

Fred James

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March 13, 2020

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: Project No. 1598990
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application**

BC Hydro writes to provide its responses to the following undertakings resulting from the Oral Hearing of February 24 to March 4, 2020:

Exhibit B-57	Responses to Undertaking Nos. 36, 42, 43, 48, 52, 57, 58, 59, 60, 61, 63, 64, 65 and 66 (Public Version)
Exhibit B-57-1	Responses to Undertaking Nos. 43 and 48 (Confidential Version)

Further, BC Hydro writes to make the following corrections to testimony provided during the Oral Hearing of February 24 to March 4, 2020. At this time, BC Hydro is not aware of any other corrections that need to be made to the record.

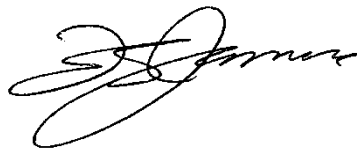
Transcript Reference	Excerpts of Transcript	Correction
Volume 12, Page 2151, Line 6 to Page 2153, Line 8	MR. KEEN: And Mr. Leonard, to what extent does BC Hydro cooperate or coordinate with the customer making the interconnection request in the course of consultation? ... MS. HOLLAND: I can't think at the moment of any meetings that we have done jointly. What I am aware of is that there's often ongoing dialogue between the consultation lead for the proponent, who's often undertaking their own consultation, it's helpful for us to have an understanding of what their relationship is and any agreements they have. And we share with	BC Hydro has had joint meetings, where appropriate, with representatives of BC Hydro, First Nations, and customer proponents attending.

Transcript Reference	Excerpts of Transcript	Correction
	<p>them sort of our progress, if you will, but we typically are meeting at different times and we're talking about different projects. I'm not aware of meetings that we have done jointly, but there is a sharing of information, unless it's been made available to us on a confidential basis from the community.</p> <p>MR. KEEN: Will you take that subject to check that you have not had any joint meetings with customer proponents?</p>	
<p>Volume 12, Page 2262, Line 6 to Page 2263, Line 2</p> <p>Page 2315, Line 5 to Line 13</p>	<p>MR. KUMAR: ... And, that is that we will be avoiding once we build the PRES project, because as we are electrifying new load, the side benefit of actually putting in PRES is the reliability of our existing system and our customers would also increase. So you go from a system capacity of 400 megawatts under system normal to over 800 megawatts under system normal under PRES and your N minus 1 goes from 185, I believe it's up to 600 megawatts. So that gives you that ability to actually sell those loads under the different contingencies.</p> <p>MR. KUMAR: ... The current configuration of PRES, which is a two line option, gives us a system normal of 1,000 megawatts and an N minus 1 of 800 megawatts, so that's a significant -- the charge actually cuts off at 800. But the capacities that we currently are expecting from the PRES scope that's moving forward is 1,000 and minus 0 and 1,000 -- 800 N minus 1.</p>	<p>Once completed, the PRES project will have a capacity of 1,000 megawatts under system normal condition and 800 megawatts under N-1 condition.</p>
<p>Volume 12, Page 2317, Line 9 to Line 15</p>	<p>MR. INCE: You know there's one question I forgot to ask regarding the load resource, the supply chart -- or the load chart. Is it this -- I assume it's before DSM?</p> <p>MR. KUMAR: This is after DSM.</p> <p>MR. INCE: After DSM. Thank you.</p> <p>MR. KUMAR: Subject to check.</p>	<p>The data behind the chart provided in BC Hydro's response to INCE IR 4.13.0 was before DSM and rate adjustments. DSM estimates were provided in BC Hydro's response to INCE 1.6.12, which stated that for fiscal 2024, DSM savings were 6 MW for transmission and 8 MW for distribution, for a total of 14 MW.</p>

Transcript Reference	Excerpts of Transcript	Correction																																																																		
<p>Volume 15, Page 2837, lines 17 to 24</p>	<p>MS. GJOSHE: I appreciate that, yes. And so, then just to confirm the definition of that word "program" there, does it include -- is it all inclusive of all the –</p> <p>MR. HOBSON: It's our portfolio.</p> <p>MS. GJOSHE: Okay. All inclusive.</p> <p>MR. HOBSON: All inclusive. The dollars that we would be spending to achieve the savings.</p>	<p>The table referenced in Gjoshe IR 2.16.2 reflects the expenditures for DSM programs only. The following table provides the values for the total DSM Portfolio.</p> <table border="1" data-bbox="1040 646 1360 1190"> <thead> <tr> <th colspan="3" data-bbox="1040 646 1360 674">(\$ million)</th> </tr> <tr> <th data-bbox="1040 674 1146 730">Fiscal Year</th> <th data-bbox="1146 674 1235 730">Sustaining Capital Expenditures</th> <th data-bbox="1235 674 1360 730">Total DSM Portfolio Expenditures</th> </tr> </thead> <tbody> <tr><td data-bbox="1040 730 1146 758">2002</td><td data-bbox="1146 730 1235 758">333</td><td data-bbox="1235 730 1360 758">20</td></tr> <tr><td data-bbox="1040 758 1146 785">2003</td><td data-bbox="1146 758 1235 785">367</td><td data-bbox="1235 758 1360 785">48</td></tr> <tr><td data-bbox="1040 785 1146 812">2004</td><td data-bbox="1146 785 1235 812">375</td><td data-bbox="1235 785 1360 812">64</td></tr> <tr><td data-bbox="1040 812 1146 840">2005</td><td data-bbox="1146 812 1235 840">331</td><td data-bbox="1235 812 1360 840">73</td></tr> <tr><td data-bbox="1040 840 1146 867">2006</td><td data-bbox="1146 840 1235 867">363</td><td data-bbox="1235 840 1360 867">91</td></tr> <tr><td data-bbox="1040 867 1146 894">2007</td><td data-bbox="1146 867 1235 894">428</td><td data-bbox="1235 867 1360 894">47</td></tr> <tr><td data-bbox="1040 894 1146 921">2008</td><td data-bbox="1146 894 1235 921">557</td><td data-bbox="1235 894 1360 921">65</td></tr> <tr><td data-bbox="1040 921 1146 949">2009</td><td data-bbox="1146 921 1235 949">664</td><td data-bbox="1235 921 1360 949">101</td></tr> <tr><td data-bbox="1040 949 1146 976">2010</td><td data-bbox="1146 949 1235 976">948</td><td data-bbox="1235 949 1360 976">130</td></tr> <tr><td data-bbox="1040 976 1146 1003">2011</td><td data-bbox="1146 976 1235 1003">865</td><td data-bbox="1235 976 1360 1003">131</td></tr> <tr><td data-bbox="1040 1003 1146 1031">2012</td><td data-bbox="1146 1003 1235 1031">956</td><td data-bbox="1235 1003 1360 1031">177</td></tr> <tr><td data-bbox="1040 1031 1146 1058">2013</td><td data-bbox="1146 1031 1235 1058">1,009</td><td data-bbox="1235 1031 1360 1058">150</td></tr> <tr><td data-bbox="1040 1058 1146 1085">2014</td><td data-bbox="1146 1058 1235 1085">979</td><td data-bbox="1235 1058 1360 1085">120</td></tr> <tr><td data-bbox="1040 1085 1146 1113">2015</td><td data-bbox="1146 1085 1235 1113">1,005</td><td data-bbox="1235 1085 1360 1113">125</td></tr> <tr><td data-bbox="1040 1113 1146 1140">2016</td><td data-bbox="1146 1113 1235 1140">1,136</td><td data-bbox="1235 1113 1360 1140">145</td></tr> <tr><td data-bbox="1040 1140 1146 1167">2017</td><td data-bbox="1146 1140 1235 1167">1,158</td><td data-bbox="1235 1140 1360 1167">97</td></tr> <tr><td data-bbox="1040 1167 1146 1194">2018</td><td data-bbox="1146 1167 1235 1194">1,190</td><td data-bbox="1235 1167 1360 1194">82</td></tr> <tr><td data-bbox="1040 1194 1146 1222">2019</td><td data-bbox="1146 1194 1235 1222">965</td><td data-bbox="1235 1194 1360 1222">104</td></tr> <tr><td data-bbox="1040 1222 1146 1249">2020 Plan</td><td data-bbox="1146 1222 1235 1249">978</td><td data-bbox="1235 1222 1360 1249">91</td></tr> <tr><td data-bbox="1040 1249 1146 1276">2021 Plan</td><td data-bbox="1146 1249 1235 1276">1,093</td><td data-bbox="1235 1249 1360 1276">89</td></tr> </tbody> </table>	(\$ million)			Fiscal Year	Sustaining Capital Expenditures	Total DSM Portfolio Expenditures	2002	333	20	2003	367	48	2004	375	64	2005	331	73	2006	363	91	2007	428	47	2008	557	65	2009	664	101	2010	948	130	2011	865	131	2012	956	177	2013	1,009	150	2014	979	120	2015	1,005	125	2016	1,136	145	2017	1,158	97	2018	1,190	82	2019	965	104	2020 Plan	978	91	2021 Plan	1,093	89
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For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
 Chief Regulatory Officer

df/rh

Enclosure

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 36

HEARING DATE: February 28, 2020

REQUESTOR: AMPC, Mr. M. Keen

TRANSCRIPT REFERENCE: Volume 12, Page 2149, line 17 to Page 2151, line 1

TRANSCRIPT EXCERPT:

MR. KEEN: Q And for those projects that require an active consultation phase, does that occur in parallel to the facility study process or is that incremental to the facility study process when it comes to timelines?

MS. HOLLAND: A It's in parallel.

THE CHAIRPERSON: Why is that none of you know whether there has been any or not or is any?

MS. HOLLAND: A I think the question was –

MR. LEONARD: A Was the number.

MS. HOLLAND: A -- was the number and I'd have to go through the project list to do a count.

THE CHAIRPERSON: Okay. But it is something within your group that you would –

MR. LEONARD: A Absolutely.

MS. HOLLAND: A Yes.

THE CHAIRPERSON: Oh, it sounded like you had no idea.

MS. HOLLAND: A No, I just don't have a project count off the top of my head.

MR. KEEN: Q Ms. Holland, can you undertake to provide that count, please?

MS. HOLLAND: A Perhaps you and I can go through the exercise again of just clarifying what the undertaking is. The count of projects that we've initiated consultation for –

MR. KEEN: Q That have an active consultation phase.

MR. LEONARD: A Over what period of time?

MR. KEEN: Q Over the past five years.

MS. HOLLAND: A And does that include projects – any projects or projects that are still active?

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

MR. KEEN: Q I'll take the ones that are still active, but where you have had an interconnection request and it has resulted in a facility study that has required Indigenous consultation that has been an active consultation phase. What is that number and if you could identify any timeline impacts that have arisen from those Indigenous consultation activities.

QUESTION:

Please provide the number of active interconnections projects, over the past five years, that have required consultation with First Nations as part of the facilities studies process and if the consultation resulted in impacts to project timelines.

RESPONSE:

There were 100 interconnection projects over the past five years that required consultation with First Nations.

For those 100 interconnection projects, consultation with First Nations did not result in delays to in-service date of those projects.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 42

HEARING DATE: February 28, 2020

REQUESTOR: AMPC, Mr. M. Keen

TRANSCRIPT REFERENCE: Volume 12, Page 2254, line 15 to Page 2255, line 23

TRANSCRIPT EXCERPT:

MR. KEEN: Q All right. If we can go over two more pages electronically, and this is the response to 2.249.3. the request is:

"Please explain where land purchases are accounted for and whether land purchases are included in BC Hydro's rate base. And as part of the discussion, please also discuss how land and property purchased for future construction are accounted for."

And then in the response BC Hydro refers to IFRS, and it's the second paragraph that I'm interested in.

"Land is included in BC Hydro's rate base except for land under development which is included in unfinished construction."

While these sites are not being developed, while there's no site activity, are they part of ratebase or are they held as an asset for future use and not earning return?

And I recognize that presently you've got a legislated net income. But in the normal course is this something that BC Hydro would expect to earn a return on before construction activity starts?

MS. DASCHUK: A Could we maybe -- I'm just thinking, this sounds like a financial treatment question and it's probably something that we should take as an undertaking to the finance organization because we just don't have the experience on this panel to answer that.

MR. KEEN: Q If you can confirm for me whether before construction begins on these sites BC Hydro would be earning a return on these two parcels of land, I would appreciate that.

MR. LEONARD: A We're prepared to take that as a undertaking, yes.

MR. KEEN: Q Thank you.

QUESTION:

With regards to the properties acquired for the planned East Vancouver and West End substations, if BC Hydro's return on equity were based on a deemed capital structure,

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

tied to rate base, would BC Hydro earn an equity return on those properties prior to the start of construction on those substations?

RESPONSE:

BC Hydro's net income is currently prescribed by section 3 of Direction No. 8 to be a specific dollar amount of \$712 million per fiscal year in each of fiscal 2020 and fiscal 2021, and is therefore not dependent on a specific rate base amount. Amounts included or excluded from BC Hydro's rate base therefore have no effect on net income during the test period.

Rate base may potentially be relevant for future test periods, but BC Hydro is not able to speculate on what it may propose, or what the BCUC may approve, in terms of the use of rate base and the components thereof for the purpose of calculating return on equity.

For reference, under IFRS the land is categorized as "land and buildings", and is currently included in BC Hydro's rate base.

However, given Direction No. 8, rate base is not currently used to calculate return on equity in the test period.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 43

HEARING DATE: February 28, 2020

REQUESTOR: BCOAPO, Ms. L. Worth

TRANSCRIPT REFERENCE: Volume 12, Page 2292, line 4 to Page 2293, line 2

TRANSCRIPT EXCERPT:

MR. KUMAR: A So if you look at the table which on page 3 of your witness aid, it shows in the second column, Minette to LNG Canada interconnection project.

MR. WORTH: Q Mm-hmm.

MR. KUMAR: A So the expansion of the Minette substation to accommodate the addition of 230 kV capacitor, that portion of the scope, my understanding is going to be covered by a letter of credit from the customer, and the second portion which is the double circuit 287 transmission line from Minette to LNG facility that is going to be paid 100 percent by the customer.

MR. WORTH: Q Thank you. Do you have an idea of how much in dollars that is going to represent as a cost to LNG Canada?

MS. HOLLAND: A I don't have that breakdown with me, no.

MR. WORTH: Q Would you be able to provide that in an undertaking.

MS. HOLLAND: A If it's not confidential. I would need to confirm that.

MR. WORTH: Q Subject to that of course.

MS. HOLLAND: A Yes.

MR. WORTH: Q Thank you.

QUESTION:

Please provide the costs LNG Canada is covering for the expansion of the Minette Substation, specifically the 230 kV capacitor and double circuit 287 transmission line.

RESPONSE:

Certain information in the public version of this response is redacted to protect customer specific information and customer commercial interest. The un-redacted version is provided to the BCUC only.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

LNG Canada is providing approximately \$24 million cash payment for the Basic Transmission Extension and double circuit 287 kV transmission line and [REDACTED] in security for the 230 kV capacitor banks and substation expansion.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 48

HEARING DATE: March 2, 2020

REQUESTOR: ZONE II RPG, Ms. McLean

TRANSCRIPT REFERENCE: Volume 13, Page 2409, line 7 to Page 2410, line 15

TRANSCRIPT EXCERPT:

[Insert excerpt from transcript]

MR. LEONARD: A Yes. So it's a series of a variety of things. So there is a report that is submitted there. Then they have -- I think probably the best way to do it would be to describe it as adjudicators, that would come out and there would be a series of meetings that they have throughout our organization. And that's at -- they would meet with Mr. O'Riley, they will meet with me, they will meet with a variety of people within our Indigenous Relations group. They meet with various First Nations. They will meet with people, I think even within our operations team. So they cast a pretty wide net. It's a pretty intensive program in that adjudication, and then coming out of that they are able to assess how we are performing against those various criteria.

MS. McLEAN: Q And so there would have been a written report filed that would have led to the 2018 Gold Level certification, correct?

MR. LEONARD: A There would have been, yes.

MS. McLEAN: Q Okay, and will BC Hydro undertake to provide a copy of that report as part of this proceeding?

MR. LEONARD: A What I can do is I will go and see what can be shared, because there will obviously be -- there might be some confidential information that some of the comments that are shared by First Nations, or particular things that we might have with respect to commitments around some of our agreements and IBAs, but I can undertake to take a look at what we can provide.

MS. McLEAN: Q Okay, and can BC Hydro also undertake to provide a copy of the responding report by PAR, I think you indicated that there might have been areas identified that need improvement, for example?

QUESTION:

Please provide BC Hydro's most recent report to inform its Progressive Aboriginal Relations Designation as well as the most recent responding report from the Canadian Council of Aboriginal Businesses.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

RESPONSE:

The response includes two attachments:

- 1. Attachment 1 - BC Hydro's most recent submission (2018) to the Canadian Council for Aboriginal Business (CCAB) that informs our Progressive Aboriginal Relations (PAR) certification. The public version of this Attachment is redacted to maintain confidentiality of the information provided to BC Hydro by First Nations and the information relating to interests of individual First Nations, to protect the privacy of certain employees of BC Hydro, and to protect commercially sensitive information that may impact BC Hydro's future negotiations and the prospect of reaching an agreement with First Nations. The non-redacted version is being made available to the BCUC only. BC Hydro notes that the PAR submission contains 57 exhibits, which are not included here. BC Hydro may provide a specific, relevant exhibit (on a confidential basis if appropriate) if specifically required by the BCUC or an intervener.**
- 2. Attachment 2 - PAR Verifier Report from the CCAB, dated June 12, 2018 (the Report). The Report is made available to the BCUC only to protect the integrity of the certification process. The information provided to the verifier, verbal or written, is considered confidential and is for the sole purpose of furthering the interest of the CCAB. BC Hydro is expected to maintain the confidentiality of the information in the Report to promote and ensure information sharing by First Nations with the verifier on BC Hydro's performance without concerns that their views and opinions may be publicly shared. BC Hydro is providing the Executive Summary from the Report and also our summary of areas of improvement noted in the Report, below.**

Executive Summary

Leadership remains committed and engaged on Indigenous relations (IR) with some positive outcomes; additional IR / PAR integration has occurred since the last submission. Implementation is driven by policy, BC Hydro's Indigenous relations strategy / principles and plans (focused on long-term relationship building), through an Indigenous Relations Executive Committee, various implementation committees, and an Indigenous Relations team that works closely with communities.

Aboriginal hiring and retention are targeted and tracked with performance indicators, and various partnerships and programs are in place to assist recruitment efforts. Composition in the trades category is positive, however there remains an acknowledged issue of hiring / retention in the management / professional category. Cultural awareness training is available for managers, and an e-learning employee module is currently being rolled out.

On procurement, community input / communications through relationship agreements, new project management practices, proactive engagement and

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

scheduled IR supply chain meetings has assisted, along with the application of an updated Indigenous Procurement and Contracting Policy.

Community relationships continue to improve and are nurtured through relationship agreements, Joint Working Group discussions / input, transparency (on planning), and a subtle shift in practice from transactional to a more relationship building approach, focused on community needs. Leaders and employees participate and support community cultural events / celebrations, and interactions and commitments are tracked. There is a good focus on communication and articulating a clear message on IR across their system, reinforced with a refreshed Communications Plan and use of various mediums, such as social media and workshops.

Areas for improvement:

- **Ensure good connections/information flow across BC Hydro (including its subsidiaries) when promoting Indigenous community events / employee participation opportunities.**
- **Have Indigenous people lead cultural training across the organization.**
- **Support the RAIN Network (Indigenous employee network) by finding ways to refresh and implement new ideas and increase participation, provide more administrative / planning support, ensure that managers are being supportive of employees wishing to attend network meetings / sessions.**
- **Stay focused on the implementation of agreements to realize the benefits for First Nations communities.**
- **Continue to look at ways to address community needs, such as engagement in long term plans, as well as a focus on energy conservation efforts.**
- **Sharpen the priority to improve the hiring of Indigenous people in the executive / management and professional category.**
- **Broaden the recruitment program to explore additional entry points for Indigenous candidates and broaden the range of opportunities available.**
- **Include Indigenous people on hiring panels.**
- **Focus more on retention and career path development (i.e., introduce internal coaching or managerial skill development) for internal Indigenous employees.**
- **Enhance procurement planning processes to facilitate early identification of opportunities.**
- **Broaden the scope of business opportunities for Indigenous businesses.**

BC HYDRO PAR SUBMISSION 2018

1. (Formal) Name of organization
British Columbia Hydro and Power Authority
Utility. Crown Corporation.

2. Contact person

[REDACTED]

3. Address of corporate HQ & primary locations in Canada
Corporate Headquarters: 333 Dunsmuir Street, Vancouver, BC V6B 5R3
BC Hydro has offices throughout the communities of British Columbia. Our largest offices are located in Burnaby, Cranbrook, Kamloops, Nanaimo, Prince George, Revelstoke, Surrey, Vancouver, Vernon and Victoria.

4. Description of Corporate structure and ownership
BC Hydro is a provincial Crown Corporation publicly owned by the people of British Columbia. BC Hydro is governed by a Board of Directors that is accountable to the Minister of Energy, Mines and Petroleum Resources for the implementation of government direction. The Board's direction is implemented by management, who carries out the day-to-day operations of the Corporation under the supervision of the Executive Chair and the President & Chief Operating Officer.

5. Annual gross revenue for the company
F17: \$5,874,000,000

6. Organizational Chart, as of March 2018
ET and IR org charts included in online submission

7. Number of full, part time employees, as of October 2, 2017
Full time employees: 6,287
Part-time employees: 121
Contract employees: included in above

8. Brief description of the principal activities of the organization and, if applicable, how they relate to Aboriginal communities.

BC Hydro is one of the largest electric utilities in Canada and is publicly owned by the people of British Columbia. We generate and provide electricity to 95 per cent of B.C.'s population and serve over four million people. We operate an integrated system backed by 30 hydroelectric plants, over 300 substations as well as over 79,000 kilometers of transmission and distribution lines. Our mission is providing customers with reliable, affordable and clean electricity throughout B.C., safely.

We are investing over \$2 billion annually to upgrade and maintain aging assets that were largely built in the 1960s, 1970s and 1980s, and to build new infrastructure so that our customers continue to receive reliable and clean electricity. Our new business model of Plan, Build, Operate and Support guides our employees in how we sustain the electrical system to serve our customers. Our work with Indigenous communities weaves through every stage of this model. For example, our existing and new infrastructure capital build extends through overlapping consultative boundaries of over 200 First Nations. We are engaging with First Nations throughout the province on our 10 Year Capital Plan to better understand their interests and consulting in a meaningful manner with those First Nations as we contemplate decisions which could adversely impact Indigenous title and rights.

This period of substantial capital investment enables us to identify opportunities for Indigenous businesses and individuals. We collaborate with Indigenous communities to develop training, employment and business development initiatives to reflect their interests and to prepare them for employment and contracting opportunities with BC Hydro and our contractors. Beyond the business and employment opportunities related to our capital plan, we also have an interest in developing positive long-

BC HYDRO PAR SUBMISSION 2018

term relationships with Indigenous communities because they are also our customers; we support them through energy conservation and customer care initiatives.

We recognize the value of doing business with Indigenous communities, which is reflected in the examples and information provided in this submission. From the Executive team to our employees in the field across the province, we share a company-wide commitment to improving the way we engage, share and collaborate. This commitment allows us to focus on identifying work opportunities that create mutually beneficial business relationships with Indigenous communities near our facilities throughout the province.

In August 2017, the Province of British Columbia announced that they will be fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission (TRC). BC Hydro is developing a framework for incorporating UNDRIP and the Calls to Action of the TRC into our business, as appropriate given our mandate and context, to support our work with Indigenous communities in B.C.

Our submission includes many examples of how we are advancing Indigenous relations. It is not an exhaustive list, given the scope and breadth of our plans and activities, but we have sought to build a narrative for the verifier and jury to see how Indigenous Relations is embedded throughout our business. As such, our submission is intended to be read in the following order: Leadership Actions, Community Relations, Business Development and Employment. In addition, we have created a website to hold 50 exhibits to support our answers which are uploaded in this portal. The website URL and password are as follows:



A. LEADERSHIP ACTIONS

1. Community of Interest

How does the company identify its key Aboriginal communities, groups and stakeholders important to its operations (the Communities of Interest)? Provide a list of such communities/groups.

In February 2015, we updated our Indigenous Relations Strategy, which sets out how we engage with Indigenous communities throughout B.C. Our strategy is focused on strengthening our relationships with Indigenous communities, particularly where we have had past impacts and where we have a need for additional infrastructure. Some relationships have suffered in the past, and while we have made progress with many relationships, there is still a great deal of work to do on building trust and advancing reconciliation.

The strategy also responds to the fact that we are a Crown corporation serving more than four million electricity customers, with infrastructure located on the territories of most Indigenous communities, at a time when we are investing heavily in both maintaining and building infrastructure to meet the growing demand for electricity. At the same time, the legal landscape continues to evolve, Indigenous interest in shared decision making continues to increase, and our commitment to reconciliation is strengthening.

Recognizing the commitment and focus, we developed a Statement of Indigenous Principles to guide our interactions with Indigenous people (see Exhibit LA-EXH1). We also identified which Indigenous communities are likely to be most impacted by our upcoming planned capital works and existing footprint. By correlating our physical footprint and planned work with First Nations' traditional territories, we identified 13 First Nation groups (or communities of interest), representing 28 First Nations, where greater engagement and stronger relationships would be needed going forward (see Exhibit LA-EXH2-Map).

In addition to our relationship-building efforts focused on the communities listed on the map, we continue to advance our relationships and meet commitments associated with historical grievance settlements and Impact Benefit Agreements. We also engage with other Indigenous communities where they are identified as potentially impacted by our planned projects. And since Indigenous people are also often our customers and suppliers, we interact with virtually all Indigenous communities in BC.

2. Commitment

2.a) Required Attachment: When making an application, the company must provide a leadership statement (on company letterhead) signed by the most senior executive (President/CEO), reinforcing the company's support for positive and progressive Aboriginal relations.

Please see our Leadership Statement (Exhibit LA-EXH3).

Please view the Leadership video (see Exhibit LA-EXH4-VIDEO) on the BC Hydro PAR website. When our Indigenous Relations Strategy was updated in 2015, our Executive created videos to communicate the new direction and Statement of Indigenous Principles to employees.

2.b) Does the company currently have an Aboriginal Relations Policy, with reference to leadership responsibilities, Aboriginal employment, Aboriginal business development and Aboriginal community relationships? If so, provide a copy of all relevant documentation in the appendix

Yes, we adopted our Statement of Indigenous Principles in 2015 (and revised it in 2017) to establish a higher standard in our approach to Indigenous Relations and to ensure the entire company is actively engaged and has a common sense of purpose and accountability (see Exhibit LA-EXH1 Statement of Indigenous Principles).

Responsibility for fulfilling these principles is embedded throughout the organization with individual groups taking the lead based on their functional responsibilities. Examples related to the Canadian Council for Aboriginal Business' (CCAB) "Progressive Aboriginal Relations" certification (PAR) include:

- **Business Development:** Our Supply Chain group updated our Indigenous Procurement & Contracting Policy in 2016 (originally established in 2006) in response to our updated Indigenous Relations Strategy as well as feedback from Indigenous communities that our policy was overly restrictive and not always translating to meaningful benefits for Indigenous communities. The refreshed policy supports advancement of economic opportunities for Indigenous businesses and industry partnerships with a focus on creating access for

A. LEADERSHIP ACTIONS

communities of interest, consistent with our Indigenous Relations Strategy.

- **Community Engagement:** Indigenous Relations supports our project managers on over 350 active projects that require First Nations consultation at any given time. In 2016, Indigenous Relations and the Capital Infrastructure Project Delivery (CIPD) groups created a new set of Indigenous Relations project practices to align with the Statement of Indigenous Principles. These updated practices support a less transactional style of engagement by ensuring communities are engaged early and consistently with accessible and transparent information. This helps ensure that Indigenous perspectives are incorporated into our plans and meaningful benefits for local communities are realized (see Exhibit LA-EXH6 AR Project Practices Overview 2016).
- **Employment:** Policies and practices regarding Indigenous employment are the responsibility of the Indigenous Employment and Training Steering Committee, representing our groups with key roles in influencing and implementing employee training, hiring, and retention policies and practices (e.g. Human Resources, Operations, Learning Development and Trades Training, and Indigenous Relations). Addressing systemic barriers for Indigenous applicants within our hiring and employment standards and practices is a focus of the Committee. (See Employment section.)

In addition, our Social Responsibility Policy, which was established in 2004 and updated in February 2018 to align with changes in terminology, continues to support positive and progressive relationships with Indigenous communities (see Exhibit LA-EXH5). Elements of the policy speak specifically to relations with Indigenous people.

Our policies and practices with respect to Indigenous relations are also informed by our Shareholder, the Government of British Columbia. Annually, the B.C. Government, through the Minister of Energy, Mines and Petroleum Resources, provides a Mandate Letter laying out the principles and expectations that we are to consider in our work. We report on our progress and/or outcomes in our Annual Report. The Mandate Letter of August 2017 called on us:

To support true and lasting reconciliation with First Nations in British Columbia, our government will be fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission (TRC). Please ensure that going forward your organization incorporates the UNDRIP and TRC as appropriate, given the specific mandate and context of your organization (see Exhibit LA-EXH7).

We are currently reviewing our policies and programs to determine where UNDRIP and the TRC Calls to Action can be incorporated into our business, and how we can support reconciliation.

2.c) How is the commitment to positive and progressive Aboriginal relations integrated within the company's long-term strategic plan? Expand.

Building positive and progressive relationships with Indigenous communities is critical to successfully fulfilling our mission to safely provide our customers with reliable, affordable, clean electricity throughout B.C. The latest Corporate Strategic Plan (2015) describes priorities that inform our approach to relationships with Indigenous communities (see Exhibit LA-EXH8). For example:

- **Deliver capital projects on time and on budget** – This priority identifies the crucial need to strengthen our long-term relationships with Indigenous communities where we have operations today or capital projects planned. This priority is addressed through our Indigenous Relations Strategy.
- **Make it easy for customers to do business with us** – The Strategic Plan cites the need to create specialized customer service teams for our small and medium-sized business customers and Indigenous communities. Our Customer Services team has identified and implemented a number of improvements to its approach to serving Indigenous communities including this one.
- **Continue to improve the way we operate** – The Strategic Plan cites the need to implement initiatives which support continuous improvement and efficiency, such as integrating our Statement of Indigenous Principles into our project management practices. (See answer 2b.)

A. LEADERSHIP ACTIONS

Our Strategic Plan also reflects the Government of B.C.'s expectations of us, as communicated via the Mandate Letter (2017) (see answer 2b). Each year we update our three-year Service Plan which outlines our mission, goals, strategies and performance measures. The current Service Plan, from 2017/18 to 2019/20, defines our support for reconciliation with Indigenous communities in B.C. and our strategy for advancing Indigenous Relations. Within the Service Plan, these efforts are aggregated under our corporate measure to sustain gold-level certification under the PAR program (see Exhibit LA-EXH9 Service Plan). Our Service Plan also commits to incorporating First Nations perspectives and interests in the delivery of our capital projects and to define a future together where our business needs and First Nations interests are aligned.

2.d. Have executives been provided with and attended training on the PAR program and Criteria? Provide details of dates and attendance

Yes, our Indigenous Relations staff reviewed the PAR program and outcomes with our Executive, including areas where we were strong and where we had opportunities to improve in previous submissions. Key Executive members, including our current President and current Senior Vice-President of Capital Infrastructure Project Delivery, participated in this process. In 2015 our Indigenous Relations Executive Governance Committee also incorporated PAR into their Terms of Reference. In addition, our Executive reaffirmed its commitment to PAR Gold certification and have provided input into this submission.

2.e. PAR Operating Structure.

I. Who is/are the most senior individual(s) responsible for Aboriginal relations? Expand on the individual(s) title(s) and remit on Aboriginal relations strategies

At the most senior level, our President and Chief Operating Officer, [REDACTED], is accountable for achieving our Indigenous Relations Strategy and ensuring it is supported throughout the company. This position was previously held by [REDACTED] from July 2014 to July 2017.

Our Senior Vice-President of Capital Projects and Infrastructure Delivery (CIPD), [REDACTED], has within his group the Indigenous Relations function. Prior to [REDACTED] held this position.

Within Capital Projects and Infrastructure Delivery, our Director of Indigenous Relations is [REDACTED], who leads relationship building and consultation with Indigenous communities. Prior to [REDACTED] held this position from May 2015 to December 2017.

II. What kind of Committee structure is in place to drive the strategy, plan development and implementation of Aboriginal Relations (for example, a Leadership and cross-functional Working Committee)? Include:

- Committee members' job titles
- Committee(s) remit and schedule of meetings

If more than one Committee, description of how Committee members relate and work together

The following committees and forums reflect the accountabilities and responsibilities described in question 2.e.i. above:

BC Hydro Board of Directors - Capital Projects Committee

Job titles & composition: The Capital Projects Committee of the Board is comprised of three members, each of whom is a Director of the Board appointed by the Lieutenant-Governor in Council.

Remit & schedule of meetings: The Capital Projects Committee assists the Board of Directors in fulfilling its obligations and oversight responsibilities relating to our long-term capital plans, capital budgets and capital projects, including identification and management of risks associated with Indigenous relations. The Board and its associated committees meet quarterly.

How committee members relate and work together: This committee of the Board of Directors is appointed by the Lieutenant-Governor in Council. Vice-Presidents and Director of Indigenous Relations attend these meetings.

A. LEADERSHIP ACTIONS

Indigenous Relations Executive Governance Committee

Job titles & composition: Over the reporting period for this PAR submission, this Committee has been composed of five executives, as well as the Director of Indigenous Relations (see Exhibit LA-EXH10 with Committee's membership and terms of reference).

Remit & schedule of meetings: The Committee provides a forum to ensure executive support for and oversight of the Indigenous Relations Strategy, and develops approaches to Indigenous issues that have significant cross company implications. The Committee meets monthly.

How committee members relate and work together: Please see Exhibit LA-EXH10. Note that our Indigenous Relations Executive Governance Committee is our PAR committee.

Indigenous Employment and Training Steering Committee

Job titles & composition: The Steering Committee is co-sponsored by our Senior Vice-Presidents of CIPD and Operations and includes representatives from Human Resources, Indigenous Employment & Business Development, Development & Trades Training, Human Resources, Transmission & Distribution Operations, Generation Operations, Customer Service, Finance & Business Services, and Indigenous Relations.

Remit & schedule of meetings: The Committee, established in 2016, ensures an effective, company-wide approach to advancing our Indigenous Strategy and Statement of Indigenous Principles in the area of employment and training. The Committee meets bi-monthly, with ad hoc meetings as required.

How committee members relate and work together: This Committee is sponsored by two members of the Executive who are members of the Indigenous Relations Executive Governance Committee.

Indigenous Relations / Procurement Planning Meetings

Job titles & composition: Attendees represent our Supply Chain Procurement Teams: Infrastructure Supply Chain, Enterprise Procurement and Category Management; and Indigenous Relations.

Remit & schedule of meetings: Though not a committee, these meetings ensure procurement strategies (capital, program and ad hoc purchasing) appropriately identify Indigenous procurement opportunities to enable us to meet procurement commitments in Relationship Agreements or Impact Benefit Agreements, in accordance with our Indigenous Contract and Procurement Policy (see above). Meetings are held monthly.

How committee members relate and work together: The Indigenous Relations Director attends both this and the Indigenous Relations Executive Governance Committee meetings and ensures two-way communications of any issues or policy changes. For example, the updated Indigenous Relations Procurement Policy went to the Indigenous Relations Executive Governance Committee.

III. What kind of Aboriginal cultural awareness training and PAR Criteria training have Committee members gone through

As noted in response 2.d, our Executive have received training on the PAR program and criteria (many of whom sit on the committees outlined above).

Executive Team members who have accountability for Indigenous relations also bring a wealth of experience in advancing positive relations with Indigenous communities. They also have exposure to leading practices outside the organization.

For example, our former President and CEO, [REDACTED], brought her experience as Deputy Premier for the Government of B.C. where she led negotiations on a "New Relationship" between the B.C. Government and Indigenous communities in B.C. Further, our current President and COO, [REDACTED], successfully advanced engagement with Indigenous communities on our major projects, such as the John Hart Dam Redevelopment, Salmon River Dam Decommissioning and GM Shrum Visitor Centre and First Nation Gallery project. In addition, our Executive-level training and education goes beyond cultural awareness courses to encompass one-on-one meetings with Indigenous leaders, community visits, involvement in public forums, and workshops on Indigenous issues.

2.f) For continuous improvement, how does leadership seek out advice on effective practices on Aboriginal relations (for example, from Aboriginal representative associations, and companies recognized for their work on Aboriginal relations)?

A. LEADERSHIP ACTIONS

As we seek to improve our Indigenous Relations practices, we prioritize input from Indigenous leaders and communities across B.C., particularly those located near our operations. We have regular meetings with Indigenous leaders to ensure that we are getting advice directly from the Nations that we work closely with.

We also seek to apply best practices from government agencies and other industry groups. For example, our leaders connect with senior civil servants in B.C. Government ministries, such as Ministry of Indigenous Relations & Reconciliation and Ministry of Energy, Mines and Petroleum Resources, to share best practices with others working toward similar objectives throughout our province. Some of our approaches and successes were highlighted in a ministry publication on social innovation that was widely disseminated to agencies and companies (see Exhibit LA-EXH11 Social Innovation Article).

Our leaders also sit on multiple academic and association boards to support exploration of effective Indigenous relations practices. For example:

- We are a member of the BC Business Council's Indigenous Affairs and Reconciliation Committee and Champions Table.
- We are a member of the Canadian Hydropower Association and participate in the Aboriginal Relations committee to support best practices on approaches, programs, and results nationally with our peer utilities (see Exhibit LA-EXH12 entitled CHAs Paths Forward or <https://canadahydro.ca/wp-content/uploads/2015/09/CHA-PathsForward-en-web-v6.pdf>).
- We sit on the Board of Northern Lights College to support Indigenous students' access to academic and trades training.
- We present at various conferences on our strategy in an effort to share best practices with peers (see Exhibit LA-EXH13 entitled AL-BCH Strategy-EcoDev-2017).

In a 2015 study performed by the Delphi Group of 75 utilities and oil and gas companies with significant operations in Canada, Indigenous engagement was seen to be an area of strength for BC Hydro when compared to our peers. A notable reason for this was due to our efforts to participate in the Canadian Council for Aboriginal Business' PAR program:

BC Hydro and all of its peers are fully disclosing management approaches for Aboriginal Engagement, which is clearly a vital management area to the peer group. All companies except Hydro One are also reporting an Aboriginal Engagement metric. Most metrics are related to dollars spent on Aboriginal contractors, Aboriginal community investment, or workforce participation metrics. BC Hydro's Gold certification level of the Canadian Council of Aboriginal Business' Progressive Aboriginal Program is a sector best practice.

We also periodically review how our practices related to forming IBAs and Capacity Funding Agreements compare to other industries.

3. Communications

a) Communications Plan

I. How does the company communicate, internally and publicly, its commitment, strategies and policies on Aboriginal relations and on the PAR program? Some examples include forums, conferences, newsletters, annual reports, discussions, social media, meetings and scheduling of community visits.

II. How does the company showcase its progress on Aboriginal relations to staff, the community and stakeholders?

III. How does the company ensure effective coordinated approaches are made to the Community (versus an ad-hoc approach by all functions)?

IV. If there is a Plan, enclose with submission in the appendix

I.

A. LEADERSHIP ACTIONS

We communicate our Statement of Indigenous Principles, Indigenous Relations Strategy, and related policies using a wide range of communication vehicles. With a staff of over 60 employees, the Indigenous Relations team is also supported by an employee from the corporate communications group to develop internal and external communications plans and support members of the Indigenous Relations Group in their own communications with communities.

Policy documents and supporting procedures and guidance documents are available and accessible on our internal (Hydroweb) and external (bchydro.com) websites. Internally, communication is reinforced through meetings, presentations and employee training as well as stories on our company intranet. Externally, social media, conferences, and meetings with Indigenous communities are key vehicles for communicating our commitment, strategies and policies.

Externally, our communications goals include:

- Ensuring Indigenous communities and their members are being provided information about our programs and projects in a timely, relevant and transparent fashion
- Building awareness about our programs and projects
- Making it easy for our customers to do business with us
- Helping employee candidates see our company as one they'd like to work for

We've focused on improving communication regarding our capital plans and our Indigenous Contract and Procurement Policy by tailoring materials to suit the individual needs of communities, focussing on regionally relevant information and delivering it in the form communities are seeking. The newsletter-type format for communities in the Northeast provides one example of these tailored materials (see Exhibit LA-EXH14 – NE newsletter).

In 2016, we sought feedback from Indigenous communities regarding our digital platforms. This data guided us in refreshing our external web pages: we made navigation more intuitive, updated our tone to be more inclusive, and integrated more stories that highlight Indigenous people and communities as being “a part of our business.” (<https://www.bchydro.com/community/indigenous-relations.html>).

Internally, our communication goals include:

- Making employees aware of our Indigenous Relations Strategy
- Ensuring employees understand and implement our Indigenous relations strategies and policies in their roles, in particular the Statement of Indigenous Principles
- Improving the way we communicate with Indigenous communities, and in particular making our planning information more accessible and providing it earlier to facilitate input.

Since 2015, we have focused on communicating our Indigenous Relations Strategy and the Statement of Indigenous Principles across the company (see question 2.a). For example, we began highlighting some of our successes through employee engagement activities (see Exhibit LA-EXH15 “Taking the Long Term View” – June 2017).

National Indigenous Day is also a key annual opportunity for our organization to celebrate Indigenous relations. Annually, onsite celebrations with Executives in attendance are hosted at several venues, featuring speakers, traditional foods, and cultural performances. Last year, we hosted a leadership forum in which leaders shared their engagement experiences with Indigenous communities on projects or procurement, held an Executive forum with Indigenous leaders to discuss reconciliation, and hosted screenings of *Kwadacha by the River* followed by a facilitated conversation (see LA-EXH16-VIDEO on the BC Hydro PAR website - *Kwadacha by the River* documentary).

In the fall of 2017 we held ten screenings of the National Film Board documentary *The Road Forward*, a film about Indigenous leaders and activists in the 1980s who chartered two trains (from Vancouver to Ottawa) to form the “Constitution Express”, a peaceful movement organized to raise awareness across Canada and bring their concerns to Parliament Hill. Their work eventually resulted in the Trudeau government recognizing Aboriginal rights with Section 35 in the Constitution of Canada in 1982. [REDACTED], a Powerex employee and cast member hosted the screenings at offices around the province and facilitated conversations about reconciliation. Attended by BC Hydro's leadership, including Executive Chair [REDACTED], the screenings were open to all employees. [REDACTED] offers her thoughts below about the opportunity that she created with employees who want to learn about Indigenous history and reconciliation work. For BC Hydro, supporting the film screenings has been a way for us to promote these conversations about reconciliation in our workplace and the communities in which we work.

“The employees, in general, were curious, open, engaged, respectful and made a personal choice to

A. LEADERSHIP ACTIONS

attend and learn. At almost every screening, they voiced that they wanted to learn more, find out how they could “help” with reconciliation efforts, they wanted resources and they wanted to know what they could do in their everyday lives and in their workplaces to improve Indigenous and non-Indigenous relationships. The employees voiced that they want to continue to see projects and initiatives such as mine. Many believe that my goal to have all BC Hydro employees see the film is necessary and a good start with reconciliation efforts. They voiced that this film, the people talent, music and artists was a good introduction and having a post-film discussion was a must and a great idea. They appreciated having Indigenous people talking about Indigenous issues. They recognize that that alone, is paramount in our walk towards truth and reconciliation. Our voices need to be heard. The employees commented that hearing our voices, perspectives and stories are needed in this country and in the workplace. When this happens, true equality starts to exist, and that by doing so, nothing is being taken away from the non-Indigenous voice although some may find that threatening or difficult to grasp. When discussions led to this, I talked about working through and talking through uncomfortable discussions and that it is time we do this together. The employees agreed. They have voiced that I have started the awareness and chatter and that this is a positive thing and just the start. There are so many other important questions and comments made at post-film discussions, this is a mere taste of the fruitful talks that I had the honour of bearing witness to. This is progress. This is what it looks like. I’m hoping and BC Hydro employees are hoping it continues.”

A memory book capturing the events and employee perspectives was made and sent to every office as a follow up. Its central theme was reconciliation and its purpose was to carry forward the impact of our activities by supporting a sustained employee dialogue. (See LA-EXH17-National Aboriginal Day 2017 Memory Book).

We recognize a growing need to frame our communications strategy within the context of UNDRIP and the TRC to support the advancement of reconciliation. To address these opportunities, a refreshed communications plan was initiated at the end of 2017 to enhance and align communications at the corporate level and to further build regional plans to support tailored needs.

Looking to the future, the refreshed communication plan is being informed by conversations with our regional relationship teams to clarify desired outcomes. A planning calendar is also being established to coordinate key provincial and regional events/milestones with identified communication channels and to evaluate the value and impact of our communications with key audiences on an ongoing basis. (Exhibit LA-EXH18 draft NE Communications Plan).

II.

In addition, we communicate internally via:

- New Employee Onboarding – We discuss our history with Indigenous communities, how we’ve evolved, and where we are today in our relationships with these communities.
- Employee Intranet - We use our internal website, Hydroweb, to profile employees who are doing new things in new ways to advance our relationships. This is also an opportunity to profile the contributions of some of our Indigenous employees. For a sampling of this content please see Exhibit LA-EXH19.
- Reconciliation conversation – During National Indigenous Day in 2017 we held a forum for leadership to discuss reconciliation with Indigenous leaders; all staff were invited to attend.
- Kwadacha by the River film screenings – Throughout 2017, we hosted screenings at provincial offices to provide a forum for staff to engage with Indigenous Relations.
- Ongoing business – Progress in our relationships with Indigenous communities is regularly discussed at project meetings, procurement meetings, and committee meetings.

External – Indigenous Communities

We primarily use the Indigenous Relations webpages on our website as an open platform for interested parties to access information to understand our strategy, activities in the regions, and how to interact with us. Policy documents and supporting procedures and guidance documents are available and accessible on our website. However, as an organization, our focus has generally been on face-to-face relationships with Indigenous communities. This approach has increased our opportunities to interact with broader groups within their community structures.

As noted, our website is an open forum for interested parties to access information to understand our strategy, policies

A. LEADERSHIP ACTIONS

and activities related to Indigenous Relations. We meet periodically with relevant government ministries to discuss our strategy and progress. Where appropriate, we also publicly share results of particular Indigenous Relations efforts. See Exhibit LA-EXH20 of [REDACTED] which illustrates one example of how we communicate externally on our work with Indigenous communities.

III.

We ensure a coordinated approach to communication with Indigenous communities through the following:

- A clear corporate Indigenous Relations Strategy
- Visible, consistent, Executive-level leadership of our strategic direction
- Extensive, prolonged, and multi-channel communication to employees about the strategic direction, including details of which communities we focus on and how we're approaching them
- Assignment of a dedicated Relationship Lead to every community of interest to act as a central point of contact for the community and coordinate internal efforts
- Assignment of a dedicated Project Engagement Lead to coordinate consultation efforts closely with Relationship Leads
- Proactive and extensive outreach to groups inside the company who interface with and contribute to relationship building with Indigenous communities
- Detailed consultation practices within our Project Management Practice (PMP), and extensive training on those practices, to ensure there is a consistent and coordinated approach across all departments.

IV.

We have developed our first Regional Communications Plan for the Northeast and are planning to replicate it as a template for the Southeast and Southwest regions. Concurrently we are also refreshing our Indigenous Relations corporate communications plan to create a holistic approach reflecting corporate, regional and community interests (see Exhibit EXH-LA18 for our NE Regional Communications Plan).

3.b) How do company leaders and management support and promote the implementation of the company's philosophy and commitment to PAR to all employees, ensuring a consistent message and language on PAR is communicated and reinforced?

As described in 2.a, our Executive has made it clear that all employees and contractors are responsible for implementing the Indigenous Relations Strategy and applying the Statement of Indigenous Principles. A key message to employees has been "We all have a role to play" to help employees understand their contribution to our relationships with Indigenous communities. After initial communication of strategy and principles, Indigenous Relations management worked with other business groups important to the strategy's success, including the Project Delivery, Supply Chain and Human Resources groups on change management initiatives that would ensure their processes and people were aligned (refer to question 2.b).

As a result of these process changes, Indigenous Relations is involved in project kick-off meetings to ensure that employees on our project teams are aware of the interests of potentially impacted Indigenous communities and that opportunities for community involvement are contemplated from the earliest phases of our projects. Since the new Indigenous Contracting & Procurement Policy rolled out in September 2016, our Statement of Indigenous Principles has been appended to every supplier contract, and opportunities for Indigenous hires are identified at project outset. Further, an increased number of groups in the company have now incorporated their own, customized Indigenous Relations related goals into their annual business plans to reflect their particular contributions to positive and progressive relationships.

c) How does the company train employees across the company on the intent of PAR Criteria and the PAR program (for example, using workshops and cross-functional discussions)?

Our Indigenous Relations Strategy fully encompasses the PAR drivers. We also explicitly communicate that maintaining PAR Gold certification is a target in our Service Plan.

We have also initiated the following training:

A. LEADERSHIP ACTIONS

- **Project management:** Given that we're engaging Indigenous communities on over 350 capital projects around the province, we delivered multiple training sessions for our Project Delivery and Indigenous Relations staff on the new Indigenous Relations project consultation practices to ensure effective and consistent application. We have also assigned a person within Indigenous Relations to be a subject matter expert on these practices.
- **Interest-based negotiation:** As we strive to engage more effectively with Indigenous communities, we identified a need to equip Indigenous Relations staff with advanced interest-based negotiation skills, particularly where historic impacts related to our past activities and conduct factor into our relationships.
- **Communities of practice:** The Indigenous Relations Group has borrowed the "Communities of Practice" model employed by our Project Delivery group to promote peer sharing and learning. We have established three Communities of Practice within Indigenous Relations on the topics of Relationship Building, Negotiations and Project Consultation. They meet monthly.
- **Learn @ Work Month:** Each fall, we have Learn @ Work Month, a way to introduce concepts, topics, and stimulate discussion on business issues and priorities. Feedback from the June 2017 employee communications and awareness program around National Indigenous Day indicated employee interest in more information on our Statement of Indigenous Principles, our strategy and the topic of reconciliation. In response, we hosted employee lunch-time sessions across the province to reinforce and expand the dialogue on these topics.

4. Assessment

a) To assist planning, was an internal assessment/gap-analysis completed by the PAR Committee(s) against all PAR Drivers to assess current state, with community and stakeholder input?

I. If yes, include a copy of the assessment in the appendix.

II. If an assessment was not completed, how is current state evaluated?

I.

Yes, a PAR gap analysis is performed by the Indigenous Relations Group and discussed with our Executive team on a three-year cycle. Throughout the year, gaps are addressed on an ongoing basis through adjustments to our Indigenous Relations Strategy, work plans and key actions.

Six months prior to preparing for this submission, an internal assessment/gap analysis was completed to address current state against the PAR drivers under the new 2018 submission criteria. This gap analysis included internal scoring and evidence for the previous three years against 59 questions of the four PAR drivers, as well as a review of our prior submission and the verifiers' report.

We don't seek community and stakeholder input on PAR gaps per se; rather, we work with Indigenous communities to better understand their interests (e.g. employment, business development, etc.) on an ongoing basis via Joint Working Groups and other means. The solutions we develop in response are custom fit to each community's particular needs and our regional business circumstances.

See Exhibit LA-EXH21 containing a presentation to Executive including our internal assessment and gap analysis.

II.

It should also be noted that an evaluation of PAR gaps is just one of many tools we use to assess our current state. For example, our Indigenous Relations Strategy and subsequent work planning look at:

- Input from Indigenous communities and leaders
- Lessons learned from relationship work undertaken as a result of previous Impacts Benefits Agreements and Historical Grievance Settlements
- Where the impacts of our infrastructure are greatest
- Where we have greatest need for strong relationships going forward
- How the legal landscape is changing
- PAR gaps

A. LEADERSHIP ACTIONS

b) From the outcome of an internal assessment, and community and stakeholder input review, how does the company establish key improvement priorities and performance indicators covering the PAR Drivers of employment, business development and community relationships?

As described in previous responses, we're focused on achieving our Indigenous Relations Strategy, which encompasses the PAR drivers. Each year, the Indigenous Relations Group's management team, in consultation with our Indigenous Relations Executive Governance Committee, updates the Indigenous Relations business plan based on an assessment of our progress. Key indicators are tracked on our Indigenous Relations Scorecard (see Exhibit LA-EXH22), including:

- Progress negotiating, signing and implementing relationship agreements
- Progress negotiating, signing and implementing Impact Benefits Agreements, where applicable
- Value of procurement contracts awarded to First Nation businesses
- Number of Indigenous employees
- Number of Indigenous candidates trained

In addition to these indicators, we also seek and reflect upon feedback and advice from Indigenous communities and our own staff. From this data emerges the identification of annual priorities that can include:

- Staffing adjustments: Adjustments are made to ensure there is the best fit possible in terms of who is assigned to advance each relationship, and sufficient resources are applied where "extra lift" is needed.
- Process improvements: After one year of implementing our new project engagement practices to our capital projects, we identified the need to extend these engagement practices to our umbrella programs containing small but numerous mini projects (e.g. program to replace aging power poles involving several thousand replacements each year).
- Practice improvements: Indigenous Relations continues to work with Human Resources and other internal stakeholders to drive changes to employment practices through our Indigenous Relations Employment & Training Steering Committee. Another example is the improvements we made to invoicing and funding agreement templates based on input from Indigenous communities.
- Training requirements: We provide additional training on new Indigenous Relations Project Management Practices as required.
- Additional or new communications: As discussed in 3.a, we identified a need to revamp how we use our website and social media to reach Indigenous audiences and implemented changes accordingly.

c) How does the company assess/measure:

I. The level of employee, Aboriginal community and other stakeholders' awareness and understanding of the company's commitment and policy on Aboriginal relations.

II. The effectiveness of their Aboriginal relations strategy and how the strategy is being implemented

III. Include any supporting documentation in the appendix.

I.

In late 2017, after two years of sustained training aimed at improving the quality of practice among our Indigenous Relations staff, we conducted a test of their industry knowledge and new company policies and practices in order to identify training requirements going forward. The objectives were to identify areas where staff had knowledge gaps and to use that information to inform training topics for future years. More than 85% of team members were able to answer questions on these topics correctly. Where gaps existed, training was or will be provided in accordance with a comprehensive training plan.

With the introduction of an online component to our Indigenous Awareness Training program in 2018 (which will include a knowledge test at the end), we'll have a practical way of tracking employees' training and understanding.

II.

A. LEADERSHIP ACTIONS

The Indigenous Relations Group's management team uses a number of different tracking and reporting tools to periodically monitor the implementation of the Indigenous Relations Strategy.

A quarterly Indigenous Relations dashboard (see Exhibit LA-EXH23) includes metrics around the number of relationship agreements implemented, the number of joint working groups established, and the number of engagement protocols finalised. The dashboard also includes a measure of the number of project delays attributable to Indigenous relations, which is a key metric showing how effective our strategy is at reducing disputes around our projects.

Our Indigenous Relations group also prepares an annual work plan, which is updated with progress results quarterly. At a high level, the work plan updates show our progress against our annual work plan, which includes key elements of our Indigenous Relations strategy (e.g., advancing our relationships with Indigenous communities by committing to relationship agreements, and implementing our relationship agreements through joint work plans with the Nations). The work plan is reviewed quarterly by the Indigenous Relations' management team and our Executive.

Our Board is also able to assess our progress through quarterly enterprise risk reports prepared by Indigenous Relations. These reports identify risks that First Nations-related matters may prevent us from completing work objectives; the lower the identified risks, the greater the effectiveness of our Indigenous Relations strategy.

III.

Latest scorecard and supporting document in Exhibit LA-EXH22.

B. COMMUNITY RELATIONSHIPS

1. Community Input

How does the company encourage and receive Aboriginal community and/or stakeholder input to help with planning on community engagement and support (for example, on community interests, objectives and ideas)?

I. Outline any key examples of how input has influenced strategy.

II. If the company feels that there have been issues or challenges on input, outline these concerns

Our approach to engaging Indigenous communities and building relationships is guided by our Statement of Indigenous Principles, as well as our legal obligations to consult, the United Declaration of the Rights of Indigenous People (UNDRIP) and feedback received from Indigenous communities. In the past, Indigenous communities told us that our approach was too transactional in nature, which did not set us up for lasting, positive relationships with them. Behaving in a more transactional way, we would approach a community when we needed to advance a project and that engagement would wane as the project concluded, causing a lack of continuity in the relationship. The refresh of our strategy in 2015 was informed in part by this feedback.

To advance relationships, the Indigenous Relations Group assigned Relationship Leads to work directly with the communities of interest on an ongoing basis. Currently, we have 11 Relationship Leads located around the province.

A key tool in our efforts to establish relationships has been the joint development of Relationship Agreements with Indigenous communities as a means to:

- Expressly acknowledge our shared history, including the impacts of our system on communities
- Make a mutual commitment to advance the relationship and to build a future based on mutual respect and trust
- Establish core relationship principles
- Establish the practical means to advance relationship goals and initiatives over a set period of time
- Include specific commitments based on identified areas of interest that will advance the relationship

We currently have eight Relationship Agreements with Indigenous communities. While the Agreements are commercially confidential to the signing parties, they typically address overarching principles, governance structure (usually an executive oversight committee as well as joint working group), communication protocols, identification of interests to be addressed in the context of the agreement (e.g. engagement, customer services, business development, etc.), collaborative work planning, dispute resolution process, and confidentiality requirements.

These agreements define a new way of working together and promote a more coordinated and efficient approach to mutual engagement on a myriad of topics of interest to us and to the given community. Once an agreement is signed, a joint working group is established to oversee the implementation of agreement commitments. Importantly, we are aware that our success in this new approach requires the participation of a wide cross-section of people around our company both at the joint working group tables and in the background at our offices.

I. Below are some examples of how input from Indigenous communities has influenced our approach:

Providing information about our activities the way communities want it: Communities expressed a strong interest in receiving information about our activities within their territory in geospatial file format—whether it involves a major project that triggers consultation or a small piece of work like replacing a deteriorating wood power pole. Concerned about protecting sensitive areas, including archeological sites and sites with cultural significance, they wanted information in a format that would allow them to quickly compare our data against their own. Our response to this interest has had a positive impact on our relationships and supports our principle of greater transparency. It has allowed us to focus conversations with communities on identifying precise areas of concern, making conversations more efficient. As our relationships grow, some communities are in turn starting to share their geospatial information with us, enabling us to avoid sensitive areas or modify our approach from the outset.

Indigenous knowledge informs selection of preferred transmission line route: In working with a First Nation on a Transmission Project, the Nation expressed concern over the impacts of a third transmission line crossing an area of significant cultural and spiritual importance. We responded to this concern by modifying the route and consolidating the crossing with an existing transmission line. The resulting line arrangement is new to our transmission system and required significant engineering effort to achieve a balance between the company's need for safety and reliability and the interest of the Nation in preserving land and resources critical for cultural health.

B. COMMUNITY RELATIONSHIPS

First Nation involved in decision-making on project options: We use a structured decision making process around project alternatives, incorporating elements such as cost, environmental impact, First Nations' interests, schedule implications, etc. In planning a new transmission line route to serve West Kelowna, we shared our process and hosted a workshop with a local First Nation [REDACTED]. After exposure to the process, the First Nation subsequently created their own structured decision-making table to examine the project's alternative routes independently, which ultimately supported the leading alternative that had been identified through our process.

First Nations author chapters in our Environmental Assessment Certificate Application: In making our application to the BC Environmental Assessment Office for a project involving a sixth generating unit at Revelstoke Generating Station, three area Nations with whom we're developing relationships (representing over 25 communities) each authored their own Part C to the application that describes potential adverse effects on Aboriginal interests as a result of the proposed project. BC Hydro and the Nations agreed that the Nations would have full discretion over the approach, scope, content, and writing of their contributions so that they accurately reflected their perspective on their respective interests, and their perspective on the potential adverse impacts of the Project on their interests. Their contributions were included in the application to the Environmental Assessment Office without edit. This was our first time sharing responsibility for a regulatory submission in this way.

Decommissioning a Dam for Fish Passage: On Vancouver Island, our Salmon River Diversion facility was constructed in the late 1950's to divert water from the river through a canal and eventually into the Lower Campbell Reservoir for power generation. As part of the John Hart Generating Replacement Project, we committed to work with the [REDACTED] First Nations on a fish passage solution. Initially, construction of a new fish passage facility was envisioned but over time and through sustained dialogue with the communities a more cost-effective solution to decommission the diversion dam was agreed upon. In addition, the [REDACTED] First Nation and their joint venture company have had a key role as prime contractor on site for the decommissioning work (see Exhibit CR-EXH1-VIDEO-Salmon River Decommissioning and News stories from Connected, Times Colonist, Campbell River Mirror, CHEK TV).

Tailored customer service and conservation programs: Based on input from Indigenous customers, in 2016 we created a dedicated Business Account Services phone line for their use. This gives Indigenous customers access to specially trained agents able to deal with more complex business issues faced by Aboriginal Housing and Band Administrators who handle many accounts. In another case, we responded to a community's need to resolve overdue electricity bills. Because the remote community did not have access to computers to pay bills online, we installed an iPad kiosk in the Band office. In a different case, the community was concerned about reducing their overall energy bill. In response, we undertook customized billing analysis and then developed a pilot program for the community which included providing three customized Home Energy Reports for every customer.

Guardian Watch educates public about protecting archaeological sites: In 2017, we piloted a Guardian Watch Program in response to concerns raised by Indigenous communities about public looting on reservoir beaches. As we enter the second year, three Nations; [REDACTED], continue to educate the public about the importance of leaving artifacts in place and notifying the Nation. We have provided public education, safety and descallation training the learnings through this Program may be used by the Nations to develop their own Stewardship Programs in the future.

II. Some of the challenges we have faced and how we are addressing them include:

- Some employees expressed reticence regarding sharing early-stage project and planning information given that our plans often change, particularly in light of our multi-year planning processes. This has been overcome largely by building experience and trust between us and First Nations around how to understand and manage potentially sensitive information, and how to appreciate the ways in which multiple variables can influence a project. Employees are also learning from experience that there is much to be gained by increasing transparency to create more meaningful conversations and input.
- Historical impacts of infrastructure developed decades ago are often at the forefront of our discussions with communities as we contemplate new projects and the incremental impacts associated with them. Beyond historical agreements to address impacts, we have supported participation and input by First Nations in telling their stories publicly. For example, during the WAC Bennett Dam visitor's center renovations in 2015/16, we supported the Peace Aboriginal Advisory Committee in a collaborative process to tell the story of the [REDACTED] First Nations in a video witnessed in a special gallery. This has been a way to recognize the past in an effort to move forward in reconciliation (see LA-EXH16-VIDEO-Kwadacha by the River documentary on BC Hydro PAR website).

2. Track and Measure

B. COMMUNITY RELATIONSHIPS

2.a) Targets: Does the company have targets on improving Aboriginal community engagement and support? If yes, specify targets and provide documentation in the appendix.

Yes. Our key targets for improving Indigenous community engagement and support focus on finalizing Relationship Agreements and establishing Joint Working Groups with communities. Our updated F18 target is to have eight Relationship Agreements signed and nine Joint Working Groups underway (see Exhibit CR-EXH2-Indigenous Relations F18 Business Plan with Scorecard [confidential]).

In addition to these targets, we develop joint targets pursuant to each Relationship Agreement that both parties are committed to meeting during the term of the agreement. Targets may be written into the Relationship Agreement and/or contained in annual work plans, and may cover areas such as hiring, skills training, energy conservation and business opportunities. A target may be that we have committed to hiring one member of the community each year through our Youth Hire Program or that we have committed to apply Energy Conservation measures throughout an entire community. As noted above, these commitments are commercially confidential.

2.b) Action Plan: Is there an Action Plan, developed by the PAR Committee(s) with community and stakeholder input, on Aboriginal community engagement and support? If yes, include a copy of the plan in the appendix.

Our Indigenous Relations Executive Governance Committee (our PAR committee) oversees our progressive aboriginal relations, as discussed in the Leadership section. This Committee provides strategic direction and ensures appropriate actions are planned and executed by responsible groups in the company. For example, Indigenous Relations' action plan is contained in its Business Plan and focuses on actions to advance relationships and consult with First Nations on projects. Other examples include Customer Services developing and executing a plan to improve service to Indigenous communities and Environmental Resource Management developing and executing a plan to exchange information with Indigenous communities on lands-related interests.

In addition, each Relationship Agreement results in action/work planning led by the Relationship Leads in collaboration with Indigenous communities. This grass-roots approach is warranted because we recognize that the needs and interests of each community vary across the province.

To ensure accountability on action plans, Relationship Agreements typically include a mechanism for oversight by our Executive and identified leadership from the community in the form of a joint annual or semi-annual meeting to review progress and/or address issues.

2.c) Tracking: How does the company track its performance against targets, using key performance indicators and data analysis with scheduled review and evaluation? Expand and provide documentation.

Business groups are accountable for tracking and reporting performance against their business plans and objectives. For example, our Construction Services department tracks and measures their work with Indigenous communities as described in the Business Development section (question 2.c).

Indigenous Relations prepares reports for the Indigenous Relations Executive Governance Committee and Board of Directors. We also report annually against our Service Plan measure to maintain our PAR designation. Our Indigenous Relations management team also monitors ongoing progress across all relationships using a monthly Dashboard which provides a snapshot of activity related to projects, and relationship agreement negotiation and implementation (see Exhibit LA-EXH23-Dashboard). The Dashboard enables the team to review and discuss issues and risks and provide assistance where needed, as well as elevate issues and flag risks to our Executive and Board, as appropriate.

As well, Relationship Agreements typically include a formal process for reporting jointly on our progress. The Joint Working Groups meet regularly (in some cases, monthly) to review the status of initiatives and discuss progress against their joint Relationship Agreement work plan. Relationship Leads document commitments within agreements into our Customer Relationship Management (CRM) software system, which we call our Aboriginal Relations Information & Engagement System (ARIES), and work within the organization to hold different groups accountable for their contributions on different initiatives.

2. d) Data Review (no scoring): Data for the last three years, broken out per year, must be provided with the submission covering:

I. The various levels and numbers of people, from within the company, that were engaged in community activities and events

BC Hydro Fiscal 2020 to Fiscal 2021
Revenue Requirements Application

B. COMMUNITY RELATIONSHIPS

II. The support (financial and/or in-kind) provided by the company to Aboriginal communities, groups and stakeholders, over the past three years

Our involvement in a community's activities or events is driven by each community's interest or concerns (versus our need to consult with them, or because of our business relationships with them). Community-focused activities and events include:

- Activities such as career fairs, ride-alongs, presentations on careers at BC Hydro, training initiatives, resume and job application support (see Employment 2.b)
- Meetings to discuss topics of interest like our long term business plans, vegetation management policies and procedures, reservoir operations or archeological find procedures.
- Meetings and information sharing on the topic of developing clean energy projects, either to serve community needs or as a business opportunity.
- Cultural learning opportunities and sharing events hosted by Indigenous communities.
- Recognition and celebration events such as naming ceremonies, Indigenous artwork installations or National Indigenous Day celebrations.
- Conservation program activities targeting the specific needs of an Indigenous community.
- Business development events such as business mentoring and training (see Business Development 4.a).

While we do not have a central repository of data across such an extensive breadth and scope of activities (beyond those contained within our consultation records on particular projects), we estimate that hundreds of BC Hydro employees would engage in these types of activities leading to thousands of interactions each year.

As an illustration of our efforts in this area, we recently reported to our Regulator, the BC Utilities Commission, that, as part of our Revenue Requirements Application, 194 meetings, involving our staff from five different areas of the company, had taken place with the ██████████ Nation over a six-year period. This frequency of engagement is similar to other Indigenous communities we're focusing on per our Indigenous Relations Strategy.

The Indigenous Relations communications planning, as highlighted in the Leadership section, helps us plan for and track some types of events around the province. The plan is informed by feedback from the Relationship Leads and teams working directly with Indigenous communities.

3. Building Trusting Relationships

Outlining transactional practices with the Aboriginal community is not enough for PAR recognition. For mutually beneficial outcomes, companies should focus on building foundational relationships based on trust and reciprocity with the Aboriginal community and stakeholders through engagement. Some engagement actions assist in building such relationships, for example:

3 a) How do senior management and local department heads get actively engaged with the Aboriginal community and stakeholder leadership? Provide examples.

We focus on mutually beneficial outcomes and foundational relationships based on trust and reciprocity as the core of our approach with Indigenous communities. Our Executive and senior leadership are also involved in oversight committees or activities established pursuant to our Relationship Committees.

Senior management and local department heads become actively engaged as members of Joint Working Groups or as guest subject matter experts to address identified areas of interest. Relationship Leads support the involvement of senior management and local department heads by keeping apprised of which employees have a strong understanding of the Indigenous community and which require coaching. Leads also look for opportunities to bring key individuals, including senior management and local department heads, to cultural events and celebrations so that they can gain a greater depth of understanding of the Nations' culture. Similar to our Executive leaders, senior managers are identified for critical relationship roles based on their skills, aptitude and decision-making capabilities and demonstrated experience working with Indigenous communities.

For example:

Our Redevelopment Project Manager for the Ruskin Dam has a long term relationship and personal commitment with ██████████ First Nation developed over his time managing this large project in an area of great significance to the Nation. His interest and respect for their perspective is reflected in his quick actions to resolve the Nation's concerns.

Our Director of Indigenous Relations has been instrumental in growing our relationships with communities potentially

B. COMMUNITY RELATIONSHIPS

impacted by our Site C Clean Energy Project. She has personally participated in many face-to-face conversations with community members, leadership and elders. In recognition that new approaches were needed, we developed a new Environmental Stewardship Group and initiated a fund to mitigate the impacts of Site C on current use of land and resources for traditional purposes.

Our Senior Plant Manager at GM Shrum Generating Station is directly involved with youth in the local community near the facility he manages. Each year he ensures that his teams provide work placements for up to six Youth Hires, most of whom are Indigenous. In addition to this support, we developed a program to provide several high school tours each year of Peace Canyon and GM Shrum generating facilities. The high Indigenous population at the local school has resulted in promotion of trades careers with this community of youth.

Our Director of Generation Field Operations has strongly supported the [REDACTED] and their Youth Unity Run through our Revelstoke and Mica Creek facilities.

3b) How does the company promote, encourage and support employee participation in Aboriginal community and/or stakeholder cultural events? Provide examples.

Indigenous Relations staff members encourage project managers or other team members to participate in engagement activities as a way to broaden cultural awareness within our organization. For example, we created a schedule of cultural events and received support from our senior leadership to have representation at every event on the schedule (see Exhibit CR-EXH3-North Region events calendar 2017). Examples of the events we have attended are in the exhibit for question 2.d.ii.

One example of our support for Indigenous cultural events is our involvement in the “Walk in Balance” event at Fort St. John on April 17-19th, 2018, which will be attended by approximately 250 [REDACTED] First Nation and local Metis members. The event includes facilitated discussions, breakout workshops and healing circles. BC Hydro is providing in-kind support by coordinating and promoting the event as well as screening the film “The Road Forward” which will be hosted by the filmmakers (supported by BC Hydro).

c) How does the company recognize and get involved in National Aboriginal Day celebrations (for example, organizing events, arranging for community involvement and encouraging employees to participate)?

For many years we have recognized and participated in National Indigenous Day celebrations on a company-wide scale. Annually, we host internal events for employees at our major offices to celebrate Indigenous people and cultures, including drumming and dance performances, speeches by Executives and employees, and sharing of traditional food. These events are planned collaboratively by the Indigenous Relations department, BC Hydro’s “RAIN” network (internal network of Indigenous-only employees), and other employee volunteers. Each year they work to introduce new elements to encourage greater participation. In 2017, we implemented a formal communications plan in the lead up to National Indigenous Day. Through this plan, a series of internal news articles and “People Profiles” interviews of Indigenous employees were released on our internal website, Hydroweb. We also held three leadership forums on the theme of reconciliation with Indigenous guest speakers. These events are attended by several hundred employees.

Employees are also encouraged and supported to attend external events around the province, such as the annual festivities at [REDACTED], the [REDACTED] Elders Reconciliation Walk, the [REDACTED] Indigenous Day celebrations and the community-wide public celebration at Trout Lake in Vancouver.

4. Other Practices

a) Is financial or in-kind support provided for cultural initiatives and events in the Aboriginal community? If yes, provide examples.

Yes, we provide in-kind support for cultural initiatives and events. Our financial and in-kind support is targeted at communities located near our infrastructure and planned projects.

Examples:

- We provided [REDACTED] First Nation with \$2,000 towards their annual community rodeo and \$2,000 towards their annual youth [REDACTED] in summer 2017. In addition, [REDACTED] expressed interest in having a power pole on the rodeo grounds connected to the existing distribution grid within the community. In previous years, [REDACTED]

B. COMMUNITY RELATIONSHIPS

██████████ had been reliant on a diesel generator to run equipment during the rodeo. Our teams based in Fort St John supported the community in completing this interconnection project in less than three weeks in order to complete it before the event.

- We were invited to participate in the Elder's Reconciliation Walk in ██████████ First Nation on June 21, 2017 (National Indigenous Day) to celebrate their homecoming from residential school many years ago. Given our difficult history with ██████████ Nation, as described in the "██████████" video, it was an honor to be asked to participate. Our Indigenous Relations staff travelled to this remote community and spent two days helping the community prepare for the event. A month later, when the ██████████ Elders required assistance setting up camp at the Annual Elders Conference in Campbell River in July, we were also there to support and camp with them. Although there was no financial contribution requested or required this example shows our commitment to in-kind community level support, and the impacts it has on our relationships.

- We provided ██████████ with \$3,500 in 2016 and 2017 in support of their annual ██████████ Youth Unity Run, which promotes ██████████ teachings and cultural practices and provides guidance to their youth. We also supported a video crew to document the event (██████████).

- In July 2017, we provided a cash and in-kind donation to the annual Canoe Races hosted by ██████████ Nation at ██████████ in North Vancouver (also known as ██████████). This event involves teams travelling from all over Coast Salish territory to compete using traditional dugout racing canoes and camp for the weekend in the park. We provided a cash donation to support the event and a team of five employees to assist ██████████ community members in the takedown and cleanup following the event.

4b) For Aboriginal communities, groups or stakeholders seeking support (financial and/ or in-kind) from the company, are clear application guidelines, policies and procedures in place? If yes, outline the process.

Yes, guidelines, policies and procedures are in place in relation to our corporate giving, Indigenous procurement and employment offerings. As discussed in the Leadership section under communications, we have revamped our external website with the aim to ensure Indigenous groups and communities can access information about financial and in-kind support.

For example, our Grants for Community Groups program focuses on three areas:

- Building the workforce of tomorrow
- Safety education
- Developing smart energy ideas

Under this program, there are two types of grants offered to support non-profit organizations, registered charities and Indigenous groups that are making a difference in their communities:

- Broad Impact Grants up to \$10,000 to organizations that wish to expand an existing program's reach, or to develop a new program across multiple communities in B.C.
- Grassroots Grants up to \$2,000 available for local community-based programs in B.C.

Throughout the year, we also sponsor other Indigenous events, including the annual BC Aboriginal Business Awards.

c) How does the company keep track of its Aboriginal community and stakeholder engagements and interactions (for example, using technology to keep track of meetings and events)?

To track our engagement and interactions with Indigenous communities, our Indigenous Relations group uses the Aboriginal Relations Information & Engagement System (ARIES) (see question 2.c above). ARIES was first launched in August 2016 for the purpose of managing our consultation records and was expanded in the last year to serve our relationship building needs, including tracking our progress as we implement our relationship agreements. The system helps us keep track of important interactions with Indigenous communities (e.g., meetings, emails, payments, etc.), as well as our progress in fulfilling commitments set out in agreements.

Individual joint working groups, project teams and steering committees also track their activities and community interactions by means tailored to their needs. Tracking mechanisms typically include published meeting minutes, Revenue Requirements Application

B. COMMUNITY RELATIONSHIPS

action trackers, dashboards, calendars, and reports.

4d) Apart from cultural awareness training, what other internal programs or activities are in place to facilitate the appreciation and understanding of Aboriginal culture? Examples include programs/activities that:

I. Ensure a constructive dialogue with the Aboriginal community, groups and stakeholders

II. Encourage participation in cultural and knowledge exchanges, community events, and support guest speakers from Aboriginal communities

We have combined our response to question I and II because our efforts to promote greater cultural knowledge and understanding will facilitate constructive dialogue in the future and vice-versa.

As discussed throughout the submission, we have focused on growing cultural awareness at a localized and regional level because this allows us to customize this awareness in a way that meets local relationship needs. Examples include:

Understanding more about communities nearest us: A number of our Relationship Agreements in southeast B.C. are well advanced and local employees have expressed a keen interest in learning more about those communities and their Agreements. For example, some Agreements establish new communication protocols that can affect what a line crew needs to do when they approach work in or near a community. This has led to two customized Indigenous Relations training days at our Kamloops and Vernon offices led by our Indigenous Relations staff and involving local First Nations representatives.

Indigenous communities offering help: A number of the Indigenous communities have offered to provide cultural awareness training and are interested in how we are managing cultural change within the organization. ██████████ First Nations supported us in providing cultural awareness training to our key project and program staff in June 2017. The aim of this training was to improve our understanding of the history and experiences of all Indigenous peoples in Canada as a lens to better understand ██████████ First Nations' history, culture, governance structure and values.

Understanding the legacy of dam construction in the 1960s and 1970s: We wish to promote a stronger sense of the impacts our projects have had on Indigenous communities first-hand through the personal accounts of those affected. Throughout 2017, the documentary "Kwadacha by the River" was screened several times to various employee groups, as well as at new employee orientation screenings. The video stirs dialogue about our past, our current work and how we are engaging differently. Most importantly, it teaches employees what we've learned as an organization and the legacy that each of us carry as employees today.

Two-way learning when employees participate in Indigenous Career Training: When we hire Indigenous youth to work with us, it provides an opportunity for two-way learning with our non-Indigenous staff to gain a better understanding of Indigenous cultures. For example, when we planned and hosted *Pathways to Success - Exploring Possibilities*, a two-week career exploration for ██████████ Nation delivered by a ██████████ Instructor at our Kamloops field office, our staff presented information about their pathways to becoming employees. This inclusive training model created a respectful environment for cross-cultural exchange between Indigenous community members and our employees.

Learning from elders during consultation: We engaged early with First Nations on two projects in the northeast: a dam re-facing project and a transmission line project. Early engagement gave us the opportunity to meet many times with the Nations' lands departments and Chiefs and Councils. We were therefore able to fulfill their request to meet with Elders, as Elder feedback was critical to the Nations and walking the land was more understandable to the Elders than looking at the proposed projects on a map. We rented a coach bus and smaller vans for accessing logging roads, and our teams provided a one-day site tour of the project areas. Our employees gained much more information and appreciation about their culture and lands during this one-day event than would have been possible by looking at maps together, and the subsequent influence and input to the project (and team members) was notable.

4e) Continuous Improvement

I. What process does the company use to get direct feedback on supported activity, to ensure it is meeting community needs?

B. COMMUNITY RELATIONSHIPS

II. What process does the company apply to assess the overall state of engagement and interactions with Aboriginal communities and stakeholders, and how is this feedback used for continuous improvement purposes?

I.

As discussed in questions 2.b and 2.c above, Relationship Agreements typically have built-in oversight and review mechanisms where progress is reviewed jointly on an annual basis, both at a joint working group level and with our Executive and identified First Nations leadership.

In delivering programs to Indigenous communities, we often begin with a pilot phase. Feedback is collected as individual initiatives such as training or conservation programs are deployed. For example, we have been piloting a different delivery model for an energy conservation assistance program in Indigenous communities. The new approach involves working directly with housing managers on a community-wide scale rather than individual households. In another example, when we were evaluating ways to improve communications through our website and social media channels, we sought feedback from the community to understand how they accessed information, their information needs, and how those needs were or weren't met through these channels, in order to understand how we might improve. Our website was refreshed with this feedback in mind.

As part of our project evaluation process we use a Structured Decision Making (SDM) model to evaluate project alternatives (e.g. the best route for a transmission line based on environment, cultural, cost, engineering design and other factors). This is typically used as an internal decision making tool, but through consultation with Indigenous communities we have discovered great value in sharing our model, as it shows how we evaluate and choose the best alternative for a project. For example, we applied the model to evaluate options for reinforcement of our system, which required consultation with ██████ Nation. We shared our SDM process with the Nation so that they could see our evaluation of options and provide their input. By being more transparent in our process, refining and improving our fact sheets, meeting monthly to discuss the project and overlaying their cultural data onto our alternatives map, the Nation has been able to provide more meaningful input into our decision making process and we've seen improvements in our relationship.

We also created Relationship Lead and Employment Specialist roles in various regional offices throughout the province to support our interest in deeper engagement and understanding of regional priorities. These roles support two-way dialogue and provide a means of us getting regular and accurate feedback from communities. They also support the fulfilment of our Relationship Agreement commitments. Through these Agreements, we established regular and formal forums to receive feedback from Indigenous communities. Opportunities for us to support community activities, as well as issues, interests and concerns raised by communities, administrators and political leaders flow through these forums which provide an opportunity to collaborate on initiatives to ensure our efforts are meeting community needs.

II.

Please see our response to question 4.1.b in the Leadership section which describes how the Indigenous Relations Leadership Team, in consultation with our Executive Indigenous Relations Governance Committee, monitors progress and updates the Indigenous Relations business plan.

Note that from 2012 to 2015 we used a relationship index to assess the state of our engagement and interactions. We discontinued this tool because of its subjectivity, and the fact that we otherwise have sufficient tools and forums in place to monitor our state of engagement and recalibrate as needed toward continuous improvement.

We also note that as part of our focus on continuous improvement, our relationship leads meet approximately monthly (Relationship Lead Community of Practice) to share learnings, identify best practices and apply beneficial feedback across our respective relationships.

5. Results

a) Were targets met on community engagement, and were positive impacts made on communities?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets.

B. COMMUNITY RELATIONSHIPS

Within our Relationship Agreements, we have specific targets regarding how we engage with the communities. As described earlier, we are working to meet targets in various areas and are on track with meeting our commitments. To date we've seen a positive shift in our relationships with Indigenous communities. For example, ██████ provided us with an award at their Annual General Assembly in 2017 in appreciation of our work together (see Exhibit CR-EXH5 – Corporate Recognition Award).

One of our goals for fiscal year 2018 (F18) was to “strengthen our reputation by meeting our commitments.” Based on data from our ARIES system, we can report that we are on track with meeting our commitments.

With regard to our target to have Agreements signed, our original F18 target was to have 11 out of 13 Agreements and Joint Working Groups finalized and eight Relationship Work Plans actioned. At the end of January 2018, we revised this to have eight Agreements signed and nine Joint Working Groups in place.

Other positive impacts for communities include:

- **Referral Response Times:** A challenge often encountered in our work with First Nations is receiving timely responses to our project referrals. Through the relationship-building process with ██████ Nation, we spent a lot of time talking about our respective needs, interests, and barriers around referrals and response times. Having a greater mutual understanding enabled us to identify and implement mechanisms to reduce administrative burdens, dedicate resources, improve the format of our referrals and establish monthly referral-focused meetings. With these changes in place, project referral submission, analysis, and initial feedback is completed within a 30-day cycle nearly 100% of the time.
- **Energy Conservation for six Coastal First Nations:** While community targets may have been more specific, our targets in supporting energy conservation for six Coast First Nations were to help communities reduce consumption and/or to move closer to energy security in their respective communities. To do this, we provided salary for a Community Energy Facilitator who supported all of the Nations with conservation education and training and implementation of home energy upgrades. It was through this role that we were able to connect and develop local initiatives that work for each individual community. For ██████ First Nation, our flexibility and accommodation enabled the community to complete a heat pump installation in every home on reserve in 2017. For ██████ Nation, we supported them in publishing a new housing guide that supports the development of culturally appropriate, energy efficient homes for coastal communities. This new housing guide ensures that all new homes built in the ██████ community achieve a higher standard of construction and performance as well as being appropriate for their geographic and cultural needs.
- **Creative Project Engagement:** The Rock Bay Remediation Project undertook remediation of contaminated property in Victoria, B.C., which is located within the traditional territories of the ██████ First Nations. With the aim of improving relationships, supporting Indigenous community youth and artists as well as providing some employment benefits, we hired young artists to paint murals to extend the full length of the 800m construction perimeter wall. Approximately 15 youth spent 4-5 months preparing their art, which was later covered with an anti-graffiti coating and installed in Victoria after construction was complete. In addition to supporting this community art initiative, ██████, including the prime contract, was awarded to ██████, a company owned by the First Nations. We also hired archaeology monitors from the communities and created an incentive program to encourage workers to stop work immediately when an arc site was located. Elders blessed the worksite before the remediation work started and after it was completed. These efforts undertaken in the Rock Bay Remediation Project significantly improved the relationship between BC Hydro and these two First Nations. It also provided an opportunity for ██████ to be recognized for their ability to do business as they were awarded the Aboriginal Business of the Year award two years later.

Some of the key challenges to meet our targets include:

- One of our challenges in fulfilling commitments is change management within our company. For example, a need to provide a map of all the upcoming projects within a given First Nation territory resulted in a multi-month change management exercise involving various people who create and manage this information, then finding a practical way to combine and present this information to fit the community's needs. Continuing to work across many areas of our business, each with distinct business processes, will continue to be an area of focus internally.
- On the community's side, one of the challenges to relationship development is the dynamic political landscape. Not only do Chiefs and councilors change with elections (which are often 2-3 year terms), many of their governance structures are developing and maturing as bands assemble into tribal council or Nation-level organizations. Therefore, we must work to meet communities where they are and be prepared to evolve our relationship approaches as their governance evolves. An example of this is our work with ██████, where reaching a Relationship Agreement involved working with ██████, each with unique interests. When the

B. COMMUNITY RELATIONSHIPS

time came to formally sign our Relationship Agreement, we paused to ensure that we all had a common understanding of the spirit and intent of the Agreement.

- Two of eight First Nations in the northeast region (██████████) have taken legal measures against the Site C Clean Energy Project and this has presented challenges to moving our Relationship Agreements forward with two First Nations in that region. We continue to provide some support to ██████████ through the ██████████ ██████████, and to hold the door open for the Nations to engage with us when and if they are ready.

b) Were targets met on support (financial and/or in-kind), and were positive impacts made on communities?

I. If yes, expand and provide supporting data in appendix.

Please see answer below.

II. If not, explain why and expand on the key challenges faced in striving to meet targets.

As a Crown-owned company and regulated utility with a mandate to keep rates affordable, our spending must be tied to our mission and objectives (see Leadership Section). We do not have a mandate to create corporate-wide targets for financial support as our goal is not to increase annual donations; rather, it's to strengthen our relationships through providing meaningful benefits and tangible support (as per our Statement of Indigenous Principles), which we have been doing.

We note that Indigenous communities emphasize that they are not looking for financial handouts; rather, they want to build a better future based on mutual respect and trust, and it's important that we acknowledge and appreciate the benefits that flow between us.

C. BUSINESS DEVELOPMENT

1. Community Input

How does the company encourage and receive Aboriginal community and/or stakeholder input to help with planning on Aboriginal business development (for example, on community interests, objectives, ideas and advice)?

I. Outline any key examples of how input has influenced strategy.

II. If the company feels that there have been issues or challenges on input, outline these concerns.

Our Statement of Indigenous Principles, Indigenous Relations Strategy and Indigenous Contracting and Procurement Policy define how we support Indigenous business interests. We receive this input through a variety of means, including community and/or Joint Working Group meetings where we learn about their business development interests and goals, their current capacity and capability for business development and their business affiliations. Our Indigenous contacts in each community provide advice on how best to work with them, which informs our procurement planning, and how we share information on upcoming projects, programs and other procurement opportunities that fit their interests.

Although we work most extensively with Indigenous communities most affected by our existing and planned infrastructure, our learning from working with these communities informs changes in our practices which extend to and benefit our relationships with all Indigenous communities and businesses. For example, our extensive consultation practices for project delivery were developed and enhanced as a result of lessons learned from years of project consultation.

I.

We updated our Indigenous Contracting and Procurement Policy

In 2016, we updated our Indigenous Contracting and Procurement Policy (the "Policy") (see Exhibit BD-EXH1-ICPP). Input from Indigenous communities and stakeholders made a significant contribution to this update, namely the previous rigidity of our policy which was a barrier to realizing benefits for Indigenous communities. Our previous definition of "Indigenous Business" requiring 51% Indigenous ownership has now been removed to be less prescriptive. Instead, we ask the First Nation to designate businesses for opportunities with us according to their own criteria. In addition, a standard 5% Indigenous inclusion weighting in our evaluation of public bids has been removed as feedback indicated that this was not bringing real value to our work or to Indigenous communities. Our updated Policy now enables us to direct procurement to Indigenous communities where we have Relationship Agreements in place, consistent with our Indigenous Relations Strategy. It also allows us to customize our public bid documents to include preferential language and/or Indigenous participation requirements.

Procurement packages re-sized to suit Indigenous businesses

We've learned that in some cases our procurement packages need to be sized differently to be more accessible to smaller Indigenous-owned businesses. For projects where an Indigenous business cannot undertake a whole work package, we have learned to restructure the package so that pieces of the work can be awarded. In this way, Indigenous businesses can be awarded work directly rather than as a subcontractor to a larger prime contractor undertaking a larger work package. We may also require a prime contractor to sub-contract some work, to employ members of Indigenous communities, and/or provide training or other opportunities.

Our approach is tailored to suit Indigenous preferences and interests

Through our work with ██████ Nation, we learned of their interest in procurement, business development, and training opportunities in their territory for their Nation-owned business, ██████. Redevelopment of a local substation was subsequently identified as an opportunity for ██████, and we contracted with them to provide project management, environmental monitoring, skilled labour, and occupational First Aid/safety services. In establishing the contract, we provided on-the-job mentoring and, in turn, ██████ provided us with cultural awareness training. This approach has contributed to the project's success and has forged positive business relations between us (see Exhibit BD-EXH2 for news article).

Project plan facilitates local Indigenous business interests

As a condition under the provincial Environmental Assessment Certificate for the Site C Clean Energy project, we developed an Aboriginal Training and Inclusion Plan that defines how we do work with Indigenous communities on the project (see Exhibit BD-EXH3-ATIP). It includes an Indigenous Business Participation Strategy to maximize opportunities for Indigenous businesses. In developing the strategy, we obtained information from Indigenous suppliers and business groups in the region about their business capacity and capabilities to provide goods and services to the Project. We also engaged the First Nation community by sponsoring and participating in

C. BUSINESS DEVELOPMENT

Aboriginal business events and conferences, which resulted in recommendations for region-specific strategies such as our resourcing and funding support for training and skills development in the region.

Project lifecycle now includes an Indigenous business strategy

Our new project management practice (also discussed in our Leadership and Community Relationships sections) ensures an Indigenous community's business interests are considered early in our project planning. For example, an Indigenous Relations' "Business Strategy Evaluation" is part of our new practice, which identifies business development opportunities within the project relative to community interests (see Exhibit BD-EXH4-Project Development lifecycle). To embed these interests into our project plans, most project procurement strategies now include an Indigenous procurement component. Projects that meet certain threshold criteria are required to attend the Indigenous Relations Supply Chain meeting to explore opportunities for Indigenous Procurement.

Clean Energy Projects

We plan to pursue negotiations for Electricity Purchase Agreements (EPAs) with five First Nation's through the Standing Offer and Micro Standing Offer Programs. Since 2008, we have proceeded with a total of eight clean energy project negotiations, have signed EPA's with three communities and are in discussion with an additional five communities. Indigenous communities are interested in business development through generating power by using hydroelectric or solar; and in the case of one community, offsetting reliance on diesel generation by using biomass as a fuel source. We have learned the importance of early and transparent communication from working with First Nation communities on EPA negotiations. Since 2015, we have provided approximately \$250,000 to First Nations to support business development interests.

II.

Indigenous communities have provided important insight into their challenges associated with doing business with us. Here are two examples and how we responded:

Challenge: Our contracting process is complex and can present barriers to Indigenous small businesses. In response, we have:

- Provided "Doing Business with BC Hydro" presentations in communities upon request (see Exhibit BD-EXH5)
- Developed a shorter, simplified services contract for Request for Quotations for First Nations Businesses
- Offered flexibility, if appropriate, around bonding requirements (i.e., a letter of credit instead, or waiving bond requirements)

Challenge: Indigenous businesses may seek more lead time to prepare for work with us to, for example, develop their business partnerships. In response we have:

- Modified our project planning to engage earlier with Indigenous businesses on upcoming work opportunities
- Updated our Indigenous Contracting and Procurement Policy to support flexibility for Indigenous business partnerships
- Hosted business-to-business sessions in the Northeast to create a forum to introduce businesses to our work and one another
- Provided regular updates on upcoming procurement through joint working groups
- Provided annual Capital Plan presentations with a 10-year outlook to assist with long term planning .
- Initiated procurement presentations to two First Nations in the Northeast, with a more detailed 2-year outlook on potential procurement opportunities. These presentations also include an overview of typical work packages involved in the construction of projects to help provide greater clarity (see Exhibit BD-EXH6)

2. Track and Measure

a) Targets: Does the company have targets on improving Aboriginal business development covering goods purchased from Aboriginal suppliers, and contracting with Aboriginal companies as service providers? If yes, specify targets and provide documentation in the appendix.

Yes. We have many targets on improving Indigenous business development which we typically refer to as commitments because they are incorporated into project-specific agreements or a Relationship Agreement with communities. Targets within individual BC Hydro projects are 2020 to 2021, reflective of the significant capital

C. BUSINESS DEVELOPMENT

spend planned for the region in which the particular Indigenous community is located. These targets are met within the Agreement term, which is typically five years. Aggregate agreement targets are tracked monthly and are reported through our Indigenous Relations Dashboard (see Exhibit LA-EXH23-Dashboard).

Due to the nature of our work, most opportunities for Indigenous business development are in the fields of construction or environmental work.

For the first 10 months of our fiscal year 2018 (to January 31, 2018) we issued contracts totaling \$97 million to Indigenous businesses. Of this amount, the 15 largest contracts totaled \$88 million and included projects such as road upgrades and construction, quarry development, operation and reclamation, water management and sediment control, wildlife monitoring, river drainage clearing, reservoir debris management and removal, fish population indexing, fish monitoring, canal refurbishment, building and penstock demolition and removal, archaeological monitoring and support services, and duct bank construction.

While we track overall Indigenous procurement at a company-wide level, we no longer have it as a target as we found it was a poor measure of meaningful progress in advancing business development among Indigenous communities in B.C.

2.b) Action Plan: Is there an Action Plan, developed by the PAR Committee(s) with community and stakeholder input, on Aboriginal business development? If yes, include a copy of the plan in the appendix.

Yes, we have embedded Indigenous business development through our procurement process, with actions considered and defined in relation to our projects, programs and other work. Many procurement events above the public bid threshold (\$100,000 for services) consider opportunities for contracting with an Indigenous-owned business, and all procurement strategies include a specific Indigenous strategy section. Exhibit BD-EXH7 includes our Management and Accounting Policies (MAPP) which is essentially our Action Plan, i.e., our policies and procedures and guidelines for our Indigenous contract management. Policies include:

- First Nation Direct Award Approval Procedure
- Indigenous Procurement Guidelines
- First Nation Notification Protocol and First Nation Participation Plan
- Indigenous Relations Involvement in Contract Management Issues

We also have developed Consultation and Engagement Protocols with some Indigenous communities to support implementation of our Agreements. Within these protocols, we define our commitments related to contracting opportunities. We also share our Capital Project Consultation Process and our Contacting process in a way that helps the Nations understand our contracting process. These protocols are developed together with Indigenous communities and serve to describe the process and plan to support their business development. An example of a Consultation and Engagement Protocol is found at Exhibit BD-EX8.

In addition, steps in our procurement process include:

Capital Project Procurement

We explore procurement opportunities for local Indigenous businesses at an early stage in a project's development. Early engagement offers Indigenous communities the opportunity to determine whether and/or how they may wish to participate in upcoming projects and can allow lead time to establish business partners, and obtain necessary certifications. Procurement strategies for most projects include a specific Indigenous Procurement strategy.

In early 2016 we introduced a bi-weekly Indigenous Relations – Supply Chain meeting on capital projects which is attended by our Indigenous Relations and Procurement staff. These meetings have been very successful at identifying opportunities, increasing internal understanding of Indigenous businesses, and developing innovative solutions such as breaking down a larger work package into smaller pieces of work. This meeting has since been expanded to include programs and stand-alone purchases.

Program Procurement

Larger maintenance programs (e.g. Vegetation Management) are managed separately in a manner similar to our capital projects. When procurement strategies are developed for maintenance programs, our Indigenous Relations Group is involved at an early stage of the planning process to ensure opportunities for Indigenous businesses are

C. BUSINESS DEVELOPMENT

incorporated.

Smaller Procurement

We also have smaller procurement opportunities with a quicker turnaround time. Where we have established relationships, we regularly convey information on upcoming opportunities to Indigenous communities.

When an opportunity for an Indigenous business to receive a direct award is identified, a standard direct award process is followed. For opportunities below the public bid threshold, we communicate the opportunity to Indigenous communities, who in turn inform their businesses. We have also developed a simple, standard process for select tenders where there is more than one qualified Indigenous business for smaller pieces of work. Our action plan outlines different practices depending on the type and size of procurement, and each plan integrates opportunities for Indigenous businesses in different ways.

2. c) Tracking: How does the company track its performance against targets, using key performance indicators and data analysis with scheduled review and evaluation? Expand and provide documentation in the appendix.

Through our meetings with Indigenous communities and specifically our joint working groups, we track and monitor our performance (in collaboration with our Indigenous counterparts in each community) in the area of business development against commitments set out in Relationship Agreements. The reporting metrics, methods and timing are determined jointly and are specific to each Agreement.

Internally, we monitor progress in a number of forums. See Exhibit BD-EXH9 for the following reports:

- **Indigenous Relations Monthly Dashboard.** The Indigenous Relations Management Team uses this report to track committed contracts against targets (by percentage) for Indigenous businesses in general and also against commitments in Relationship Agreements and Impact Benefit Agreements.
- **Monthly First Nations Procurement Commitment and Spend Report.** This report is used by our Relationship Leads to identify contract and spend values for discussions with First Nations. These results are also part of the Monthly Dashboard above and are used for meetings (i.e. Joint Working Groups) with First Nations. Specifically, it tracks direct contracts, subcontracts, employment opportunities, and contract values.
- **Monthly public bid postings report.** Lists all public bids and the type of contract language used, including Indigenous participation language. This is used by the Indigenous Procurement group to ensure that public bids are following our Indigenous Contracting & Procurement Policy and is also used by Procurement for examples of indigenous procurement language to inform their procurements. Indigenous Procurement also uses it to identify procurement events with First Nation Participation Plans so that sub-contracting opportunities can be captured, reported and tracked in the First Nations Procurement Commitment and Spend Report.
- **Monthly Pre-Sourcing Procurement report.** Lists all active public procurement events in progress (i.e., before public bid is posted). This flags potential procurement opportunities of interest to Indigenous communities. This report is shared with Relationship Leads for them to identify possible Direct Award opportunities for First Nation business while Indigenous Procurement also uses it for the same purpose.

Relationship Agreements and Impact Benefit Agreements typically include the provision of directed procurement opportunities. We track our contract value and spend for each agreement and meet regularly with the relevant Indigenous community to monitor and report on the fulfillment of the targets.

An example of a department with their own targets which are not necessarily tracked in a central location is our Construction Services department. They have their own reporting and tracking of their work with Indigenous businesses. Their Indigenous spend report for F15, F16 & F17 indicates a greater than 400% increase in spend with Indigenous businesses between 2015 and 2017 [REDACTED]. This is owing to Construction Services senior management's commitment to and communication around the importance of supporting our relationship with Indigenous communities.

2. d) Data Review (no scoring): Data for the last three years, broken out per year, must be provided with the submission covering:

I. The amount spent on goods and services with Aboriginal-owned businesses during the reporting period, and as a percentage of the total procurement budget

C. BUSINESS DEVELOPMENT

II. The number of joint venture partnerships, Impact Benefit Agreements, Cooperation or Participation Agreements, or other formal arrangements with Aboriginal communities and stakeholders.

I. See Exhibit BD-EXH10 for data tracked on a fiscal year basis March 31st. Data is provided for F2016 (year ended March 31, 2016), for F2017 and for F2018 (for nine months to December 31, 2017).

II. See Exhibit BD-EXH10 for Impact Benefit Agreements, Relationship Agreements, Consultation & Capacity Funding Agreements and Operational Agreements.

3. Sourcing Aboriginal Suppliers

a) Does the company use an Aboriginal goods and services database to help identify and source Aboriginal businesses for supplier/procurement opportunities? If yes, expand

Yes. Until September 2017, we provided an Aboriginal Business Directory whereby businesses could maintain a profile so that we could contact them as opportunities arose. Our experience was that the information in this directory was not being updated on a regular basis by the businesses in the directory, resulting in a significant drop in use. When we notified businesses in the directory of our decision to close the directory, nearly 40% of the email notices were returned as undeliverable. This confirmed that the data was stale.

Since closing the Aboriginal Business Directory, our Relationship Leads and the Indigenous communities that they work with keep alternate directories and are responsible for keeping the content current. This is working much better as we have accurate and complete information that allow us to reach Indigenous contractors and quickly turn around contracts that demand it. The data also facilitates conversations about future opportunities and the Indigenous community's capacity and qualifications.

The Site C Clean Energy Project has its own project-specific directory because of this project's size and complexity. All registered companies within the directory receive updates via email on potential business opportunities as they arise, as well as notifications about events such as business information sessions. (Link: <https://www.sitecproject.com/business-and-job-opportunities/site-c-business-directory>)

b) How does the company ensure that Aboriginal suppliers and businesses have effective access to the company's business and procurement opportunities?

The process described in questions 1 and 2 above ensures that procurement opportunities are accessible and provided as early as possible to Indigenous businesses. For example, we:

- Divide some contracts into smaller parts to better match Indigenous contractors' interests
- Deliver bid preparation workshops
- Host introductions of contractors to Indigenous leaders
- Provide information on our procurement opportunities at business meetings and forums (e.g. regular monthly or quarterly Procurement Working Group meetings with First Nations)
- Facilitate presentations by Indigenous businesses to various business groups (e.g. Construction Services) to enhance understanding of each other's businesses and related procurement opportunities
- Review reports with communities with whom we have agreements to identify opportunities for directed procurement
- Work with Indigenous businesses to ensure they have standard prerequisites in place (e.g. WorkSafe BC's Certificate of Recognition) and pre-qualify designated Indigenous businesses to be immediately available to undertake work

Recently we entered into Master Services Agreements (MSA) with some Indigenous companies. An MSA enables us to "release" work to an Indigenous business as it becomes available, as there is already an existing contract under which work packages can be issued. This facilitates access to work packages by streamlining the procurement process. This is particularly helpful if the work release is small. It also helps foster an ongoing business relationship.

[REDACTED]

[REDACTED] These MSAs facilitate the provision of ongoing sustainable work to those designated businesses for the duration of the construction of the Site C Project. This has given us flexibility to direct an increasing amount of

C. BUSINESS DEVELOPMENT

work opportunities to the First Nations.

3.c) How does the company ensure that procedures on Aboriginal supplier sourcing and procurement are followed across the organization, and are tracked for review and continuous improvement purposes?

We follow our Indigenous Contracting and Procurement Policy and procurement process, both which we track and review for continuous improvement. To ensure procedures are followed across the organization, we:

Communicate extensively to ensure there is clear understanding of the Policy

Indigenous Procurement has provided more than 50 internal presentations across the company as well as to First Nations and our contractors. A sample presentation is included as Exhibit BD-EXH11-APP Rollout Deck 20161113 and a partial list of meetings is included as Exhibit BD-EXH12[BC Hydro Internal Meetings re IPP].

Document our approach to ensure adequate consideration has been given to Indigenous businesses opportunities

Our Indigenous Procurement policies are discussed at meetings between Project Delivery, Procurement, Indigenous Relations (and sometimes the communities) and must justify the approach taken.

Report and review contracts and spend

- Procurement opportunities greater than \$100,000 are reviewed for consideration of opportunities for Indigenous businesses.
- We report internally on sourcing events before they are posted publicly and identify opportunities for Indigenous business participation.
- We ensure an early assessment and identification of Indigenous business opportunities at the Procurement Strategy and Contracting Plan stages for projects on lands where a Relationship or Impact Benefit Agreement exists.
- We review public bid postings to ensure appropriate contract language is used.
- We report monthly on Indigenous businesses contracts and spend.

Implement improvements to procedures and processes

We continue to evolve our processes as we expand procurement opportunities and have more internal discussions about Indigenous communities, businesses and business partnerships. For example, the implementation of a standard process for Direct Awards was the result of different approaches being tried and using the best parts from each one.

4. Supporting Aboriginal Businesses

a) Has the company, over the last three years:

I. Mentored any Aboriginal business people? If yes, provide examples.

II. Supported business training and education initiatives external to its operations? If yes, provide examples.

III. Implemented a program for knowledge/skills transfer to the Aboriginal community? If yes, provide examples.

I. Yes. For example:

- We provided on-the-job mentoring as part of the work with [REDACTED] (see example in response to question 1).
- Since 2015, we have hosted annual half-day mentoring sessions for [REDACTED] students attending the Nicola Valley Institute of Technology. Sessions involve our leaders and staff from different areas of the business speaking to students about their career paths and offering advice and support.
- In 2017, we supported a Youth Entrepreneur Program with [REDACTED] where eight young entrepreneurs developed business plans and started their summer businesses. Our funding supported [REDACTED] Elders and business leaders working with youth, as an alternative to us providing mentorship. In this case, it was more appropriate to support Indigenous leaders.
- Our Indigenous Employment and Business Development Specialist from our Fort St John office provided on-the-job mentorship for a [REDACTED] First Nation member during a three-month internship in late 2017.
- [REDACTED] First Nation-owned environmental services firm that was formed to work on a major transmission line project. Company representatives have acknowledged the value our work has brought to the initial growth of [REDACTED], which has enabled them to continue to compete in the market, build their business, stay true to their values and mentor other Indigenous businesses. The company is thriving competitively and is now mentoring other Indigenous businesses.
- We supported several employment and job shadow opportunities for [REDACTED] First Nation in 2016 and 2017. In addition to employing Youth Hires from this Nation, we've provided mentorship and support through five- to [REDACTED]

C. BUSINESS DEVELOPMENT

12-month employment terms (driver helper positions) and high school job shadowing opportunities.

II. Examples of our support for business training and education external to us include:

- We funded a consultant for [REDACTED] Nation to identify grants and other funding to support the development of a [REDACTED]. The consultant also assisted in the development of a community business model to operate and manage the facility.
- Through the Site C Project, we provided \$1.5 million to support training, industry, and Aboriginal partnership opportunities in the region. This funding has gone to groups such as the Northern Lights College Foundation, Minerva Foundation, and Northern Development Opportunities Program. New learning and training programs have been developed in areas relevant to Site C, including apprenticeship training, academic programs, youth hires, and Pathway to Success with BC Hydro (skill-building/employment readiness course).
- Through the Interior to Lower Mainland transmission project, we provided \$20,000 in funding for Indigenous candidates from the [REDACTED] Nation to attend training in environmental monitoring, to support their participation in environmental reclamation monitoring opportunities on the project.
- As mentioned throughout this submission, we deliver our “Doing Business with BC Hydro” workshop with Indigenous businesses.

III. Skills/knowledge transfer in the Aboriginal community:

Please see the Employment section for other examples of our initiatives to help community members acquire or advance their knowledge, skills and qualifications, regardless of whether they choose a career path with BC Hydro, one of our contractors, or to work for a community-owned business.

4.b) Does the company hold information sessions on procurement to assist potential Aboriginal suppliers or contractors in dealing with or bidding to the company? If yes, provide dates of such sessions

Yes, we meet often with First Nations, Indigenous businesses and industry partners to provide information about doing business with us and about our Indigenous Contracting and Procurement Policy. While this is not an exhaustive list, a summary of 37 meetings is provided at Exhibit BD-EXH13.

4. c) What preferential policies and practices does the company have in place for Aboriginal suppliers? Include a copy of the policy in the appendix.

Our Indigenous Contracting and Procurement Policy supports contracts being directed to Indigenous communities, with a focus on communities with whom we have signed agreements. Directed procurement opportunities may include direct awards, select tenders and/or set asides.

Supporting the policy, we have Management and Accounting Policies and Procedures which provide more detail regarding implementation (see Exhibit BD-EXH7).

With regard to practices, as discussed in the previous section, facilitation of Indigenous business development interests is highly integrated into our approach to Indigenous community relations and our business practices overall. For example, we:

- Proactively reach out to grow our understanding of community-specific business development goals.
- Embed Indigenous procurement objectives early in the project lifecycle and project plans, including our procurement strategy. This can lead to redesigning project procurements to direct award work packages or to provide sub-contracting via a Participation Plan.
- Develop standard contract language for Indigenous participation in public bid documents.

4.d) Does the company give preference to suppliers that have implemented, or are implementing, a formal Aboriginal relations strategy that includes commitments and targets on leadership actions, Aboriginal employment, business development and community relationships, in their own organizations? Expand.

Yes. We address this in three ways, depending on where the work will take place:

- For public bids, documents may include questions to elicit information on any relationships and/or business

C. BUSINESS DEVELOPMENT

arrangements that bidders have with Indigenous communities where the work will take place. The responses to such questions will be considered as part of bid evaluation. This is usually done where the public bid includes work within the territories of multiple First Nations.

- Where work is limited to the territory of one Indigenous community, then one or both of the following may be used:
 - Direct Award some or all of the work to First Nation businesses. The business must be designated by the First Nation but there does not need to be any ownership by the First Nation.
 - First Nation Participation is included in the public bid document. The Participation can be sub-contracting by the Prime Contractor to a First Nation business, employment of First Nation members or anything else that is appropriate. Participation can be required or on a “best efforts” basis. The Prime Contractor will develop an Indigenous Participation Plan agreed to by BC Hydro before commencing work.
- For public bids which include work in First Nation territories, we may reduce the scope by setting aside some work and direct awarding this work to a designated Indigenous business. This may also follow a Select Tender process for multiple Indigenous businesses. The work will often be awarded to businesses that have implemented their own formal Indigenous Relations Strategy and can include Indigenous employment or other form of participation.

5. Results

a) Were targets met on goods purchased from Aboriginal businesses?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets.

As described in response to question 2a, our work packages may have goods and services within them. We don't track or target goods versus services separately.

While our procurement from Indigenous businesses is focused on services (e.g. construction), this does not preclude the purchase of goods, where applicable. As a large electrical utility, however, we issue a large number of contracts for materials that are highly specialized for electricity generation, transmission and distribution equipment, which are often only available from a small number of suppliers worldwide.

Question 2d provides data on the amount spent on goods and services with Indigenous-owned businesses for each of the last three calendar years (to December 31, 2017). In addition, for the first 11 months of F18 we have spent \$104 million on Indigenous businesses, which has us on track to meet or exceed our Procurement commitments. (Note that many Agreements have five-year targets (commitments) or are to be achieved over the life of a project.) See our Capital Infrastructure Project Development report on Indigenous Procurement in Exhibit BC-EXH14 CIPD Procurement. [REDACTED]

b) Were targets met on contracting with Aboriginal companies as service providers?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets.

As per our response to 5a, we have spent approximately \$104 million with Indigenous businesses in the first 11 months of F18, which has enabled us to be on track to meet or exceed our commitments.

D. EMPLOYMENT

1. Community Input

a) How does the company encourage and receive Aboriginal community and/or stakeholder input to help with planning on Aboriginal employment (for example, on community interests, objectives, ideas and advice)?

I. Outline any key examples of how input has influenced strategy.

II. If the company feels that there have been issues or challenges on input, outline these concerns.

A key part of our overall approach in working with Indigenous communities is to actively seek input on how we can assist in improving employment opportunities for community members. This manifests through dialogue at Joint Working Group tables around the province where we share information about our employment outlook and project plans. In turn, we grow our understanding of the specific employment challenges and capacity of the communities to support an individual's career interests and training needs in the near and long term.

Our Indigenous Employment and Business Development team includes four Indigenous Employment Specialists who are dedicated to working through the Joint Working Group process with communities to identify needs and deliver on plans and initiatives developed in collaboration with individual communities. Working closely with the employment and training representatives in the communities, these specialists seek to align our present and future regional employment opportunities with the interests of potential job candidates in the community. Their work includes raising awareness of the types of jobs we offer and helping people acquire the necessary qualifications so they can compete successfully as opportunities arise. Some of our technical jobs have extensive prerequisites—for example, our apprenticeship programs require Math and Physics 12; therefore, the pursuit of these credentials for some candidates can be a long one as they work to secure qualifications. Where regional educational institutions have relevant programs relevant to community needs, our team partners with them to tailor and deliver courses in preparation for potential future work with or for BC Hydro.

I. Here are a few examples of how we're incorporating community input and responding through custom fit solutions:

- In developing our Relationship Agreement with [REDACTED], we identified a number of employment initiatives where we could assist, such as joint development of a training and employment plan and collaborating with the [REDACTED], one of their key service providers, to complete a skills gap analysis. [REDACTED] input made it clear that we could best assist them by collaborating with other service providers in the region. In response, our joint initiatives are now following this approach.
- We heard from Indigenous communities that it's not productive or effective to send staff from our Vancouver offices to work in their regions, where community interests are better met if we have locally-based staff. As a result of this input, Indigenous Relations expanded the locations of its team members to regional offices in Vernon, Campbell River, Whistler, Powell River, Fort St John, Kamloops and Victoria. We have Relationship Leads located across the province close to Indigenous communities. We also have hired a member from [REDACTED] First Nation as a BC Hydro Relationship Lead with [REDACTED] First Nations.
- We learned from listening to people in remote Indigenous communities that the lack of a Drivers' License is a critical employment barrier and one that is difficult to overcome when you live far from driver training and testing facilities. In response, our Indigenous employment team developed a customized driver training program and delivered it to four communities in 2017. The solution involved hiring a local Indigenous Driver Trainer who travelled to the communities. As a result, 22 students secured their Learners licenses. We plan to continue our support and expand the program in 2018 to support the students in moving to the next license level. Participant feedback has encouraged us to more fully engage other agencies to overcome this foundational barrier. For example, the Insurance Corporation of BC plans to bring a distracted driving simulator and provide training materials and instructors, and the RCMP will continue to participate in the classroom training

D. EMPLOYMENT

sessions. Engagement with Indigenous communities in B.C.'s Lower Mainland revealed that driver licensing is also an employment barrier in urban areas and in early 2018 we started similar training initiatives in this region as well.

- Based on input from Indigenous communities in B.C.'s southeast, we designed the Construction Craft Workers Program in collaboration with the Okanagan College (see Exhibit E-EXH1). This is an 11-week skills upgrading program which provided opportunity for Indigenous adults to gain the skills necessary to compete for jobs like those offered by our capital projects in the region. Our support enabled funding for an Aboriginal Trades Transition Planner (a Red Seal electrician) to be on hand for cultural, academic and employment support and for a two week practicum with local industry contractors. The first program completed in December 2017 with eight graduates.

II. Some issues and challenges are as follows:

- Indigenous groups tell us our minimum entrance requirements for our trades apprenticeship programs are prohibitively high. We acknowledge that our prerequisites are higher than some other industries, which is due to a consistently competitive applicant base and high safety standards. We're responding to this challenge by supporting skills upgrading programs and initiatives focused on scholastic requirements (see examples in our response to question 3b). In addition, we're exploring adding a construction trade to our portfolio of trades which will have a lower threshold of technical requirements and thus can create a stepping stone into the trades field.
- Our training and employment initiatives don't always result in community members seeking and securing full-time employment with BC Hydro. For example, some become employed by community-owned businesses or with our local project contractors or another local employer. These efforts contribute to more positive relationships with Indigenous communities who value our support – from one-on-one coaching, custom-fit training or temporary work experience. This personal approach will continue to be part of our ongoing commitment to the social and economic wellbeing of Indigenous individuals and communities.
- Community members often seek long-term employment on our projects near their communities. Our challenge in meeting this request is that we require a technical workforce for many of our projects and it takes time for individuals to gain the necessary skills for these jobs. In response, we are building awareness about upcoming work and preparing individuals for that work so that it will be supported by local Indigenous people. For example, at our John Hart Generation Station Replacement Project near Campbell River, between 2015 and 2017 there were up to 30 Indigenous workers employed at one time. We regularly employed two technicians, a biologist and administrative staff from [REDACTED], and professional consulting services were contracted through an Indigenous-owned business. The project created opportunities for Joint Ventures in the areas of electrical, construction, surveying and trucking services.

2. Track and Measure

2. a) Targets: Does the company have targets on improving Aboriginal employment, retention and levels of Aboriginal employee participation across all occupational types, divisions and management levels (workforce composition)? If yes, specify targets and provide documentation in the appendix.

Yes, we have an organization-wide diversity goal to establish a diverse workforce fully representative of the B.C. labour market. This means the target for Indigenous representation at BC Hydro is 4.6% of the workforce. Our targets with respect to Indigenous development and retention are to match the rates of

D. EMPLOYMENT

advancement and retention with the non-Indigenous employee population.

Our sourcing and recruitment targets for underrepresented groups are managed as part of our Diversity Program. We contract BC Statistics to track the representation, retention and advancement of Indigenous employees. Reports are produced quarterly and provided to us.

To support our initiatives to increase Indigenous employment and retention in all aspects of our work, we've focused on awareness-building and recruitment for the wide range of opportunities with us and our contractors. We've increased our presence around the Province, particularly to be closer to Indigenous communities we work with, and foster the Relationship Lead and Employment and Business Development roles in our regional offices. In support of our broad efforts to deepen our relationship with Indigenous communities, these roles help grow Indigenous employment and retention at all levels and areas across BC Hydro and with our contractors.

Our data on employee retention is provided in question 2.d.ii, and workforce composition data is provided in 2.d.iii.

In addition to this company-wide data, we publish our monthly employment statistics on the Site C Clean Energy Project at <https://www.sitecproject.com/document-library/monthly-employment-statistics>. The employment data fluctuates due to the seasonal nature of the work. For example, in June 2017 there were 2,633 workers on site, 213 (or 8%) of whom were Indigenous. In January 2018, there were 1,743 workers, 118 (or 7%) of whom were Indigenous. Contractors are required to report on Indigenous inclusion in their workforce and workers voluntarily self-declare their Indigenous status to their employer.

2. b) Action Plan: Is there an Action Plan, developed by the PAR Committee(s) with community and stakeholder input, on Aboriginal employment? If yes, please include a copy of the plan in the appendix.

Our action plan for Indigenous employment is developed by the Indigenous Employment and Training Steering Committee. The role of this committee is described in the Leadership Section in response to question 2b and 2eii. For more on this Committee please see Exhibit E-EXH2 regarding their Terms of Reference and action plan tracker.

To improve our ability to attract, train and hire Indigenous people from areas of the province where we have a significant operating footprint and have capital project workforce needs, our dedicated Indigenous Relations Employment Specialists work directly with communities as part our larger relationship building efforts. As discussed in our response question 1a in the Community Relationships section, Joint Working Groups establish community-specific action plans and targets that address the unique aspirations and needs of the community and align with our employment opportunities in the region. Often aspects of these plans are shared with service providers to support community delivery. We use the following framework (see Exhibit E-EXH3), called our "Employment Pathway," to identify what types of actions are needed in four broad areas:

- Building Awareness – initiatives aimed at ensuring potential candidates are aware of the career opportunities at BC Hydro
- Skills Development – initiatives to support skills upgrading (including certifications), career exploration and employment readiness
- Training – internal programs such as apprenticeships, boot camps, and co-ops
- Hiring and Retention – initiatives that promote opportunities and address barriers related to hiring and retention.

D. EMPLOYMENT

2. c) Tracking: How does the company track its performance against targets, using key performance indicators and data analysis with scheduled review and evaluation? Expand and provide documentation in the appendix.

To track progress of Indigenous representation, we partner with BC Statistics to produce quarterly reports on our workforce. These reports provide quantitative information about Indigenous representation in comparison to the B.C. population, the B.C. workforce and the available workforce ("available workforce" reflects the occupational distribution of BC Hydro).

Annually, BCStats provide an in-depth report that details the "flow" rate of Indigenous employees (Exhibit E-EXH4- Flow Rates). This report provides data on the number and rate of Indigenous hires (both full-time regular and full-time temporary), promotions and separations as compared to the non-Indigenous population. This report provides the information that helps us understand if representation is increasing, if Indigenous employees are being promoted at the same rate as non-Indigenous employees and if they are leaving our company at the same rate as non-Indigenous employees. While the BC Statistics reports are not used to track Indigenous program efficacy, they are highly valuable in that they help us track trends over time.

Every quarter, the Indigenous Relations department updates their internal report to track Indigenous program participation and related Key Performance Indicators (see Exhibit E-EXH5- IEBD Sept 30 progress report and question 4a. for results).

On a qualitative basis, our performance is tracked and evaluated on an ongoing basis through the vehicles established in our Relationship Agreements and supported by our Indigenous Relations Strategy, which has been described throughout this application.

2. d) Data Review (no scoring): Data for the last three years, broken out per year, must be provided with the submission covering:

- I. The number of full-time Aboriginal employees, and also shown as a percentage of overall employee count**
- II. The Aboriginal employee retention rate compared to overall employee retention levels -**
- III. The Aboriginal employee workforce composition across the company hierarchy and divisions, compared to overall employee numbers**

See Exhibit E-EXH6 including Aboriginal Representation, Indicators of Change and Differentials.

3. Other Practices

a) How does the company recruit Aboriginal persons?

In addition to longstanding recruitment activities such as promoting BC Hydro careers through social media, community events and career fairs, we have found that successful recruitment can extend for five to seven years from when a relationship is established - long before a job application is submitted. Often our first engagement with potential Indigenous candidates takes place while they are still in the education system contemplating different career options. We play an active role in supporting them to ensure they understand job requirements, required prerequisites, and how to apply for work and prepare for an interview (see Exhibit E-EXH7 –VIDEO-SMcLeod on BC Hydro PAR website).

It is important to note that we are currently in a period of substantial recruiting, which has included supporting communities by providing Employment Specialists and Relationship Leads in our regional offices who support career awareness and skills development as described in the Community Relations section of this submission. We expect that we will continue to see this investment as a way to achieve

D. EMPLOYMENT

our overall corporate diversity goals, as these efforts take root and accordingly result in a higher Indigenous workforce.

Key aspects of our approach include the following:

Partnering with others

- We connect and work with the Training and Employment teams within communities to understand their goals, capacity and needs of communities and their members.
- We partner with educational institutions and other stakeholders in the regions near communities

Specific examples of partnering include:

██████████ In 2016 and 2017, we funded a two-year skills upgrading program for the ██████████ to enable candidates to gain academic pre-requisites to enter British Columbia Institute of Technology's (BCIT) two-year electrical and computer engineering technology program. Forty-six candidates benefited from the Program - 16 individuals secured full-time employment as a result of the training, 11 will or did go on to further training and education, and seven secured apprenticeships through their training. One student has been accepted into BCIT's Program and will pursue his career path in our Communications and Protection Control Trade.

Vegetation Management. In 2017, we partnered with the ██████████ on a six-week program to prepare candidates for work in vegetation management. We connected candidates with field work opportunities and our contractors. Eight Indigenous candidates completed the training.

Leveraging opportunities presented by local projects and operations

- We share information early on with communities about our upcoming activities in their area so that we can jointly identify employment and training opportunities and prepare them to apply.
- We introduce contractors on our projects to Indigenous candidates who have qualifications relevant to their business.
- We host site visits and establish training programs that align students to specific types of work needed on our projects.

Specific examples of targeted training:

Call Center Training. When we announced the repatriation of our call centers into BC Hydro (previously these services were outsourced), we identified upcoming vacancies at our Vernon location. No Indigenous employees were working at this center despite a 4% representation in the regional population. To better understand the reasons for this and to raise awareness of future job opportunities, we created a seven-day customer service skills training program for Indigenous candidates led by Indigenous trainers that included mock interviews and resume and cover letter development. Training was delivered in January 2018 and one candidate was successfully hired in the first intake; learnings from this will inform approaches for future customer service hiring, and across other types of program development as well.

ATCO Camp Kitchen Skills. Six local Indigenous candidates completed a Blue Flame Kitchen Skills program in July 2016 with sponsorship from us, ATCO Two Rivers, the BC Construction Association and Gordon Food Services. Following the Program, three graduates were hired at the camp kitchen at the Site C Project camp.

Meet people where they're at and maintain the connection

D. EMPLOYMENT

- Our focus goes beyond engaging with highly employable graduates who have immediate pre-requisites and qualifications
- We deliver “Pathways to Success” in communities to help people explore career options and to develop initial action plans to acquire skills and qualifications. This confidence-building program helps people explore career paths, helps them prepare their own resume and helps them set up an employment profile with us so that they can receive and apply for job postings.
- We stay connected and offer advice, coaching and interview practice for potential candidates.
- Where strong candidates may be missing certain qualifications, we work with others to find solutions, occasionally designing custom-fit options where none others exist. For example, see the drivers’ license training example in our response to question 1.

Engaging youth

- Our Youth Hire Program exposes Indigenous youth to our work environment and career paths around the province through this eight-week job shadow summer program (see more in answer 3h).
- We profile Indigenous employees in an engaging way (see Exhibit E-EXH8-VIDEO-SManuel on the BC Hydro PAR website). These videos, intended to inspire more Indigenous candidates to apply for jobs with us, are posted on our website, used at career presentations and are available on multiple education platforms across Canada.
- We support educational programs specifically catered to engaging youth.

Specific examples where we engage youth:

Simon Fraser University’s Math Catchers Program. We have funded support for delivery of this program in five communities starting in F2019, with a goal of inspiring grades 1-12 youth in math and sciences, which are required for our apprenticeship programs.

Science World ‘On the Road’ Tour. In February 2017, we provided Science World with a summary of schools in the Northeast that have high Indigenous student enrollment and helped coordinate delivery of this mobile science program to these schools. Introducing young learners to science in a fun and educational way encourages future generations to pursue science and math-related careers. A total of 14 schools were visited, nine of which had high numbers of Indigenous students; approximately 391 Indigenous students participated in this Science World event. (See Exhibit E-EXH9)

Gathering our Voices Youth Conference. In March 2017, we sponsored this conference and had a booth and hosted a workshop to highlight the career options at BC Hydro, with an emphasis on trades. This event is held annually with upwards of 2,000 Indigenous youth attending.

3. b.) How does the company encourage Aboriginal employee retention?

Indigenous employee retention is one of the focus areas in our Employment Pathway. In 2015, we commissioned a report to better understand the experiences of Indigenous employees as it relates to hiring and other human resources processes, work relationships, coaching and development, and their outlook on opportunity for advancement. Interviews included both current and past employees. Twenty-two people representing a variety of locations, occupations and lengths of service were interviewed. The final report captured advice and recommendations and learnings from other utilities. Its findings provided some of the following recommendations which we continue to implement:

- Continued support of RAIN (Respect Aboriginal Inclusion Nucleus)
 - This BC Hydro Indigenous-employee-run network, sponsored by our Diversity team, was launched in 2012 (see E_EXH10-VIDEO-VMountain on the BC Hydro PAR website). See more about RAIN at 3.g.
- Indigenous Awareness training for managers

D. EMPLOYMENT

- As noted in other sections, we have worked to build awareness by holding management team presentations on our strategy and Statement of Indigenous Principles, sessions for departments supporting Relationships Agreement commitments in regions, and communications support as part of National Aboriginal Day.
- Following learnings from those efforts, we are now launching a company-wide employee e-learning Indigenous Awareness training module; for individuals needing more region-specific awareness, we are preparing in-person training sessions in fall 2018. We also plan to offer the e-learning module to contractors.
- Role modeling Indigenous employees through videos which inspire and promote careers with BC Hydro
 - See videos for ██████████ – Employment Specialist (E-EXH7-VIDEO-SMcLeod), ██████████ – Engineer (E-EXH8-SManuel), and ██████████ – Power Line Technician (E-EXH11-LAird) which were promoted internally and with our customers.
- Support for our Indigenous employees in the trades pathway
 - We have specific Indigenous candidate career counselling and bridging programs
- Increased focus on mitigating bias from Human Resources (HR) processes
 - We've implemented management training and a merit review process for HR is underway
 - A refresh of our diversity and inclusion program is in progress with learnings from the Indigenous Relations team
- Increased engagement between our Ethics office and Indigenous employees through the RAIN network
 - We've created a safe environment to raise sensitive issues
- Mandatory respectful workplace training and optional Indigenous Awareness training for all employees
 - We've implemented this training (see question 3e)

We also support retention through measures as described in 3c related to upward mobility support.

3.c) What resources and support does the company provide to Aboriginal employees, to aim for and achieve upward mobility?

Answers to 3c and 3d are linked because of the important role that capacity development plays in promoting upward mobility. We have a robust, multi-faceted Capacity Development Program that asks employees, including Indigenous employees, to identify their career goals and training needs and then develop supports around those.

Promoting advancement of Indigenous employees begins at initial hiring. Our Indigenous Employment team shares information about career paths at BC Hydro with candidates and new employees so that they look beyond their immediate job to longer term career options and have an appreciation of the prerequisites.

Annually, all managers meet with their employees to discuss and prepare an annual professional development plan. Employees are asked to prepare by considering their career goals and identifying their training and development needs and wants. Managers in turn are asked to consider not only their employees' immediate training needs, but also to support their longer term potential. From these development plans, education and training needs, mentoring opportunities and rotational job opportunities are identified, training is justified, and plans put into action. At mid-year there is a check-in to gauge progress, before evaluating fulfillment at year-end. Because these plans are custom fit to employees' aspirations, Indigenous employees can express their particular needs through this process and be supported in pursuing them.

As we strengthen cultural awareness and sensitivity related to diversity in the workplace, we also strengthen the capacity of managers to support the upward mobility of their Indigenous employees. As discussed in our response to question 3e, we are expanding Indigenous cultural awareness training. We've also initiated work to refresh our diversity program to shift diversity from being a stand-alone type

D. EMPLOYMENT

of initiative to becoming a cultural norm. The program, while maintaining focus on meaningful representation, will put more emphasis on inclusion, where everyone has a role in creating a positive and respectful workplace and where individuality is celebrated. Particular attention is being paid to how we promote inclusion at each stage of the employee lifecycle, including succession and development.

The company also supports employees in achieving their personal development goals through a Mentoring and Coaching program that offers employees the opportunity to participate as mentors and coaches, as well as mentees and coachees. This program exposes employees to people outside their groups and provides them with additional avenues of support. We are currently exploring advancement of a small cohort of coaches to provide internal and external coaching of Indigenous candidates. They would be paired with Indigenous candidates to support and encourage them on their career exploration paths with us and our contractors. This opportunity supports upward mobility of Indigenous candidates and supports our goal of increasing awareness of Indigenous interests throughout our workforce.

Below are some specific examples of where and how support has been provided to address Indigenous employees' career goals:

- We work across business units to support transitioning Youth Hires (eight-week intern program) into careers with us. For example, one Indigenous candidate who started with us as a Youth Hire in 2012 was hired back within six months as a Trades Trainee, shortly thereafter transitioned into an Apprentice program, and in early 2017 passed his Red Seal exam as a Power line Technician (PLT). He now has his PLT Journeyman status and was hired into a full time position in late 2017. Career counselling and planning support helped this candidate to progress at each next stage of his development.
- Last year an Indigenous employee was sponsored to attend the annual Governor General's Canadian Leadership Conference, which is an intensive year-long program with a national cohort. In a survey by conference alumni, 88% said the conference helped them develop their leadership skills and 75% indicated it had a lasting impact on their career.
- Indigenous employees are invited to participate in company-wide or leadership-related activities such as speaking at employee onboarding sessions, emceeding Indigenous Day events or hosting Indigenous Relations discussion forums. These opportunities support personal and professional development and can add to their annual development.

3.d) What training and education upgrading or capacity-building programs are in place for Aboriginal employees?

BC Hydro does not have dedicated development programs specifically for Aboriginal employees because our intent is to have Aboriginal representation across all occupational categories. However, many of our Aboriginal employees are currently pursuing careers in trade-specific roles where the development path is structured to build capabilities from the pre-apprentice intakes to mastering the requisite skills and experience to become a certified journeyman.

For Aboriginal employees not in the trades, the BC Hydro approach is to develop all employees. We assert that training and development are vital to every employee's professional effectiveness and personal engagement.

To support all employees in their professional development, BC Hydro offers:

- Leadership development – aimed at Managers of all levels to strengthen leadership skills
- Professional and career development – aimed at all employees to increase professional capability and prepare them for future roles
- Coaching and mentoring programs – to support employees in a custom

D. EMPLOYMENT

approach to reaching their potential

- Career pathing resources – to clarify job options within functional disciplines
- Career classifieds and job postings – to provide visibility into short term (temporary backfills, vacation relief or job shadow) and long term job experiences and opportunities
- Formal training to support trade-specific skills and to support developing safe working practices
- Educational courses on a wide variety of skills taught by industry experts in software, creative, and business skills.

BC Hydro is also committed to helping all employees develop personally through:

- An employee and family assistance program wherein employees and their dependents can access a wide range of 24/7 support
- Access to “Lifespeak” which provides thousands of health and wellness resources to support employees and their families through every life stage.

3. e) What Aboriginal cultural awareness training have all employees gone through to gain an appreciation and understanding of Aboriginal culture? Outline the content and provide a breakdown of participants.

As described in this submission, over the 2015-2017 reporting period we undertook a multi-pronged approach to deepening employees’ appreciation and understanding of Indigenous culture. Training supports our external interactions with Indigenous people and also creates a more supportive workplace. Additional references to Indigenous awareness training are provided under Leadership question 2e.

New Employee Orientations

Each year, several hundred new employees go through our orientation session that includes a section on the importance of our relationships with Indigenous communities, our Statement of Indigenous Principles, and the unique history of Indigenous people in B.C. The historical context of our relationships is discussed, as well as the legacy of the Indian Act. This is an initial opportunity to set employees’ awareness of Indigenous issues in relation to our operating context, as new employees come from diverse backgrounds (see Exhibit E-EXH12– Employee Onboarding deck).

Respectful Workplace Training

Our Respectful Workplace Program ensures employees understand our Code of Conduct. Training is also mandatory for new employees; this training was adjusted a year ago to better highlight relevant scenarios involving Indigenous employees.

Indigenous Relations Strategy Implementation

Since 2015 we have been implementing our Indigenous Relations Strategy through customized training focused on employees’ particular roles. This training has reached several hundred employees and management teams. It includes:

- Training for the project management community to learn about the need to meaningfully demonstrate respect for Indigenous perspectives, history and culture and to incorporate learnings and feedback into their plans;
- Training for the project management, program delivery and procurement groups on the new Indigenous Procurement and Contracting Policy.
- Training in advanced, interest-based negotiation skills with Indigenous communities.

Community and Region Focused

As we have focused on growing our relationship with specific communities, and as we have begun work on projects near communities, we recognize the need for deeper awareness and understanding that is

D. EMPLOYMENT

specific to those regions and communities. This has taken two forms:

- Communities have offered cultural awareness training and cultural awareness-building experiences for our employees and our contractors. For example, [REDACTED] provided cultural awareness training for employees and contractors during our substation project in their region, and [REDACTED] First Nation provided cultural awareness training to our Indigenous Relations and project team members who work in their territory on the Site C project and others.
- We have organized information and training sessions for employees in specific regions of the province where we have signed a Relationship Agreement and need to involve local employees in implementing and living up to the spirit of the Agreement.

On-demand courses

To support employee groups and individuals who identify a need for training, our training department offers two on-demand classroom courses delivered by an outside provider (Indigenous Awareness Training and First Nations Relationship Building). These are available to all employees.

Indigenous Awareness Training Program

To support the company's broader Diversity Program, in 2017 a company-wide Indigenous Awareness Training Program was developed with three components:

- E-learning module of core knowledge accessible to all staff and contractors (launching March-May 2018)(see Exhibit E-EXH13-Overview of IAT).
- "Applying our Principles" is a half-day instructor-led course to deepen cultural sensitivity and educate staff on how to relate the Indigenous Relations strategy and principles to their specific job. We plan to have local Indigenous community members support delivery of this Program.
- "Putting our Principles into Practice" is a half-day instructor-led course to support employees' knowledge of specific communities and Relationship Agreements in their area and how to support those relationships.

3.f.) How does the company accommodate Aboriginal cultural practices in the workplace (for example, allowances for seasonal hunting or other traditional practices, or the promotion of cultural exchanges)? Provide specific examples and copies of the policies and/or procedures

Our accommodation of cultural practices extends both within the organization and externally in our work with Indigenous communities. We have a guiding principle that we will honor cultural practices based on an individual's needs, and as a company we accommodate requests from communities and individuals accordingly. We have found that each scenario is different and requires specific consideration that we seek to accommodate. As a result, a set of policies or procedures is not defined.

Some examples of requests for accommodation that have been supported include:

- In a "Pathways to Success" program with the [REDACTED] Nation, there was a passing of an elder. It is tradition that when an elder passes in a [REDACTED] community, a fire is lit and will stay burning 24 hours a day as the fire-keepers stand by the fire and women stay with the body until the funeral. Some participants in the training program were needed by the community for this cultural practice, so we created a break so that members of the community could participate. Upon return, each day started with a prayer and acknowledgement of the loss of the elder to reinforce this respect, and our employees were invited to participate.
- In Indigenous employee requested to spend National Indigenous Day with his family and this request was honored.
- Along with the [REDACTED], we co-hosted an important relationship event in the region in 2017. [REDACTED]
- Cultural exchanges for Indigenous employees are promoted through BC Hydro's internal RAIN network.

D. EMPLOYMENT

- When an employee needed time from work to travel to their community to vote for Band Council, flexibility was offered to take time in lieu.
- Employees are encouraged to attend the annual Reconciliation Walk each September, participate in Orange Shirt Day at work, as well as attend the celebrations as part of National Indigenous Day that we host.

3.g) Does the company have an internal Aboriginal employee group, network or program, and is it active and accessed by Aboriginal employees? If yes, outline the approach

The RAIN Network (described above) hopes to engage all Aboriginal Employees (First Nation, Metis and Inuit) on how the employee network can best support all Aboriginal employees throughout the province and are interested in:

- Sharing their experience and wisdom to support other Aboriginal employees
- Building understanding and awareness of First Nations history and culture within our BC Hydro community
- Building understanding and awareness of BC Hydro opportunities and initiatives within their home communities
- Assist with Aboriginal capacity building (profile Aboriginal employees that young people identify with and aspire to)
- Bring into the open any built-in assumptions that are more of a burden to Aboriginal employees than to others, to assist in making the organization as barrier-free as it can be.

The Network continues to invite all Aboriginal employees to share in establishing and creating a sense of community that embraces the uniqueness and richness of Aboriginal culture and heritage. The RAIN Network tries to meet every other month and is in the process of re-visiting its Terms of Reference and to renew interest in becoming a more active Network. An internal video was produced to encourage all employees to see what RAIN Network is all about (see Exhibit E-EXH10-VIDEO-VMountain on the BC Hydro PAR website). It is the hopes of the core group that previous members will return and new members will become more involved.

3.h) How does the company support internships, apprenticeships or scholarships for Aboriginal persons? Expand

There are a number of internship, apprenticeship, scholarship and bursaries opportunities for Indigenous people that we support:

Youth Hires and Internships

Our Youth Hire program provides summer employment opportunities for Indigenous youth. Each year, this two-month paid job-shadowing program creates opportunities to explore various trades and technical work environments. Once through the program, we help youth and interns prepare for employment opportunities. Job-shadow placements may be with electricians, communication and protection control technicians, mechanics, engineers, environmental monitors, customer care, design and civil inspection teams or any other area of interest for a particular candidate. In total, we supported 50 youth hires and internships from 2015-2017. In 2015, we supported 14 Indigenous Youth Hires (of 20); 17 in 2016 (of 20), and 18 in 2017 (of 22).

In addition to the specific Youth Hire Program, we've supported multiple paid internship opportunities. On Vancouver Island, [REDACTED] First Nation community members participated in an internship which

D. EMPLOYMENT

enabled them to gain experience with our project teams and as driver helpers. In October 2017, we created a three-month paid internship opportunity for a [REDACTED] First Nation member to job shadow with our Indigenous Relations team in the local Fort St John office. The individual primarily worked in the area of training and employment readiness for Indigenous candidates interested in work on the Site C and other projects. This was our first Indigenous Internship in [REDACTED] region and we aim to explore more opportunities based on our positive experience with this.

Indigenous Scholarships and Bursaries

Our scholarship and bursary program provides annual awards for post-secondary students as follows:

- Bursaries of \$2,000 for students in trades programs or diploma program
- Scholarships of \$5,000 for students in full-time degree granting programs
- One Randy Brant Memorial Scholarship of \$8,000 for a student in a full-time program (showing academic excellence)

We awarded \$43,000 in scholarships and bursaries in 2015; \$73,000 in 2016; and \$72,000 in 2017 (see Exhibit E-EXH14-2017 Indigenous Scholarship Recipients). In addition, scholarships were made available (\$300,000) to 80 candidates by the Site C Project. Application information is publicly available on our website at bchydro.com. See also an external scholarship award article awarded to a [REDACTED] Indian Band Member (<https://www.bchydro.com/news/conservation/2015/ubc-student-receives-aboriginal-scholarship.html>).

Apprenticeships

Our Apprentice Trades Training Committee is responsible for administering our apprentice and trainee programs; this includes ensuring apprentices receive all required training and supports necessary to become successful tradespersons. Our Trades Training Center provides classroom and on-the-job training for our apprenticeship and pre-apprenticeship programs. Indigenous apprentices are supported by our Indigenous employment and training team from intake to hiring and we also have a dedicated Human Resources Program Advisor who works closely with the training committee to ensure that the Indigenous candidate pool is reviewed and that applicants are provided with coaching and critical feedback (if required) to identify ways to address skills gaps in order to prepare for future intakes. We hired 15 Indigenous apprentice and pre-apprentices from 2015 to 2017.

3.i.) Are key suppliers and contractors to the company required to set Aboriginal employment targets for their own business? If yes, outline the policy.

Yes. As described in the Leadership and Business Development sections, our Statement of Indigenous Principles applies to anyone doing work with or for us, including our suppliers and contractors. All public bid documents include a copy Statement of Indigenous Principles. In addition, our Indigenous Procurement Policy allows us to include Indigenous engagement and Indigenous participation requirements in public bid documents. This may include a requirement for the contractor to:

- Use reasonable commercial efforts to support our commitments to Indigenous groups regarding business, employment and other opportunities
- Prepare an Indigenous Participation Plan which identifies employment and training targets for Indigenous people in the performance of the work
- Submit an Indigenous Participation Performance Report with each progress payment which includes the number of Indigenous people hired, number of hours and cumulative of each; the number of people and their hours in training, type of training and cumulative amount; and any variances from the targets set out in the Indigenous Participation Plan (see Exhibit E-EXH15-Indigenous Participation Plan).

4. Results

a) Were targets met on Aboriginal employment levels?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets.

D. EMPLOYMENT

In the broadest sense, we continue to work toward meeting our overall target to raise Indigenous representation in our workforce (currently 2.7%) to a level commensurate with the Indigenous workforce (4.6%). In the Trades and Technical areas, we have met this target, with 4.6% Indigenous representation (87 Indigenous employees). Our success in this area indicates that we are developing capacity that is not readily available in the labour market. This also signals our ability to build capacity in the Indigenous workforce through entry-level job experience, educational support and program bridging (see question 2.d. Exhibits).

We recognize that to meet the overall target to raise Indigenous representation in our workforce we need to broaden our program to explore other entry points for Indigenous candidates and systematically reinforce the range of opportunities we have to offer through our engagement.

Key challenges include:

- We're focused on supporting communities located near our infrastructure, many of which have significant employment challenges that can only be addressed over the long term. (See response to question 3b.)
- Competition by private-sector companies offering richer, more flexible compensation packages
- As highlighted previously, our minimum entrance requirements for our trades apprenticeship programs are higher than other industries.

4.b.) Were targets met on Aboriginal employee retention?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets

Employee retention is relevant to any organization that seeks to have a productive and engaged workforce and many of the drivers behind this area hold true for Indigenous and non-Indigenous employees. Drivers of retention consistently include salary, career advancement, physical work environment, job security, ability to manage work related stress, relationship with supervisor/managers and trust/confidence in senior leadership. We offer all of our employees meaningful work, competitive compensation, diversity of career paths, the opportunity to grow and develop through in-person and online courses, access to personal coaching and mentoring and performance planning and goal setting. In addition, we have comprehensive employee benefits, including pension/retirement plans, vacation/time off, medical, dental and health programs and work-life effectiveness programs including workplace flexibility, paid/unpaid time off, access to health and wellness programs and community involvement.

We track numbers on employee retention but do not have specific targets. The unofficial target is that retention numbers are the same among Indigenous and non-Indigenous employees. Our data presented in question 2 shows that we have had low and stable attrition rates for the past five years, with the Indigenous retention rates similar to that of non-Indigenous employees:

- In fiscal year 2015, the hiring rate (17.4%) for Indigenous employees was greater than the hire rate for non-Indigenous employees (9.0%), which meant that Indigenous representation within our workforce increased. In F2015, the percentage of Indigenous employees who left the organization (14.7%) was greater than that of non-Indigenous employees (7.5%), so representation decreased. Job levels and salaries for our Indigenous employees improved relative to those for non-Indigenous employees: 14.7% received promotions compared to 10.2% among their non-Indigenous colleagues.
- Again in fiscal year 2016, the hiring rate (16.6%) for Indigenous employees was greater than the hire rate for non-Indigenous (6.3%). However, the separation rate for Indigenous employees (11.9%) was greater than that of non-Indigenous employees (8.0%). More Indigenous employees (9.3%) received a promotion than non-Indigenous employees (8.6%) which means that job levels and salaries for Indigenous employees improved relative to those for non-Indigenous employees.

D. EMPLOYMENT

- Once again for fiscal year 2017, the hiring rate (24.9%) for Indigenous employees was greater than the hire rate for non-Indigenous (12.7%). However, the separation rate for Indigenous employees (12.8%) was greater than that of non-Indigenous employees (5.2%). More Indigenous employees (13.4%) received promotions than non-Indigenous employees (10.0%) which means that job levels and salaries for Indigenous employees improved relative to those for non-Indigenous employees (see question 2c. Exhibit – Flow documents).

The “flow” rate presented in Exhibit E-EXH4-Flow Rates (question 2c.) is representative of the temporary nature of some of the roles at BC Hydro, notably, the annual two-month job shadowing Youth Hire program, which for the last three years has employed between 14 and 18 Indigenous youth annually (question 3.h.).

Key challenges that we face in trying to meet retention targets include:

- Competitive market for Indigenous candidates, particularly in the private-sector (higher compensation and/or advancement opportunities)
- Limited professional development opportunities beyond scope of internal career path (e.g. pursuit of post-secondary programs beyond current role requirements)
- Competition by private-sector companies offering richer, more flexible compensation packages
- Providing timely and adequate support for managers of Indigenous employees (as our Indigenous employee base increases)
- Our Youth Hire program continues to skew our data as they are short term temporary hires

Our Indigenous Relations Employment and Training Steering Committee and Executive acknowledge that retention is a key area of focus and that as we increase our Indigenous employee population we need to more comprehensively address this to support our inclusion objectives.

This will inform our workplan going forward, as our focus to date has been on building awareness of employment opportunities and preparing individuals for work at BC Hydro. As we continue to improve the internal pathways process, retention will be an area of emphasis.

4.c) Were targets met on workplace composition?

I. If yes, expand and provide supporting data in appendix.

II. If not, explain why and expand on the key challenges faced in striving to meet targets

As identified in question 2a, we do not have specific targets on workplace composition; however, through the quarterly reporting to and from BC Statistics, we track our workplace composition numbers.

Compared to overall employee numbers, Indigenous employment is notably higher in the areas of trades apprentice, administration and clerical and lower in the areas of professional and senior management. Our Indigenous employee composition in the North region and in the skills crafts and trades are higher than the BC average (see question 2.d. III Differentials Exhibit).

Key challenges include:

- High labour market competition for skilled Indigenous candidates with qualifications and experience in management and professional occupations
- Due to hiring constraints, most of our hiring has been in the Trades and Technical areas in the last several years
- The geographic distribution of Indigenous communities throughout the province and our interest in providing jobs near communities means that there is an emphasis toward trades and technical professions compared to other roles

CONFIDENTIAL ATTACHMENT

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 52

HEARING DATE: March 2, 2020

REQUESTOR: BCUC, Mr. Miller

TRANSCRIPT REFERENCE: Volume 13, Page 2495, line 21 to Page 2496, line 8

TRANSCRIPT EXCERPT:

MR. MILLER: Q Okay. So with respect to the first quartile benchmarking study – it's the same question I originally asked – how do you compare against those utilities in the first quartile benchmarking study and if there's a difference between your performance on distribution and transmission? Could you explain that for the panel?

MR. KUMAR: A So just to clarify, are you looking for the reliability performance overall or the reliability performance with respect to vegetation management?

MR. MILLER: Q Vegetation management.

MR. KUMAR: A So we do have reliability information in the first quartile benchmarking study. I don't have it with me, so I'm happy to do it as an undertaking.

QUESTION:

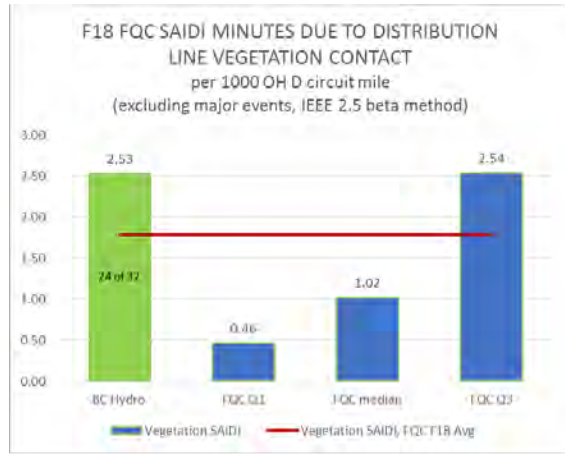
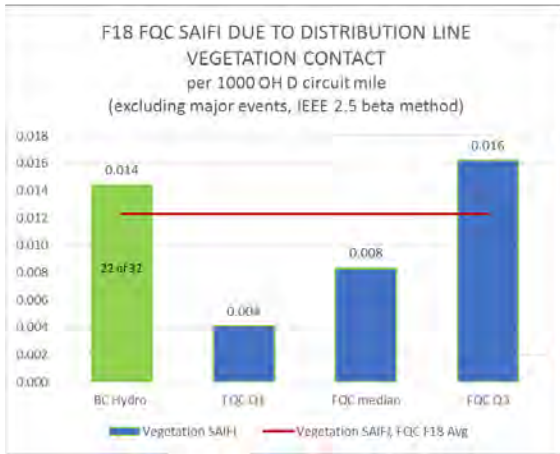
Please provide any information related to reliability performance of BC Hydro's vegetation management.

RESPONSE:

BC Hydro has participated in a suite of benchmarking studies that provided a high level indication of BC Hydro's performance in relation to industry performance and trends. Due to the diversity in study participants, it is difficult to draw definitive conclusions from a single metric without any detailed analysis. For example, some utilities in the charts below have zero outages due to vegetation contact because they are in barren areas, but are included in the aggregated metrics. Many of the utilities in this study serve dense urban areas with dominant underground distribution systems and do not have the same overhead distribution and transmission lines spanning long distances exposing to high vegetation like the ones in BC Hydro system.

Please see below for BC Hydro's fiscal 2018 reliability performance with respect to vegetation contact on distribution lines compared to the First Quartile Benchmarking participants. First Quartile Benchmarking data is not available for vegetation caused transmission outages.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application



BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 57

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2671, line 24 to Page 2675, line 3

TRANSCRIPT EXCERPT:

MR. BAER: Q First, if I could please get your to turn to Exhibit B-6, which is then INCE IR 1.6.17. I believe for those following along electronically that's at PDF page 1,714.

MR. HOBSON: A Okay, we have the IR.

MR. BAER: Q Great. So just to confirm, this IR response is about the load shedding scheme in the Peace Region, right?

MR. HOBSON: A I'm sorry, can you say that again?

MR. BAER: Q The IR is about the load shedding scheme in the Peace Region?

MR. HOBSON: A Yeah, I'm not familiar with the IR and it's quite lengthy but it looks to be the case.

MR. BAER: Q The one I have is only once page long, INCE 1.6.17.

MR. HOBSON: A I have that, I guess when I was saying lengthy I didn't have the chance to read it, so --

MR. BAER: Q Ah great, thank you. So I want to focus, for our purposes, on the last two paragraphs of the response and I'll just read those for the record.

"In addition to above load shedding scheme, BC Hydro has a generation agreement in place with one industrial customer in the Peace Region. The agreement allows BC Hydro to curtail up to 24 megawatts of the customer's load to address system events. Commercial terms of the agreement, including payments made to the customer, are confidential. Load curtailment is affected by islanding the customer plant load from the grid and dispatching customer owned generation to supply electricity to the islanded plant.

BC Hydro can exercise this generation dispatch at any time during the agreement term with 72 hours' notice. The minimum dispatch period is 7 days, there is no maximum allowable duration or number of dispatch events. To date there has been one dispatch even under this agreement,

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

the duration of the event was 11 days, commencing on March 4th, 2019 and ending on March 15th, 2019."

Do you see that?

MR. HOBSON: A I see it, yes.

MR. BAER: Q Great. So just to confirm, BC Hydro has a load curtailment arrangement with a customer in the Peace Region, right?

MR. HOBSON: A Yeah. I think, and I'm not directly involved with this one but I think it's consistent with the generation arrangement that's outlined in the greenhouse gas reduction report under infrastructure projects.

MR. BAER: Q Okay, thank you. Now, just to look at some of the terms of this specific arrangement which are set out in the response here, we see for example that there are 72 hours' notice that are required, the minimum dispatch period is 7 days and there's no maximum allowable duration or number of dispatch events, right?

MR. HOBSON: A Yes, and again I'm not familiar with this particular project but --

MR. BAER: Q Okay. So are you not the folks that would be able to answer more specific questions about the arrangement in place here?

MR. HOBSON: A I don't think I would be able to and I think you might be thinking that because of the terms "load curtailment" assigned to it but I believe it's more of a generation arrangement that's outlined. And like I say, it falls within the project infrastructure under the GRR, I believe, under one of the prescribed undertakings that's fairly unique for this particular project.

MR. BAER: Q So with that being the case I'll perhaps just pose a question to you which you may have to take as an undertaking but we'll see.

The question is, given that the load curtailment arrangement requires a minimum dispatch period of 7 days, is the price of the arrangement set to compensate the customer for lost production or is it set based on the lowest alternative cost resource?

MR. HOBSON: A Yeah, I would not be able to answer that for you, sorry.

MR. BAER: Q Would you be able to take that as an undertaking then?

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

QUESTION:

Does BC Hydro's load curtailment arrangement with a customer in the Peace River region, which requires a minimum dispatch period of seven days, require BC Hydro to compensate the customer for lost production, or is the arrangement based on the lowest cost alternative resource?

RESPONSE:

The generation agreement between BC Hydro and a customer in the Peace River region referenced in the exchange between Mr. Baer and Mr. Hobson is not a load curtailment agreement that has any resemblance to the load curtailment arrangements that BC Hydro entered into with industrial customers who participated in its industrial load curtailment pilot program. The generation agreement is described in Exhibit B-31, BC Hydro's Response to BCUC IR 2.18.1, Attachment 1 (page 19). The redacted information is customer specific information and has thus been kept confidential. For ease of reference, it is duplicated below:

As reported in the Fiscal 2018 GGRR Annual Report, BC Hydro entered into a Generation Agreement with [REDACTED] to provide [REDACTED] generation as a [REDACTED] mechanism until the PRES Project is in service.

During periods of actual or anticipated system constraint, under the Generation Agreement, BC Hydro has the right to direct [REDACTED] to [REDACTED] its facilities in Northeast B.C. ([REDACTED] and [REDACTED]) from the grid and self-supply with electricity produced by [REDACTED] on-site generating units. BC Hydro treats [REDACTED] generation as a system resource, such that any self-generated electricity temporarily replaces electricity that would otherwise be provided from the BC Hydro transmission system. The Generation Agreement achieves the purpose of providing reliable electricity supply to electrified [REDACTED] facilities during events of system constraint until the PRES Project comes into service.

Further information on this generation agreement is provided in BC Hydro's response to INCE IR 1.6.17. As stated in that response, commercial terms of the generation agreement, including payments made to the customer, are confidential. However, BC Hydro can confirm that under the agreement, BC Hydro does not compensate the customer for lost production and that payments to the customer are not based on the lowest cost alternative resource.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 58

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2677, line 9 to Page 2679, line 13

TRANSCRIPT EXCERPT:

MR. BAER: Q So, I will ask a few further questions. I understand that some of the details might be confidential, so to the extent that that is the case, perhaps you might be able to arrange to file undertakings confidentially depending on how things proceed?

So, to start, can you confirm whether the load curtailment for this particular program at the Hope Substation was limited to blocks of a particular time, say 16 hour blocks, or four hour blocks, anything like that?

MR. HOBSON: A Yeah, I won't know the specific details, but I can tell you it may have looked different than what we would have done for broader load curtailment with industrial customers, because we are looking at a very specific opportunity within a substation, relative to what we would look at in terms of a capacity constraint within a system. And beyond that I don't know the details of this specific arrangement, but it would not surprise me if it was different than what we would have done previously.

MR. BAER: Q So you don't know the details today, but would you be able to look into those?

MR. HOBSON: A We could look into those, and I'm sure we could undertake to provide you with some of the details. And like I say, we might border on some confidentiality that we would have to be aware of.

MR. BAER: Q Understood.

MR. BYSTROM: I just rise to note that if it is customer confidentiality, we will be providing those only to the Commission panel and not to intervenors, and so that may -- I'm not sure if you still want to pursue that or not, if that would be useful to you, but that would be terms under which we would provide it.

MR. BAER: Q Thank you. I will proceed, but that is understood.

So I will add a few more details that we'd appreciate on this particular substation, and perhaps we can wrap those into the same undertaking as well. So, in addition, we are interested in whether the program is limited to the winter period, and if so for which months. How many times the industrial customer's load has been curtailed. And what the length of time for the curtailments was. Whether the price offered to the industrial customer was based on the cost of other capacity options available to BC Hydro or based on lost production time of the customer? And whether there was any competition for pricing between potential participants in the load curtailment

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

program, for example through a bidding process? And if I could ask if you might be able to provide the same information for the Pineview and Kent Substations, that were described by Mr. Kumar as well, subject to the same caveats?

QUESTION:

With respect to BC Hydro's load curtailment arrangement at Hope Substation, Pineview Substation and Kent Substation:

- (a) Is it limited to specific time blocks or other timing conditions?
- (b) Is it limited to the winter period, and if so, for which months?
- (c) Is it limited to how many times the industrial customer has had its load curtailed?
- (d) Is the curtailment price offered to the industrial customer based on the cost of other capacity options available to BC Hydro, or, based on lost production time of the industrial customer?
- (e) Was there a competitive process to qualify for the program?

RESPONSE:

In each of the substations a number of capacity-focused DSM activities were investigated and acted upon. Load curtailment for industrial customers was one such activity that was utilized at the Hope and Pineview substations. Load curtailment has not been utilized at the Kent Substation.

A limited number of industrial customers would be candidates for the localized DSM pilots, due to the number and size of the industrial customers served by each substation.

- (a) Customers participating in the pilot at the Hope and Pineview substations were curtailed in four-hour blocks based on expected peak days from the localized substation load forecast;**
- (b) Load curtailment events are limited to the winter period, specifically from November through March;**
- (c) There was a limit to the number of times a customer could be called in the winter period. It ranged from five times to 20 times, depending on the customer, substation and year;**
- (d) The price offered to industrial customers was not based on the cost of other capacity options available to BC Hydro, nor on the lost production time of the industrial customer. An offer price was selected based on a level that BC Hydro felt would be required to secure the customer's participation; and**
- (e) A competitive process was not used for the localized DSM pilots. Customers had to be of a certain size and each customer that was within the required**

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

size was contacted as to whether they wished to participate. BC Hydro was more interested in understanding customer acceptance and response, especially with respect to small and medium business as part of the overall goals of the pilot.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 59

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2681, line 1 to Page 2682, line 19

TRANSCRIPT EXCERPT:

MR. BAER: Q Moving on to another topic, going to handout another document and this is BC Hydro's response to BCUC IR 2.318.1 from the Fiscal 2017 to Fiscal 2019 revenue requirements application. So I'd ask that this be marked as an exhibit as well, I believe that's C11-27.

THE HEARING OFFICER: Marked C11-27.

MR. BAER: Q So in this IR BC Hydro was asked:

"Please estimate the cost to BC Hydro (in dollars per kilowatt year) of the capacity obtained from industrial customers in year 1 of the pilot (based on the cost of the incentive only)."

You see that?

MR. HOBSON: A I do see that?

MR. BAER: Q And I just want to confirm, this pilot, that's referring to the industrial load curtailment pilot, correct?

MR. HOBSON: A Yes.

MR. BAER: Q BC Hydro answers that,

"The initial estimated cost to BC Hydro was \$57 per kilowatt year based on the 126 megawatts contracted in year 1 of the pilot. That estimate was for up to 28 days of 16 per day curtailment (448 hours). The actual cost was \$49 per kilowatt year based on the average capacity provided by each customer. The \$49 per kilowatt year was lower than the contract capacity value because customers curtailed more than the amount contracted."

Do you see that?

MR. HOBSON: A I do.

MR. BAER: Q So the industrial load curtailment pilot was a three-year program, correct?

MR. HOBSON: A It was a pilot that was run over a three-year period.

MR. BAER: Q And this response refers to the first year of that pilot, correct?

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

MR. HOBSON: A Yes.

MR. BAER: Q Would you be able to update this IR response to include the estimated cost to BC Hydro in dollars per kilowatt year of the capacity obtained from industrial customers in year three of the pilot?

QUESTION:

Update BC Hydro's response to BCUC IR 2.318.1 from the Fiscal 2017 to Fiscal 2019 Revenue Requirements Application with an estimated cost in dollars per kilowatt year, for the capacity obtained from industrial customers in year three of the load curtailment pilot program.

RESPONSE:

The initial estimated cost to BC Hydro was \$34 per kilowatt year based on 131 megawatts contracted in year three of the pilot. The requirements for participation in year three were substantially different than year one and year two. In year three, the estimate was for 18 days of curtailment with four hours of curtailment per day for a total of 72 hours. The actual cost was \$32 per kilowatt year. The difference reflects calling on customers to curtail for fewer hours than estimated in year three.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 60

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr. Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2679, line 17 to Page 2680, line 25

TRANSCRIPT EXCERPT:

MR. BAER: Q Certainly. Thank you.

So, moving on. Could you turn now please to Exhibit B-13, and we are looking for BCSEA IR 2.64.1, which I believe is at PDF page 479.

MR. HOBSON: A Can you repeat the reference just to make sure I'm on the right one.

MR. BAER: Q It's BCSEA IR 2.64.1 and that should be two pages long.

THE CHAIRPERSON: PDF 479.

MR. HOBSON: A Yeah, I have that.

MR. BAER: Q Okay, so the last paragraph on the first page here says:

"The estimate total cumulative kilowatt savings targeted through the Pineview Substation pilot during the test period would contribute to deferring capital investments."

Do you see that?

MR. HOBSON: A I do.

MR. BAER: Q So to confirm, the load curtailment being tested at Pineview could result in the deferral of capital investments, correct?

MR. HOBSON: A Yes.

MR. BAER: Q In dollar terms, about what value of capital projects does BC Hydro expect would be deferred?

MR. HOBSON: A For Pineview?

MR. BAER: Q Yes.

MR. HOBSON: A I don't know off the top of my head.

MR. BAER: Q Could you take that as an undertaking?

MR. HOBSON: A Yes.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

MR. BAER: Q And similarly, could you let us know how long those projects would be expected to be deferred for?

MR. HOBSON: A Yes.

QUESTION:

Please quantify the value of capital investments that could be deferred at Pineview Substation as a result of load curtailment initiatives, as discussed in BC Hydro's response to BCSEA IR 2.64.1. Further, please add how long BC Hydro expects to have deferred those capital investments.

RESPONSE:

At Pineview Substation, potential system improvement capital investments that may need to be considered in absence of a successful capacity-focused DSM are estimated to be in the range of \$3.5 million. The amount of peak load to reduce was 1.9 megawatts.

If through a combination of BC Hydro's conservation programs, demand response and load curtailment, the 1.9 megawatt reduction can be achieved, the potential capital investments of \$3.5 million would not need to be considered until after 2030.

BC Hydro Fiscal 2020 to Fiscal 2021 Reenue Requirements Application

BC HYDRO UNDERTAKING NO. 61

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr. Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2684, line 13 to Page 2687, line 5

TRANSCRIPT EXCERPT:

MR. BAER: Q I take your point. Could we turn to Exhibit B13 and we're looking for CEABC IR 2.34.1, which is at PDF page 570 for those following electronically.

MR. HOBSON: A 2.42.1?

MR. BAER: Q That's the one. So in the reference to this IR it's quoted that, in its response to CEABC IR 1.5.7 BC Hydro states:

"During periods when BC Hydro is in a deficit position, island generation will generally be dispatched more often when needed for reliability or when imports are limited by transmission or market constraints."

Do you see that?

MR. HOBSON: A I do see that.

MR. BAER: Q And then the IR asks BC Hydro to describe in detail market constraints, right?

MR. HOBSON: A Yes.

MR. BAER: Q And the last paragraph of the response, the second of two, says:

"In the context of BC Hydro's response to CEABC IR 1.5.7, we were referring to any situation where our expectation of the cost of imports, market price, to meet our deficit is greater than the cost of running island generation."

You see that?

MR. HOBSON: A I do see that.

MR. BAER: Q So understanding that this may not be within your immediate area of knowledge, you would be able to confirm that BC Hydro will also use Island Generation when the cost of imports is expected to be greater than the costs of running Island Generation. Is that fair?

MR. HOBSON: A Again, the decisions around the use of Island Generation are going to go beyond what I can speak to, so I can confirm the statements that you are reading into the record that are already on the record in the IRs, but I'm not sure I can be of much help to you beyond that.

BC Hydro Fiscal 2020 to Fiscal 2021 Reenue Requirements Application

MR. BAER: Q This may then be a matter for an undertaking, but I will ask a further question. When we're talking here about the cost of running Island Generation. I want to confirm whether BC Hydro is talking about the marginal cost of running the plant, or all in cost of operation.

MR. HOBSON: A As outlined in 2.34.1?

MR. BAER: Q That is correct.

MR. HOBSON: A I don't know the answer to that.

MR. BAER: Q Could you take that as an undertaking?

MR. HOBSON: A So maybe be specific for me in terms of what you're looking for out of that?

MR. BAER: Q So, my understanding is that there is some form of annual charge of fixed fees that are associated with BC Hydro's agreement with respect to the Island Generation facility. And my question is, you know, so there are these fixed fees, and then I assume there is also some marginal costs associated with operating the facility for any given period of time. My question is that when we are referring here, when BC Hydro is referring here to "the cost of running Island Generation," whether we are talking about the all-in cost, which would include those fixed fees as well, or just the marginal cost of running the plant.

MR. HOBSON: A Okay.

THE CHAIRPERSON: And does it also include carbon tax too. There is a reference to that in this question. So if you don't mind, if we could add that?

MR. BAER: Q Absolutely, the carbon tax as well.

QUESTION:

In BC Hydro's response to CEABC IR 2.34.1, BC Hydro refers to "the cost of running Island Generation". In this context, is BC Hydro referring to the all-in cost, which would include fixed annual fees, or is this the incremental cost of running the plant? Further, does this cost include the carbon tax?

RESPONSE:

In BC Hydro's response to CEABC IR 2.34.1, "the cost of running Island Generation" is referring to the incremental cost to BC Hydro of generating at the plant, and does not include fixed costs, such as our firm gas transportation contract. The incremental cost includes the market price of natural gas, Carbon Tax, Motor Fuel Tax, and variable gas transportation costs (for the portion of gas delivered above our firm gas transportation contract, if applicable). Please also refer to BC Hydro's response to AMPC IR 1.8.3.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 63

HEARING DATE: March 3, 2020

REQUESTOR: Mr. D. Ince

TRANSCRIPT REFERENCE: Volume 14, Page 2809, line 22 to Page 2810, line 20

TRANSCRIPT EXCERPT:

MR. INCE: Q Thank you. And final topic, Mr. Austin was previously asking about the Power Smart advertising budget. I thought I heard that there's \$7.5 million of advertising for Fiscal 20 and that would be -- I know Mr. Austin's sensitive to terminology, I assume that would be traditional DSM?

MR. HOBSON: A Yes.

MR. INCE: Q And I don't remember seeing in the information responses a breakdown of that in terms of how that advertising is broken down by different media, so for example, print, internet radio, events, is that anywhere?

MR. HOBSON: A Yeah, I don't think you'd have it any of our responses and I don't have information handy in terms of separation of things like radio and print and the like but it's going to have a variety of things in there. There's school education initiatives, outreach events, so there's a variety of different things contained within that budget.

MR. INCE: Q Is it realistic to ask a high level breakdown of that and let's say into the top six categories?

MR. HOBSON: A We could provide a further breakdown of some additional detail.

QUESTION:

Please provide additional detail on the breakdown of the traditional DSM public awareness budget for fiscal 2020.

RESPONSE:

The table below provides a breakdown of BC Hydro's public awareness budget for fiscal 2020.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

Segment	F2020 Budget (\$ million)
Public Awareness Advertising and Outreach <ul style="list-style-type: none"> • Customer campaigns (creative development, production, paid media strategy and purchase across digital, TV, radio, out-of-home channels etc.) • Paid search engine strategy • Public engagement with customers face-to-face at community events, home shows and retailers 	4.7
Digital <ul style="list-style-type: none"> • Conservation-related content for bchydro.com • Development of campaign-specific sites (desktop and mobile) including powersmart.ca • Production and delivery of customer newsletters for residential, commercial and industrial segments • Social media strategy, content creation, monitoring and customer response • Video production for social channels and web 	1.8
School Education <ul style="list-style-type: none"> • Development of curriculum based teaching materials • Classroom campaigns and limited time programs • Teacher outreach and youth outreach 	0.9

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 64

HEARING DATE: March 4, 2020

REQUESTOR: Ms. E Gjoshe

TRANSCRIPT REFERENCE: Volume 15, Page 2845, line 22 to Page 2846, line 16

TRANSCRIPT EXCERPT:

THE CHAIRPERSON: And I think we've also heard from Mr. Hobson that there is some benchmarking available on the DSM side, did I hear you correctly that have been done by other organizations, or government organizations?

MR. HOBSON: A Yeah, and recently there is an efficiency scorecard from Efficiency Canada that looks at the different provinces.

THE CHAIRPERSON: Is that in evidence?

MR. HOBSON: A It is quite comprehensive. I don't believe it is in evidence.

MS. HANLON: A No.

THE CHAIRPERSON: Could you possibly provide that please, or a link to that, or a reference to that?

MR. HOBSON: A We could, yes.

THE CHAIRPERSON: Or any other government information of that nature that may be useful to Ms. Gjoshe?

MR. HOBSON: A We could.

MS. HANLON: A Yes.

THE CHAIRPERSON: Is that alright, Mr. Bystrom?

MR. BYSTROM: Yes, that would be fine.

QUESTION:

Please provide the scorecard on provincial energy efficiency from Efficiency Canada.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

RESPONSE:

Efficiency Canada's Canadian Provincial Energy Efficiency Scorecard for 2019 can be found at the following link:

<https://www.scorecard.energycanada.org/wp-content/uploads/2019/11/Scorecard.pdf>

BC Hydro is not aware of any other government information of similar nature.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 65

HEARING DATE: March 4, 2020

REQUESTOR: ZONE II RPG, Ms J. McLean

TRANSCRIPT REFERENCE: Volume 16, Page 2856, line 24 to Page 2857, line 17

TRANSCRIPT EXCERPT:

MS. McLEAN: Q And with respect to that NIA DSM program, I want to just confirm Hydro's understanding of the term NIA as it's used there, because we've seen it used in two different ways in the application. So is it correct that when you're talking about the new NIA DSM program, you're referring to the 14 communities in zones IB, and II?

MS. HANLON: A That's my understanding, yes.

MS. McLEAN: Q Okay. And because elsewhere in the application included in NIA we've also seen reference to the purchase areas in the south interior and in the North Rockies regional municipality. So that, those areas are not included in the new NIA DSM program?

MR. HOBSON: A You know, what? I'm not familiar enough with those particular areas that you've noted, so I'm not sure I could comment further.

MS. McLEAN: Q Okay. Maybe we'll ask that – we'll leave that with you to undertake to advise us as to whether or not the new NIA DSM program includes those areas as well.

QUESTION:

With respect to the BC Hydro Non-Integrated Areas DSM Program, is the program available only to communities in Zones IB and II, or is it available to any communities outside of Zones IB and II such as “purchase areas in the south interior and in the North Rockies regional municipality”?

RESPONSE:

BC Hydro's Non-Integrated-Areas DSM program is currently available to all communities in Zone IB and II only.

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO UNDERTAKING NO. 66

HEARING DATE: March 4, 2020

REQUESTOR: Commissioner A. Fung

TRANSCRIPT REFERENCE: Volume 15, Page 2886, line 9 to Page 2887, line 11

TRANSCRIPT EXCERPT:

COMMISSIONER FUNG: If I may, please, I just want to follow up on the expenditures for the annual plan for Fiscal 2020 and that was shown as budgeted for \$1.2 million. And my question is, are the staffing costs associated with administration of that program, do they include the program manager and the relationship lead salaries as well?

MR. HOBSON: A Go ahead.

MS. HANLON: A In the program costs?

COMMISSIONER FUNG: Yes.

MS. HANLON: A Yes, that would be –

COMMISSIONER FUNG: So in the annual plan, the 1.2 million, does that include their salaries?

MS. HANLON: A Yes, that would.

COMMISSIONER FUNG: Okay, and how much does that come up to approximately?

MR. HOBSON: A I don't know off the top of my head but it would be – it'd probably be in the couple hundred thousand dollars for program staff.

COMMISSIONER FUNG: Okay. And now, we've heard some discussion about reasons for slow uptake in Fiscal 2020 for the program. What I would like to know is what exactly has been the expenditure to date, approximately?

MR. HOBSON: A I don't have that information off the top of my head.

COMMISSIONER FUNG: Can you undertake to provide that information?

MR. HOBSON: A Yes.

QUESTION:

For BC Hydro's Non-Integrated Areas DSM program, what is the actual expenditure to date for fiscal 2020? What are the costs associated with staff salaries for BC Hydro's

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

Non-Integrated Area Demand-Side Management program within its \$1.2 million budget for fiscal 2020?

RESPONSE:

The actual fiscal 2020 expenditures to the end of February for BC Hydro's Non-Integrated Areas (NIA) Demand-Side Management (DSM) program are \$825,000. BC Hydro's expects actual spend for the full fiscal 2020 year to be above \$1.0 million.

Within its \$1.2 million budget for fiscal 2020, the costs associated with staff salaries are \$342,000.

As BC Hydro's witnesses explained during the oral phase of the hearing (e.g., Transcript Volume 15, Page 2870, lines 6 to Page 2871, line 15), it has taken longer than anticipated for participation in this new DSM program to gain momentum in NIA communities. However, based on agreements BC Hydro has signed with communities in fiscal 2020, and interest we've seen from other communities within the NIA, we expect an increase in participation in fiscal 2021.