Clean Power 2040
Powering the future

BC Hydro
Power smart

Integrated Resource Plan

Gathering Indigenous feedback on our Draft IRP

SUMMER 2021

CS–1316

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Background

We're developing the 2021 Integrated Resource Plan (IRP) which is our 20-year strategy for BC Hydro's integrated power system. The 2021 IRP lays out actions to meet potential future growth in customer electricity needs through rates, conservation and energy management initiatives, upgrading BC Hydro's generation and transmission assets, and power acquisitions. Any projects that arise from the 2021 IRP are subject to their own consultation, and applicable approval and permitting processes.

This Consultation Report describes BC Hydro's Indigenous consultation on the 2021 IRP. It outlines the consultation process and the information BC Hydro provided to Indigenous Nations on the development of the 2021 IRP and it summarizes the feedback BC Hydro heard from Indigenous Nations.

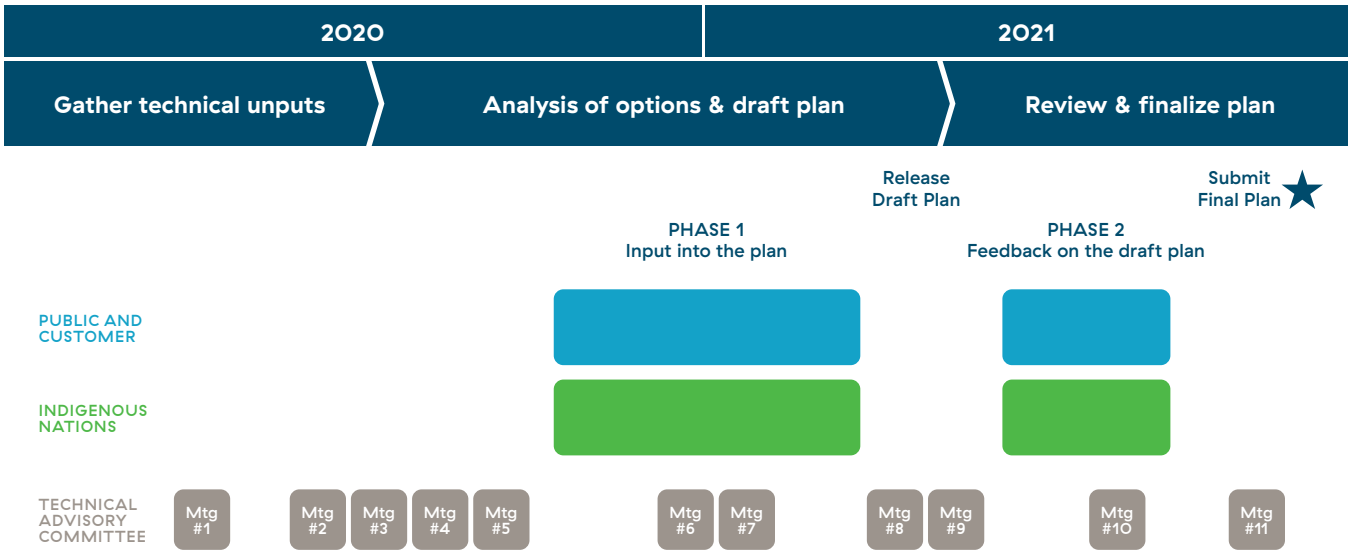
The Consultation Process

As part of the IRP's development, during the fall of 2020 and winter 2020/2021 we gathered input from Indigenous Nations, customers and public, and our Technical Advisory Committee members on various planning topics, including planning priorities. Results of this input – along with technical, financial, environmental and economic development analyses – was used to inform the development of our Draft IRP which was publicly released for feedback on June 21, 2021.

During the summer of 2021, we gathered feedback from Indigenous Nations, customers and public, and our Technical Advisory Committee members on our Draft IRP. The purpose of this second phase of consultation was to gather feedback on how the elements of the Draft IRP aligned with participants interests and values and reasons for alignment or non-alignment. Results of this feedback – along with technical, financial and other environmental and economic development analysis – will inform our final 2021 IRP which will be submitted to the BC Utilities Commission by December 31, 2021.

This document reports on phase two of consultation with Indigenous Nations (See Figure 1).

Figure 1 – IRP consultation process



What We Did

Indigenous Nations and Organizations

The 2021 IRP will be a plan for BC Hydro's integrated power system across the province. All Indigenous Nations and Tribal Councils[1] in the Province were invited to participate in the consultation on the 2021 IRP.

BC Hydro also invited the BC First Nations Energy and Mining Council (BCFNEMC) to participate in the consultation on the 2021 IRP. The BCFNEMC was created by the First Nations in B.C. as a result of the 2007 First Nations Energy Action Plan and the 2009 First Nations Mineral Exploration and Mining Action Plan. The Chiefs-in-Assembly, through resolutions of the BC Assembly of First Nations (BCAFN), First Nations Summit (FNS) and the Union of BC Indian Chiefs (UBCIC) have established Councils to address a range of sectoral issues. These Councils are accountable to, and receive direction from, the First Nations Leadership Council (FNLC) and the First Nations of B.C. BCFNEMC is a First Nations policy and facilitating organization to support First Nations. It does not represent Indigenous rights holders in matters relating to consultation and accommodation.

Forums we used		
Notification of consultation on the 2021 IRP		In May 2021 we notified all Indigenous Nations and Tribal Councils in the province that we would be consulting on the IRP through written materials and regional workshops. We followed up with separate email notifications with details on how to participate on May 12, 2021, May 25, 2021, June 8, 2021 and June 21, 2021. We followed up with telephone calls to each Indigenous Nation and Tribal Council in the province to remind them of the opportunity to participate and register for a regional workshop. All Tribal Councils were contacted unless BC Hydro's communication protocol indicated engagement with individual Nations was preferred.
Regional Workshops		BC Hydro scheduled three 5-hour regional workshops in June 2021 for Indigenous Nations. These workshops were held online due to the ongoing COVID-19 pandemic. Participant funding was offered to Indigenous Nations who participated in these workshops. The PowerPoint presentation BC Hydro used to facilitate discussion at the regional workshops was provided in advance of the workshops and is attached as **Appendix A**. The workshop presentation was the same for each regional workshop.
Opportunity for written feedback		An online survey was developed for use by the public, Indigenous Nations and technical streams of consultation. It was provided to Indigenous Nations on June 21, 2021 and was open until July 31, 2021. Apart from the survey questions, BC Hydro also welcomed separate written comments from Indigenous Nations during the comment period ending July 31, 2021. The regional workshop PowerPoint presentation and summaries of what we heard at the regional workshops were distributed to workshop participants and to other Indigneous Nations in the region.

[1] This means all Indigenous Nations in British Columbia listed in the Province's Profile of Indigenous Peoples. All Tribal Councils were contacted unless BC Hydro's communication protocol indicated engagement with individual Nations was preferred.

Forums we used		
Supplemental meetings		BC Hydro had supplemental meetings on the 2021 IRP with some Indigenous Nations and organizations. These were carried out primarily as part of the ongoing processes established through our relationship agreements with specific Indigenous Nations or as a continuation of other related engagements.
BCFNEMC participation in regional workshops and technical advisory committee		BC Hydro provided capacity funding for the BCFNEMC to participate in all three of the Indigenous regional workshops as well as the ongoing meetings of the Technical Advisory Committee, which is part of the technical consultation stream.

Who we heard from

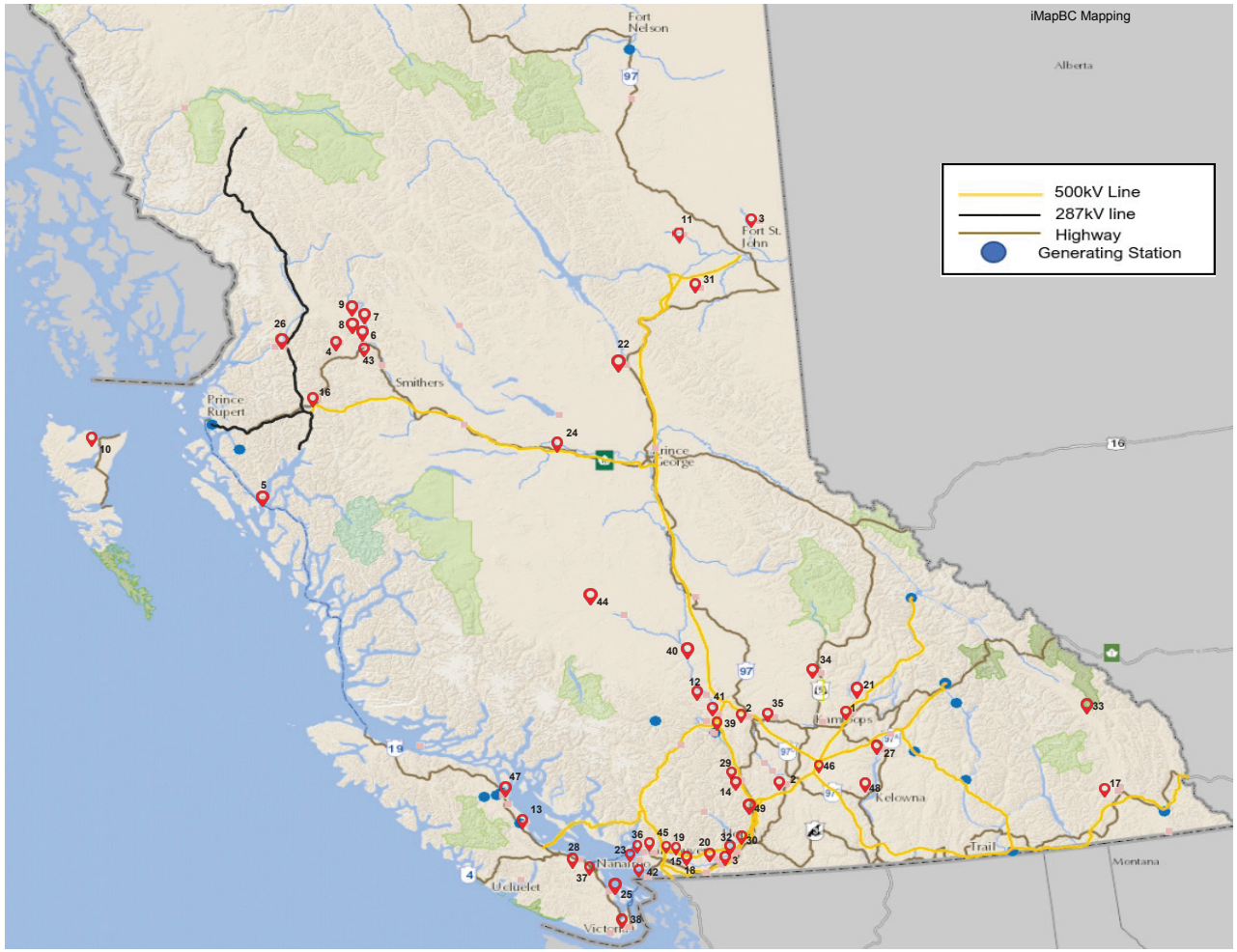
Participation in Indigenous consultation

A total of 53 Indigenous Nations, Tribal Councils, and Indigenous organizations participated in some aspect of the Indigenous consultation process for the 2021 IRP as described above. The online regional workshops were attended by 58 participants representing 41 Indigenous Nations. Surveys were submitted by 19 Indigenous respondents[2]. Supplemental meetings were held with 11 Indigenous Nations. A list of the Indigenous Nations that participated are shown on a map of BC Hydro's integrated system.

1. Adams Lake Indian Band
2. Coldwater Indian Band
3. Doig River First Nation
4. Gitanyow Band/Gitanyow Economic Development Corporation
5. Gitga'at First Nation
6. Gitxsan Nation
7. Gitxsan Treaty Society – Upper Skeena Watershed
8. Kispiox Watershed Gitxsan Chiefs
9. Mid Skeena Watershed Gitxsan Chiefs
10. Haida Nation
11. Halfway River First Nation
12. High Bar First Nation
13. K'omoks First Nation/K'omoks Economic Development Corporation
14. Kanaka Bar Indian Band
15. Katzie First Nation
16. Kitselas First Nation
17. Ktunaxa Nation Council
18. Kwantlen First Nation
19. Kwikwetlem First Nation
20. Leq'a:mel First Nation
21. Little Shuswap Lake Band
22. McLeod Lake Indian Band
23. Musqueam Indian Band
24. Nadleh Whut'en First Nation
25. Nanoose First Nation
26. Nisga'a Lisims Government
27. Okanagan Indian Band
28. Penelakut Tribe
29. People of the River
30. Peters First Nation
31. Saulteau First Nation
32. Seabird Island Band
33. Shuswap Indian Band
34. Simpcw First Nation/Simpcw Resources Group
35. Skeetchestn Indian Band
36. Skwxwu7mesh Uxwumixw/ Squamish Nation
37. Snuneymuxw First Nation
38. Songhees Nation
39. St'at'imc Government Services
40. Stswecem'c–Xgat'tem First Nation
41. Ts'kw'aylaxaxw First Nation
42. Tsawwassen First Nation
43. Tsetsaut/Skii km Lax Ha Nation
44. Tsi Del Del First Nation
45. Tsleil–Waututh Nation
46. Upper Nicola Band
47. We Wai Kai Nation
48. Westbank First Nation
49. Yale First Nation

Participating Indigenous Organizations

50. Coastal First Nations – Great Bear Initiative Society
51. First Nations Climate Initiative
52. First Nations Major Projects Coalition
53. First Nations Energy and Mining Council



[2] Eight of the nineteen surveys submitted did not identify the name of the Indigenous Nation.

What We Heard

We sought feedback on the draft elements of the base resource plan, and a draft element of the contingency resource plan. Materials provided information on planning context and how we propose to meet long-term energy and capacity needs of our customers using a variety of resources.

BC Hydro prepared summaries of the feedback received from Indigenous Nations at each of the three regional workshops. The summaries were distributed to participants and to other Indigenous Nations in the region who did not attend. The regional workshop summaries are attached as **Appendix B**.

Feedback was also received from Nations who participated in the online survey. The written comments from the survey are attached as **Appendix C**.

In addition to the survey responses, BC Hydro also received letters from Indigenous Nations and organizations during the written comment period. The feedback from these letters is generally consistent with the themes that emerged from the regional workshops and surveys. The letters also include interests related to local planning and specific projects. One letter expressed concerns about the consultation process and the Nation's ability to participate due to COVID-19. Some excerpts from these letters are included in parts of this report.

As described above, BC Hydro had some supplemental meetings with Indigenous Nations and organizations. Some feedback during the supplemental meetings with Indigenous Nations was specific to particular projects or infrastructure in a Nations' territory (e.g. the future of a specific small plant was a significant concern for one Nation and is addressed in more detail in the evaluating small generating facilities section of this report). However, the overall feedback from the supplemental meetings was consistent with the themes that emerged from the regional workshops, and feedback received from the survey, which are described below.

The BCFNEMC provided a report following their participation in the Indigenous Regional workshops and a separate report from their involvement in the Technical Advisory Committee. Attached as **Appendix D** and **E** are the reports received by the BCFNEMC for the Indigenous and technical streams of consultation respectively.

The remainder of this Consultation Report provides an overview of the feedback received during Indigenous consultation. This includes feedback provided during the regional workshops, survey results, recommendations contained in the BCFNEMC reports and a sample of written comments received. The summary of feedback is organized according to the topics presented during the consultation.

Base Resource Plan draft elements

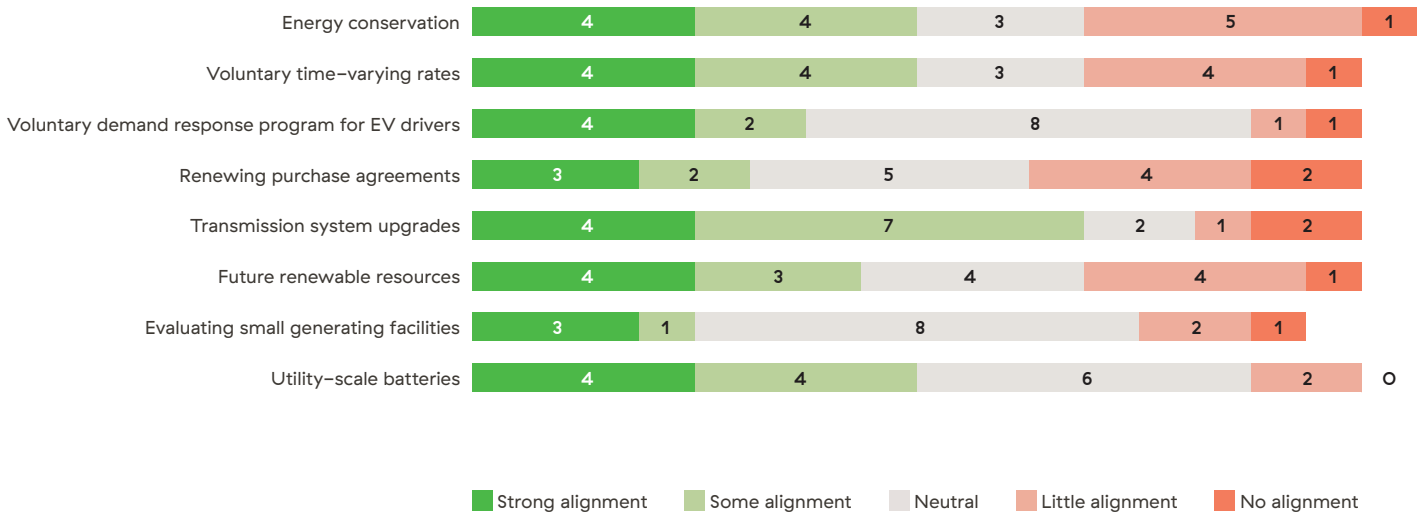
The regional workshop presentation and survey provided an overview of the IRP process and the load resource balance. At the regional workshops we presented more information on what we heard during the first round of consultation.

Participants were asked to provide feedback on the Draft IRP elements including:

- Energy conservation
- Time-varying rates and supporting demand response programs
- Expiring electricity purchase agreements (EPAs)
- Transmission upgrades
- Approach to future resources and BC Hydro small plants at or reaching end of life.

Overview of survey results across Draft 2021 IRP elements

The results from Indigenous survey respondents for Draft IRP elements are show in the following graph. Due to the limited number of survey respondents numbers shown below represent the actual number of responses and not percentages.



The quantitative results from the Indigenous survey responses are only one component of the feedback that BC Hydro received on the Draft IRP. A summary of Indigenous feedback on each element of the plan is provided below.

ENERGY CONSERVATION

Participants were asked to provide feedback on the draft energy conservation element: keep our current level of energy conservation and prepare to ramp up when needed.

Question:

How does our plan to keep our current level of energy conservation programs and prepare to ramp up when needed align with your values and interests?

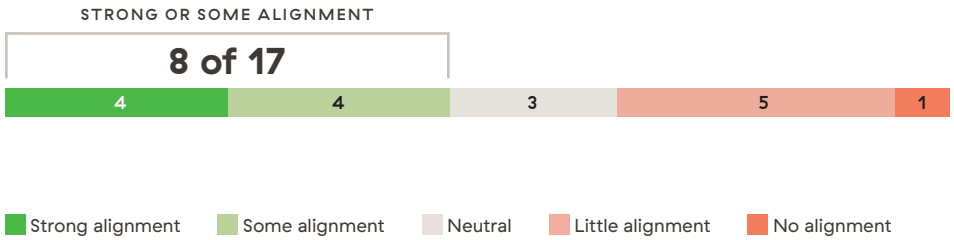
Feedback from Regional Workshops

Similar to input from the first round of consultation, Indigenous participants wanted BC Hydro to consider the unique circumstances of their communities to ensure programs are accessible and responsive to their communities' needs. There was an interest in seeing more support, including education, for programs targeting the needs of Indigenous communities, particularly in rural, remote and cold weather climates and for communities with homes in poor condition and needing energy efficieny upgrades.

Affordability was a concern as customer bills can be affected differently depending on their ability to access and benefit from energy savings from demand-side management programs.

Survey Results

About half of respondents indicated alignment with the conservation / ramp up element of the plan. More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of responses received was 17.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"Limits land and water impacts by avoiding or deferring the construction of new power system infrastructure."

Some Alignment:

"I feel this approach is fine, given the availability to ramp is there. IE. Land/watercourses available to BC Hydro to build future infrastructure on."

"I believe in conservation of energy and having energy efficient appliances and this is where I see the interests aligning. We would like to see more incentives for people that live in low income situations and often can't afford the low energy appliances unless the First Nation/Government pays for it."

Neutral:

"If DSM is the way to go then why not ramp it up right away instead of 'preparing' to ramp up later on?"

"Conservation is not always an option. It can be viewed as a economic privilege. You need the economic means to buy new energy efficient appliances, replace widow with new energy efficient ones, change lights to LED etc. Indigenous communities often don't have the resources and income. BCH program development is need to support FN communities."

Little Alignment:

"First Nations are not receiving sufficient funding form the Government to be able and capable adapting the required/proposed energy conservation. The Government funding is actually being cut down significantly for the structures and activities related to the energy conservation."

* Unless otherwise noted, the samples of written comments above are verbatim comments submitted by Indigenous Nations who provided their feedback through the survey. The samples of written comments above are meant to be representative of the nature of the concerns and interests expressed by Indigenous Nations. The sample of written comments above are not all of the comments received. A copy of all of the comments submitted can be found in Appendix C.

Exerpt from letters

"Presently, BC Hydro is focused on using DSM programs and rate structures to encourage its customers to reduce electricity demand. [Nation] would propose that BC Hydro support the use of geothermal district heating and cooling systems to complement the programs seeking to reduce electricity demand."

The following paragraphs are excerpted from the BCFNEMC Indigenous report:

FNEMC is supportive of energy efficiency programs as long as they are in accordance with the UN Declaration. Increased support, funding, and awareness for the net metering program in Indigenous communities is of interest for reducing the dependence on BC Hydro rates, and the possible ability for revenue generation.

FNEMC believes special attention is required to ensure energy efficiency programs provide adequate opportunities for participation by First Nations in consideration of their historical relationships with BC Hydro and the Government of British Columbia. FNEMC believes it will be necessary to develop individual programs in collaboration with First Nations to address their specific requirements as a result of housing and other infrastructure needs facing First Nations. A proposal has been submitted by FNEMC to deliver such a project to NRCAN and BC Hydro.

The following paragraphs are excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to continue with a base level of energy efficiency programs and ramp up to higher levels in future years to achieve 1,700 GWh/year of energy savings and 290 MW of capacity savings at the system level by fiscal 2030.

BCFNEMC agrees with BC Hydro's analysis that pursuing energy efficiency helps to avoid future impacts on lands and waters and this is an important consideration in developing recommended actions for the IRP.

The draft IRP describes the trade–offs between pursuing the base levels of energy efficiency and higher levels of energy efficiency. In particular BC Hydro notes that pursuing higher levels of energy efficiency can decrease overall utility costs but also lowers energy consumption and therefore can put upward pressure on rates. BCFNEMC understands the upward pressure on rates can arise because there are fewer sales over which to recover the utility's costs. However, the BCFNEMC also notes that even if rates increase, customers who implement energy efficiency measures may see decreases in their total bills, as a result of buying fewer units of energy. These effects will be experienced differently for customers who can adopt energy efficiency and those who may face barriers to achieving energy efficiency savings. Customers who face barriers to adopting energy efficiency measures will see bill increases as a result of the rate increases from higher levels of energy efficiency. BC Hydro should analyze and consider the differential impacts on customer bills, in addition to the total utility costs and rate impacts currently described in the draft IRP.

BCFNEMC agrees that maintaining some level of energy efficiency programming is necessary to provide flexibility to respond to uncertainty in BC Hydro's base load forecast. In particular, BC Hydro notes in its accelerated scenario, where energy currently supplied through fossil fuels is replaced with renewable electricity, that it could face system energy deficits in fiscal 2024 and system capacity deficits in 2028.

Access to energy conservation initiatives has historically been challenging for many Indigenous communities – particularly those in rural and remote locations. The CleanBC strategy acknowledged that in the past, programs to support efficiency haven't always been available to Indigenous communities. BC Hydro's Indigenous Communities Conservation Program addresses some of these barriers by providing access to training and salary support for Band staff and contractors. BC Hydro should continue to support energy efficiency planning that is led by First Nations in their communities and expand the community energy specialist concept so that every First Nation community can hire or share an energy advisor.

TIME-VARYING RATES AND SUPPORTING DEMAND RESPONSE PROGRAMS TO REDUCE PEAK DEMAND

Participants were asked to provide feedback on the time-varying rates and supporting demand response programs draft element.

Feedback from Regional Workshops

Most of the feedback relating to this element was that rates are less affordable for Indigenous customers in rural and northern areas, particularly where they rely on electricity to heat their homes and time varying rates should not exacerbate affordability challenges. There was a concern that time-varying rates not penalize Indigenous customers that were unable to shift their electricity use. There was a suggestion among some participants that BC Hydro consider different rates in different regions or higher rates in urban areas where most electricity is consumed and lower rates in rural area where Indigenous communities experience the impacts of generation and transmission infrastructure.

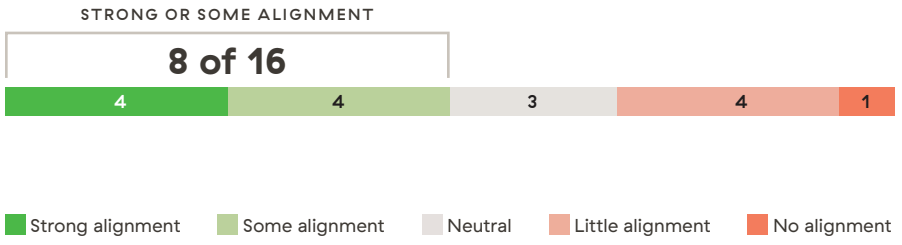
Time-varying rates

Question:

How does our plan to pursue voluntary time-varying rates and supporting demand response programs align with your values and interests?

Survey Results

Half of respondents indicated alignment with the time varying-rates and demand response programs element of the plan. More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of responses received was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"Being voluntary takes into account that options are not available to everyone. Also, it limits land and water impacts by avoiding or deferring the construction of new power system infrastructure."

Some Alignment:

"Do not have the flexibility to shift the timing of electricity use. Limits land and water impacts by avoiding or deferring the construction of new power system infrastructure."

Neutral:

"Many people do not have the luxury of flexible schedules and the financial means to purchase smart appliances."

Little Alignment:

"The northern BC residents live in a colder climate therefore they will always use more electricity for their home heating during the parts of the Fall/Spring seasons and through out the winter season therefore their energy bills will be higher in comparison to the southern BC residents."

"The rural areas are very difficult to be managed due to severe lack of other infrastructures, BC Hydro power outages are very frequent, thus making the managed electricity consumption (high–low times) close to impossible. The majority of rural areas still do not have cell signal coverage and slow and expensive metered satellite internet only, thus making any energy conservation devices impossible to use."

"We are on Electrical heat in Northeast BC and will not be able shift usage times, therefore we will be punished for using electricity simply to survive the winter."

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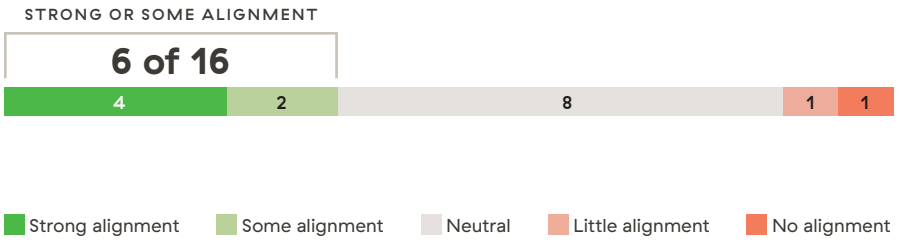
Voluntary electric vehicle demand response programs

Question:

How does our plan to pursue voluntary demand response programs targeting electric vehicle drivers align with your values and interests?

Survey Results

Half of respondents indicated they are neutral to the idea of voluntary demand response programs targeting electric vehicles, and more were aligned with this action than not. More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of responses received was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"this is especially needed in the northern regions, we do not have the infrastructure to recharge electric vehicles, our weather (winters) does not allow the use of electric vehicles, we depend on fossil fuels to travel to urban centers"

"They do have the option to change their time of electricity use by plugging in overnight and not during peak times."

Some Alignment:

"If increased access to charge stations is created a places of work."

Neutral:

"Charging EV during the evenings will help reduce energy demands down during peak energy hours since northern residents live in a colder climate region which reduces the energy storage capacities of EV batteries–they will end up using more energy because they will be charging their EV more during the colder climate seasons."

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TIME-VARYING RATES AND SUPPORTING DEMAND RESPONSE PROGRAMS TO REDUCE PEAK DEMAND

The following paragraph is excerpted from the BCFNEMC Indigenous report:

FNEMC supports voluntary time varying rates provided that implementation of the various measures is based on incentives rather than penalties, that program design takes into account the circumstances of rural and off-grid First Nation communities, recognizes the need for business and economic development on First Nation lands, and ensures accessibility for lower and fixed income people – a too common circumstance for many First Nation members. First Nations should be directly engaged in program design and delivery.

The following paragraphs are excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to pursue voluntary time-varying rates supported by demand response programs to achieve 220 MW of capacity savings at the system level by 2030 and advance the Industrial Load Curtailment Program to achieve 100 MW of incremental capacity savings by the 2027 to 2030 period. The draft IRP also proposes to pursue a combination of marketing and education to support voluntary time-of-use rate uptake by 50 per cent of residential electric vehicle to achieve 100 MW of capacity savings at the system level by fiscal 2030.

BCFNEMC understands the time-varying rates operate mainly to shift power consumption from peak demand periods to lower demand periods. These programs do not eliminate energy consumption, they simply shift it to different times of the day. As a result, these programs can help address capacity deficits and defer the need to build new transmission infrastructure, but do not materially contribute to bridging any energy deficits.

BC Hydro notes the trade-offs in considering different options for time-varying rates relate to the characteristics of the rate structures that would be required to achieve different levels of capacity savings. BC Hydro notes higher levels of capacity savings and cost benefits could be achieved but would likely require time-varying rates to be the default rate structure.

The BCFNEMC supports time-varying rate structures that are opt-in, where customers have a clear decision point to choose to subscribe to time-varying rates. Default rate structures (where customers are transitioned to a time-varying rate and need to actively opt-out) or mandatory time-varying rate structures require more consideration of their impacts on Indigenous communities. Ontario has recently allowed customers to opt out of the time of use rate option and subscribed to a tiered rate option instead, noting that power consumption patterns are influenced by many factors. Some customers may prefer a time of use options while others prefer a tiered rate option.

In the BCFNEMC's view, starting with voluntary rate programs is consistent with the rate design principle of gradualism. It will provide customers and BC Hydro the opportunity to understand how the rate structures perform without adversely affecting customers who may not have the ability to shift energy consumption to off-peak periods. Prior to implementing any default or mandatory time-varying rate structures, BC Hydro should undertake engagement with Indigenous Nations to ensure they are designed and implemented in a transparent way that considers the unique energy needs of Indigenous people and communities.

ELECTRICITY PURCHASE AGREEMENT RENEWALS

Participants were asked to provide feedback on the draft element: to offer a market–price–based renewal option for electricity purchase agreements that are expiring over the next 5 years

Question:

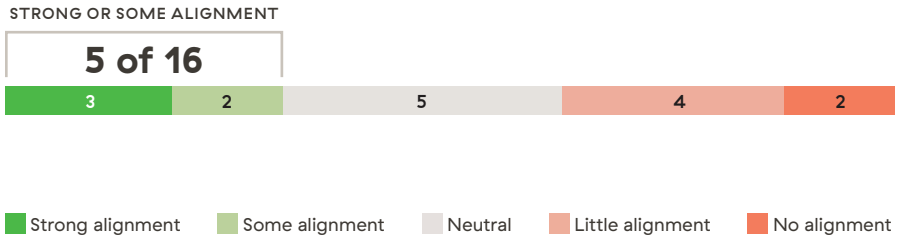
How does our plan to offer a market–price based renewal option for electricity purchase agreements that are expiring over the next five years align with your values and interests?

Feedback from Regional Workshops

Similar to the input heard in the first round of consultation, participants expressed a strong interest in BC Hydro creating opportunities for Indigenous participation in clean energy. Substantial feedback and interest was expressed for new IPP opportunities with Indigenous ownership or revenue sharing. Some participants expressed disappointment that the Standing Offer Program is no longer an available opportunity.

Survey Results

Respondents were almost evenly split across the aligned / neutral / not aligned spectrum. More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of responses received was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"we will still need small energy producing plants, run of river, bio fuels and other small hydro producing stations in our areas in the north, working with first nations should be priority."

Some Alignment:

"Allow for opportunities for communities to develop their own power infrastructure and even sell some back to the region."

Neutral:

"The majority of IPP are foreign large corporations who sell energy back to BC Hydro at inflated prices, so the BC Government should buy back these energy licenses and they should only sell these energy licenses to small town companies which as the original intent of the IPP plan. Through out Canada, Government energy companies and private energy companies have built dams to produce electricity which flooded a lot of Indigenous People's land without paying any kind of compensation to them and a lot of times the energy transmission lines from these dams completely bypassed Indigenous communities who remained on dirty energy generators to provide them with electricity. Therefore the Canadian Governments and energy companies have provide redress compensation monies to all First Nation's in Canada retroactive to when the first dam was built in Canada. included in these compensation agreements, the Governments and private energy companies have to build Indigenous IPP companies so that First Nation's can own their own energy companies."

Little Alignment:

"Some of these projects are providing significant benefits to communities – offering market-price may impact such communities negatively."

"There should be options for First Nations to be a partner with BC Hydro in the spirit of Reconciliation and the DRIPA."

No Alignment:

"We have no agreement with BC Hydro and BC Hydro is not open to any new energy purchase agreement (like solar energy) anymore."

* Unless otherwise noted, the samples of written comments above are verbatim comments submitted by Indigenous Nations who provided their feedback through the survey. These sample comments are meant to be representative of the nature of the concerns and interests expressed by Indigenous Nations. The samples of written comments above are not all of the comments received. A copy of all of the comments submitted can be found in Appendix C.

Exerpt from letters

"Negotiation of new pricing opens up the risk of facilities being undermaintained if the original pricing was established during a shortfall (higher pricing) power call. Understandably it is not reasonable to expect the consumer to pay more that necessary for power, it is also unreasonable for an independent supplier of clean power to be expected to generate at a price that compete with larger scaled facilities."

"[The Nation's] position is that if BC Hydro is attempting to include Indigenous Nation in its long-term planning, the province must first satisfy the commitments it has made in the Action Plan regarding BC Hydro's business. This is particularly important to the [Nations] as the clean energy issue is live for us. [The Nation] views clean energy as imperative for environmental health and economic opportunities as well as a day part of building self-sufficiency. [The Nation] currently has economic partnerships on run-of-the-river Independent Power Projects that will have energy purchase agreement ("EPA") renewals due within the next 20 years and is also interested in exploring other forms of clean energy that may require an EPA with BC Hydro. If EPA renewals are not issued for existing projects and if BC Hydro is not planning to issue future EPAs for other clean energy projects, this could have significant impacts on the [Nation's] self-sufficiency as a government particularly because BC Hydro is not willing to discuss revenue sharing arrangement with First Nation governments."

The following paragraphs are excerpted from the BCFNEMC Indigenous report:

The FNEMC and many First Nations are supportive of clean energy and privately owned and developed generation. Both are subjects of great interest, a number of communities still being off–grid and dependent on diesel generation, and many also looking at development possibilities to provide additional local economic benefits. Some important conditions are essential to First Nations:

- Glad to see BC Hydro has changed its stance with renewing Indigenous IPP's. Indigenous IPPs should be renewed and opportunities for new Indigenous IPPs should be allowed, funded, and encouraged. Indigenous EPA purchasing offers should be renewed regardless if the standing offer isn't renewed for non–indigenous IPP's as those EPA's and desire to be IPP's are linked to the UN Declaration. **Most importantly, they shouldn't be at market rates, but rather preferred rates similar to historical rates.** There clearly will be a need for power in the next 10 years, so preparing now benefits everyone.
- First Nations need to be afforded opportunities to be full participants in the procurement process and future projects, including the possibility of a preferential call for First Nations owned power projects.
- First Nations rights and title interests must be fully respected. Unused water rights or licenses from past calls should revert to the province or to local First Nations.
- Many First Nations have invested heavily and have aspired to achieve or have shovel ready projects as IPP's. Altering of agreements to remain but at market prices would in many cases render existing and planned projects un–feasible

The following paragraphs are excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to offer a market–price based renewal option to existing clean or renewable independent power producers with electricity purchase agreements expiring in the next five years. BC Hydro indicates there are approximately 20 of its existing EPAs set to expire before April 1, 2026, that produce a total of approximately 900 GWh.

The draft IRP provides no specific details on how the market pricing provision would work. However, in broad terms, FNEMC understands the average value of energy at the Mid–C market ranged between 2.8 cents/kWh and 5.6 cents/kWh for fiscal years ending 2016 through 2020. This is lower than the average adjusted bid prices reported in BC Hydro's report on the F2006 call for tender process of 8.75 cents/kWh for large projects and 7.58 cents/kWh for small projects (ignoring any escalation provisions that have applied in the interim). BC Hydro states most of these projects are expected to have a low cost of service because they have had time to pay off their fixed investments and have low operating costs and therefore BC Hydro expects IPPs may be willing to accept market–based prices in contracts to provide operational certainty.

Participation in EPAs has been the primary mechanism available to First Nations to participate in revenue sharing in the provincial electricity sector. FNEMC firmly believes these opportunities should be maintained. FNEMC agrees with BC Hydro that renewing agreements for existing IPP projects can help with planning for uncertainty by ensuring these energy sources remain available in the event future load growth exceeds current base forecasts. However, the FNEMC also believes work needs to be done to confirm BC Hydro's assumptions that the market–based pricing offer would be sufficient to allow existing IPPs to continue to operate. It will also be necessary to consider how pricing structures would be changed in the event BC Hydro requires the additional energy from IPPs to meet its planning criteria and self–sufficiency requirements.

BC Hydro's draft IRP indicates it has not completed the structured decision–making framework for options after demand–side measures. FNEMC recommends BC Hydro consider the following in developing the IPP renewal framework:

Priority should be given to renewing existing EPAs with Indigenous ownership.

BC Hydro should work with IPPs with Indigenous ownership to evaluate whether or not the proposed market–based pricing structure will be sufficient to recover the capital and ongoing operating costs incurred by the IPPs. This evaluation should consider whether a price floor or price averaging would assist these IPPs to continue operating so that they are available as resources in the event future loads exceed the base load forecast. It may also be reasonable to consider a premium for IPPs with Indigenous ownership as part of the price structure.

BC Hydro should work with IPPs with Indigenous ownership to consider how pricing structures would be changed when BC Hydro requires the additional energy from IPPs to meet its planning criteria and self–sufficiency requirements.

For existing EPAs without Indigenous ownership, BC Hydro should require the owners to obtain consent from the Indigenous Nations whose territories are affected by the development. BC Hydro should not renew EPAs where the owners cannot demonstrate consent from the relevant Indigenous Nations. This consent would facilitate agreements between the operators and the Indigenous title holders.

TRANSMISSION SYSTEM UPGRADES

Participants were asked to provide feedback on the draft element: to advance the first step of transmission upgrades to the South Coast and prepare to initiate step 2.

Question:

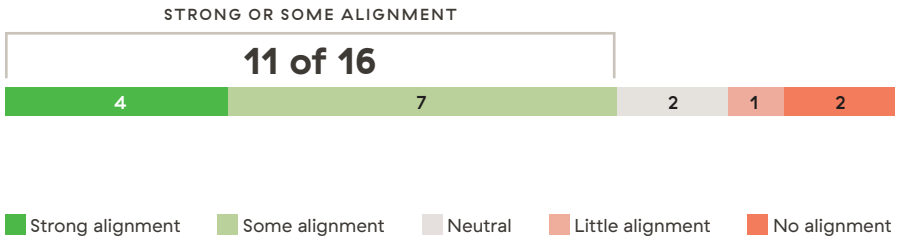
How does our plan to advance the first step of transmission upgrades to the South Coast and prepare to initiate step two align with your values and interests?

Feedback from Regional Workshops

There were very few comments from the regional workshops directed at this element of the plan. There were comments inquiring why there isn't a plan for northern transmission lines included in the plan.

Survey Results

Respondents were mostly aligned with this element of the plan, with much fewer responses in the neutral or not aligned categories.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of responses received was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"Limits land and water impacts relative to building new transmission lines or new pumped storage hydro facilities in the South Coast. However, when these systems first went in there was little or no engagement with First Nations so it is imperative with the upgrades."

Some Alignment:

"Limits land and water impacts relative to building new transmission lines. Our community was not consulted about current lines through territory and impacts were not offset. This option keeps impacts concentrated to just stations."

"We recognize the growth within the Fraser Valley and do see the need for upgrades to keep up to electricity demands."

Neutral:

"BCH is heavily invested in an approach to power delivery that requires upgrades, but the impacts to land and Indigenous right bare the long term impacts. BCH has chosen to move away from a regional generation and transmission model."

No Alignment:

"We are located in Northwestern BC with a very old insufficient power grid prone to frequent failures and el current fluctuation causing the outages "blips" numerous times per day, damaging our electronic equipment."

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Exerpt from letters

"[Nation] has concerns regarding the proposed transmission systems upgrades in the lower mainland including line 5LO45. [Nation] requires meaningful consultation and decision-making authority on any potential upgrades to the 5LO45 system."

The following paragraph is excerpted from the BCFNEMC Indigenous report:

Each upgrade still requires engagement, and the free prior informed consent of affected Indigenous communities as most facilities were built without proper consultation. Any new stations would need free prior and informed consent. It's a new time in BC for BC Hydro. Recurring upgrades without redress, continues the process of infringement.

The following paragraphs were excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to advance the first sequential step of upgrades to transmission infrastructure into the South Coast region to prepare to achieve an additional 700 MW of capacity for the south coast region by fiscal 2029. BC Hydro notes most of its customer load is located in the South Coast region while most of the energy need to serve these customers is transmitted from the Interior of the province along five existing transmission lines. Transmission projects typically have long lead times to develop. They also have large footprints that affect lands and waters.

BC Hydro states it will be engaging early with Indigenous Nations that may be potentially affected by these upgrades. FNEMC agrees it is imperative to engage with potentially affected Indigenous Nations and obtain their informed consent. BC Hydro and the provincial government should also use these opportunities to explore revenue and other benefit sharing whenever new electricity infrastructure is needed.

FUTURE RESOURCES

Participants were asked to provide feedback on the draft element: our approach to future resources [to wait to draw on options from EPA renewals, BC Hydro upgrades, and new renewable resources when they are needed and updated information is available].

Question:

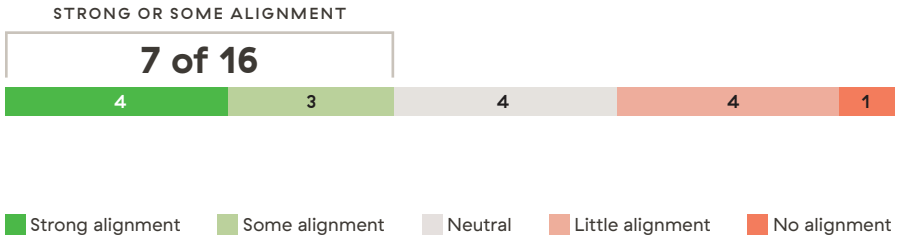
How does our approach to future resources align with your values and interests?

Feedback from Regional Workshops

There were very few comments from the regional workshops directed at this element of the plan. However, comments during other parts of the regional workshops and from the first round of consultation indicate there is a strong interest in Indigenous participation in future clean energy development.

Survey Results

More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered these questions, the total number of responses received was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"We do have a strong interest in economic opportunities from clean energy development."

Some Alignment:

"our region sees and feels the impact of rising electricity costs, some households cannot afford the rising costs due to the inflation, due to their limited income, they do not get the same breaks the large companies do."

"Good planning and upgrading the current resources will help with the future resources needed to power BC for years to come."

Little Alignment:

"Allow community hubs to establish micro–grids that provide climate resilience."

"We have a viable run of river project that was a likely candidate until cancelation of the SOP, as well as downstream capacitor limitations."

No Alignment:

"Strongly opposed to wind related projects in the NE region."

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Exerpt from letters

"Unlike the surplus in electricity that BC Hydro is currently generating, which is forecast to last for approximately a decade, the transmission system in the north is lacking in capacity given the existing loads, the foreseeable loads and the requirements associated with the transition to a low carbon economy. The current draft IRP addresses transmission upgrades in the south but not in the north. This makes little sense. Electrification of the Ports of Prince Rupert and Kitimat, new mines, LNG plants, hydrogen fuel production, in the northwest are all in the foreseeable future and the transmission requirements to electrify these developments are substantially more than exists today. By BC Hydro's own estimates, this transmission capacity will take a decade or more to build, particularly if it is driven by individual customer needs exclusively (as per the status quo), rather than by the vision and the imperative of a low carbon future. If we do not take a proactive and visionary approach to electrification of the north, we will face the irony of individual projects adopting higher emission development designs because they have no feasible alternative. BC is left with the choice of stifling economic development or exceeding legislated climate targets. Lack of transmission capacity will be a barrier to a low carbon future and economic development in the northwest rather than facilitating it. As First Nations, this is not a choice we want to be made for us. We believe major low carbon energy infrastructure development in our traditional territories can be designed to deliver on climate change mitigation, alleviation of First Nations poverty, and reconciliation."

The following paragraphs are excerpted from the BCFNEMC Indigenous report:

- FNEMC supports new power sources such as renewables, batteries, and pumped storage so long as they are aligned with the UN Declaration.
- Clean energy and self-sufficiency should not be redefined in the Clean Energy Act as it affects the UN Declaration.
- Any expansion involving clearing or brushing, should be done with local manual labor, not pesticide.
- Global warming is melting ice, drying rivers and soon there may be no water to dam. Renewable clean energies are of interest for research and application possibilities.
- EPA standing offer should be renewed in order for Indigenous communities at preferred rates to take economic advantage of the power producing resources in their territories if available, while filling BC's power needs. Site C has not worked out very well.
- Peak demand for summer is increasing with global warming. BC should prepare now because it's clearly changing faster than expected.

The following paragraph is excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to plan to acquire new energy and capacity resources starting with 580 GWh of energy in fiscal 2031 then shifting to primarily capacity resources starting with 110 MW in fiscal 2038. These future resources would be selected from amongst expiring electricity purchase agreements, new clean and renewable energy resources and upgrades to BC Hydro facilities. FNEMC believes BC Hydro should prioritize future projects that provide ownership and revenue sharing opportunities for Indigenous Nations and limit the potential for new impacts on lands and waters.

EVALUATING SMALL GENERATING FACILITIES

Participants were asked to provide feedback on the draft element: approach to evaluating [what to do with] these facilities with our proposed timelines [using structured decision–making with corresponding community and Indigenous Nations engagement].

Question:

How does this approach to evaluating these facilities with our proposed timelines align with your values and interests?

Feedback from Regional Workshops

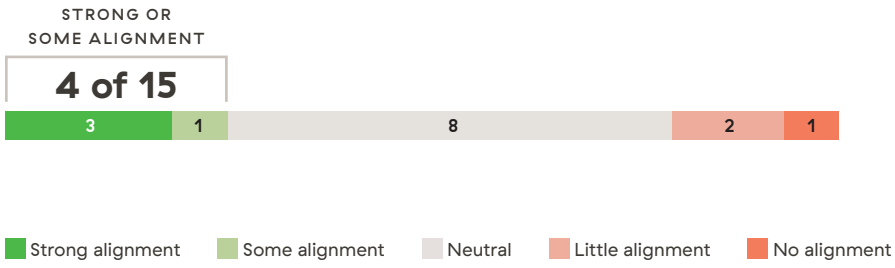
There were very few comments from the regional workshops directed at this element of the plan. There were comments inquiring whether it's possible to expand the small plants and if so by how much.

Supplemental meeting

One Indigenous Nation was not aligned with the timeline for addressing the future of the Alouette facility in their territory and wanted it addressed much sooner as part of the water license renewal process for the facility. They also expressed concerns about the consultation process and the Indigenous Nation's ability to participate due to COVID–19. BC Hydro and the Nation are continuing to engage on their issues and concerns.

Survey Results

Most of the respondents were Neutral to this element of the plan. More than half of respondents were aligned or neutral with this element of the plan.



Due to the number of respondents, results are reported in numbers and not percentages.
Not all participants answered these questions, the total number of responses received was 15.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"these and other small projects need to be moved on, the timelines for approval and shovels in the ground need more attention."

"Indigenous Nations interest in exploring ownership of Shuswap Falls should be considered, as well as the importance of engaging with local Indigenous Nations early on. FPIC is also crucial, not pressuring FN to respond by Hydro's deadline and set agenda."

Neutral:

"This is good: Support for decommissioning and restoring habitat, and for keeping costs low. Some interest for looking at alternative ways to use these plants. Indigenous Nations interest in exploring ownership, as well as the importance of engaging with local Indigenous Nations."

"I would like to see defunct or inefficient generating stations removed safely. I understand some concern already exists regarding the backup of contaminates being held in place behind dams, so sustainable methods of dealing with this issue needs to be taken into account by Hydro. Perhaps holding mining corporations, like Teck Resources, accountable for processing the soil and contaminates would be an option since they generally put the contaminates into the rivers through their operations. Working closely with Indigenous communities and governments should be taking place as well in planning for either course."

Little Alignment:

"Any First Nation's ownership of older up graded energy stations has to be included in any redress agreements signed between Indigenous Peoples and BC Government, since the vast majority of First Nation's communities lack capacity funding for developing any energy projects, the costs to up grade older energy stations has to be covered by the BC Government. Also, these economic opportunities for First Nation's have to be viable for a long time, that supplies employment and generates revenues for the First Nation's."

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EVALUATING SMALL GENERATING FACILITIES

The following paragraph is excerpted from the BCFNEMC Indigenous report:

FNEMC agrees it is essential to engage with and fund local and affected First Nations on a case-by-case basis where these plants are and seek and follow their suggestions which may include dismantle and restore, or transfer of ownership or other means.

The following paragraphs were excerpted from the BCFNEMC TAC report:

BC Hydro's draft IRP proposes to undertake a structured decision-making approach to evaluate small hydro plants that are at or near end-of-life including Shuswap, Elko, Spillimacheen, Alouette, Falls River and Walter Hardman. BC Hydro indicates redeveloping or upgrading these facilities could be more expensive than developing new resources.

FNEMC believes BC Hydro's structured decision-making process must include engagement with the Indigenous Nations specifically affected by each facility. Nations should have input into decisions and different options should be explored, including economic development and ownership opportunities in redevelopments as well as decommissioning and rehabilitation of the sites.

Contingency Resource Plan [preparing for higher or lower demand]

The draft IRP includes plans if demand is higher or lower than forecast. Participants were asked about one element of these plans.

EXPLORE UTILITY-SCALE BATTERIES IN THE SOUTH COAST

Participants were asked to provide feedback on the draft element: preparing to introduce utility-scale batteries in the South Coast.

Question:

How does preparing to introduce utility scale batteries in the South Coast align with your values and interests?

Feedback from Regional Workshops

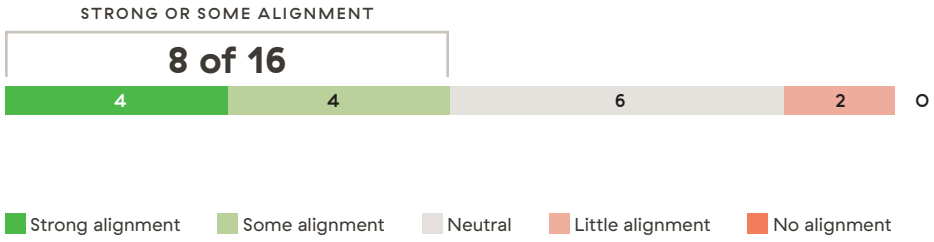
There was an interest in exploring the use of battery technology further, but concerns were expressed about the full lifecycle environmental impacts from mining to disposal.

There was an interest in Indigenous economic opportunities associated with utility scale batteries. A number of participants commented on batteries in the context of the contingency plan as a whole, the topic of future resource and the related Indigenous economic interests in participating in the clean energy sector.

There was also an interest in smaller scale distributed applications for batteries to provide greater reliability and resiliency for Indigenous communities.

Survey Results

Half of respondents indicated alignment to this element of the plan. More than half of respondents were aligned or neutral with this element of the plan.



Due to the limited number of respondents, results are reported in numbers and not percentages.
Not all participants answered this question, the total number of participants was 16.

Sample of what was said...*

Comments from Survey

Strong Alignment:

"Using batteries is a good back-up plan as long as there is no new/better technology available at that time."

"Batteries disposal, environmental danger. Although the batteries would be servicing down South, the dump/recycling site will probably be selected here up North where is the less dense population."

Some Alignment:

"out of our immediate area but environmental concerns about production and disposal of batteries is paramount, especially in terms of lithium mining and its impacts on ecosystems."

Neutral:

"Don't know enough about the batteries and their impact to land and resources."

"Batteries production can have huge environmental impacts. Lithium extraction is not green . Supply chain analysis must be considered."

"I would like to see BC Hydro consider the economic and political impacts of using utility scale batteries and from whom they purchase them. Indigenous communities throughout the world discuss the importance of managing overhead while simultaneously not causing or contributing to human rights violations in other "seemingly" disconnected areas of the world. Buying batteries from some entity actively working to destabilize a democratically elected government for instance would be in bad form."

Little Alignment:

"So far your energy plan, does not include BC Hydro redress issues with First Nation's in BC, your energy company has been making money for years on unceded land without sharing any of your revenues with First Nation's, this racist policy has to quickly change right now. In order, for BC Hydro to live up to the Truth and Reconciliation, 2019 UNDRIPA and 2021 Bill C-15, they have to settle the redress issue with FN, also they have to recognize the BC First Nation's ownership and jurisdiction rights of their traditional lands and resources, ensure that they treat First Nation's as equal Governance partners and they consult with First Nation's in a transparent and fair manner while negotiating free, prior and informed consent on any economic, political and social agreements with FN."

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The following paragraph is excerpted from the BCFNEMC Indigenous report:

FNEMC supports new power sources such as renewables, batteries, and pumped storage so long as they are aligned with the UN Declaration.

Additional Feedback

As part of the survey, participants were asked to provide any final feedback.

Written comments from Survey

"All new initiatives, new projects must have early and pre-engagement with Indigenous communities."

"Thanks for the opportunity to share."

"Employment opportunities for Indigenous People, thank you."

"Just a note to include the possibility of new tech on the draft plan to be open to better options in the future. We want as low impacts on land and water as possible."

"We would like to see as many First Nations based, clean energy producers as possible."

"In 2021, Bill C-15 was passed in Ottawa and in 2019, UNDRIPA was passed in BC, however I have not seen any changes in the racist actions and procedural protocols from both levels of the Canadian Government, plus the proponents in the local economy still do not fairly share any of the revenues that they make on our [Nation] or respect the ownership and jurisdiction rights of FN. Furthermore, the regional settler population racist attitudes has not changed against the First Nation's, so I do not feel very optimistic or hopeful about new BC Hydro Clear Power 2040 plans that include FN in BC. FN continue to live in poverty, experience high levels of unemployment, high levels of alcohol and drug abuse, high levels of incarceration rates, high levels of suicide rates, high levels of health problems and shorter life expectancy."

Other Comments from BCFNEMC on the Draft IRP

The BCFNEMC identified the following issues that need to be addressed.

Uncertainties

Forest fires and line system integration:

Indigenous people in BC are in the best position to respond to forest fires, fire management, and monitoring of those fires effect on hydro infrastructure. BC Hydro should consider an Indigenous monitoring system. Forest fires can also knock out hydro for large customer bases and take a long time to repair. With increasing fires and climate change, diversification of delivery is needed. Local IPP's are a great way to mitigate the transmission.

Hydrogen Integration:

Hydrogen technology interest and application is taking off globally and is of keen interest to Indigenous peoples in BC. If there are any plans to introduce and integrate hydrogen, then Indigenous peoples need to have full involvement in deliberations from the earliest conceptions.

Climate Change:

Current peak demand is in winter currently. How much planning for a large increase in summer use has been given to future planning? Increase in heat pumps and air conditioning as the province's climate is changing in cities where there traditionally was no need should be considered and expect a greater need for demand. Loss of glacier melts and snowpack could drastically change water volumes.

LIST OF APPENDICES:

Appendix A – Workshop Slides

Appendix B – Regional Workshop Summaries

Appendix C – Written Comments from Survey

Appendix D – BCFNEMC 2021 IRP Indigenous Workshops Final Report

Appendix E – BCFNEMC 2021 IRP Technical Advisory Committee Final Report

United Nations Declaration of the Rights of Indigenous Peoples

Reconciliation and Implementing the United Nations Declaration of the Rights of Indigenous Peoples in BC Hydo's business

In the first round of consultation on the Draft 2021 IRP there was a high level of interest in how BC Hydro will implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP" or the "Declaration") in its business. As a result, the second round of regional workshops on the IRP included an agenda item to seek Indigenous input into the development of an UNDRIP implementation plan for BC Hydro's business.

Participants in the IRP consultation sessions were asked for their input on five themes that BC Hydro believes relate to UNDRIP and BC Hydro's work. The five themes are:

1. Respectful Relations
2. Social and Cultural Well-Being
3. Decision-Making
4. Water, Lands, and Resources
5. Economic Relations

BC Hydro sought input on the following questions during the workshop and in an online survey: Are these the right themes? Are we missing any? What are some ideas for advancing reconciliation in each area?

The limited survey responses were mostly in alignment with the themes that were presented. The input during the workshops and in the written comments received raised a wide-ranging number of Indigenous interests, including historic redress, revenue sharing, economic opportunities, Indigenous capacity and socio-economic conditions as well as addressing the impacts of colonialism.

The Indigenous input at the regional workshops will help BC Hydro develop a plan to implement UNDRIP in its business. Input is set out in the regional workshop summaries and in survey results and written comments which are being considered as we develop a draft plan for implementing UNDRIP in our business. This will be a separate plan from the Integrated Resource Plan. BC Hydro's business and our relationship with Indigenous Peoples involves much more than the IRP and plans to implement UNDRIP will be broader than the IRP.

We anticipate sharing a draft of BC Hydro's UNDRIP implementation plan with Indigenous Nations for their feedback in a separate process in 2022.