



Report to BC Hydro on the Draft Integrated Resource Plan

July 31, 2021

Introduction:

Clean Power 2040 is BC Hydro's province-wide, long-term resource planning process. BC Hydro's Integrated Resource Plan is a long-term (20 year) plan for the power system to ensure future customer electricity needs are met with clean, reliable, and affordable power. The plan will be submitted to the British Columbia Utilities Commission.

British Columbia forecasts to have enough power to meet needs for the next 10 years, however there is uncertainty about how loads will change over time. BC Hydro's draft IRP focuses in the near-term on options to maintain flexibility to address uncertainty, including energy conservation, new rate structures and renewal of energy purchase agreements.

The British Columbia First Nations Energy and Mining Council, in accordance with their agreement with BC Hydro attended the Indigenous Integrated Resource Planning Webinar Workshops and have prepared this report for BC Hydro's consideration.

The United Nations Declaration on the Rights of Indigenous People's (UN Declaration)

BC Hydro noted that implementing the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration) falls within their mandate. According to BC Hydro however the IRP isn't necessarily the place where the UN Declaration action plan will be fully addressed, although engaging on the IRP is part of it. Five themes were identified as relating to how BC Hydro will proceed to incorporate the UN Declaration.

- Respectful Relations
- Social and Cultural Well-Being
- Decision-Making
- Water, Lands, and Resources
- Economic Relations

Participants in the workshops commented there is a need for a fundamental change in the relationship between BC Hydro and First Nations and a need for BC Hydro and the province to have a much broader plan for implementing the UN Declaration legislation. A number of participants commented that revenue and benefit sharing is an essential part of resolving past impacts and strengthening relationships going forward.

Recommendations from Workshop Participants and FNEMC:

- The UN Declaration plan is needed to be viewed and discussed before understanding what parts are involved in the IRP and what is outside but the responsibility of BC Hydro. What sections of the UN Declaration are within the IRP mandate?
- If BC Hydro is truly interested in reconciliation, the first step is truth - to completely, honestly, and without varnish describe the historical policies and processes that allowed the Province (and it's Crown) to take, and change, land and resources from First Nations on their un-ceded territories – particularly the big dams, transmission lines and other major corridors. The transmission infrastructure is specifically designed to take advantage of First Nations reserves without appropriate compensation. Rate payers, how they benefited, why, and then how they can be part of reconciliation in terms of revenue sharing and other means of redress needs to be done. If the IRP isn't the place for this, we need to see the action plan.
- Revenue sharing, historical financial redress, and other means relating to infringement needs to be resolved. It's not just with the Province but with BC Hydro as a company as well.
- Taking recommendations and not implementing them needs to be avoided when dealing with the UN Declaration.
- There are many communities that are not part of the integrated system, which the IRP is addressing, however BC Hydro's UN Declaration implementation plan needs to account for everyone. The UN Declaration isn't just for integrated communities. We understand there is a separate community-based planning process for non-integrated communities.
- The UN Declaration action plan needs to have several meetings similar to that of the IRP to understand how it will work and receive input that will need to be implemented. Clearer understanding of what articles of UN Declaration fall within the IRP mandate to implement the UN Declaration are needed.
- Many First Nations in the province have serious long-standing grievances with respect to infringements of their lands and rights resulting from previous or existing Hydro activities and facilities. Some have raised these issues in the IRP,

BCUC inquiry, and recent FNLC communiqués noting that it is unreasonable and unacceptable for Hydro to seek support for future actions before addressing outstanding grievances particularly in respect to the UN Declaration, and revenue sharing and other means. FNEMC submits that Hydro and government need to take a pro-active approach to resolving this problem before they can reasonably expect support from affected First Nations for new initiatives, maintenance, upgrades, new concepts etc.

- FNEMC and other participants commented in 2011 on the need for Hydro and the province to adopt new ownership and revenue policies to permit and facilitate First Nations participation in major energy projects. In addition to early engagement of First Nations in the planning process as noted above, we see equity and revenue-sharing policies, now adopted in several other jurisdictions and widely used by industry in various sectors of the economy, being key to First Nations economic and social development, and to local or regional support for major projects. It is clear that major developments can and often do have significant adverse impacts on the local environment and First Nations lifestyles, while offering the majority of benefits to customers or shareholders far distant from those impacts. Yet government and Hydro continue a very restrictive and conventional approach to resolution and mitigation; they are needed if government and Hydro are genuinely committed to improving First Nations relations, and if the IRP, when completed or approved, is to receive broad acceptance and support for implementation.
- Revenue sharing opportunities should not be limited to independent power projects. BC Hydro and the Government of British Columbia should be looking at revenue sharing for transmission and distribution infrastructure and the creation of Indigenous utilities.

Energy Conservation

BC states its Power smart programs can help residential, business, and industrial customers reduce their electricity use and save on their bills, while also being an effective way defer the need for new supply. BC can continue with programs as they currently are, reduce or discontinue offers, or add new options and increase incentives to achieve more savings. BC Hydro notes energy conservation plans are low-cost relative to other supply sources and flexible.

During workshops some participants commented they were interested in knowing more about what BC Hydro is doing in its own operations to improve efficiency in generating and transmitting electricity.

Recommendations:

- 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.

Voluntary Time Varying Rates & Supporting Programs

BC Hydro states time-varying rates can help shift electricity use out of high demand periods. BC Hydro notes these options are low-cost relative to other supply options and if they are voluntary, customers don't have to participate. During workshops, participants commented about concerns they have about their ability to participate in time of use rates, particularly in more northern climates.

Recommendation:

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.

Renewing Electricity Purchase Agreement (EPA) Contracts with Independent Power Producers (IPP's)

BC Hydro notes there are about 20 contracts with IPPs expiring in the next five years. BC Hydro is proposing to offer market-based renewals.

Recommendations:

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.

Transmission System Upgrades

Transmission upgrades will be needed from the Interior of B.C. to the South Coast. Additions or enhancements to existing facilities are not new lines, but new stations may be needed.

Recommendation:

- 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.

End of Life Infrastructure

BC Hydro notes six small hydro plants are reaching end of life and it must be decided what to do with each of them. This could include redeveloping, temporarily or permanently shutting down the facility, or selling the facility. BC Hydro proposes to evaluate options on a case-by-case basis to manage costs. BC Hydro states it will engage local Indigenous Nations on decisions.

Recommendations:

- 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.

Future Resources and Planning for the Unexpected:

BC Hydro notes it is preparing contingency plans in case electricity demand is higher or lower than expected. This could include advancing some supply options if loads grow faster than anticipated or delaying some options if loads don't grow as quickly.

Recommendations:

- 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.

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.