%)[2] | 2.3 | 1.3 | 1.4 | 1.4 |
| Domestic Sales Load Growth (%)[3] | 2.0 | 2.2 | 1.3 | 1.7 |
| Load and System Exports: | | | | |
| Domestic Sales Volume (GWh) | 55,347 | 56,581 | 57,291 | 58,250 |
| System Exports Volume (GWh) | 1,525 | 3,006 | 4,940 | 5,853 |
| Line Loss and System Use (GWh) | 5,142 | 5,689 | 5,752 | 5,831 |
| Total Load and System Exports (GWh) | 62,013 | 65,275 | 67,984 | 69,934 |
| **Energy Generation** | | | | |
| Total System Water Inflows (% of average) | 78.0 | 100.0 | 100.0 | 100.0 |
| Sources of Supply: | | | | |
| Hydro Generation (GWh) | 37,819 | 43,166 | 48,707 | 50,713 |
| System Imports (GWh) | 10,184 | 6,570 | 3,554 | 3,430 |
| Independent Power Producers and Long-Term Purchases (GWh) | 13,751 | 15,221 | 15,408 | 15,465 |
| Thermal Generation & Other (GWh) | 260 | 318 | 315 | 326 |
| Total Sources of Supply (GWh) | 62,013 | 65,275 | 67,984 | 69,934 |
| | | | | |
| Average Mid-C Price (U.S.$/MWh) | 78.21 | 87.41 | 82.96 | 83.14 |
| Average Natural Gas Price at Sumas (U.S.$/MMBTU) | 5.61 | 5.58 | 5.31 | 5.05 |
| **Financial** | | | | |
| Canadian Short-Term Interest Rates (%)[4] | 4.98 | 4.25 | 3.17 | 2.79 |
| Canadian Long-Term Interest Rates (%)[4] | 4.39 | 4.19 | 4.06 | 4.02 |
| Foreign Exchange Rate (U.S.$:Cdn$)[4] | 0.7409 | 0.7617 | 0.7912 | 0.8018 |

[1] Table may not add due to rounding.
[2] Economic assumptions based on calendar year and Conference Board of Canada – August 2022 forecast (with adjustments to 2023/24 to account for the impacts of the war in Ukraine).
[3] Includes the impact of Demand Side Management programs. Excludes system exports.
[4] Financial assumptions from Ministry of Finance, October 2023.

## Sensitivity Analysis

| Factor | Change | Approximate change in 2024/25 earnings before regulatory account transfers (in $ millions) |
|---|---|---|
| Hydro Generation (GWh) [1] | +/- 1% | 45 |
| Customer Load [2] | +/- 1% | 10 |
| Electricity/Gas trade margins [3] | +/- 1% | 5 |
| Purchases from Energy Purchase Agreements (EPAs) [4] | +/- 1% | 1 |
| Interest rates – variable debt | +/- 100 basis points | 50 |
| Interest rates – hedges of future debt issuances [5] | +/- 100 basis points | +275/-350 |
| Discount rates – Post-employment benefit plan current service costs [6] | +/- 100 basis points | +15/-20 |

[1] Assumes a change in hydro generation is offset by a corresponding change in system imports or exports.
[2] Assumes a percentage change is applied equally to all customer classes. Assumes a change in customer load is offset by a corresponding change in system imports or exports.
[3] Trade revenues less trade energy costs.
[4] Assumes a change in purchases from EPAs is offset by a corresponding change in system imports or exports.
[5] Relates to unrealized gains/(losses) on interest rate hedges of future debt issuances. Note that hedging gains and losses serve to offset variation in annual interest rate costs when amortized through the Debt Management Regulatory Account. Sensitivity is based on notional value of hedges outstanding and market interest rates as of September 30, 2023.
[6] Discount rates based on the yields of AA Canadian Corporate bonds.

## Management's Perspective on Financial Outlook

The current financial projections for revenues and expenses through 2026/27 were approved by the BC Hydro Board of Directors and submitted to the Ministry of Finance in February 2024.

With recent increases in inflation and interest rates, economic concerns have grown. A potential recession could adversely impact BC Hydro's future performance if it were to cause a decrease in customer load, volatility in electricity/gas trade margins, interest rate volatility, difficulty accessing debt, project delays and project cost escalations. In addition, geopolitical factors have caused negative disruptions to supply chains which are resulting in project delays and project cost escalations, with the risk of further delays and cost escalations.

These economic concerns limit the ability to predict the ultimate adverse impact of the economy on BC Hydro's performance, financial condition, results of operations and cash flows.

As an example of risks to the financial forecast, annual generation from a hydroelectric system is inherently variable as it depends on inflows.

The annual system surplus (i.e. the difference between generation and load) averaged 2,563 GWh for the five fiscal years prior to 2023/24, ranging from a deficit of 2,605 GWh in 2018/19 to a surplus of 10,699 GWh in 2020/21.

BC has generally been in drought since the summer of 2022. The drought persists in the Columbia and Peace basins, which provide 55% of the BC Hydro owned or contracted energy in the system.

Given the current drought situation, and the large variability that has been seen in system inflows in the past, actual hydro generation may be significantly different from shown and, as a result, the cost of energy may be higher due to imports in times of deficit, and lower due to exports in times of surpluses. These changes would affect the cost of energy and financial performance.

The effect of climate change on annual inflows is uncertain and long-term planning will consider increasing occurrences of wider variation in annual system inflows. Planning criteria, which determine the resources needed in the system, will be reviewed as part of developing the next Integrated Resource Plan. It's possible that this will conclude that more resources are needed, or that changes to reservoir operation are needed.

This plan contains forward looking statements, including statements regarding the business and anticipated financial performance of BC Hydro. These statements are subject to a number of risks and uncertainties such as customer load, hydro generation, interest rates, electricity/gas market conditions and our ability to deliver our capital projects on-time and on-budget. These and other risks and uncertainties may cause actual results to differ from those contemplated in the forward-looking statements.

# Capital Expenditures by Year and Type and Function

| ($millions) | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|
| **Capital Expenditures by Type[1]** | | | | |
| Sustaining | 1,605 | 1,634 | 1,814 | 1,948 |
| Growth | 2,968 | 2,796 | 1,781 | 2,451 |
| Subtotal – BC Hydro Capital Expenditures before CIA | 4,573 | 4,430 | 3,595 | 4,399 |
| Contributions-in-Aid (CIA)[2] | (355) | (324) | (285) | (370) |
| Total – BC Hydro Capital Expenditures net of CIA | 4,218 | 4,106 | 3,310 | 4,029 |
| **Capital Expenditures by Function** | | | | |
| Generation | 508 | 558 | 615 | 664 |
| Transmission and Distribution | 1,388 | 1,663 | 2,101 | 3,068 |
| Properties, Technology and Other | 339 | 371 | 446 | 470 |
| Site C Project[3] | 2,338 | 1,838 | 433 | 197 |
| Subtotal – BC Hydro Capital Expenditures before CIA | 4,573 | 4,430 | 3,595 | 4,399 |
| CIA | (355) | (324) | (285) | (370) |
| Total BC Hydro Capital Expenditures net of CIA | 4,218 | 4,106 | 3,310 | 4,029 |

[1] BC Hydro classifies capital expenditures as either sustaining capital or growth capital:

- Sustaining capital includes expenditures to ensure the continued availability and reliability of generation, transmission and distribution facilities. It also includes expenditures to support the business, such as vehicles and information technology.
- Growth capital includes expenditures to meet customer load growth and other business investments. Growth capital includes expenditures to expand existing generation assets as well as expand and reinforce the transmission and distribution system, and includes Site C.

[2] Contributions in aid of construction are amounts paid by certain customers toward the cost of property, plant and equipment required for the extension of services to supply electricity.

[3] Site C project expenditures excludes charges subject to regulatory deferral and certain operating expenditures.

# Projects over $50 million

BC Hydro has the following projects, each with capital costs expected to exceed $50 million, listed according to targeted completion date. These projects have been approved by the Board of Directors.

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **Projects Recently Put into Service** | | | | |
| **Mount Lehman Substation Upgrade Project**<br><br>This project addressed load growth in the Abbotsford area by increasing the firm capacity of the Mount Lehman Substation. The project also addressed safety and asset health concerns at both the Clayburn and Sumas Way substations. | 2023 In-Service | $55 | $0 | $55 |
| **5L063 Telkwa Relocation Project**<br><br>This project increased the reliability and reduced the safety risks of the 500kV radial transmission line (5L063) that provides service for customers in Northwest British Columbia. A portion of the 5L063 line was relocated away from the current area of unstable terrain. | 2023 In-Service | $50 | $3 | $53 |
| **Street Light Replacement Program**<br><br>The program converted approximately 95,000 BC Hydro owned and maintained High Pressure Sodium and Mercury Vapour street lights to Light Emitting Diode (LED) street lights. This was required to meet federal polychlorinated biphenyl (PCB) environmental regulations by the | 2023 In-Service | $58 | $5 | $63 |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| end of 2025, manage increasing operations and maintenance costs, and better meet our customers' expectations. | | | | |
| **Projects Recently Put into Service** | | | | |
| **Various Sites – NERC Critical Infrastructure Protection Implementation Project for Cyber Assets**<br><br>This project was required to install equipment and establish processes, practices, and procedures to ensure that BC Hydro was compliant with the Critical Infrastructure Protection (CIP) CIP-003-7 and revised CIP-003-8 Mandatory Reliability Standards on all low impact Bulk Electric System Cyber Assets. | 2023 In-Service | $50 | $6 | $56 |
| **Lake Buntzen 1 Coquitlam Tunnel Gates Refurbishment Project**<br><br>This project addressed safety and environmental risks by improving the reliability of the Coquitlam tunnel gates for control of water conveyance from the Coquitlam Reservoir to Buntzen Lake Reservoir. | 2023 In-Service | $59 | $8 | $67 |
| **Wahleach Refurbish Generator Project**<br><br>This project improved the reliability of the generator at Wahleach Generating Facility. The scope included replacement of the stator and rotor poles, refurbishment of | 2023 In-Service | $54 | $7 | $61 |

| Major Capital Projects (over $50 million) | Targeted Completion Date (Calendar Year) | Project Cost to Dec 31, 2023 ($ millions) | Estimated Cost to Complete ($ millions) | Anticipated Total Cost ($ millions) |
|---|---|---|---|---|
| the remaining major components, and a combination of new, replacement, and refurbishment of the auxiliary components. The project also included the installation of a new powerhouse crane and structural upgrades to the powerhouse building. | | | | |
| **Ongoing** | | | | |
| **Capilano Substation Upgrade Project**<br><br>This project will address the existing asset health, reliability, safety, and environmental issues associated with the Capilano Substation, and ensure that the capacity of the substation meets the long term area needs. The project will also introduce a 25kV source to enable 25kV voltage conversion and facilitate the execution of other future substation projects in the North Shore area. | 2024 Targeted In-Service | $66 | $21 | $87 |
| **G.M. Shrum (GMS) G1 to 10 Control System Upgrade**<br><br>This project will replace the controls equipment, provide full remote-control capability from the control center, and rectify deficiencies in the current system. The condition of the legacy controls for the GMS generating units, which were originally installed in the 1960s and 1970s, is of growing concern due to increasing maintenance requirements, lack of available spare parts and decreasing reliability. The controls are well beyond | 2024 Targeted In-Service | $69 | $6 | $75 |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| their expected life, which causes operating problems and increases the risk of damage to major equipment. | | | | |
| **Mica Modernize Controls Project**<br><br>This project will address the reliability, maintainability, and operability of the Units 1-4 exciters, governors, unit controls and control room controls at the Mica Creek Generating Station. | 2024 Targeted In-Service | $51 | $5 | $56 |
| **Vancouver Island Radio System Project**<br><br>This project will replace the end-of-life BC Hydro telecommunication system on Vancouver Island with a modernized system to improve reliability and increase communication capacity. Upgrades are being completed at 38 substations and microwave repeater sites and the project includes installation of a new microwave radio link. | 2024 Targeted In-Service | $46 | $7 | $53 |
| **Natal – 60-138 kV Switchyard Upgrade Project**<br><br>This project is to address reliability, regulatory and safety risks at the Natal substation as the 60-138kV switchyard equipment is at end-of-life and requires replacement. | 2025 Targeted In-Service | $46 | $55 | $101 |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **Ruskin – Left Abutment Slope Sinkhole Remediation Project**<br><br>This project will address the left abutment slope instability and remediate the sinkhole issues adjacent to the Ruskin Generating Station to mitigate dam safety risks. | 2025 Targeted In-Service | $18 | $53 | $71 |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **Site C Project*****<br><br>This project will construct a third dam and a hydroelectric generating station on the Peace River approximately seven kilometres southwest of Fort St. John. It will be capable of producing approximately 5,100 gigawatt-hours of electricity annually and 1,100 megawatts of capacity. Site C will provide clean, renewable and cost-effective power in B.C. for more than 100 years.<br><br>**Planned in-service date for all units.*<br><br>***Site C project total anticipated cost and project cost to date include capital costs, charges subject to regulatory deferral and certain operating expenditures.*<br><br>****As approved in June 2021, the Site C project budget is $16 billion with a project in-service date of calendar year 2025. BC Hydro continues to manage significant risks to the project and continues to work with the Project Assurance Board, Mr. Milburn, Ernst & Young Canada, and the Technical Advisory Board to manage these project risks.* | 2025* Targeted In-Service | $12,893 | $3,107 | $16,000** |
| **Burrard Switchyard – Control Building Upgrade Project**<br><br>This project will address the need of constructing a new control building, establish the communication system, and install the new protection and | 2026 Targeted In-Service | $4 | $53 | $57 |

| | | | | |
|---|---|---|---|---|
| control equipment for the Burrard switchyard. | | | | |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **Mainwaring Station Upgrade Project**<br><br>This project is required to maintain the reliability of the Mainwaring substation, and address safety and environmental risks at the substation. | 2026 Targeted In-Service | $25 | $129 | $154 |
| **Sperling Substation Metalclad Switchgear Replacement Project**<br><br>This project will address the existing asset health, reliability and safety risks associated with the 12kV 60 series feeder section and the bulk oil breaker in the 12 kV 70/80 series feeder section, insufficient electrical clearances in the 60 series feeder section, and arc flash safety risks associated with the 12kV indoor metalclad switchgear. | 2026 Targeted In-Service | $45 | $31 | $76 |
| **Treaty Creek Terminal – Transmission Load Interconnection (KSM) Project**<br><br>This project is to facilitate the interconnection for construction power for the planned Kerr-Sulphurets-Mitchell (KSM) Mine to BC Hydro's transmission system. Under BC Hydro's standard tariffs, the customer is required to pay a portion of this project's costs. A future project | 2027 Targeted In-Service | $41 | $68 | $109* |

| | | | | |
|---|---|---|---|---|
| is planned to supply power for the full mine.<br><br>**The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $37M.* | | | | |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **Kootenay Canal Modernize Controls Project**<br><br>This project will address reliability, maintainability, and safety of the Kootenay Canal facility by replacing the aged control equipment, exciters, and select governor mechanical components for the four Kootenay Canal generating units. | 2028 Targeted In-Service | $6 | $55 | $61 |
| **Peace to Kelly Lake Stations Sustainment Project**<br><br>This project is required to maintain the reliability of BC Hydro's bulk transmission system by replacing station assets within the Peace to Kelly Lake transmission system that are at end-of-life. | 2028 Targeted In-Service | $52 | $292 | $344 |
| **Prince George to Terrace Capacitors Project**<br><br>This project is required to increase the transfer capacity of the North Coast transmission system to meet growing customer service requests in the region.<br><br>**The total cost represents the gross cost of the project and has not been netted for estimated Federal government contributions of $97M nor a customer's contribution of $4M.* | 2028 Targeted In-Service | $27 | $555 | $582* |

| **Major Capital Projects (over $50 million)** | **Targeted Completion Date (Calendar Year)** | **Project Cost to Dec 31, 2023 ($ millions)** | **Estimated Cost to Complete ($ millions)** | **Anticipated Total Cost ($ millions)** |
|---|---|---|---|---|
| **John Hart Dam Seismic Upgrade Project**<br><br>This project will address dam safety risks at the John Hart dam and will significantly improve the overall seismic withstand of the dam structure, the reliability of the spillway gates system, and address inflow imbalance issues between the Ladore dam and John Hart dam. | 2029 Targeted In-Service | $161 | $752 | $913 |
| **Bridge River 1 Replace Units 1-4 Generators / Governors Project**<br><br>This project will address the deteriorating condition of the aging generators, governors, excitors, and control systems at the Bridge River 1 generating station. The project will improve reliability, restore licensed flow and generation capacity, and increase operating flexibility of the generating station. | 2030 Targeted In-Service | $16 | $297 | $313 |

# Appendix A: Subsidiaries and Operating Segments

## Active Subsidiaries

As wholly owned subsidiaries, and like BC Hydro itself, Powerex Corp. and Powertech Labs Inc. follow best practices in corporate governance and subsidiary activities align with BC Hydro's mandate, strategic priorities, and fiscal plan.

**Powerex Corp**

Powerex Corp., an energy marketer, is a wholly owned corporate subsidiary of BC Hydro and a key participant in wholesale energy markets across North America. Powerex's business consists of trading wholesale power and natural gas, environmental products (renewable energy credits or other similar products), carbon products (allowances and other similar products), ancillary energy services, and financial energy products.

Through its contractual agreements with BC Hydro, Powerex supports BC Hydro's system requirements by importing and exporting energy. Powerex also markets, through a contractual agreement with the Province, the Canadian Entitlement to the Downstream Power Benefits under the Columbia River Treaty.

The Chief Executive Officer (CEO) of Powerex reports directly to the Board of Directors of Powerex. The Chair of the Powerex Board ensures the Board of BC Hydro is informed of Powerex's key strategies and business activities. The Powerex CEO also informs the BC Hydro President & CEO and Executive Team of Powerex's key strategies and business activities.

Powerex operates in competitive and complex wholesale energy markets, which can cause net income in any given year to vary significantly. Market, economic, and weather conditions; reduced hydro system flexibility; unrealized mark-to-market gains or losses; and the strength of the Canadian dollar can materially impact Powerex net income. The Service Plan forecast includes annual trade income from Powerex of approximately $475 million per year for 2024/25 to 2026/27, based on the average earnings over the last five fiscal years. For more information, visit powerex.com.

Board of Directors:

- Catherine Roome - Chair
- Sam Drier
- Amanda Hobson
- Marilyn Mauritz
- Doug Allen
- Chris O'Riley

### Powertech Labs Inc

Powertech Labs Inc., incorporated in 1988 and originally established in Surrey in 1979, is a wholly owned subsidiary of BC Hydro. Powertech provides innovative solutions, specialized testing, and technical expertise to industry partners globally, all aimed to foster a safe and sustainable energy future. Powertech is internationally recognized for its technical leadership across various fields related to electric utilities and sustainable energy sectors. It is also a leader in hydrogen technology, having long-standing experience designing and manufacturing innovative hydrogen vehicle refueling systems. This expertise plays a pivotal role in supporting BC Hydro's commitment to the Province's B.C. Hydrogen Strategy.

The President and CEO of Powertech reports to Powertech's Board of Directors through its Chair. The Powertech Board is chaired by BC Hydro's President and CEO and its Directors include senior Executives and Directors of BC Hydro.

The Service Plan forecast includes annual net income from Powertech ranging from approximately $2 to $9 million per year for 2024/25 to 2026/27. For more information, visit powertechlabs.com.

Board of Directors:

- Chris O'Riley - Chair
- Melissa Holland
- Vasee Navaratnam
- John Nunn
- David Wong

### Other Subsidiaries

BC Hydro has created or retained a number of other subsidiaries for various purposes, including holding licences in other jurisdictions, to manage real estate holdings, and to manage various risks. Three of these subsidiaries are considered active:

**BCHPA Captive Insurance Company Ltd.**

- Procures insurance products and services on behalf of BC Hydro

**Columbia Hydro Constructors Ltd.**

- Administers and supplies the labour force to specified projects

**Tongass Power and Light Company**

- Provides electrical power to Hyder, Alaska from Stewart, B.C. due to its remoteness from the Alaska electrical system

## Inactive Subsidiaries

BC Hydro's remaining subsidiaries either serve as nominee holding companies (indicated with an *) or are considered to be inactive/dormant. The inactive/dormant subsidiaries do not carry on active operations. As of December 31, 2023, these other subsidiaries consisted of the following:

- British Columbia Hydro International Limited
- British Columbia Power Exchange Corporation
- British Columbia Power Export Corporation
- British Columbia Transmission Corporation
- Columbia Estate Company Limited*
- Edmonds Centre Developments Limited*
- Fauquier Water and Sewerage Corporation
- Hydro Monitoring (Alberta) Inc.*
- Victoria Gas Company Limited
- Waneta Holdings (US) Inc.*
- 1111472 BC Ltd.

# Appendix B: Mandate Letter from the Minister Responsible

Date: July 26, 2023

Lori Wanamaker
Chair
BC Hydro
18th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Lori Wanamaker,

On behalf of Premier Eby and the Executive Council, I would like to extend my thanks to you, your board members and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations – including Crowns, Health Authorities and Post Secondary Institution Boards – support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home – in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for BC Hydro, sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are

**Ministry of Energy, Mines and Low Carbon Innovation**
Office of the Minister
Mailing Address:
Parliament Buildings
Victoria BC V8V 1X4
Telephone: 250 953-0900
Facsimile: 250 356-2965
Website: www.gov.bc.ca/emli

building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office

(CABRO) will continue to support you and your board on recruitment, appointments and professional development, as well as ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy and planning.

In addition to continuing to make progress on your 2021 mandate letter, I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and develop plans to address the following new priorities within your approved budget:

- Support the development of a climate-aligned energy framework for B.C.
- Actively participate in the BC Hydro Task Force to accelerate the electrification of B.C.'s economy by powering more homes, businesses and industries with renewable electricity, address climate change and meet the targets set out in the CleanBC Plan and BC Hydro's Electrification Plan.
- Continue to implement BC Hydro's Electrification Plan to attract new innovative industries to B.C. and advance the switch from fossil fuels to clean electricity in homes and buildings, vehicles and fleets, businesses and industry.
- Work with the Ministry of Energy, Mines and Low Carbon Innovation to co-develop targeted programs to support clean energy and efficiency upgrades for low-income and multi-unit residential buildings.
- Support the Province's goal of completing B.C.'s Electric Highway by 2024 and target of 10,000 public EV charging stations by 2030 by leading station deployment, working with other parties and providing clean, reliable electricity to power vehicles and stations.
- Work with the Ministry of Energy, Mines and Low Carbon Innovation to co-develop programs that encourage efficient use of electricity in the transportation sector.
- Identify and advance Indigenous ownership opportunities in future electricity generation and transmission investments to advance reconciliation and support economic self-determination.
- Continue to make improvements to accelerate the process for new residential and industrial customer connections to support the Province's affordable housing and industrial decarbonization priorities.
- Continue to make improvements to accelerate and expand efforts to support the Province's goal of providing all B.C. communities with access to high-speed internet connectivity by 2027, while maintaining cost effectiveness and reliability for BC Hydro ratepayers, and safety for workers.

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,

Josie Osborne
Minister

Date: July 26, 2023

cc: Honourable David Eby, KC, Premier
Shannon Salter, Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service
Heather Wood, Deputy Minister and Secretary to Treasury Board, Ministry of Finance
Mary Sue Maloughney, Associate Deputy Minister, Crown Agencies Secretariat, Ministry of Finance
Shannon Baskerville, Deputy Minister, Ministry of Energy, Mines and Low Carbon Innovation
Lynette DuJohn, Director, BC Hydro
Daryl Fields, Director, BC Hydro
Amanda Hobson, Director, BC Hydro
Irene Lanzinger, Director, BC Hydro
Chief Clarence Louie, Director, BC Hydro
Victoria McMillan, Director, BC Hydro
Nalaine Morin, Director, BC Hydro
Vasee Navaratnam, Director, BC Hydro
John Nunn, Director, BC Hydro
Catherine Roome, Director, BC Hydro
Chris O'Riley, President and Chief Executive Officer, BC Hydro

Lori Wanamaker,
Chair
Date: August 22, 2023

Lynette DuJohn,
Director
Date: August 22, 2023

Daryl Fields,
Director
Date: August 22, 2023

Amanda Hobson,
Director
Date: August 22, 2023

Irene Lanzinger,
Director
Date: August 22, 2023

Chief Clarence Louie,
Director
Date: August 22, 2023

Victoria McMillan,
Director
Date: August 22, 2023

Nalaine Morin,
Director
Date: August 22, 2023

Vasee Navaratnam,
Director
Date: August 22, 2023

John Nunn
Director
Date: August 22, 2023

Catherine Roome,
Director
Date: August 22, 2023