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July 11, 2025

Commission Secretary
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Commission Secretary:

RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2005 – Fiscal 2006 Revenue Requirements Application
BCUC Decision G-96-04 dated October 29, 2004: Directive 69
(AMENDED pursuant to 2006 Integrated Electricity Plan and
2006 Long-Term Acquisition Plan
BCUC Decision G-29-07 dated May 11, 2007: Directive 16);
2008 Long-Term Acquisition Plan
BCUC Decision G-91-09 dated July 27, 2009: Directives 36, 38 and 42;
Fiscal 2017 – Fiscal 2019 Revenue Requirements Application
BCUC Decision G-47-18 dated March 1, 2018: Directive 23;
Fiscal 2020 - Fiscal 2021 Revenue Requirements Application
BCUC Decision G-246-20 dated October 2, 2020: Directives 47, 49, 50 and 51

BC Hydro writes to provide its Report on Demand-Side Management Activities for the 12 months ending March 31, 2025.

For further information, please contact Alicia Henderson at bchydroregulatorygroup@bchydro.com

Yours sincerely,

Chris Sandve
Chief Regulatory Officer

sg/ll
Enclosure

Report on Demand-Side Management Activities for Fiscal 2025

July 2025

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Appendices

1 Introduction

This BC Hydro annual report to the British Columbia Utilities Commission (**BCUC** or **Commission**) on Demand Side Management (**DSM**) activities provides information on DSM expenditures, electricity savings, plan performance and mitigation measures for the 2025 fiscal year, which is the 12 months ending March 31, 2025.

This annual report is filed in compliance with the following BCUC Directives:

- Directive 69 from the BCUC Decision G-96-04 on BC Hydro's Fiscal 2005 to Fiscal 2006 Revenue Requirements Application (**F05-F06 RRA**);
- Directive 16 from the BCUC Decision G-29-07 on BC Hydro's 2006 Integrated Electricity Plan and Long-Term Acquisition Plan (**2006 IEP/LTAP**);
- Directives 36, 38, and 42 from the BCUC Decision G-91-09 on BC Hydro's 2008 Long-Term Acquisition Plan (**2008 LTAP**);
- Directive 23 from the BCUC Decision G-47-18 on BC Hydro's Fiscal 2017 to Fiscal 2019 Revenue Requirements Application (**F17-F19 RRA**); and
- Directives 47 and 49 from the BCUC Decision G-246-20 on BC Hydro's Fiscal 2020 to Fiscal 2021 Revenue Requirements Application **(F20-F21 RRA)**.

1.1 Overview of BCUC Directives

Directive 69 of the F05-F06 RRA Decision directed BC Hydro "to provide information to the BCUC for ongoing review of Power Smart performance through:

- Executive summaries of milestone evaluation reports and full final evaluation reports for each program;[1] and
- Semi-annual reports on DSM activities which, amongst others, will include:

[1] BC Hydro files its evaluation reports pursuant to Directive 69 of the F05-F06 RRA Decision separately. This annual report addresses the balance of Directive 69 and all other Directives outlined below.

- Detailed breakdown of Operations, Maintenance and Administration (**OMA**) expenses related to support activities carried out within the Power Smart group and in other departments that support the Power Smart organization;
- Detailed description of the functions of portfolio level costs and how these costs are allocated to programs;
- Summaries of the overall performance of Power Smart with reference to program objectives; and
- Variances of fiscal year budgeted and actual deferred capital expenditures and explanation of variances."

Directive 16 of the 2006 IEP/LTAP Decision directed BC Hydro "to continue to file reports on DSM performance as described in Directive 69 of the F05-F06 RRA Decision included in Order No. G-96-04 and to file its Semi-Annual Demand Side Management Reports in the same format as the June 2005 Report with the following enhancements:

(i) Provide annual and cumulative totals since program inception;

(ii) Express these values on a per unit basis; and

(iii) Provide the benefit to cost ratios for the three DSM tests."

Directive 36 of the 2008 LTAP Decision directed BC Hydro to switch from semi-annual to annual DSM performance reports. Directive 38 from the same Decision directed BC Hydro to include in these reports:

> "…metrics for each initiative, achievements in relation to milestones, and description of past or planned mitigation measures where warranted. These mitigation measures should include shifting program resources and alternative supply options for each program. Ongoing DSM performance reporting should demonstrate how BC Hydro is continuously pursuing DSM and that specific programs are cost-effective."

Directive 42 of the 2008 LTAP Decision directed BC Hydro to continue to report Ratepayer Impact Measure (**RIM**) test values.

Directive 23 of the F17-F19 RRA Decision directed BC Hydro to “include a line item in BC Hydro’s Annual Report on DSM Activities to reflect the Non-Integrated Area (**NIA**) activities that are tracked separately.”

Directive 47 of the F20-F21 RRA Decision directed BC Hydro, among other things, to report on the progress of the NIA program in future annual DSM reports, “including an assessment of whether that program has been effective in reducing barriers for Non-Integrated Area customers in accessing DSM offerings and thereby meeting the objective of Directive 23 from the 2017 to 2019 Revenue Requirements Application.”

Directive 49 of the F20-F21 RRA Decision directed BC Hydro “to report on the Low Carbon Electrification expenditures within the DSM Regulatory Account annually in its annual DSM report to the BCUC, clearly allocated to the applicable classes defined in section 4(3) (a), (b), (c) or (d) of the Greenhouse Gas Reduction (Clean Energy) Regulation (**GGRR**), including a consolidated table with a break down between the Initial LCE and BC Hydro LCE projects and programs.”

1.2 The BCUC Approved Changes to BC Hydro’s DSM Funding Transfer Rules

In March 2024, BC Hydro submitted its Fiscal 2024 DSM Expenditure Schedule to the BCUC which requested changes to our DSM funding transfer rules to provide greater flexibility in managing the DSM portfolio. In its Decision accompanying Order G-202-24, the BCUC approved new transfer rules, which are detailed in section 3. All transfers made in fiscal 2025, as well as any carryover amounts, are documented in section 3, in accordance with Order G-202-24.

1.3 The BCUC Approved DSM Expenditures for Fiscal 2025

BC Hydro's fiscal 2025 DSM expenditures were originally included in the Fiscal 2023 to Fiscal 2025 Revenue Requirements Application and accepted by the BCUC through Order G-91-23. In March 2025, BC Hydro submitted a DSM expenditure schedule for BCUC acceptance as part of the Fiscal 2026 to Fiscal 2027 Revenue Requirements Application (**F26-F27 RRA**), which included an updated forecast for fiscal 2025. In accordance with Direction No. 9 to the BCUC, the BCUC approved this DSM expenditure schedule through Order G-76-25, covering the three-year period from fiscal 2025 to fiscal 2027. This report reflects the updated forecast fiscal 2025 expenditures and savings as the 'plan' values against which actual performance is compared.

2 Expenditures and Electricity Savings as a Result of DSM Activities

BC Hydro's DSM expenditures[2] in fiscal 2025 totalled $158.3 million, and new incremental DSM energy savings totalled 604 GWh/year. Both metrics came in below the Fiscal 2025 DSM Plan presented in BC Hydro's Fiscal 2025 to Fiscal 2027 DSM Expenditure Schedule. Expenditures were $39.8 million or 20% below plan and new incremental DSM energy savings were 35 GWh/year or 5% below plan.

Total new incremental capacity savings (which include savings from capacity-focused DSM as well as the capacity savings associated with energy efficiency measures) were 165 MW, which is 1% below plan. Savings from capacity focused DSM activities alone were 4% above plan.

Table 1 below presents planned and actual DSM expenditures and new incremental energy and capacity savings in fiscal 2025.

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[2] Comprising all DSM-related deferred operating expenditures. DSM operating expenditures are presented in Table 7 of this report.

Table 1 Expenditures and New Incremental Energy and Capacity Savings for Fiscal 2025

Energy Efficiency Program Areas	Expenditures ($ 000)				New Incremental Energy Savings (GWh/yr)				New Incremental Capacity Savings (MW)			
	Plan[4]	Actual[5]	Variance	Variance (%)	Plan[4]	Actual[5]	Variance	Variance (%)	Plan[4]	Actual[5]	Variance	Variance (%)
Residential Programs												
Low Income	34,010	30,809	(3,200)	(9%)	6	8	2	33%	2	3	1	41%
Indigenous Integrated	3,935	4,043	108	3%	0.5	0.3	(0.1)	(30%)	0	0	0	n/a
Non-Integrated Areas	3,212	1,307	(1,905)	(59%)	0.2	0.0	(0.1)	(98%)	0	0	0	n/a
Retail	2,634	2,682	49	2%	4	4	0	10%	1	1	(0)	(34%)
Home Renovation Rebate	8,757	5,713	(3,044)	(35%)	7	4	(2)	(34%)	2	2	(1)	(33%)
Customer Self Generation	19,011	12,946	(6,065)	(32%)	10	6	(4)	(36%)	0	0	0	n/a
Energy Management Activities	9,000	5,809	(3,191)	(35%)	53	47	(6)	(11%)	10	9	(1)	(11%)
Residential Programs Total	*80,558*	*63,310*	*(17,249)*	(21%)	*80*	*71*	*(10)*	(12%)	*16*	*14*	*(2)*	(11%)
Commercial Programs												
Leaders in Energy Management – Commercial	12,730	13,680	950	7%	63	56	(7)	(11%)	9	9	(1)	(6%)
Multi-Unit Residential Buildings	3,570	1,012	(2,558)	(72%)	2	0	(2)	(98%)	0	0	(0)	n/a
Social Housing	3,506	1,783	(1,723)	(49%)	3	3	(0)	(5%)	1	0	(0)	(16%)
Energy Management Activities	10,756	7,688	(3,067)	(29%)	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Commercial Programs Total	*30,561*	*24,163*	*(6,398)*	(21%)	*68*	*59*	*(9)*	(13%)	*10*	*9*	*(1)*	(9%)
Industrial Programs												
Leaders in Energy Management – Industrial	18,617	18,296	(322)	(2%)	190	171	(19)	(10%)	24	21	(2)	(9%)
Transmission Service Rate	444	278	(166)	(37%)	20	20	0	0%	2	2	0	0%
Energy Management Activities	11,018	11,073	55	1%	0	0	n/a	n/a	n/a	n/a	n/a	n/a
Industrial Programs Total	*30,079*	*29,647*	*(432)*	(1%)	*210*	*191*	*(19)*	(9%)	*26*	*24*	*(2)*	(8%)
Total Energy Efficiency Program Areas	**141,198**	**117,119**	**(24,079)**	**(17%)**	**358**	**320**	**(37)**	**(10%)**	**52**	**47**	**(5)**	**(9%)**

Capacity Focused Program Areas	Expenditures ($ 000)				New Incremental Energy Savings (GWh/yr)				New Incremental Capacity Savings (MW)			
	Plan[4]	Actual[5]	Variance	Variance (%)	Plan[4]	Actual[5]	Variance	Variance (%)	Plan[4]	Actual[5]	Variance	Variance (%)
Capacity Focused Rate Structures												
Residential Time of Day Rate	3,244	1,258	(1,985)	(61%)	n/a	n/a	n/a	n/a	5	5	0	0%
Capacity Focused Rate Structures Total	**3,244**	**1,258**	**(1,985)**	**(61%)**	**n/a**	**n/a**	**n/a**	**n/a**	**5**	**5**	**0**	**0%**
Capacity Programs												
Residential	8,875	5,256	(3,619)	(41%)	n/a	n/a	n/a	n/a	55	40	(15)	(28%)
Business	1,824	1,417	(407)	(22%)	n/a	n/a	n/a	n/a	6	24	19	332%
Industrial Load Curtailment	2,642	1,660	(982)	(37%)	0	2	2	n/a	0	0	0	n/a
Non-Wires Alternative Program[6]	9,657	4,851	(4,806)	(50%)	0	0	(0)	n/a	1	0	(1)	(100%)
Capacity Focused Programs Total	**22,998**	**13,183**	**(9,815)**	(43%)	**0**	**2**	**2**	n/a	**62**	**64**	**3**	4%
Capacity Focused Program Enabling Total	**2,305**	**2,194**	**(111)**	**(5%)**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total Capacity Focused Program Area	*28,547*	*16,636*	*(11,911)*	(42%)	*0*	*2*	*2*	n/a	*67*	*69*	*3*	4%
Portfolio Supporting Initiatives Program Area												
Public Awareness	9,042	8,698	(344)	(4%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Indirect and Portfolio Enabling	10,436	8,530	(1,906)	(18%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Technology Innovation	1,300	1,287	(13)	(1%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Codes and Standards	7,537	6,028	(1,508)	(20%)	282	282	0	0%	49	49	0	0%
Supporting Initiatives Total	*28,315*	*24,543*	*(3,772)*	(13%)	*282*	*282*	*0*	0%	*49*	*49*	*0*	0%
TOTAL DSM PORTFOLIO	**198,060**	**158,299**	**(39,762)**	**(20%)**	**639**	**604**	**(35)**	**(5%)**	**168**	**165**	**(2)**	**(1%)**

Note: Numbers may not add due to rounding.

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[3] Plan figures reflect those included in the DSM Expenditure Schedules in BC Hydro's F26-F27 RRA.

[4] BC Hydro spent $158.3 million in fiscal 2025. In addition, $4.1 million was credited to the DSM Regulatory Account in fiscal 2025, resulting from the recovery of incentives paid in previous years to large industrial customers, where actual savings for the project were lower than expected.

[5] There are no system-level capacity savings for the Non-Wires Alternative Program, as these savings are already counted under other programs in Table 1. Expenditures for the Non-Wires Alternative Program (for example, the cost of regionally-targeted advertising or higher rebates in a specific location) encourage customers in a specific location to participate in BC Hydro's existing energy efficiency and demand response programs. The system-level capacity savings and 'base' level of incentive for these participants are captured under the existing energy efficiency or demand response program. The benefits associated with the additional Non-Wires Alternative expenditures relate to the deferral of capital expenditures at the substation level or providing load relief at feeders while capital projects are being built.

Table 2 below provides explanations of the variances between planned and actual expenditures and savings shown in the tables above. Further information on key accomplishments for individual programs in fiscal 2025 can be found in Appendix A to this report.

Table 2 Variance Explanations[6] between Planned and Actual Expenditures and Savings for Fiscal 2025

Energy Efficiency DSM Programs		
Program Area	**Expenditures**	**Savings**
Residential Program Area		
Low Income	**Expenditures were below plan** because of lower than planned participation in the portable air conditioner offer (a partnership with the Province of British Columbia [**BC**]).	**Savings were above plan** due to higher than planned participation in the CleanBC Energy Savings Program that BC Hydro co-funds in partnership with the Province of BC. The CleanBC program has lower associated costs than the air conditioner offer.
Indigenous Integrated	**Expenditures were on plan**. While expenditures related to the launch of a new program design were below plan (see 'Savings' column), this was offset by higher uptake in the new Indigenous Communities Solar and Battery offer than anticipated.	**Savings were below plan** as the planned launch of a new program design for Indigenous Communities, which will involve higher incentives and broader savings opportunities, was shifted to fiscal 2026, as well as some delays in project completion for projects under the existing program. The Solar and Battery offer has higher associated costs than these other offers.
Non-Integrated Areas	**Expenditures were below plan** due to fewer energy savings projects being completed than expected. Section 6 contains a detailed discussion on activities in the Non-Integrated Areas in fiscal 2025.	**Savings were below plan** for the same reasons outlined under the 'Expenditures' column.
Retail	**Expenditures were on plan.**	**Savings were above plan** due to higher participation in showerhead rebates, air conditioner rebates and Power Smart Shop.[7].

[6] Expenditures and savings are considered to be "on plan" if they are within 5% of the planned amount.
[7] Power Smart Shop is described in more detail in Appendix A to this report.

Energy Efficiency DSM Programs		
Program Area	**Expenditures**	**Savings**
Home Renovation Rebate	**Expenditures were below plan** due to lower than expected participation. The lower participation was a result of eligible customers choosing to participate instead in the enhanced CleanBC Energy Savings Program.[8] Another reason for the variance was that BC Hydro planned to launch revisions to our program offers in fiscal 2025, which we anticipate will result in higher participation, savings and costs, but the timing for the launch was shifted to fiscal 2026 in order to align with the timing of government partners.	**Savings were below plan** for the same reasons outlined under the 'Expenditures' column.
Customer Self Generation	**Expenditures were below plan** as the offer launched in July 2024, whereas the plan had forecast a full fiscal year of program operation. For the shorter period that the program was in market, participation was as expected.	**Savings were below plan** for the same reasons outlined under the 'Expenditures' column.
Residential Energy Management Activities	**Expenditures were below plan** due to Team Power Smart savings being achieved with lower incentives than planned, as well as expenditures related to an enhancement project for the Team Power Smart online platform shifting out in time.	**Savings were below plan** due to the delayed launch of the HydroHome App which led to lower savings than planned from HydroHome participants.
Commercial Program Area		
Leaders in Energy Management – Commercial (**LEM-C**)	**Expenditures were above plan** due to a higher volume of custom incentive projects in fiscal 2025 than expected.	**Savings were below plan** as the higher volume of incentive projects was offset by fewer program-enabled projects (i.e., by customer funded projects which are enabled by BC Hydro's program activities but don't receive a capital incentive) completing in fiscal 2025 than planned.
Multi-Unit Residential Building (**MURB**)	**Expenditures were below plan** due the launch of the new MURB program occurring later in fiscal 2025 than planned.	**Savings were below plan** for the same reasons outlined under the 'Expenditures' column.

[8] The CleanBC program is targeted at low and moderate income customers and offers higher rebates than Home Renovation Rebate.

Energy Efficiency DSM Programs		
Program Area	**Expenditures**	**Savings**
Social Housing	**Expenditures were below plan** as the planned launch of a new Social Housing program, which we anticipate to result in higher participation, savings, and costs, was shifted to fiscal 2026.	**Savings were on plan**, as the timing shift of the new program was offset by some projects which completed in fiscal 2025 (under the existing program offer) coming at a lower cost than expected.
Commercial Energy Management Activities	**Expenditures were below plan** because the recruitment of new energy managers to support commercial customers occurred later in the fiscal year than planned. By fiscal year end, the planned addition of 15 energy managers was achieved.	No savings are reported through this program - it supports the energy savings that are realized through other programs.
Industrial Program Area		
Leaders in Energy Management – Industrial (**LEM-I**)	**Expenditures were on plan** because the volume of incentive projects (which are a key driver of expenditures) was approximately on plan.	**Savings were below plan** as a result of fewer program-enabled projects being completed in fiscal 2025 than expected. Program enabled projects are enabled by BC Hydro's program activities but do not receive a capital incentive.
Transmission Service Rate	**Expenditures were below plan** due to a faster-than-planned drop in administrative costs following the transition from RS 1823 (stepped rate) to RS 1830 (flat rate). The flat rate eliminates the need for processing of customer requests for DSM adjustments to their customer baseline loads.	**Savings were on plan**, reflecting the expected DSM impact from customers who remained on the stepped rate.
Industrial Energy Management Activities	**Expenditures were on plan**.	No savings are reported through this program - it supports the energy savings that are realized through other programs.
Capacity Focused DSM		
Capacity Rate Structures (Residential Time of Day Rate)	**Expenditures were below plan** as over 98% of customers used the online self-serve option to sign up rather than contacting our call centres.	**Savings were on plan.**
Residential	**Expenditures were below plan** due to lower than planned participation in the Connected Peak Saver offer, partially offset by higher than planned	**Savings were below plan** for the same reasons outlined in the 'Expenditures' column. Savings were below plan by a smaller percentage than expenditures because the

Energy Efficiency DSM Programs		
Program Area	**Expenditures**	**Savings**
	participation in the Behavioural Peak Saver offer.	Behavioural offer has lower associated costs.
Business	**Expenditures were below plan** due to longer than planned lead times for customer projects participating in the Energy Storage Incentive offer resulting in lower than planned incentive costs.	**Savings were above plan** due to significantly higher participation than planned in the Demand Response for Business Behaviour offer. The Behaviour offer has lower associated costs than the Energy Storage offer.
Industrial Load Curtailment	**Expenditures were below plan** due to fewer than planned curtailment events. Planned expenditures for this program in fiscal 2025 reflected the continuation of the short-term industrial load curtailment offer[9] (which was initiated during the winter months of fiscal 2024) into April and May of 2025.	No capacity savings are shown in Table 1 since the curtailment events fell outside of BC Hydro's system peak. Savings over the duration of the curtailment events in fiscal 2025 were recorded as energy savings.
Non-Wires Alternatives	**Expenditures were below plan** due to contractor procurement taking longer than expected and longer than expected project implementation timelines for projects involving larger general service customers.	The program benefits[10] were below plan for the same reasons outlined in the 'Expenditures' column.
Capacity Focused: Program Enabling	**Expenditures were on plan**.	No savings are reported through this initiative, as it supports savings realized through the other capacity-focused programs, Distributed Energy Resource Management System (**DERMS**), as well as studies, technical and field tests for new technologies for future program offerings.
Portfolio Supporting Initiatives (Energy Efficiency and Capacity Focused)		
Public Awareness	**Expenditures were on plan**.	No savings are reported for portfolio supporting initiatives.
Indirect and Portfolio Enabling	**Expenditures were below plan** due to a number of IT projects starting later than planned.	No savings are reported for portfolio supporting initiatives.

9 This offer is described in section 4.2.1 of our Fiscal 2024 DSM Expenditures Application. It was undertaken as a result of the need for additional capacity arising from system conditions and the provincial drought.

10 The benefits associated with the Non-Wires Alternative program relate to the deferral of capital expenditures at the substation level or providing load relief at feeders while capital projects are being built. There are no system-level energy or capacity savings for this program in Table 1, for the reasons outlined in footnote 5.

Energy Efficiency DSM Programs		
Program Area	**Expenditures**	**Savings**
Technology Innovation	**Expenditures were on plan**.	No savings are reported for portfolio supporting initiatives.
Codes and Standards	**Expenditures were below plan** due to the timing of some planned activities shifting into early fiscal 2026.	**Savings were on plan**.

3 DSM Funding Transfers and Carryover

In July 2024, pursuant to Order G-202-24, the BCUC approved new transfer rules for BC Hydro's DSM expenditure schedules. The rules allow:

- Carryover of both underspent and overspent expenditures to the same program area in the following fiscal year;
- Transfers of up to 25% of accepted expenditures out of one existing program area to another without BCUC acceptance (with no limit on transfers into an existing program area); and
- Exceeding total accepted DSM Portfolio expenditures by up to 5% in each year of a test period.[11]

The BCUC decision also requires that all transfers, carryover, and additional expenditures within these limits be reported in our DSM Annual Reports. As shown in Table 3 below, no funds were transferred across program areas in fiscal 2025. Each program area was underspent, and the unspent expenditures will be carried forward to the same program areas in fiscal 2026.

[11] The BCUC decision clarifies that any part of the contingency that is unused in a given year cannot be carried forward to the next year of the expenditure schedule.

Table 3 Funding Transfers for Fiscal 2025 and Calculation of Carryover Expenditures to Fiscal 2026 ($000)

Program Areas	Fiscal 2025 Plan (a)	Fiscal 2025 Actuals (b)	Fiscal 2025 Actuals Variance to Plan (c) = (b)-(a)	Transfers (in /out) (d)	% Transfer (e) = (d)/(a)	Carryover to Fiscal 2026 (f) = (d)-(c)
Residential Energy Efficiency	80,558	63,310	(17,249)	-	-	17,249
Commercial Energy Efficiency	30,561	24,163	(6,398)	-	-	6,398
Industrial Energy Efficiency	30,079	29,647	(432)	-	-	432
Capacity-Focused	28,547	16,636	(11,911)	-	-	11,911
Portfolio Supporting Initiatives	28,315	24,543	(3,772)	-	-	3,772
TOTAL DSM PORTFOLIO	**198,060**	**158,299**	**(39,762)**	**-**		**39,762**

4 Expenditures and Savings to Date

In previous annual reports, this section included BC Hydro’s cumulative DSM expenditures and savings from the beginning of the timeframe of the applicable DSM Expenditure Schedule to date. As this is the first year of the current DSM Expenditure Schedule, Table 1 above reflects expenditures and savings to-date within the approved period of fiscal 2025 to fiscal 2027.

5 Cost-Effectiveness

Table 4 below presents benefit-cost ratios of actual DSM electricity savings achieved from April 1, 2024, through March 31, 2025. The cost-effectiveness results reflect the application of the Utility Cost Test, which uses BC Hydro’s long-run marginal cost (**LRMC**) as the avoided cost of energy and capacity.[12] The Ratepayer Impact Measure (**RIM**) benefit-cost ratio is also provided to comply with Directive 42 from the BCUC decision on BC Hydro's 2008 LTAP; however, BC Hydro notes that the DSM Regulation precludes the use of the RIM in determining cost effectiveness of a demand-side measure.

Table 4 Benefit Cost Ratios of Electricity Savings for Fiscal 2025[13]

	Utility Cost Test	Ratepayer Impact Measure Test
Energy Efficiency Program Areas		
Residential Programs		
Retail	2.1	0.8
Home Renovation Rebate	2.2	0.9
Customer Self Generation	0.7[14]	0.4
Residential Programs Total	1.3	0.6
Commercial Programs		
Leaders in Energy Management – Commercial	3.9	1.0
Multi-Unit Residential Buildings	0.1[15]	0.1
Commercial Programs Total	3.6	1.0
Industrial Programs		
Leaders in Energy Management – Industrial	5.6	1.2
Transmission Service Rate	70.3	1.5
Industrial Programs Total	6.5	1.2

[12] BC Hydro's long-run marginal cost of energy is $97 per MWh (fiscal 2025$) and long-run marginal cost of generation capacity is $115 per kW-year (fiscal 2022$).

[13] In accordance with the DSM Regulation, the Low Income, Social Housing, Indigenous and Non-Integrated Areas programs, as well as Energy Management Activities, Codes and Standards and Technology Innovation are Class A DSM and are included in the portfolio level benefit-cost ratio. While Codes and Standards expenditures are included at the portfolio level, BC Hydro does not include Codes and Standards savings in our assessment of portfolio cost effectiveness.

[14] This program was new in fiscal 2025. Programs are expected to be cost-ineffective in their initial years in market, as a result of higher costs associated with developing and launching a program, and lower benefits as participation has not yet ramped up to scale. We expect the program to be cost-effective in the future, with a benefit-cost ratio of 1.1 for the fiscal 2026 to fiscal 2027 time period, as shown in Compliance Filing to BCUC Order G-10-25, Appendix B.

[15] This program was new in fiscal 2025. As noted above, programs are expected to be cost-ineffective in their initial years in market. This is especially true for programs targeting larger customers (including MURBs) where project lead times are longer than for residential customers. We expect the program to be cost-effective in the future, with a benefit-cost ratio of 2.1 for the fiscal 2026 to fiscal 2027 time period, as shown in Compliance Filing to BCUC Order G-10-25, Appendix B.

	Utility Cost Test	Ratepayer Impact Measure Test
Total Energy Efficiency Program Areas	**3.7**	**1.0**
Capacity Focused Rate Structures		
Residential Time of Day	0.8[16]	0.8
Capacity Focused Programs		
Residential	1.6	1.6
Business	3.6	3.6
Industrial Load Curtailment	0.2[17]	0.1
Non Wires Alternative Program	3.2	3.2
Capacity Focused Programs Total	**2.2**	**2.1**
Total Capacity Focused Program Area	**2.1**	**2.0**
TOTAL DSM PORTFOLIO	1.8	0.9

Energy savings from April 1, 2024, through March 31, 2025, were achieved at an average net levelized utility cost of $39 per MWh, which is lower than BC Hydro's LRMC of $97 per MWh. Table 5 below presents the net levelized utility cost, which is calculated by subtracting capacity benefits from gross utility costs and then dividing the resulting net utility costs by energy savings. A negative net levelized utility cost means that the subtracted capacity benefits exceed gross utility costs.

[16] This rate was new in fiscal 2025, and participation is ramping up to scale. The rate has a benefit-cost ratio of 2.3 for the fiscal 2026 to fiscal 2027 time period as shown in Compliance Filing to BCUC Order G-10-25, Appendix B.

[17] This offer was cost-effective over the six months of the curtailment contract (December 2023 to May 2024, which spans both fiscal 2024 and fiscal 2025), with a benefit-cost ratio of 1.6. Looking at the benefit-cost ratio for fiscal 2025 only is misleading due to the timing of payments in fiscal 2025 while the majority of benefits occurred in fiscal 2024.

Table 5 Levelized Utility Cost of Energy Savings for Fiscal 2025

Energy Efficiency Program Areas	**Net Levelized Utility Cost ($/MWh)**
Residential Programs	
Retail	$25
Home Renovation Rebate	$2
Customer Self Generation	$137
Residential Programs Total	$71
Commercial Programs	
Leaders in Energy Management – Commercial	$0
Multi-Unit Residential Buildings	$1,789[18]
Commercial Programs Total	$2
Industrial Programs	
Leaders in Energy Management – Industrial	-$5
Transmission Service Rate	-$23
Industrial Programs Total	-$8
Total Energy Efficiency Program Areas	$5
Total Energy Efficiency Program Areas and Portfolio Supporting Initiatives[19]	$39

The capacity savings from April 1, 2024, through March 31, 2025, were achieved at an average gross[20] levelized capacity cost of $108 per kW-year, as shown in Table 6 below. The gross levelized capacity cost of DSM is a metric that reflects the cost to produce a unit of system level capacity savings from BC Hydro's capacity-focused DSM activities. System level capacity savings from DSM typically produce two

18 Refer to footnote 15 for an explanation of why the MURB program is not cost-effective in fiscal 2025.

19 In accordance with the DSM Regulation, the Low Income, Social Housing, Indigenous and Non-Integrated Areas programs, as well as Energy Management Activities, Codes and Standards and Technology Innovation are Class A DSM and are included in the portfolio-level levelized cost. While Codes and Standards expenditures are included at the portfolio level, BC Hydro does not include Codes and Standards savings in our assessment of portfolio cost effectiveness.

20 While we produce a 'net' levelized cost of energy (which subtracts associated capacity benefits from the gross costs), we produce a 'gross' levelized cost of capacity. This is because we assume our current capacity-focused DSM initiatives do not produce any associated energy savings, and as such there are no energy benefits to subtract from the gross levelized cost in order to produce a net levelized cost.

benefits: deferral of generation capacity resources (valued at BC Hydro's LRMC of $115 per kW-year) as well as the deferral of transmission and distribution capital investments (valued at $70 per kW-year for non-bulk transmission and $40 per kW-year for distribution capacity).

Table 6 Levelized Utility Cost of Capacity Savings for Fiscal 2025

Capacity Focused Program Area	Gross Levelized Utility Cost ($/Kw-yr)
Capacity Focused Rate Structures	
Residential Time of Day Rate	$238
Capacity Focused Rate Structures Total	$238
Capacity Focused Programs	
Residential	$123
Business	$55
Industrial Load Curtailment	n/a
Non-Wires Alternative Program[21]	n/a
Capacity Focused Programs Total	$98
Total Capacity Focused Program Areas	**$108**

6 Non-Integrated Area Activity

BC Hydro's fiscal 2025 DSM expenditures and electricity savings for the Non-Integrated Area (**NIA**) program are shown as a line item in Table 1 above, along with all other programs.

6.1 NIA Program Description

The main components of the NIA program include:

[21] The primary benefit of Non-Wires Alternative Program is to address a constraint at the substation or local circuit level, and this localized benefit is not captured in the levelized costs methodology.

- BC Hydro partners with the Government of BC to support the DSM stream of the Community Energy Diesel Reduction (**CEDR**) program, administered by the New Relationship Trust. The CEDR program provides incentives for NIA communities to implement energy efficiency improvements in existing homes;
- BC Hydro provides continuous support to Indigenous communities through the Indigenous Climate Action Network (**I-CAN**), a program administered by the Coastal First Nations Great Bear Initiative in partnership with the Government of BC and BC Hydro. I-CAN offers funding for an Indigenous community to hire a full-time staff position (**Climate Action Coordinator**), as well as individual and peer networking support, including training and mentorship. Climate Action Coordinator work includes planning and implementing energy efficiency, renewable energy generation, and climate change adaptation projects for their community; and
- In fiscal 2025, BC Hydro launched a new offer, Rebates for Solar Panels and Battery Storage for Remote Microgrid Communities. This offer encourages adoption of solar and battery systems amongst residential and business customers in NIA communities.

Other offers that are available in the NIA include:

- **Energy Savings Kits:** free energy saving products are offered to NIA residential customers that they can install in their homes;
- **Home Renovation Rebates:** NIA residential customers are offered rebates for eligible home energy upgrades, and these rebates are higher value than for residential customers on BC Hydro's integrated system; and
- **Business Energy Savings Incentives:** NIA commercial customers, including Indigenous communities, are offered incentives for eligible energy saving measures, and these incentives are higher value than for commercial customers on the integrated system.

In addition, in fiscal 2025 BC Hydro piloted an offer to replace refrigerators on Haida Gwaii with new, more energy-efficient models. Under this pilot, BC Hydro hired contractors to handle delivery and installation of the new appliances and the removal and disposal of the old ones.

6.2 NIA Program Performance

Capacity Building Activities

In fiscal 2025, we provided financial support for eight Climate Action Coordinators, which was enabled through I-CAN, to continue their work in the NIA Indigenous communities of Old Massett, Skidegate, Heiltsuk, Nuxalk and Gitga’at, Dease River First Nation, Uchucklesaht Tribe, and Ulkatcho First Nation.

In fiscal 2025, activities within the I-CAN resulted in skills development and jobs in clean energy for participating communities. Eleven people received training and three of the jobs created were filled by Indigenous peoples.

Energy Savings Projects/Activities

Energy savings projects in NIA communities took longer than expected to complete in fiscal 2025. This was a result of unique challenges which varied by community, but includes community capacity and training limitations, and community remoteness. In addition, some communities have other Community Energy Diesel Reduction projects in progress which need to be completed before the next one commences. In fiscal 2025, two projects were completed through the new Rebates for Solar Panels and Battery Storage offer for Remote Micro Communities, and in addition we successfully replaced 78 fridges through the pilot Haida Gwaii fridge swap program.

In fiscal 2025, four communities signed incentive agreements through CEDR to complete advanced home energy upgrades in their communities. These projects are expected to complete in fiscal 2026.

6.3 Planned Actions and Mitigation Measures

BC Hydro believes that our continued partnerships with Indigenous organizations and government partners, through the I-CAN and CEDR program, will continue the to reduce barriers for NIA Indigenous communities to advance energy efficiency by providing increased funding and pathways for capacity building and project support.

In fiscal 2025, the DSM stream of the CEDR program launched an open application intake process to enable Indigenous communities to bring projects forward on a continuous basis. Also, in fiscal 2025 we worked with our partners in CEDR to start the development of a new funding stream for NIA communities to implement energy efficiency improvements in commercial buildings. This new offer is planned to launch in late fiscal 2026. In addition, the New Relationship Trust is planning enhanced community outreach in fiscal 2026 to remote communities that have not yet participated in the CEDR program, working closely with I-CAN on engagement and outreach with Climate Action Coordinators. These initiatives, in addition to the launch of the Rebates for Solar Panels and Battery Storage for Remote Microgrid Communities offer, will provide more opportunities for NIA communities and customers to participate in, and benefit from, our programs.

7 Operating Expenditures

Operating expenditures related to supporting BC Hydro's DSM activities in fiscal 2025 totalled $578,000.[22] Table 7 below presents these operating expenditures in fiscal 2025.

Table 7 Operating Expenditures for Fiscal 2025

	($000)
Labour	455
Consultants/Contractors/Temp Labour	16
Other	107
Total	**578**

[22] Operating expenditures are not included in earlier tables.

8 Low Carbon Electrification Expenditures

Directive 49 of the F20-F21 RRA Decision directed BC Hydro to report on the Low Carbon Electrification (**LCE**) expenditures within the DSM Regulatory Account, "clearly allocated to the applicable classes defined in section 4 (3) (a), (b), (c) or (d) of the GGRR, including a consolidated table with a break down between the Initial LCE and BC Hydro LCE projects and programs."

All expenditures incurred in fiscal 2025 to carry out LCE activities/programs will be recovered pursuant to the Direction to the BCUC Respecting Load Attraction and Low-Carbon Electrification (**Electrification Plan Regulation**). That is, none of BC Hydro's expenditures on LCE activities in fiscal 2025 was allocated as expenditures for a prescribed undertaking under the GGRR; therefore, Directive 49 is not applicable to these expenditures. BC Hydro reported comprehensively on the LCE activities as defined under the Electrification Plan Regulation in the F26-F27 RRA in compliance with Directive 6 of Order No. G-91-23.

Report on Demand-Side Management Activities for Fiscal 2025

Appendix A

Program Summaries

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Program Summaries

This Appendix provides further program details in response to the recommendation made in the BCUC's Reasons for Decision to Order G-91-23 on BC Hydro's Fiscal 2023 to Fiscal 2025 Revenue Requirements Application that BC Hydro report in more detail on its programs within its annual DSM reporting. This Appendix includes descriptions of the components of each program and key accomplishments in fiscal 2025, including participation levels, as well as mitigation measures that have been undertaken or are planned where a program's cumulative energy savings are below plan.

1 Low Income

Program Overview BC Hydro's Low Income program supports some of our most vulnerable customers in saving energy, reducing their electricity bills and realizing other benefits they may be seeking such as improved home comfort and health outcomes. BC Hydro recognizes the importance of having targeted programs that address the unique circumstances and needs of these customers. Income qualified households in both owner-occupied and rental accommodations are eligible. Energy savings kits are used as a mechanism to attract qualified participants into deeper savings opportunities including the Energy Conservation Assistance Program and the CleanBC Energy Savings Program.	
Fiscal 2025 Key Accomplishments	• BC Hydro continued its partnership with the Province of BC to fund the level 1[1] energy efficiency participants of the CleanBC Energy Savings Program, to reach a greater number of participants with deeper savings; • In partnership with the Province of BC and FortisBC, we initiated the development of an application to Natural Resources Canada's (**NRCan**) Canada Greener Homes Affordability

[1] Participants in the CleanBC Energy Savings program fall into three categories, based on income level. Each level receives different rebate amounts. BC Hydro funds energy efficiency rebates for income level 1 participants, which is the lowest income bracket.

	Program (**CGHAP**). If successful, the partners will receive up to $90 million in funding over five years to expand the Energy Conservation Assistance Program targeting deeper savings; and • In partnership with FortisBC, we initiated work on designing a new low-income solution that will deliver deeper savings, including heat pumps and insulation measures.	
Target Market	Lower income residential customers (Statistics Canada's Low Income Cut-off threshold +60%). Both owner-occupied and renters.	
Key Components	Energy Savings Kits	
	Energy Conservation Assistance Program	
	CleanBC Energy Savings Program	
Key Technologies	• Ductless and central air source heat pumps; • Insulation in ceiling, crawlspace, walls and underbelly; • Windows; • Draft-proofing; and • Energy savings kits (basic measures including LED lamps, faucet aerators, window film).	
Participation	Energy Savings Kits	9,142
	Energy Conservation Assistance Program participants	8,394
	CleanBC Energy Savings Program participants	6,291
Mitigation Measures	Not applicable - savings were above plan.	

2 Indigenous Integrated

Program Overview	
BC Hydro has historically provided support to Indigenous communities on BC Hydro's integrated system through the Indigenous Communities Conservation Program offer, which was a component of the residential Low Income Program. In fiscal 2025, we separated the Indigenous Communities Conservation Program offer to show it as a stand-alone program. This program provides Indigenous communities with free energy savings products, training and salary support to Indigenous communities and organizations to hire community members to install the products and review energy upgrade opportunities in homes, and also provides rebates for advanced weatherization measures. In fiscal 2025, we added an offer for rebates for solar photovoltaic (PV) panels and battery storage for Indigenous communities. In recognition of the importance of supporting this sector, in fiscal 2025 a key focus for BC Hydro was the design of a new program for Indigenous communities on the integrated system. The new program design, which launched in June 2025, is a partnership with the Government of BC and FortisBC to align and expand our program offers for energy efficiency, including an increase in incentive levels. Through this collaborative approach, we aim to make it easier for Indigenous communities to find the support they need to improve the energy efficiency and climate resilience of existing building stock and develop new energy efficient and low carbon building stock that meets their cultural and community needs.	
Fiscal 2025 Key Accomplishments	• In partnership with the Province of BC and FortisBC, we designed a new joint solution that enables Indigenous-led energy efficiency projects in existing homes on the integrated system. The new program launched in June 2025; and • Launched rebates for solar panels and battery storage systems for Indigenous communities. Due to significantly higher participation than expected and exceeding our budget for fiscal 2025, the program was temporarily paused and will be redesigned to consider current market conditions, learnings to date on customer uptake and budget implications.
Target Market	Indigenous governing bodies and Indigenous organizations on the integrated system.

Key Components	Home Energy Checkup	
	Home Energy Upgrade Rebates	
	Enabling support to develop Indigenous capacity around energy efficiency, including funding for energy management positions in Indigenous communities and organizations.	
	Solar and Battery Rebates	
Key Technologies	• Basic measures: LED lighting, high performance water fixtures, draft-proofing, clotheslines/dryer racks, fridge thermometers, etc.; • Enabling measures: health and safety remediation and ventilation to support the installation of building envelope measures (insulation, windows, doors, and air-tightness); • Ductless and central heat pumps; • Heat pump water heaters; • Energy Star® appliances; and • Solar PV systems and battery energy storage systems.	
Participation	Home Energy Checkup participants	25
	Home Energy Upgrade Rebates	135
	Solar and Battery Rebates	86
Mitigation Measures	Savings were below plan due to the launch of the new program design occurring later than planned. With the launch of the new program design in June 2025, including higher incentives and broader savings opportunities, and with support from BC Hydro Indigenous Relations leads and external Energy Coaches, an increased project volume is expected in fiscal 2026.	

3 Non-Integrated Areas

Please refer to section 6 of the main report for a discussion on the Non-Integrated Areas DSM program, including a program overview, details of program performance in fiscal 2025, and mitigation measures.

4 Retail

Program Overview	
BC Hydro seeks to influence our residential customers to purchase high-efficiency products and leverages the retail store channel to facilitate these transactions. The Retail program advances the adoption of high-efficiency products by working with market partners to have the energy efficient products available through retail stores throughout BC at affordable price points, supported by knowledgeable sales staff. The Retail program reaches tens of thousands of customers through convenient and familiar retail channels throughout the year with incentives targeting easy-to-install energy management products for residential customers (owners and renters). Incentives are offered via convenient instant discounts at retail point of sale on qualifying products on participating retailer websites or in-store to make the products more affordable for customers. To complement retail incentives, an online product marketplace (the ‘Power Smart Shop’) provides a convenient one-stop-shop for customers to research and select energy-using products where all relevant product details such as pricing, rebates, efficiency and energy costs are consolidated, with options available from multiple retailers (and with an emphasis on Canadian retailers). The site does not sell products, but instead links customers to retail partners for purchases. The tool improves energy literacy by influencing customers to purchase energy efficient products, resulting in measurable energy savings.	
Fiscal 2025 Key Accomplishments	• Successful retail rebate campaigns for high efficiency products including: Spring Air Conditioner and Air Purifier campaign and Fall Showerhead, Smart Thermostat and Smart Controller campaign; and • Year-round promotion of the online Power Smart Shop which increased traffic and visibility.

Target Market	Residential customers who purchase product(s) through the retail channel. Can include both owner occupied and renters. Key partnerships are with retailers, including Best Buy, Canadian Tire, Costco, Leon's, Rona, The Home Depot, and Visions Electronics, and with product manufacturers, including Mysa and Sinope.	
Key Components	Retail channel partnerships	
	Product incentives	
	Online Power Smart Shop	
	Advertising and promotions (often supplemented by the retailer/manufacturer partners)	
Participation	Product Rebates	33,984
	Power Smart Shop[2]	86,359
Mitigation Measures	Not applicable. Energy savings were above plan.	

5 Home Renovation Rebate

Program Overview
The Home Renovation Rebate program focuses on customers with electric space and water heating and motivates these customers to undertake energy efficiency upgrades to their existing homes, primarily focused on lowering their space heating load and hence making their electric bills more affordable. The program promotes upgrades to building envelopes (insulation, windows and doors), space and hot water heating systems, with a combination of rebates for single and multi--upgrade improvements.

[2] The number of users who took 'highly engaged' actions during one or more sessions such as clicking on a product, browsing a product category, comparing products for energy efficiency, clicking through links. These users are a smaller group than the total visits to Power Smart Shop.

In addition to direct incentives, the program communications are aimed at program awareness and educating consumers on energy efficient home renovations. Contractors continue to be a key sales channel for the program and the program focuses on working with contractors by providing training, sales support and installation best practices to improve the availability and quality of home energy retrofit services in B.C. This has been further augmented with the development of the Home Performance Contractor Network through the Home Performance Stakeholder Council, a third-party industry driven association.		
Fiscal 2025 Key Accomplishments	• Supported the development of industry capability and capacity by working with the Home Performance Stakeholder Council to grow the qualified Home Performance Contractor network to over 1,000 members across HVAC, Insulation and Windows & Door contractors; and • Support for the adoption of cold climate heat pumps has led to an upward trend in adoption through the program.	
Target Market	Residential customers with high electric space and water heating load (owner and renter occupied buildings) who do not qualify for the CleanBC Energy Savings Program.	
Key Components	Customer rebates	
	Customer and contractor education	
	Partnerships and coordination with the Province and FortisBC	
Key Technologies	• Heat pumps for space and water heating; and • Building envelope improvements (including windows, doors and insulation).	
Participation	Building Envelope Rebates	2,289
	Heat Pump Rebates	2,077
Mitigation Measures	At the start of fiscal 2026, a revised Heat Pump offer was made available with higher rebates and revised program requirements. This approach is intended to help mitigate affordability barriers while also increasing	

	energy savings and participation by supporting higher efficiency systems that deliver greater savings per project.

6 Customer Self Generation

Program Overview BC Hydro has launched a new Solar and Battery Rebate offer, which offers rebates for solar panels and battery storage. The purpose of the program is to provide customers an opportunity to reduce the amount of electricity they receive from BC Hydro by generating their own clean electricity[3] and to increase the choices available to customers to allow them to meet their own energy objectives. The rebate offer provides funding to offset a portion of the upfront customer costs, help shorten payback periods and make the installation of solar PV and battery systems more affordable, supporting increased adoption. In addition to rebates, the program works with industry contractors and associations to support the delivery of training, and to improve the availability and quality of solar PV and battery installers in B.C.		
Fiscal 2025 Key Accomplishments	• Program successfully launched in July 2024; and • The volume of applications received to date has demonstrated strong customer interest.	
Target Market	Residential Customers	
Key Components	Product Incentives	
	Industry Support	
Key Technologies	• Solar PV systems; and • Stationary battery storage systems.	
Participation	Solar PV Installations	2,097

[3] In addition to offsetting their own load, customers with solar systems may also generate excess electricity which is exported to the grid. The energy reduction associated with a customer offsetting their own load is considered a demand-side measure. Excess generation that is delivered to BC Hydro's system, and for which a customer receives compensation, is not considered a demand-side measure and is not included in our DSM savings or cost-effectiveness calculations.

	Battery Energy Storage Installations	144
Mitigation Measures	Not applicable. Participation has been as expected, accounting for the launch occurring later in the fiscal year than expected.	

7 Residential Energy Management Activities

Program Overview The objective of Residential Energy Management Activities is to provide information and tools that assist customers to optimize their energy use. These activities support BC Hydro's residential energy efficiency programs, demand response programs, and time varying rates in achieving their respective objectives. The three key elements of energy management activities include the behaviour program, access to energy support tools, and industry support. Residential Energy Management Activities enable energy savings directly through the Behaviour program, and also enable and support savings that are reported under other residential sector programs. The centrepiece of the Residential Energy Management Activities is the Behaviour program, designed to encourage residential customers to adopt more energy conscious behaviours and practices that lead to electricity savings and lower bills. The program is marketed under the Team Power Smart banner and relies on established behavioural change methods such as feedback, social norms and energy reduction challenges. Participating customers do not need to invest in energy saving products, they just need to make changes to how they use the electricity using products they already own. The high level of engagement and education associated with Team Power Smart also supports other Residential programs by raising awareness of these offers.	
Fiscal 2025 Key Accomplishments	• Successful Team Power Smart Double the Reward promotion drove significant participation and energy savings; and • Launched the new HydroHome App, a free mobile app allowing customers to understand, manage and control their energy use from their smartphone.
Target Market	Residential customers including owners and renters
Key Components	Detailed consumption feedback

	Energy reduction challenges with free Team Power Smart membership	
	BC Hydro Alliance of Energy Professionals	
	External Workforce Capability Building	
	Customer Information Support	
Key Technologies	Program delivered through web applications in MyHydro (Team Power Smart, Energy Visualization Portal) and third party app (HydroHome) Key behaviour change approaches used: • Detailed feedback (Energy Visualization Portal, HydroHome); • Challenges (Team Power Smart); • Social norms (Team Power Smart); and • Clear, attainable goal setting ("Reduce electricity use by 10% over the next 12 months").	
Participation	Team Power Smart reduction challenges	133,160
	Residential Energy Visualization Portal users[4]	33,801
	HydroHome App downloads	37,144
Mitigation Measures	Savings were below plan due to launching the new HydroHome app later than planned. With the launch of the app, we expect to achieve planned savings in fiscal 2026.	

[4] Participants who have visited the application portal at least four times.

8 Leaders in Energy Management – Commercial

Program Overview	
The Leaders in Energy Management – Commercial (**LEM-C**) program is designed to capture energy efficiency energy savings at commercial buildings and facilities by helping customers overcome the financial and other barriers to energy efficiency. Through the program, customers have access to Energy Efficiency Feasibility Study funding to build the business case for electrical efficiency projects, which could include upgrades to existing buildings/plants and retrofits. Customers then have access to project incentives to reduce the payback required to make these projects financially feasible if needed. When combined with the Commercial Energy Management Activities, a customer can develop a comprehensive plan to continue saving energy at their building or facility.	
Fiscal 2025 Key Accomplishments	• A short-term incentive bonus for custom projects led to the volume of custom projects increasing by 25% in fiscal 2025 compared to fiscal 2024; • We increased incentive levels for mechanical end uses to encourage small- and medium-sized businesses to participate in the program's Business Energy Saving Incentive (**BESI**) offer; • Successfully launched the Rebates for Solar Panels & Battery Storage for Business offer; and • Changes to eligibility requirements for the Continuous Optimization offer resulted in new project applications from customers who can now participate in the program.
Target Market	Commercial customers requiring support to make energy management decisions and implement energy efficiency initiatives and projects.
Key Components	Energy Audits and Studies
	Project Incentives
	Continuous Optimization

Key Technologies	Retrofit of existing commercial buildings: • Lighting upgrade; • Heating, ventilation, and air conditioning (**HVAC**) and lighting controls upgrade and recommissioning; • Variable volume conversion for fan and pumping systems (including variable frequency drives); • Heat recovery system; • High efficiency equipment replacement (motors, chillers etc.); • High performance building envelope; and • Heat pump for domestic hot water. Additional technologies for Business Energy Savings Incentives: • Variable speed electronically commutated motor circulator pump; • Economizer controller sensor for roof top units; • Refrigeration system – add anti--sweat heater humidistat control, add doors to open displays; and • Solar PV and battery storage systems for business.	
Participation	Custom projects	151
	Business Energy Savings Incentive projects	410
	Continuous Optimization projects	75
	Solar Panels & Battery Storage projects	46
Mitigation Measures	Based on known projects underway, and the program design changes noted in the highlights above, we expect savings to be on plan in fiscal 2026.	

9 Multi-Unit Residential Buildings

Program Overview	
In fiscal 2025 we launched a new program designed specifically for existing Multi-Unit Residential Buildings (**MURBs**). MURBs, whether rental properties or condominium suites governed by stratas, present unique challenges and complexities that are not well addressed through existing energy efficiency programs. A typical strata building lasts 75 to 100 years, with major building system renewals occurring every 20 to 30 years, and decisions made now will determine the energy use of these buildings for decades. There is significant potential to assist this sector in reducing energy consumption by delivering a tailored program for MURBs that targets the whole building including both common and in-suite areas. The MURBs program supports strata owners and landlords to reduce their energy consumption through building retrofits that improve building performance as well as provide other benefits such as occupant comfort. The program has been designed to try to address the barriers to energy efficiency facing stratas and rental markets by providing ease of access to participate including a single point of contact to help customers maneuver through their retrofit journey, information and tools to help customers make informed decisions, a simplified application process, and access to funding to identify and implement projects. BC Hydro is working closely with the Government of B.C., municipalities, and other partners to collaborate on the design and delivery of the program.	
Fiscal 2025 Key Accomplishments	• Successfully launched the MURB Whole Building retrofit program in partnership with the Province of BC in September, 2024; • Initiated development work on an individual owner-led in-suite heat pump rebate offer and Energy Coaching services to launch as part of the program in fiscal 2026; and • Successfully launched the Rebates for Solar Panels and Battery Storage for MURBs.
Target Market	Building Owners, Strata/Property Management, and Rental Buildings and in-suite owners.
Key Components	Energy Information Tools

	Energy Coaches / Energy Managers	
	Opportunity Assessments	
	Feasibility Studies	
	Project Incentives	
	In-suite rebate	
Key Technologies	• Heat pumps – in-suite, and common area; • Lighting upgrades; • HVAC and lighting controls upgrades and recommissioning; • Parkade exhaust; • Building envelope; • Windows and airtightness; and • Solar PV and battery storage systems.	
Participation	Opportunity Assessments	11
	Incentive Projects	1
	Solar Panels & Battery Storage Projects	3
Mitigation Measures	Savings were below plan due to the new program launching later than planned. While few projects were completed within fiscal 2025, there has been strong interest in the program, and a number of assessments and studies were initiated in fiscal 2025 which will lead to future incentive projects. With the anticipated launch of the in-suite heat pump rebate, and added support from Energy Coaches, an increased project volume is expected in fiscal 2026.	

10 Social Housing

Program Overview

BC Hydro has historically provided support to the social housing sector through the Social Housing Retrofit Support Program offer, which was a component of the Leaders in Energy Management – Commercial Program.

In fiscal 2025, we separated the Social Housing Retrofit Support Program offer to show it as a stand-alone program. This offer provides funding for social housing providers to undertake energy studies and provides implementation support and rebates for eligible energy saving measures. In fiscal 2025, we added rebates for solar panels and battery storage for social housing providers.

In recognition of the importance of supporting this sector, in fiscal 2025 a key focus for BC Hydro was the design of a new program in collaboration with the Government of BC and social housing providers, which includes higher incentives and a broader range of opportunities to enhance the support provided to this sector. The new Social Housing program design, which launched in June 2025, introduced funding for whole building retrofits including building envelope and heat pumps, and increased funding for energy study and project implementation incentives. Social Housing customers will also receive funding to hire energy managers and project managers to assist with project development. The aim is to help accelerate retrofits which help non-profit housing providers reduce their energy consumption, lower their bills, improve occupant comfort and improve building performance.

Fiscal 2025 Key Accomplishments	• In partnership with the Province of BC, worked on the development of the new Social Housing program that launched in June 2025; • Successfully launched rebates for solar panels and battery storage; and • Continued to support energy studies and implementation of energy efficiency projects under the existing Social Housing offer, while the new offer was being developed.
Target Market	Non-profit social housing providers, housing co-operatives
Key Components	Customer Energy Information Support

	Energy Managers and Project Managers	
	Energy Study	
	Project Implementation Support	
	Project Incentives	
Key Technologies	• Commercial kitchen equipment; • Commercial refrigeration equipment; • Heat pumps and electric water heaters; • LED lighting and controls; • Variable speed drives; • Mechanical systems and controls; • Water efficient devices; and • Solar PV and battery storage systems.	
Participation	Energy Studies	16
	Project Implementation Support (# customers receiving support)	2
	Project Incentives	14
Mitigation Measures	Not applicable – savings were on plan.	

11 Commercial Energy Management Activities

Program Overview

Commercial Energy Management Activities provide customers support through Strategic Energy Management training and resources (including Commercial Energy Manager and Building Automation Systems Specialist funding), integrated audits and feasibility studies, and support required to enable the customer to implement, operate, and maintain facility changes through participation in the LEM-C program. As part of these activities, customers are enabled to better understand and use customer energy data to improve their energy performance and increase

building efficiency. The flexible design of the activities and the established relationships with the different customer segments establishes a platform for delivering our energy efficiency and capacity focused DSM offers. In addition, customers have access to trained and qualified trade allies or supply chain partners to help them assess facility opportunities, complete their projects, and access energy information support. Customer interest from utilizing energy information generates market pull, while our partnerships (supply chain and other) can lead to market push, ultimately resulting in the increased penetration of energy efficient technologies and energy management solutions. These relationships with industry will also allow for a relatively seamless addition of new offers in the future.		
Fiscal 2025 Key Accomplishments	• 15 net new Energy Managers and/or Building Automation Systems specialists joined the Energy Manager program; • Increased participation in the Energy Wise Network, which focuses on raising employee awareness and behaviour changes to encourage energy efficiency; and • Increased average attendance at training webinars (for Energy Managers and other key staff at customer businesses) to approximately 60 to 75 attendees per session.	
Target Market	Commercial customers with Key Account Managers	
Key Components	Commercial Energy Managers	
	Building Automation Systems Specialists	
	Integrated Energy Audits and Feasibility Studies	
	Energy Wise Network	
	BC Hydro Alliance of Energy Professionals	
	External Workforce Capability Building	
Key Technologies	N/A	
Participation	Energy Managers	75

Mitigation Measures	Not applicable – this program supports the energy savings that are realized through other programs.

12 Leaders in Energy Management – Industrial

Program Overview The Leaders in Energy Management – Industrial (**LEM-I**) program is designed to capture energy efficiency energy savings at industrial facilities by helping customers overcome the financial and other barriers to energy efficiency. Customers have access to Energy Feasibility Study funding to build the business case for electrical efficiency projects, which could include upgrades to existing plants or to support efficient expansions, new plant design, new equipment, or retrofits. Customers then have access to project incentives to reduce the payback required to make these projects financially feasible if needed. When combined with the Industrial Energy Management Activities, a customer can develop a comprehensive plan to continue saving energy at their building or facility.	
Fiscal 2025 Key Accomplishments	• Strong participation in horticultural lighting projects; • Changed the funding caps for studies and incentives to encourage larger more complex energy efficiency projects to be identified and implemented, in order to achieve greater electricity savings; • Offered incentive bonus in fiscal 2025 to promote more projects to complete; and • Completed four solar load displacement projects.
Target Market	• Large Industrial (Transmission Service Rate) Customers. Approximately 170 sites; and • All Industrial Distribution (General Service Rate) customers with a focus on the largest 2,000.
Key Components	Energy Feasibility Studies
	Project Incentives

	New Plant Design	
Key Technologies	• Efficient pumps; • Efficient compressors; • Variable frequency drives; • Efficient fans; • Lighting and controls; and • Solar, wind, and micro-hydro.	
Participation	Custom Projects – Industrial Transmission	50
	Custom Projects – Industrial Distribution	71
	Self-Serve Incentive projects	115
Mitigation Measures	Based on our program enabled implementation bonus, project incentive bonus, and known projects underway we expect savings to be on plan in fiscal 2026	

13 Industrial Energy Management Activities

Program Overview

Industrial Energy Management Activities focus on large customer segments with common interests and energy efficiency opportunities, including Pulp and Paper, Wood Products, Mining, Oil and Gas, Chemical, Cement, Manufacturing, Food and Beverage, Agriculture and Transportation.

The Industrial Energy Management Activities provide Strategic Energy Management (**SEM**) training and resources, including Industrial Energy Manager and SEM Cohort funding. Audits and support are provided to enable the customer to implement and maintain facility changes, through participation in the LEM-I program. As part of these activities, Energy Management Information Systems (**EMIS**) are implemented at customer sites to understand and use customer energy data to improve energy performance and increase operational efficiency. The flexible design and the relationships with the customers create a platform for delivering our energy efficiency and capacity focused DSM offers.

Fiscal 2025 Key Accomplishments	• Increase in number of funded Energy Managers (five net new positions in fiscal 2025) and Cohort participants (five net new participants in fiscal 2025) as well as increased support for these resources in order to achieve greater electricity savings; and • Active participation at 110 industrial sites.	
Target Market	Transmission Service Rate Customers. Approximately 170 sites. Largest 2,000 Industrial Distribution (General Service Rate) Customers.	
Key Components	Industrial Energy Manager	
	Cohort Energy Manager	
	Regional Energy Manager	
	Energy Management Information System	
	Energy Audits	
	BC Hydro Alliance of Energy Professionals	
	External Workforce Capability Building	
Key Technologies	N/A	
Participation	Energy Managers	48
	Cohort Participants	62
Mitigation Measures	Not applicable – this program supports the energy savings that are realized through other programs.	

14 Capacity- Focused Programs

Program Overview
The objective of Capacity Focused programs, also commonly called demand response programs, is to reduce load in a defined peak period or shift load outside of a defined peak period to address both system and local capacity constraints.

<table>
<tr><td colspan="2">For residential customers, the Peak Saver program has two offers. The first is a behavioural offer where participating customers take action to reduce or shift their load during peak periods in response to an event notification (e.g., by using the delayed start settings on their dishwasher and dryer or simply turning things off). The second offer involves participants with connected technologies (e.g., EV chargers and thermostats) allowing BC Hydro to remotely adjust these devices during peak periods. Customers can opt-out of the event at any time.

For business customers, there are two offers – a behavioural offer where participating customers take action to reduce or shift their load during an event (e.g., adjusting production, changing HVAC set points, or turning off lighting or non-essential equipment), and an energy storage incentive offer to support the acquisition, installation, and operation of battery energy storage systems. In exchange, the customer will make capacity available for BC Hydro to automatically dispatch in response to changing conditions on the grid. These dispatch signals trigger the battery to discharge, powering the facility it is attached to and reducing demand on the grid.

Local capacity constraints are addressed through non-wires alternatives (NWA) projects. NWA projects are intended to defer or remove the need to invest in capital wired projects to increase the capacity of utility distribution assets such as substations and feeders. NWA projects do so by implementing increased activities and incentives for energy efficiency and demand response programs in localized areas. Using the same approach, NWA projects can also be used to provide load relief until capital projects with longer lead times are built, which can avoid the need for temporary back-up generation solutions and distribution assets or allow new customers to be connected before capital upgrades are completed.

In addition to addressing system and localized constraints, our programs investigate and pursue technical trials and pilots to expand our knowledge in peak management.</td></tr>
<tr><td>Fiscal 2025 Key Accomplishments</td><td>• Initiated four new load relief projects for constrained feeders;
• Tested the concept of a summer season for residential demand response in all NWA areas;
• Merged the residential behavioural demand response program (Peak Saver) and the direct load control program (Peak Rewards) into a single program: Peak Saver, with the anticipated benefits of creating name awareness and allowing easier customer flow-through (e.g. from behavioural to connected);</td></tr>
</table>

	• Implemented functionality to allow customer enrollment throughout the year rather than only during a specified, restrictive registration window; and • Developed and launched the Demand Response for Business program, successfully enrolling significantly more participants than expected.	
Target Market	All sectors: residential, commercial and industrial	
Key Components	• Peak Saver Program • Demand Response for Business Program	
	Non-Wires Alternatives	
	Technology Trials and Program Enabling Activities	
Key Technologies	• Direct load control devices; • EV chargers; • Thermostats; • Water heaters; • Battery storage systems; and • Behavioural demand response offers.	
Participation	Residential Behavioural Peak Saver (enrolled customers)	80,703
	Residential Connected Peak Saver participants (enrolled customers)	12,146
	Demand Response for Business – Behavioural (enrolled customers)	667
	NWA projects underway	10
Mitigation Measures	Not applicable – savings were on plan.	