

TERMS OF REFERENCE ENERGY PLANNING AND PROCUREMENT COMMITTEE

Purpose

The purpose of the Energy Planning and Procurement Committee (the "Committee") is to provide advice and direction to the corporation with respect to both its strategic direction relating to resource planning, export strategy, economic development and energy procurement activities and its execution of related initiatives. The Committee is also responsible for ensuring that principal risks associated with these issues are appropriately identified, monitored and managed. In addition, the Committee will provide advice and support to the Board Chair in his or her dealings with government pertaining to these issues. In all cases, the Committee shall be guided by the requirements of the Clean Energy Act, BC Hydro's Service Plan and the Shareholder's Letter of Expectation.

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.

Duties and Responsibilities

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

- a) Subject to government expectations and requirements, make recommendations to the Board with respect to resource planning, export strategy, economic development and energy procurement goals of the Corporation.
- b) Annually review and consider recommendations to the Board with respect to strategic and annual plans for the Energy Planning and Procurement and Economic and Business Development groups.
- c) Receive periodic updates, and provide advice as required, regarding BC Hydro's Integrated Resource Planning process, with particular reference to any interaction or interdependence between the Integrated Resource Planning process and export strategy, economic development or energy procurement.
- d) Review, and consider recommendations to the Board with respect to specific energy procurement programs, rate structures and other initiatives aimed at advancing the export strategy, economic development and energy procurement goals for the Corporation.
- e) Provide strategic and policy direction with respect to the Corporation's development of a long term export strategy, including appropriate consultation with Powerex, Government, external stakeholders and US entities. Any required strategic or policy approval requests will come to the Committee, which shall make recommendations regarding same to the Board.

Project Oversight

The Committee will:

- a) review the status of projects identified by management which relate to export strategy economic development, or energy procurement;
- b) review and recommend for Board approval projects, programs and procurement decisions that have been presented by management, including consideration of the business case and strategic value to the Corporation and project and program alternatives;
- c) review and report to the Board on the impact and implications which projects and programs are likely to have on and for First Nations people and First Nations communities;

- d) review management's assessment and analysis of project and program risk, including assumptions and sensitivities;
- e) review management's development plans for projects and programs related to the Committee's mandate, including scope, structure, timetable and financial models;
- f) review management's assessment of the impact of related projects and programs on ratepayers;
- g) review updates provided by management comparing project and program plans with actual results, outlining the causes of any material variances; and review report from Management illustrating the Company's risk profile with respect to those risks related to the Committee's mandate and convey report to the Board.

Other Responsibilities

The Committee will:

- a) at least annually, review the decision making process for projects and programs relating to its mandate;
- b) review and reassess its own Terms of Reference at least annually; and
- c) review such other matters relating to relevant projects and programs that the Committee or the Board of Directors deems advisable.

Accountability

At every quarterly meeting of the Board, or more often if required, the Committee shall provide a report on its deliberations and recommendations since its last such report. Minutes of the Committee's meetings will also be made available to all Directors on request.