

## TERMS OF REFERENCE FOR THE CONSERVATION COMMITTEE

### A TASK GROUP OF THE BOARD OF DIRECTORS

#### Purpose

The purpose of the **Conservation Committee** (the "Committee") is to assist the Board of Directors by monitoring and supporting the implementation of an energy conservation strategy as described in the 2007 Energy Plan. The Committee will support conservation initiatives, both inside and outside BC Hydro, and ensure a process is in place to track progress against the goal of a 50% energy reduction by 2020.

#### Composition

The Committee will be composed of not less than three and not more than five Directors. The Corporate Secretary will be secretary to the Committee.

#### Principles

The energy conservation strategy is broadly defined to include the following principles:

- a) conservation initiatives will be considered not in individual isolation, but as components of an integrated program;
- b) conservation programs and marketing strategies will be customer focused and incorporate a vision of the broad product opportunities (for example, lighting rather than light bulbs);
- c) leading technologies will be incorporated into BC Hydro's conservation initiatives;
- d) rate design and time of use alternatives will be considered in support of conservation goals;
- e) competitive prices will apply to demand-side management initiatives;
- f) BC Hydro will provide leadership in related complementary areas;
- g) risk taking will be encouraged within appropriate bounds of prudence, wherein the appropriate balance of probabilities suggests success.

#### Duties and Responsibilities

Subject to the powers and duties of the Board, the Committee will:

- a) ensure conservation initiatives are considered as part of an integrated whole;
- b) review conservation and marketing programs, incentive levels and strategies to ensure consistency with the principle outlined in b) above;
- c) receive reports on leading technologies and ensure a process is in place to incorporate such technologies as appropriate, into BC Hydro's conservation initiatives;
- d) review rate design and time of use alternatives and make recommendations for approval to the Board;
- e) review business cases for demand-side management programs and recommend approval to the Board;
- f) advise the Board on issues affecting the regulatory environment with respect to energy conservation and make recommendations for Board approval, as appropriate;
- g) quarterly review progress towards the 50% target goal.

### Accountability

- a) The Committee Chair will keep the Board of Directors abreast of activities and take forward any recommendations made by the Committee for the Board's consideration.
- b) The Board of Directors will receive minutes from each Committee meeting.
- c) As non-voting members of the Committee, all Board members are welcome to participate in Committee meetings and education sessions.
- d) Committee meetings will include an in-camera session.

### Committee's Schedule of Activities

The Committee's schedule of activities is set out below and is a working draft of the Committee's plans for education sessions and certain concepts that will be reviewed with Management over the near term. It is work in progress and will evolve as new information becomes available. The schedule is provided for information and should not be considered part of the terms of reference.

SCHEDULE OF ACTIVITIES	Aug 2008	Nov 2008	Feb 2009	May 2009	Aug 2009	Nov 2009
Annual review of DSM Plan			✓			
Annual review of other jurisdictions and best practices			✓			
Progress towards the 50% target goal and reporting on Energy Metrics	✓	✓	✓	✓	✓	✓
Annual review of promising technologies		✓				✓
Annual review of marketing strategies, incentive levels and campaigns				✓		
Rate design	✓	✓	✓	✓	✓	✓
Review of regulatory environment with respect to energy conservation	✓				✓	
Review of business cases and recommendation for Board approval	<b>As required</b>					