

DATA, BENCHMARKING AND RATIONALE – BC Hydro Annual Service Plan Report 2021/22

BC Hydro relies on various data sources for relevant and accurate reporting of our Performance Measures. This includes, but is not limited to, internal financial records, external research findings and association indexes. The Performance Measures have unique requirements for source data and accompanying considerations.

Since the 2021/22-2023/24 Service Plan, BC Hydro has aligned the 2022/23 – 2024/25 Service Plan with our Five-Year Strategy and adopted the Five-Year Strategy’s goals, performance measures and targets. In addition, we developed a Service Plan goal that addresses customer expectations around our core service delivery: “Deliver reliable power safely.” The 2022/23 – 2024/25 Service Plan goals are as follows:

- o Goal 1: Deliver Reliable Power Safely
- o Goal 2: Grow Our Load
- o Goal 3: Control Our Costs
- o Goal 4: Strengthen Our Resilience & Agility
- o Goal 5: Advance Reconciliation with Indigenous Peoples

BC Hydro will report out on performance on the 2022/23 – 2024/25 Service Plan in our 2022/23 Annual Service Plan Report.

The information below references the Goals and Performance Measures from the 2021/22-2023/24 Service Plan.

Goal 1: Safety Above All

Objective 1.1: Safety at BC Hydro is a core value. We are committed to ensuring our workforce goes home safely every day, and that the public is safe around our system.	
Description of Performance Measure	Rationale/Benchmarking Activities
<p>1.a Zero Fatality and Serious Disabling Injury is a measure of electrical contact, fall from height, mechanical energy or transportation incidents that have resulted in a loss of life or an injury resulting in a permanent disability, for which a disability pension has been received or is expected.</p>	<p>The measure of Zero Fatality and Serious Disabling Injury is unique to BC Hydro and is not benchmarked against other Canadian Electricity Association (CEA) member utilities. The CEA does not report on fatalities on an annual basis.</p> <p>Lost Time Injury Frequency (LTIF) is an internationally recognized metric. BC Hydro benchmarks its LTIF performance against available CEA composite results.</p> <p>Timely Completion of Corrective Actions tracks corrective actions that are put in place as a result of safety investigations and audits to improve our safety performance. It demonstrates that we are a learning organization with a focus on improving practices in a timely manner, based on identified deficiencies that have a direct impact on the safety of our workforce. This metric is not reported by other CEA utilities.</p> <p>BC Hydro will continue to benchmark our safety results against CEA participants.</p>
<p>1.b Lost Time Injury Frequency (LTIF) is an indicator of the likelihood of a full-time employee sustaining a time loss injury in a normal work year. Lost time injuries are those where the employee was absent from work beyond the day of injury.</p>	
<p>1.c Timely Completion of Corrective Actions (%) is defined as the percentage of safety corrective actions closed on, or before, the scheduled due date on an annual basis.</p>	
Measurement	
<p>Zero Fatality and Serious Disabling Injury / LTIF - The data source for all safety performance metrics are incidents reported through the Incident Management System. To ensure accuracy and reliability of the data, each incident is reviewed to ensure the correct injury category and seriousness has been assigned. BC Hydro's safety performance measures do not include contractor or public safety injuries or fatalities.</p> <p>Timely Completion of Corrective Actions - This performance measure includes the corrective action resulting from safety investigations and from safety audits recorded in the Incident Management System by comparing the due date against the date the action was completed, on an annual basis.</p>	

Goal 2: Set the Standard for Reliable and Responsive Service

Objective 2.1: BC Hydro will reliably meet the evolving expectations of our customers by prudently planning and investing in the system, improving our service and advancing reconciliation with Indigenous Peoples.	
Description of Performance Measure	Rationale/Benchmarking Activities
<p>2.a SAIDI (System Average Interruption Duration Index) is a utility standard measure of the total sustained outage duration (measured in hours) experienced by an average customer over the course of a year, excluding major events.</p>	<p>SAIDI & SAIFI: Annual targets are based on a number of 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. Reliability targets are based on specific values; however, performance within 10 per cent 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 reports reliability under normal circumstances because major events are not predictable and largely uncontrollable. The reliability targets are, therefore, based on data that excludes major events. BC Hydro reviews performance during major events and takes the performance into consideration in reliability improvement initiatives.</p> <p>Annually, BC Hydro participates in the Distribution Service Continuity benchmarking survey conducted by the CEA and the Transmission & Distribution combined benchmarking study conducted by First Quartile Consulting.</p> <p>Key Generating Facility Forced Outage Factor: A forced outage occurs when a generating unit is unable to start generating or does not stay in service when needed. Forced Outage Factor is defined as the total forced outage time in a period relative to the total number of hours in the same period (usually one year) and is reported as a five-year rolling average. Annually, the Forced Outage Factor can be relatively volatile, and applying the historical five-year rolling average smooths the range to provide a more stable measure for which targets can be set.</p>
<p>2.b SAIFI (System Average Interruption Frequency Index) is a utility standard measure of how many sustained interruptions (longer than one minute) an average customer will experience over the course of a year, excluding major events.</p>	
<p>2.c Key Generating Facility Forced Outage Factor measures the percentage of time key generating units are unavailable when they are needed due to internal unplanned causes. There are seven Key Generating Facilities, representing the plants operated by BC Hydro with installed capacity greater than 200 MW.</p>	
<p>2.d Customer Satisfaction (CSAT) is an index that measures residential, commercial and key account customers' level of satisfaction in five areas:</p> <ul style="list-style-type: none"> • Value for money; • Commitment to customer service; • Providing reliable electricity; • Acting in the best interest of British Columbians; and, • Efforts to communicate with customers and communities. 	<p>CSAT: BC Hydro maintains a minimum threshold target of 85 per cent for CSAT to ensure we have strong customer support. This measure gauges the degree to which BC Hydro is meeting customers' electricity and service needs.</p>
<p>2.e Progressive Aboriginal Relations (PAR) is a certification from the Canadian Council for Aboriginal Business designed to help Canadian businesses benchmark, improve and signal their commitment to progressive relationships with Indigenous communities, businesses and people.</p>	<p>Progressive Aboriginal Relations certification: BC Hydro achieved our fourth consecutive Gold certification under the Canadian Council for Aboriginal Business's Progressive Aboriginal Relations program since 2012. This demonstrates BC Hydro's commitment to implementing leading Indigenous Relations practices across the areas of leadership, community relationships, business development and employment.</p>
Measurement	
<p>SAIDI & SAIFI: The data gathered to measure our reliability performance measures is collected and validated in a process that starts 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</p>	

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.

Annually, circuits are benchmarked to prioritize investment for sustained reliability improvement on the worst performing circuits. The most significant outages are reviewed regularly to ensure accuracy of data, effectiveness of restoration actions, and to better understand vulnerabilities. As a second check for accuracy, trends in recent performance measures are compared against past results and forecast performance. The Reliability Improvement team reviews the monthly performance measures and takes action when actual performance deviates from forecast.

Key Generating Facility Forced Outage Factor: BC Hydro has seven key generating facilities which are defined as BC Hydro operated plants with installed capacity greater than 200 MW. Together, they provide 90 per cent of the average annual electricity generated by BC Hydro’s facilities. The objective is to keep the Forced Outage Factor below 1.80 per cent of the total number of hours per year, which demonstrates the effectiveness of BC Hydro’s maintenance and capital investment programs.

CSAT: BC Hydro conducts monthly telephone surveys of residential and small and medium-sized commercial customers. Throughout the year, approximately 2,600 customers and 2,000 commercial customers are surveyed. In addition, BC Hydro collects approximately 200 responses from the annual survey of Key Account customers.

Surveys use a four-point scale with results indicating the percentage of customers that are satisfied or very satisfied with BC Hydro’s service in the five areas measured. The CSAT index represents the average of the CSAT results for each of the three sectors.

PAR: The Progressive Aboriginal Relations is certification program administered by the Canadian Council for Aboriginal Business that assesses performance in leadership actions, employment, business development and community relations. PAR certification provides a high degree of assurance to Indigenous communities, as certification (gold, silver or bronze) every three years is supported by an independent third-party verification and is determined by a jury comprised of Indigenous business people.

Goal 3: Help Keep Electricity Bills Affordable for our Customers

Objective 3.1: BC Hydro will help keep electricity bills affordable by managing our costs, exploring innovative solutions to support our customers and making cost-effective investments to maintain and expand our electricity system.

Description of Performance Measure	Rationale/Benchmarking Activities
3.a Affordable Bills – Residential measures BC Hydro’s residential customers’ median consumption level compared to the equivalent power consumption subcategory from the annual Hydro Quebec report, <i>Comparison of Electricity Rates in Major North American Cities</i> .	Pursuant to Rate Comparison Regulation under the <i>Clean Energy Act</i> , Ministerial Act No. 167, issued on June 28, 2011, BC Hydro provides an Electricity Rate Comparison Annual Report to the Minister of Energy, Mines and Low Carbon Innovation.
3.b Affordable Bills – Commercial measures BC Hydro’s commercial customers’ median consumption level compared to the equivalent power consumption subcategory from the annual Hydro Quebec report, <i>Comparison of Electricity Rates in Major North American Cities</i> .	
3.c Affordable Bills – Industrial measures BC Hydro’s industrial customers’ power consumption based on the largest consumption level from the annual Hydro Quebec report, <i>Comparison of Electricity Rates in Major North American Cities</i> .	
3.d Project Budget to Actual Cost compares actual project costs at completion to the original approved full scope implementation budgets, not including project reserve amounts, for capital projects that were put into service during the five-year rolling period.	BC Hydro considers Project Budget to Actual Costs an important measure for evaluating our performance in delivering capital projects and compares actual costs to full scope implementation budgets (excluding project reserve funds).

Measurement
<p>The Affordable Bills measures are based on BC Hydro's rankings in the residential, commercial and transmission service rate categories in the annual Hydro Quebec report, <i>Comparison of Electricity Prices in Major North American Cities</i>. The report is used as a benchmark to demonstrate that our bills are affordable compared to other major North American utilities.</p> <p>The methodology for calculating these 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.</p> <p>Project Budget to Actual Costs is measured using a five-year rolling data set of actual costs compared to original approved full scope implementation budgets in aggregate, excluding project reserve funds, for capital projects that were put into service during the period. The data set includes Dam Safety, Generation, Transmission Line, Substation and large Distribution and Property projects managed by BC Hydro Capital Infrastructure Project Delivery. The +/- 5 per cent target is the same over the plan period, as it is the objective to have the entire project portfolio in-service within this actual cost range.</p>

Goal 4: Help Make Renewable, Clean Power British Columbia's Leading Energy Source

Objective: BC Hydro will encourage the use of its renewable, clean power for electrification to reduce greenhouse gas emissions and will continue to invest in its energy-efficiency and conservation programs.	
Description of Performance Measure	Rationale/Benchmarking Activities
<p>4a. Energy Conservation Portfolio (New Incremental GWh/year) reflects new incremental energy savings from programs, codes and standards and conservation rates that measure the success of BC Hydro's planned conservation targets.</p>	<p>Energy Conservation Portfolio Energy Savings (New Incremental GWh/yr) is a reflection of performance within the current period and as such, is not impacted by past performance and/or adjustments made to energy savings in prior years. In some cases, the timing of savings for anticipated codes and standards and timing of large customer projects can shift, which will cause actual incremental energy savings to vary from the targets that have been set for the period.</p>
<p>4b. The Clean Energy measure represents a minimum threshold generation output in accordance with the B.C. government's requirement that at least 93 per cent of electricity generation in the province be from clean or renewable resources. Consistent with B.C. regulation, this measure does not include electricity to serve demand from facilities that liquefy natural gas for export.</p>	<p>The Clean Energy target aligns with the objectives set forth in the <i>Clean Energy Act</i>. BC Hydro does not benchmark its results for this performance measure against other utilities.</p>
Measurement	
<p>BC Hydro undertakes a comprehensive approach to estimating energy conservation savings. Depending on the initiative, there can be up to four distinct areas of activity that ultimately contribute to the confirmation of energy conservation savings estimates: technical reviews of programs and energy conservation projects; site inspections on a sample of projects; measurement and verification of project performance on a sample of projects; and evaluation of programs, conservation rates, building codes and product standards.</p> <p>The Clean Energy performance measure represents the minimum threshold generation output in accordance with the B.C. Government's requirement that at least 93 per cent of electricity generation in the province be from clean or renewable resources. The generation data is reviewed and verified internally at BC Hydro for reliability, consistency and data integrity. While actual output of the non-clean resources in the system supports system reliability and can vary depending on market conditions and inflows to our reservoirs, we expect that the actual performance will remain close to 98 per cent.</p>	