



View from Daajing Giids, Haida Gwaii looking out into Bearskin Bay, Photo: BC Hydro

NIA progress report

September 2022–September 2025

 **BC Hydro**
Power smart

Contents

- Acknowledgements **1**
- Introduction **2**
- Strengthening relationships and organizational capacity **5**
- Clean energy **9**
- Reliable energy **13**
- Affordable energy **18**
- Conclusion **23**
- Appendix **24**



Acknowledgements

BC Hydro acknowledges that our infrastructure is located on land where First Nations peoples have title and rights and have resided since time immemorial. We recognize that BC Hydro's system and operations have affected the land, and we share a responsibility to act as stewards for the land.

Thank you to all the First Nations in BC Hydro's Non-Integrated Areas (NIA) for your guidance, patience, and support. Over the past several years we have been engaging, listening, learning, unlearning, acting and updating our actions. We are deeply grateful for being on this journey with the First Nations. BC Hydro thanks them for their tireless advocacy, unwavering commitment, and specialized expertise to bring clean, reliable and affordable electricity to their communities.

We would like to thank the organizations we work with to deliver work and programs in the NIAs: The New Relationship Trust, Coastal First Nations Great Bear Initiative, Natural Resources Canada, Fraser Basin Council, Indigenous Clean Energy and the Ministry of Energy and Climate Solutions within the Government of British Columbia, and many types of suppliers and contractors.

This NIA Progress Report summarizes the key activities and progress that has been made in the NIAs from September 2022 to September 2025. BC Hydro intends to publish periodic update reports summarizing activities and results in the NIAs as part of our commitment to working openly and transparently with the First Nations and the broader communities in the NIAs.

Introduction

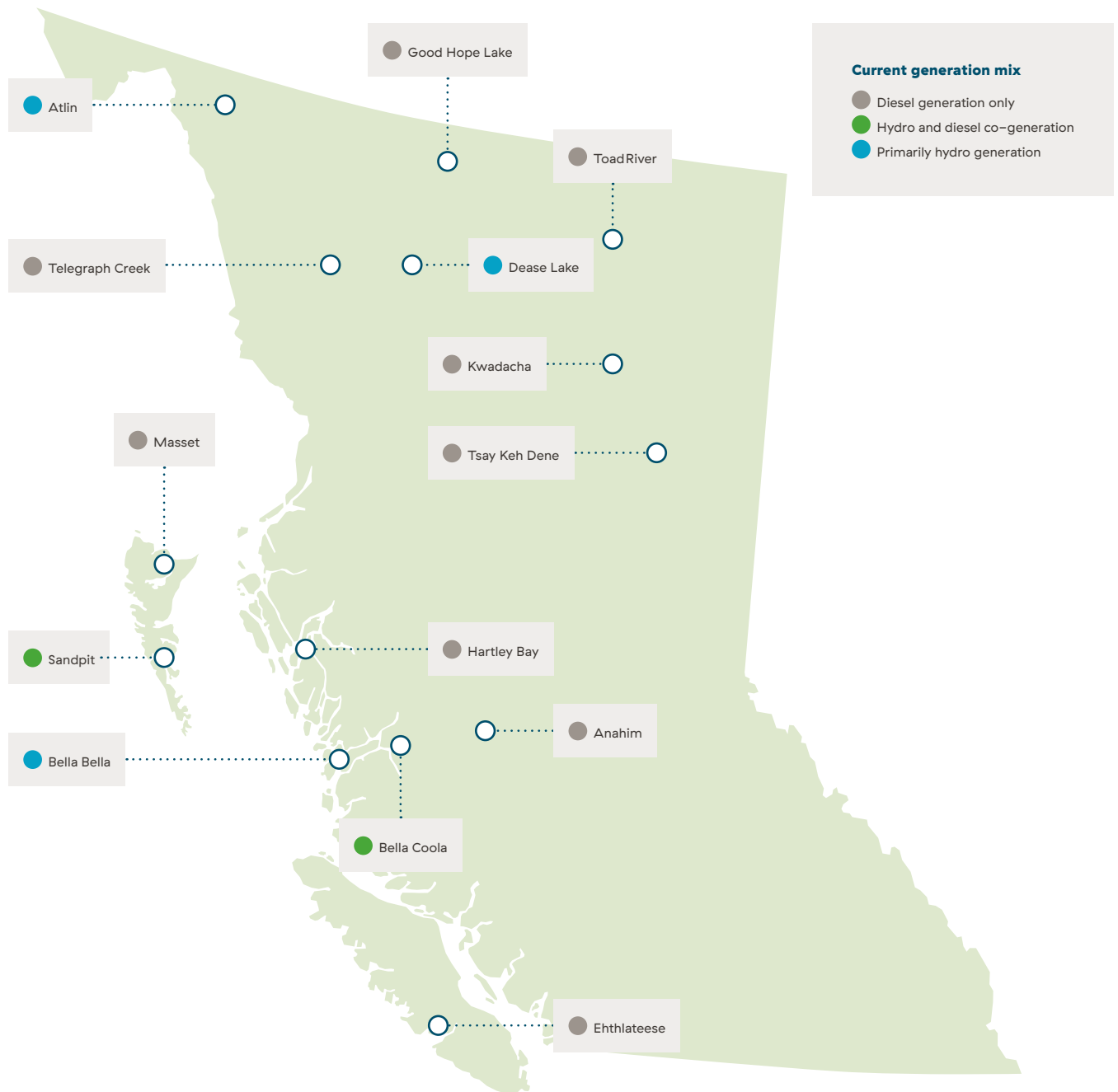




BC Hydro is committed to providing clean, reliable, and affordable electricity to all British Columbians. We do this by providing electricity to 95 percent of the population through an integrated system that is powered primarily by clean electricity. However, not everyone in BC Hydro's service area is connected to the integrated system. BC Hydro serves some communities through standalone microgrids in remote parts of the province, which are called Non-Integrated Areas (NIAs). These are predominantly First Nations communities. The customer experience in the NIAs has been significantly different than customers on the integrated system.

Generation resource options for NIAs are limited to only what is available in each individual area. While there is hydro-generated electricity in some NIAs, hydro generation is not available in all locations. Currently diesel is used to generate over half of the electricity in the NIAs. Due to difficult geography and remoteness, customers in these communities also experience more frequent and longer outages compared to many customers on the integrated system. Historically, electricity rates in the NIAs were set higher than on the integrated system because the costs to generate electricity in each NIA and distribute it in remote areas to a small customer base results in relatively higher average cost per customer.

Over the past several years, BC Hydro, working in collaboration with First Nations, NIA communities, governments, and others, has taken meaningful steps to improve electricity service in these areas by enhancing reliability, supporting renewable energy development, and eliminating the higher rate structures.



NIA key facts

- There are 14 NIAs which are standalone microgrids not connected to any other grids
- Powered by a combination of diesel and renewable energy sources
- 43% of the electricity comes from hydro generation and 57% comes from diesel generation
- Serve nearly 7,500 customer accounts in 28 communities and 12 First Nations
- Total annual load of approximately 120 GWh
- Each NIA has one diesel generating station and most have one distribution line

Strengthening relationships and organizational capacity



First Nations engagement

To ensure success in the NIAs, we recognize the importance of aligning with the priorities of the communities we serve. To do this we took steps to work in collaboration with First Nations, grounded in a commitment to reconciliation with First Nations and aligned with our UNDRIP Plan.

- BC Hydro has Indigenous Relations staff assigned to each NIA First Nation to ensure that the First Nations are engaged on the various work activities BC Hydro is doing in the NIA. They also help to coordinate activities such as planning, communication, procurement, program delivery and other collaboration opportunities.
- In 2024, we undertook the first phases of a multi-phase engagement process with NIA First Nations to better understand their priorities, challenges, and visions. The first phase included monthly forums and breakout subcommittees focused on key topics such as diesel reduction, community development, and energy security. The second phase involved one-on-one meetings with individual NIA First Nations representatives to review and refine the Engagement Summary Report, which summarized the key themes of what was heard during first phase sessions. Through these sessions, we heard a strong desire for clean, renewable energy, greater transparency, and meaningful partnerships rooted in the spirit of truth and reconciliation, and the principles of UNDRIP. The final phase of engagement is being planned for 2026.

BC Hydro organizational capacity

To support increased focus on this work and in recognition of its importance, BC Hydro made some important organizational changes during the period covered in this report.

PEOPLE

- Established a dedicated NIA Planning and Strategy department with a Director level manager, with accountability to an Executive team member, leading the group
- Increased staff levels and budgets to lead and coordinate activities related to the NIAs across BC Hydro
- Formed cross-organizational senior level steering committees for improved oversight of activities
- Increased staffing on our NIA Indigenous Relations team to provide additional capacity for coordination between BC Hydro and NIA First Nations

CAPITAL & MAINTENANCE BUDGETS

- During the period covered in this report, BC Hydro has approved new higher capital & maintenance budgets to ensure that we are investing to improve reliability, keeping up with the needs of growing communities and upgrading the microgrids for the integration of renewable energy. This includes:
 - Annual maintenance budgets have increased by over 50%
 - Capital budgets have increased from an average of less than \$20 million per year to nearly \$100 million per year



Counsellor Corrine Cahoose speaking at a Ulkatcho First Nation community event in Anahim Lake to celebrate the ground breaking of the Ulkatcho Energy solar farm.
Photo: BC Hydro



Maintenance

Investments that are routine or minor fixes including vegetation management; prevent breakdowns and keep things in good condition

Capital

Long-term investments that add new assets, improve performance or extend the life of an asset

PROCESSES

- Launched a structured, bottom-up load forecast program designed to support collaborative, community-driven planning.
 - Through this program, we work directly with First Nations and civic communities to develop load forecasts that reflect each community's unique development plans and priorities
 - The approach emphasizes transparency and participation from all parties, using a consistent and repeatable methodology that incorporates appropriate due diligence and oversight with a goal of common understanding
 - To date, we have completed load forecasts for six NIAs under this new program, each informed by meaningful input from the communities themselves
- Initiated work on a new type of long-term electricity planning document for the NIAs called Community Context Reports.
 - Like the load forecast program, these reports will be developed in collaboration with First Nations and the broader communities to ensure long-term plans for each NIA are aligned with community objectives, values and visions

These two key examples are ways we are evolving processes to plan long-term in the NIAs. We've also developed and refined other processes such as project delivery and technical studies to support work in the NIAs and some of these are described in sections below.



BC Hydro truck under the starry sky in Kwadacha territory. Photo: BC Hydro



Finlay River Crossing. Photo: BC Hydro



Power in Partnership: A community story

Indigenous Professionals in Development Program

“Over the past year, I’ve had the opportunity to work with the NIA Planning and Strategy Team through the Indigenous Professionals in Development (IPID) Program. During this time, I’ve witnessed BC Hydro’s commitment to reconciliation, demonstrated through the implementation of the Indigenous Professionals in Development Program and the reciprocal nature of my role. This experience has not only allowed me to contribute my knowledge and expertise in working with Indigenous communities and developing grassroots, community-led projects, but has also supported my growth in vital leadership skills that will benefit my career.”

Maryel Sparks-Cardinal

(Cree and Métis), Communications Coordinator,
NIA Strategy, IPID Program participant

Clean energy



Ulkatcho Energy Corporation 3.8MW Solar Farm, located in Anahim Lake BC. Photo: Ulkatcho Energy Corporation



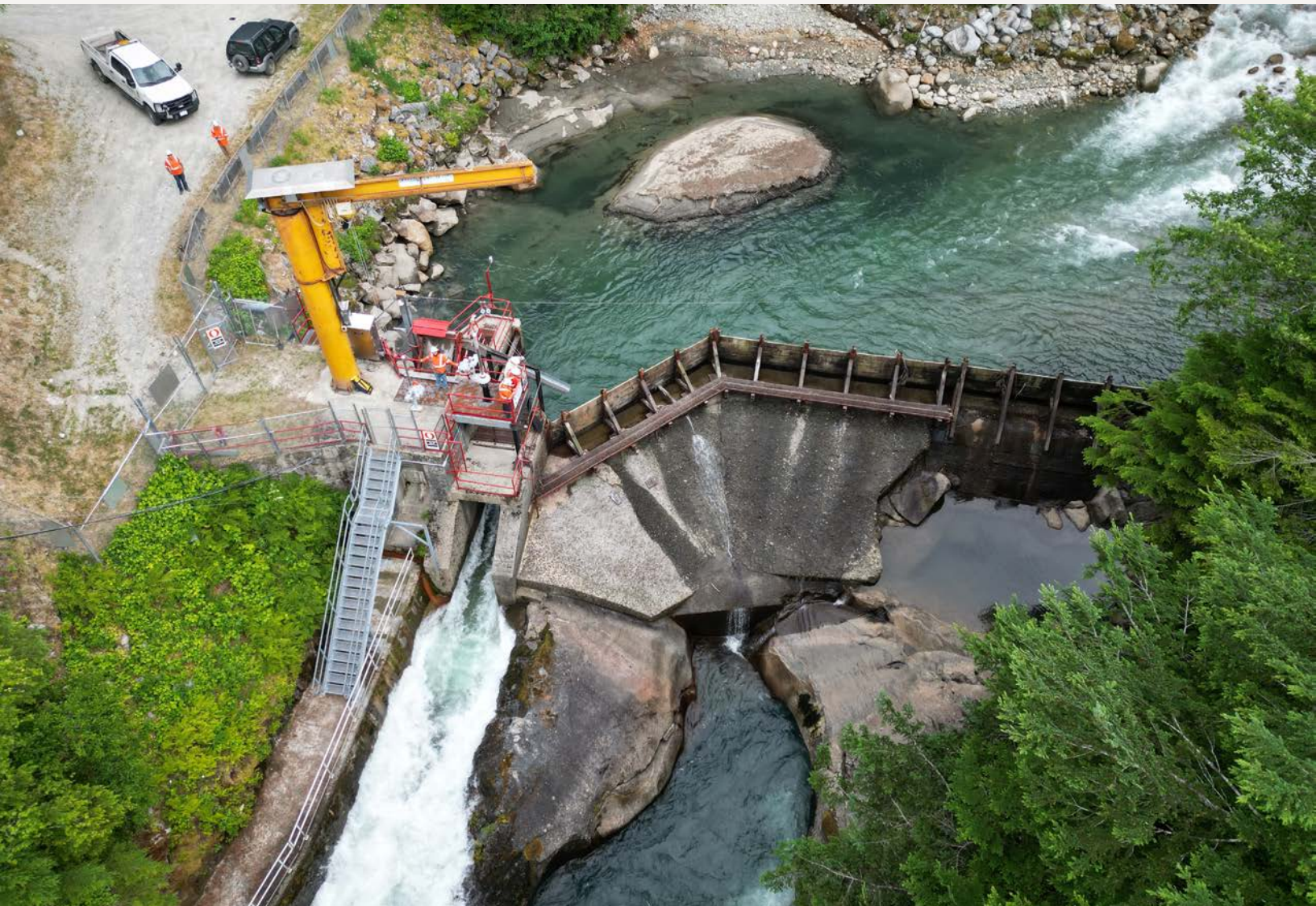
Clean energy

BC Hydro is working to reduce reliance on diesel generation in the NIAs. Today, over 40% of the aggregate electricity generated on the microgrids comes from hydroelectricity. The microgrids in Bella Bella, Atlin, and Dease Lake are primarily powered by clean energy, with diesel generators used only as backup when the hydroelectric facility is unavailable. Two other microgrids, Sandspit and Bella Coola, are partially served by clean hydroelectricity.

Currently, BC Hydro's primary strategy to reduce diesel reliance in the NIAs is to leverage First Nation—owned renewable energy projects. This approach is built on three interconnected actions:

- 1 Supporting advancement of First Nation owned community renewable energy projects:** We are working with First Nations to advance community—owned renewable energy projects in the NIAs, rather than building projects ourselves.
- 2 Purchasing renewable energy:** We are signing Community Electricity Purchase Agreements (CEPAs) to buy the power from these projects.
- 3 Transforming the microgrids:** We are undertaking major projects to create the ability to maximize the integration of intermittent renewable energy while maintaining grid stability. This includes installing battery energy storage and microgrid control systems as well as other equipment and station changes.

Clayton Falls Hydroelectric Generating Station in Bella Coola. Photo: BC Hydro



1 Supporting advancement of First Nation owned community renewable energy projects

- Working with 9 First Nations to help them advance 9 renewable energy projects. Activities include participating in technical working groups and sharing expertise, data and financial information
- Projects include 6 solar and 3 small hydro, with several in feasibility and two in construction
- Projects range in size from 750 kW to 4 MW for solar and 250 kW to 2.2 MW for hydro—primarily run-of-river

2 Purchasing renewable energy

BC Hydro has developed a tailored contracting approach to purchase renewable energy in the NIA called Community Energy Purchase Agreements. (CEPAs). CEPAs are designed to assist both parties with managing the unique risks of community renewable energy plants in standalone microgrids and ensuring their long-term sustainability, while also being prudent for BC Hydro customers. This long-term plant sustainability is essential because both BC Hydro and the community will depend on this energy for many years.

- **Predictable energy streams:** CEPAs include pricing structures that provide stable and sufficient revenue to support long-term operations by the First Nation.
 - **Standard solar offer:** Introduced in 2023, BC Hydro’s solar offer is an innovative approach because BC Hydro pays for all available energy, even if the energy is not able to be used in the community given the energy demands at the time.
 - **Hydro/run of river plants:** BC Hydro works collaboratively with the First Nation to assess project economics and determine the pricing that balances long-term plant sustainability and prudence.
- **Terms:** CEPA contract terms have been adapted to reflect the unique nature of small, community-owned plants rather than large commercial entities.
- **Capacity building and support:** CEPAs recognize that owning and operating energy plants can be new ventures for First Nations in the NIA. They make provisions for joint operating committees, BC Hydro assistance with technical training, and shared maintenance planning to support First Nations in operating their renewable energy plants as part of the NIA microgrid system.

3 Transforming the microgrid

- BC Hydro is allocating approximately \$200 million of capital funding over the next ten years to transform the microgrids to create the ability to maximize the integration of renewable energy. This includes infrastructure upgrades such as installing battery energy storage systems, microgrid control systems as well as other equipment and station changes.
- We have developed a programmatic approach to streamline delivery of these projects across multiple NIAs while coordinating closely with First Nations on their project and timelines.
- Of the 9 microgrid upgrade projects in the program, 7 have been initiated. Anahim Lake is already in construction with a forecast to complete in mid-2026. Masset is scheduled to break ground in 2026 and complete in 2028.

Technical studies support these interconnected actions

Starting in 2024, BC Hydro created a standardized approach, and funded various technical study processes needed to support the three interconnected activities on this page. The output from these studies are used to determine things like the optimal size of a community renewable energy project, the size and type of other equipment such as battery energy storage system and how to best integrate renewables into a standalone microgrid while keeping the grid stable with good reliability. This approach helps to drive consistency, improves efficiency, and provides technical analysis that First Nations also need for their projects. As an example, we have completed 5 Solar and Battery Sizing studies.





Former Chief of Ulkatcho First Nation Lynda Price and Former CEO of BC Hydro Chris O'Riley sign the CEPA in Anahim Lake. Photo: BC Hydro



Power in Partnership: A community story

Anahim Lake: In April 2024, BC Hydro signed the first CEPA with the Ulkatcho First Nation in Anahim Lake to purchase electricity from the solar farm they are constructing.

“The signing of the Community Electricity Purchase Agreement between the Ulkatcho Energy Corporation and BC Hydro for the Anahim Lake Solar Farm marks a momentous occasion for the Ulkatcho First Nation in championing energy sovereignty and sustainable economic development through clean, renewable power. Our Ulkatcho Group of Companies’ strength is in the ability to forge partnerships for the future, and we are proud to take this step towards community prosperity and a better quality of life for our Nation’s members.”

Chief Lynda Price

Former Chief of Ulkatcho First Nation

Reliable energy





Telegraph Creek. Photo: BC Hydro

Reliable energy

Reliable electricity is essential to daily life and community development in British Columbia's NIAs. These remote communities face unique challenges due to geography, climate, and remoteness. Over the past several years, BC Hydro has made targeted investments to improve system reliability and ensure that customers in the NIAs have dependable access to electricity. By improving energy reliability, we are strengthening the resilience of NIA systems and building trust with the communities we serve. We have achieved this through:

- 1 Launched the NIA Reliability Action Plan
- 2 Adding generation capacity in 6 NIAs to address load growth
- 3 Reliability is improving across the NIAs

✔ Launched the NIA Reliability Action Plan

- Dedicated \$7.2 million additional investment for targeted improvements to reliability in the NIAs
- Prioritizing communities with the most frequent and prolonged outages. The Action Plan includes replacing aging equipment, installing automated reclosers to enhance system monitoring and control and adding wildlife mitigation to reduce outages due to birds and other animals
- We've also increased funding for the NIA Vegetation Management program to reduce the number of outages due to trees or branches falling on distribution lines

✔ Adding generation capacity in 6 NIAs to address load growth

- Communities are growing due to housing expansions, investment in community services, and development of industries like tourism
- We are increasing diesel generation to provide firm capacity and backup to meet load growth—while also pursuing renewable projects for clean energy
- We are monitoring load forecasts to determine when additional generation capacity projects may be required in other NIAs

✔ Reliability is improving across the NIAs

- As a result of investments in the microgrids, customer interruptions decreased by 20% and customer hours lost dropped by 32%
- Through sustained investment and collaboration, BC Hydro is delivering more reliable energy to NIA communities—strengthening resilience, building trust, and supporting long-term community development

What is the difference between energy and capacity?

- Energy is the total amount of electrical power generated and used over a period of time.
- Capacity is the amount of electricity that can be produced to supply customer demand at any moment of the day.

Energy

The amount of electricity we produce and consume throughout the year



Capacity

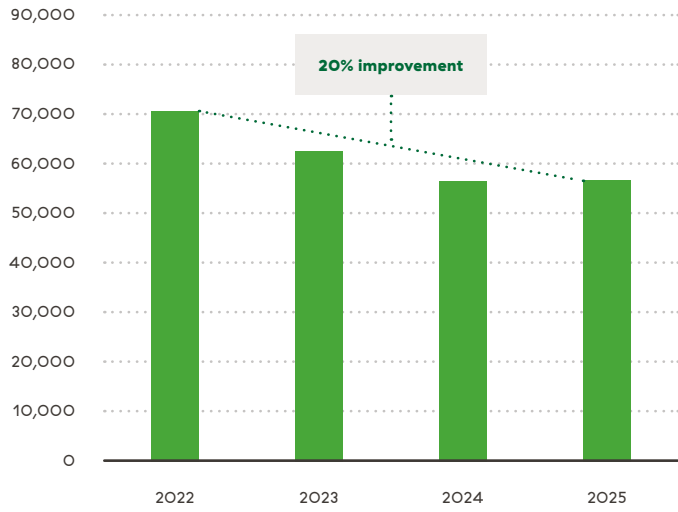
The maximum amount of electricity that can be provided at any moment. Also known as “peak demand” from a customer electricity use perspective

What is a firm capacity generation resource?

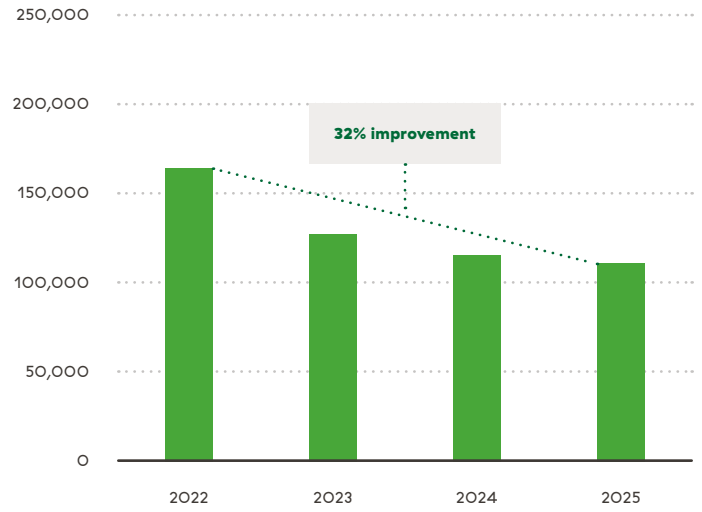
- Microgrids need to always have firm capacity resources available to remain stable. A firm capacity resource is a predictable and reliable source of energy that can operate consistently. A firm energy resource is available at any time (known as “dispatchable”) and can reliably respond on an instantaneous basis when additional energy is needed (known as “load following”). The only technology currently available that provides firm capacity for remote microgrids, where storage hydro generation is not available, is diesel.

NIA Reliability Trend (Fiscal year)

Customer interruptions (CI)



Customer hours lost (CHL)



Fiscal year	Customers	CI	CHL
2022	7,145	70,858	162,683
2023	7,152	62,788	126,452
2024	7,324	56,658	114,675
2025	7,430	56,778	110,169





Clayton Falls Hydroelectric Generating Station in Bella Coola. Photo: BC Hydro



Power in Partnership: A community story

Bella Coola

“Power outages were just part of life here. If it rained heavily or snowed, we expected to be without electricity, sometimes for days. In 2020, around 700 to 800 trees came down on the powerline, and people were without power for two to five days. Roads were blocked, and many couldn’t leave their homes. It was a serious situation.

In 2021, we met with BC Hydro and the Ministry of Emergency Management and Climate Readiness. We identified the problem areas and worked together to build a plan that reflected our community’s needs. This was a community-led effort, and BC Hydro supported at first by sending vegetation removal crews in to handle danger trees in areas with slope stability, then later by hiring local people to carry out vegetation management, with Asplundh as contractors.

It wasn’t just about clearing trees; it was about ensuring our community was at the centre of the solution and building long-term resilience.

Now, outages are much less frequent and much shorter. People feel more confident that if the power goes out, it’ll be back within a few hours, not days. Our emergency kits and backup generators are still important, but they’re now reserved for real emergencies, not routine weather.

And the biggest sign of progress? We don’t hear about outages the way we used to. Power is something we should be able to rely on, and now, we do. That’s what happens when communities are engaged, and solutions are built together.”

Elijah Mecham

Nuxalk Nation—Director of Clean Energy

Affordable energy



Affordable energy

We are advancing energy affordability in the NIAs through multiple initiatives. BC Hydro has supported customers in conserving energy, adopted clean technologies and built local capacity. The following section highlights our progress across three key areas:

- 1 Eliminated higher rates in the NIAs
- 2 Empowered communities through energy affordability programs
- 3 Supported energy conservation projects in NIA communities



Hartley Bay. Photo: BC Hydro

✔ **Eliminated higher rates in the NIAs**

As of April 1, 2025, BC Hydro eliminated the higher rate structure for NIA customers

- NIA customers now pay the same rates as those on the integrated system
- All residential customers in NIAs pay either the same or less for electricity with an average savings of \$160/year
- Most commercial customers are seeing even greater reductions ranging from average savings of ~\$550/year for small commercial customers all the way to up to \$81,000/year for large commercial customers
- These changes were approved by the BC Utilities Commission as part of the 2024 Rate Design Application

✔ **Empowered communities through energy affordability programs**

Partnered with the Province of BC and the New Relationship Trust

- All partners increased funding for energy efficiency programs and capacity building
- Raised maximum funding per project from \$300,000 to \$500,000
- Enabled higher incentives for energy-efficient upgrades

Provided funding for full-time Climate Action Coordinators in 8 communities

- Partnership with the Coastal First Nations—Great Bear Initiative on the Indigenous Climate Action Network (I-CAN) program
- Coordinators are helping customers reduce energy bills and plan, implement, and manage energy efficiency, renewable energy generation, and climate change adaptation projects in their communities

Supported energy efficiency upgrades in approximately 350 homes across NIA communities in 2024

- Directly improved affordability and comfort for families

Launched an NIA-specific solar and battery rebate program

- Supports customers in generating and storing solar electricity.
- Since July 23, 2024, we have received 69 solar rebate applications from residential and commercial customers in NIAs
- 10 systems are currently in operation

Provided funding support for Audits and Energy Studies

- Residential—1,200 home energy audits are currently in progress
- Commercial—2 building energy audits have been completed for buildings in Bella Coola

✔ **Supported energy conservation protects in NIA communities**

Together with our partners we've made meaningful progress on advancing energy affordability and sustainability in the NIAs. The following table demonstrates key energy conservation activities that manage demand and make existing generation capacity go farther:

Example Demand Side Management activities

Microgrid	Key activity	Outcomes
Bella Coola	<ul style="list-style-type: none"> ✓ Upgraded exhaust fan controls and replaced outdated lighting at the Acwsalcta School 	<ul style="list-style-type: none"> ✓ Estimated electricity savings: 132,000 kWh/year ✓ Estimated diesel savings: 28,000 litres/year
Anahim	<ul style="list-style-type: none"> ✓ Installed heat pumps to reduce heating costs and energy use at the women's shelter ✓ Replaced obsolete lighting in band office, health clinic, school, and community centre 	<ul style="list-style-type: none"> ✓ Estimated heating cost reduction: 30% ✓ Estimated electricity savings: 110,000 kWh/year ✓ Estimated diesel savings: 24,600 litres/year
Masset and Sandspit	<ul style="list-style-type: none"> ✓ Delivered 83 fridges to homes and 4 freezers to commercial buildings ✓ Replaced units manufactured in 2008 or earlier 	<ul style="list-style-type: none"> ✓ Estimated electricity savings: ~65,000 kWh/year





Solar North in Haida Gwaii. Photo: BC Hydro



Power in Partnership: A community story

“For too long, decisions about Haida Gwaii were made elsewhere, we were told what we could and couldn’t do, even on lands that had been ours for thousands of years. Energy sovereignty is changing that. Today, decisions about our energy future are made here, by us. It’s about more than power, it’s about self-determination, resilience, and pride in what we can accomplish together.

Projects like installing 230 heat pumps in homes across Haida Gwaii have lowered heating costs, reduced emissions, and kept money circulating locally. We also established our own energy company, TII Yahda Energy, which has unified efforts and helped us move forward collectively. When you control your energy, you can plan for growth instead of just getting by. We’re building a future where Haida Gwaii is strong, self-sufficient, and sustainable, because we only borrow this land from our children, and we want to leave it better than we found it.

I am looking forward to seeing Solar North up and running; it is an exciting project with local employment opportunities. I was part of the last call for proposals—the ABFAM Co-Gen Project in 1996. A lot has changed since then, and I’m looking forward to 100% clean energy projects that reduce our dependence on diesel-driven electricity!”

Kevin Brown

Climate Action Coordinator for the community of Old Massett, Haida Gwaii

Conclusion



As this summary of activities and results between September 2022–September 2025 have shown, BC Hydro’s work in the NIAs is evolving. We are laying the foundation for long-term transformation through strengthened partnerships with First Nations, infrastructure investments, and new programs. Together we are working towards a vision of the future where all BC Hydro customers can depend on clean, reliable and affordable electricity. While achieving this in remote, standalone NIA microgrids is technically complex and challenging, we are committed to the time and sustained effort it will take to make steady progress. We are also committed to listening, learning, and adapting as we go.



Appendix

NIA Listing

This table provides information on the individual NIAs, current as of December 31, 2024. The NIAs are grouped by their primary generation source and then sorted by descending community consumption.

	Generating station name	Communities served	First Nations	Number of customer accounts	Installed diesel capacity (kW)	Max load (kW)	Community consumption (MWh)	Diesel generation (MWh)	Renewable generation (MWh)	Renewable generation (%)
Primarily hydro generation	Bella Bella	Bella Bella, Denny Island, Ocean Falls, Old Town Waglisla	Heiltsuk	645	4,900	4,011	14,737	3,116	12,345	84%
	Dease Lake	Dease Lake	Tahltan	353	2,450	1,540	6,647	91	6,712	100%
	Atlin	Atlin	Taku River Tlingit	556	2,930	1,577	6,333	394	6,252	99%
Diesel & hydro co-gen	Sandspit	Sandspit, Skidegate, Daajing Giids, Tlell	Haida	1,751	9,618	6,854	29,955	11,164	19,208	64%
	Ah-Sin Heek	Bella Coola, Hagensborg, Firvale	Nuxalk	1,294	8,252	5,082	20,255	11,916	8,377	41%
	Clayton Falls (BCH)				2,020					
Primarily diesel	Masset	Masset, Old Massett, Port Clements	Haida	1,559	10,250	5,919	26,569	26,569	0	0
	Anahim	Anahim Lake, Nimpo Lake, Fishtrap	Ulkatcho	559	3,720	1,527	5,964	5,964	0	0
	Tsay Keh Dene	Tsay Keh Dene	Tsay Keh Dene	136	2,435	934	3,563	3,563	0	0
	Telegraph Creek	Telegraph Creek	Tahltan	163	1,440	765	2,652	2,652	0	0
	Kwadacha	Fort Ware	Kwadacha	172	1,835	707	3,158	3,158	0	0
	Hartley Bay	Hartley Bay	Gitga'at	106	1,110	627	2,116	2,116	0	0
	Good Hope Lake	Good Hope Lake, Jade City	Dease River	65	765	219	992	992	0	0
	Toad River	Toad River	-	36	600	192	747	747	0	0
	Ehthlateese	Ehthlateese	Uchucklesaht	27	384	75	292	292	0	0
Total				7,422	52,708	30,029	122,980	71,734	52,894	43%

