

STRENGTHENING BC HYDRO

The government will strengthen BC Hydro to help deliver the Province's clean energy objectives. The *Clean Energy Act* will consolidate BC Hydro and BC Transmission Corporation to provide a single entity that will plan and deliver the clean energy required to meet British Columbia's growing demand for electricity while fostering job creation throughout the province and helping reduce greenhouse gas emissions.

The Act will integrate the two companies into a single organization with one board of directors and executive, and transfer all BC Transmission Corporation assets, liabilities and employees to BC Hydro.

The British Columbia Transmission Corporation was originally created in 2003 in response to directions in the industry calling for increased independence of transmission, and the development of regional transmission organizations. Regional transmission organizations did not develop in the Pacific Northwest, and the movement towards greater independence for transmission was halted. This presents an opportunity to consolidate BC Hydro and BCTC to increase alignment and save ratepayers money.

Public Ownership For Generations

BC Hydro will continue to be owned by the Province and public ownership of BC Hydro's assets will remain protected by legislation. British Columbians will benefit from a unified, publicly-owned entity that will capitalize on the proven strengths and trusted service of both organizations to lead the development of clean, reliable and affordable electricity for generations.

New Opportunities, New Innovations

A strengthened BC Hydro will open new regional economic opportunities by advancing the Northwest Transmission Line, continuing to plan for an extension of the clean electricity grid to northeast B.C., and establishing a new distribution extension policy to help connect rural and remote communities to BC Hydro's clean electricity grid.

A strengthened BC Hydro will help British Columbia become a clean energy powerhouse by fostering the growth and development of innovative businesses and technologies. It will update terms and conditions for the Standing Offer Program in consultation with industry, and will introduce a Feed-In Tariff program to promote the development of emerging technologies in renewable power production.

Long-Term Planning to Meet B.C.'s Energy Needs

BC Hydro will be required to submit a long-term Integrated Resource Plan that allows for public input and long-term stability for industry. The first Integrated Resource Plan will consider B.C.'s electricity needs over the next 30 years and will be submitted within 18 months of the Act coming into force and will be subject to acceptance by the Government.

Supporting Economic Growth and Job Creation

British Columbia is planning to build major generation and transmission infrastructure on a scale not seen since Revelstoke Dam was completed in 1984. The *Clean Energy Act* will allow key capital projects to move forward, subject to meeting environmental assessment requirements and Crown's constitutional duties to First Nation as required:

- Northwest Transmission Line
- Mica units 5 and 6, and Revelstoke unit 6
- Site C
- Smart Meters and Smart Grid

The legislation will also enable BC Hydro to partner with renewable power producers to market clean B.C. electricity outside the province to jurisdictions that are seeking to reduce greenhouse gas emissions. To achieve that, BC Hydro will shift to a new model where it will aggregate energy generated by renewable power producers, leverage BC Hydro's unique "firming and shaping" capabilities, and partner with renewable power producers to collectively secure economically viable sales.

The Act will also help B.C. attract new low carbon investments and jobs by permitting BC Hydro, subject to BCUC review, to enter into long-term electricity sales contracts for customers that require stable, predictable electricity prices.

New Tools to Reduce Greenhouse Gas Emissions and Promote Energy Efficiency

BC Hydro will help meet the Province's ambitious target of reducing the expected demand for electricity by at least 66 per cent by the year 2020 through conservation and energy efficiency – an increase from the current target of 50 per cent. The Province is also required to reduce greenhouse gas emissions in B.C. by 33 per cent less than the level of 2007 emissions by 2020 and the *Clean Energy Act* provides BC Hydro and other utilities the tools to offer programs and incentives that allow consumers to use energy more wisely.

A strengthened BC Hydro will continue to deliver on its Power Smart programs to provide incentives and tools for conservation. The *Clean Energy Act* also advances Smart Meters and enables new pricing options to give consumers more information and more choices in how they use electricity and options to reduce energy costs.