

**From:** [MacLaren, Les EMPR:EX](#)  
**To:** [De Champlain, Rhonda EMPR:EX](#)  
**Cc:** [Cochrane, Marlene EMPR:EX](#)  
**Subject:** 190417 Draft Cab Sub BCH Review Phase 2 TOR 17-4-19 ADM  
**Date:** April 18, 2019 6:55:49 AM  
**Attachments:** [190417 Draft Cab Sub BCH Review Phase 2 TOR 17-4-19 ADM.docx](#)

---

Morning Rhonda

Attached for Dave's review, and if approved the Minister's week long binder, an ADM approved CabSub for the BC Hydro Phase 2 Review that incorporates feedback from Melissa after discussion with the Green Caucus. There are minor changes to the version the Minister previously signed that was reviewed by PAC. I am not sure if it needs a new Ministry Document # for this second go on the same topic.

I am still working on the Site C Update TB Sub. There is a call scheduled this afternoon with EMPR, FIN and EY to discuss EY's commentary received last evening. The TB Sub will be delayed at least until the end of day today, and will need to be loaded for the Minister's review separately.

I signed off on the Clean Energy Vehicle Program BN in eApprovals last night and it should be coming from Cathy to Marlene first thing this morning.

Les

Page 002 of 229 to/à Page 010 of 229

Withheld pursuant to/removed as

s.12 ; s.13

Page 011 of 229

Withheld pursuant to/removed as

s.12 ; s.13 ; s.17

Page 012 of 229 to/à Page 023 of 229

Withheld pursuant to/removed as

s.12 ; s.13



**From:** [Wieringa, Paul EMPR:EX](#)  
**To:** [MacLaren, Les EMPR:EX](#)  
**Cc:** [Buchanan, Jack EMPR:EX](#)  
**Subject:** 190417 Draft Cab Sub BCH Review Phase 2 TOR CASA update reconciled to DMO  
**Date:** April 17, 2019 5:57:38 PM  
**Attachments:** [190417 Draft Cab Sub BCH Review Phase 2 TOR CASA update reconciled to DMO.docx](#)

---

We have revised the ToR and changed the CabSub slightly to reflect conversations with the Greens and the MO. You will see we added a paragraph on CleanBC (most of the wording is taken literally from CleanBC, including the quote from Dr. Weaver.)

We also changed the Steering Committee to Review Committee.

Many thanks to Jack for reviewing and amending.

Jack: I also saved this version on the LAN.

Page 025 of 229 to/à Page 033 of 229

Withheld pursuant to/removed as

s.12 ; s.13

Page 034 of 229

Withheld pursuant to/removed as

s.12 ; s.13 ; s.17

Page 035 of 229 to/à Page 048 of 229

Withheld pursuant to/removed as

s.12 ; s.13

**From:** [MacLaren, Les EMPR:EX](#)  
**To:** [Sanderson, Melissa EMPR:EX](#)  
**Cc:** [Nikolejsin, Dave EMPR:EX](#); [Wieringa, Paul EMPR:EX](#); [Sopinka, Amy EMPR:EX](#)  
**Subject:** Expanded BC Hydro Phase 2 ToR questions  
**Date:** April 1, 2019 11:39:22 AM  
**Attachments:** [Expanded ToR questions 1-4-19 LM \(2\).docx](#)

---

Hi Melissa:

Further to our exchange of e-mails, attached is a revised set of the detailed questions behind the BC Hydro Phase 2 Terms of Reference we discussed with the Minister about two weeks ago. I have added a title and shortened the lead-in para. In addition, based on the Minister's feedback we have removed the question about deregulated electricity markets, and removed the reference to natural gas in the question on self-sufficiency in the Leveraging Our Strengths section.

Let us know if you would like further changes.

Les

## **BC Hydro Review Phase 2 – Expanded Term of Reference Questions**

In order to develop a clear ToR, a longer list of questions has been developed under five “themes,” with the intention that the Steering Committee would ensure that investigation into each theme addresses the following questions.

### **1. Thriving in an Evolving Electricity Sector**

- Which industry trends are most likely to have an impact on BC Hydro?
  - What is the potential of technologies such as hydrogen, pumped storage and battery storage to disrupt BC Hydro’s competitive advantage of large hydro storage? Are there other implications for BC Hydro’s business if new storage technologies become affordable and widely available?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
  - What changes does BC Hydro need to undertake in order to ensure they are well-positioned to take advantage of changes in technology in the energy sector while maintaining reliability?
  - Should net metering rates take into account additional factors so that BC Hydro can ensure that the program is accurately valuing customer-based generation?
  - Should service and integration costs for net metering accounts be recovered through a distinct tariff?
  - Would alternative rate structures such as time of use rates better reflect the value of electricity provided by net metering customers?
  - What are innovative approaches to enhance the competitive procurement processes to ensure cost-effective service to ratepayers?
  - Should BC Hydro develop all future resources, compete with IPPs in calls, or go to the export market?
  - Should BC Hydro get involved in business lines outside its core area? If so:
    - Does BC Hydro need a new unregulated business arm for this purpose?
    - Are there any changes to BC Hydro’s governance structure and regulatory framework that would allow BC Hydro to pursue new opportunities?
  - Potential areas of interest include:
    - Telecommunication services
    - Services downstream of the meter, such as district energy, storage, and energy management.
    - Ownership of unregulated businesses or capital.
    - Other areas of interest as identified by Expert Advisors.

- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
  - What rate options should be explored to ensure that customers' needs are being met and BC Hydro is recovering its cost of service?
  - What is the potential for optional Time of Use rates or demand-response programs to enable customers to save money on their electricity bills while reducing BC Hydro's costs?
  - What is the potential for load attraction and retention rates, or other market-based rates to enable BC Hydro to raise additional revenue while encouraging electrification?
  - Should customers be offered a subscription model for different levels of electricity service similar to that used by cable and telecommunication companies?
  - What other rate options might allow BC Hydro and customers to realize cost savings from customer flexibility?
  - Are there additional opportunities to reduce bills for low-income customers without shifting costs of service to other customers?
  - What other rate designs might support other objectives?
  - Should net metering customers be able to install energy storage and reduce their bills by reducing their net consumption during peak hours?
  - On what frequency should net metering customers be able to net energy demand and consumption?
  - Should additional incentives be available for customer investments in equipment or insulation that would assist in reducing their long-term energy consumption and peak demand?
  - Should additional incentives be available for customers to make behavioural changes to reduce their long-term energy consumption and peak demand?
  - Should BC Hydro offer customers fixed savings in exchange for BC Hydro's limited and defined ability to increase and decrease flexible demand behind the meter?
  - Are there options for additional DSM programs for low-income customers that could be used to reduce their bills without shifting costs to other customers?
  - Are changes to government policy or programs required to advance improved DSM programs?
- What changes to BC Hydro's governance structure would allow the utility to pursue new business opportunities?
  - Should BC Hydro exit any current lines of business that do not contribute to net revenue and are not key to its mandate or strategic orientation?

## **2. Supporting CleanBC**

- What changes are required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
  - What can or should BC Hydro do to reduce distribution and transmission interconnection delays?
  - Are BC Hydro's engineering and planning standards consistent with those in other jurisdictions?
  - Are there opportunities to work with the private sector to accelerate development of transmission infrastructure, alternative development models, or merchant transmission?
  - Is there a role for BC Hydro to increase awareness of locations within BC that may have surplus transmission or distribution capacity and those that are constrained so that potential customers can make location decisions accordingly?
  - Are there opportunities for BC Hydro to improve the management of its transmission interconnection queues?
- How should the costs of this new access be allocated between existing and new customers?
  - What regulatory framework or tariff changes are needed to ensure that the costs of electrification are divided between new and existing ratepayers in a way that minimizes impacts on existing ratepayers without preventing potential new customers from connecting?
  - Is there a role for government(s) in funding infrastructure to support electrification and GHG reductions?
- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels?
  - What else can BC Hydro do to attract customers who might otherwise self-supply with fossil fuels or locate in jurisdictions with higher-carbon generation mixes?
  - What are the most cost-effective options for BC Hydro in assisting its non-integrated customer communities in reducing their dependence on diesel generation?
  - Should conservation rate designs be updated to ensure that they do not create an incentive to use fossil fuels instead of electricity?
- How can BC Hydro and the Province's EfficiencyBC program coordinate further to meet CleanBC objectives?

## **3. Leveraging Our Strengths**



- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnect today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?
  - Are there new or expanded opportunities for Powerex to leverage BC Hydro's clean energy, flexibility and storage to capitalize on surplus clean energy in neighbouring jurisdictions?
  - What options should BC Hydro investigate for acquiring clean energy resources both inside and outside of the province?
  - With abundant and inexpensive electricity supply leading to low electricity prices across the continent, should the policy of energy self-sufficiency remain in place?
  - In addition to current trading activities, what government actions (legal, regulatory and/or policy) would enable Powerex to increase its net income from trading activities in Alberta and the U.S.?
- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
  - If the requirement for energy self-sufficiency is removed, are there any criteria other than price that should be considered in the decision whether to build domestically vs import?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

- Are there additional opportunities or roles for First Nations and Indigenous communities in development, ownership or operations of new remote or grid-connected generation projects?
  - Are there opportunities to partner with First Nations to develop transmission, and what would be needed for BC Hydro to pursue those opportunities?
  - What are the most cost-effective options for BC Hydro in assisting its non-integrated customer communities in reducing their dependence on diesel generation?

#### **5. Additional Areas of Interest**

- What else can government do to ensure that BC Hydro supports CleanBC while maintaining affordable rates?
- What else can BC Hydro do to position itself for long-term success and support CleanBC while maintaining affordable rates?
  - Do BC Hydro's capabilities and culture support the opportunities and recommended actions for transformative change?
  - If not, what do leading organizations do differently that BC Hydro could adopt?

DRAFT

**From:** [MacLaren, Les EMPR:EX](#)  
**To:** [Wieringa, Paul EMPR:EX](#); [Sopinka, Amy EMPR:EX](#)  
**Subject:** FW: GPC suggestions TOR  
**Date:** April 30, 2019 10:40:48 AM  
**Attachments:** [Scan\\_20190430.pdf](#)  
[RE CSCG Notes.msg](#)

---

Here is the Green Caucus staff suggestions to re-cast the objective for the Phase 2 ToR to focus more on CleanBC (supported by our other areas of focus). Also attached are notes from my briefing with the CSCGAC last week. No Sub/ToR changes required from there. I will suggest to Melissa that we share the final ToR with the Smiths prior to Cabinet.

Rhonda is trying to get us on Cabinet for May 15. We will need the next draft Sub/ToR by Thursday for Dave's review and to get into the Minister's binder so it can be signed next week. It will be tight to get advisors for the 24<sup>th</sup>, but suggest we plan to kick off anyway.

Les

---

**From:** Sanderson, Melissa EMPR:EX  
**Sent:** Tuesday, April 30, 2019 10:17 AM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Subject:** GPC suggestions TOR

Sent from my iPhone

Begin forwarded message:

**From:** "Pommelet, Lisa EMPR:EX" <[Lisa.Pommelet@gov.bc.ca](mailto:Lisa.Pommelet@gov.bc.ca)>  
**Date:** April 30, 2019 at 10:13:47 AM PDT  
**To:** "Sanderson, Melissa EMPR:EX" <[Melissa.Sanderson@gov.bc.ca](mailto:Melissa.Sanderson@gov.bc.ca)>  
**Subject:** FW: Scan From <Device Name>

**From:** s.15 <[Lisa.Pommelet@gov.bc.ca](mailto:Lisa.Pommelet@gov.bc.ca)>  
**Sent:** April 30, 2019 10:14 AM  
**To:** Pommelet, Lisa EMPR:EX <[Lisa.Pommelet@gov.bc.ca](mailto:Lisa.Pommelet@gov.bc.ca)>  
**Subject:** Scan From <Device Name>

BC Hydro Phase 2 - TOR "Objective"

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in CleanBC, including how BC Hydro can meet the 2030, 2040 and 2050 legislated GHG emissions reductions targets in order to ensure BC Hydro's sustainability in the future for the benefit of all British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and trends in utilities, the affordability of electricity for consumers and opportunities to advance reconciliation.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission after February 2021.

**From:** [Cross, Elaine ENV:EX](#)  
**To:** [MacLaren, Les EMPR:EX](#)  
**Subject:** RE: CSCG Notes  
**Date:** April 26, 2019 9:05:19 AM

---

Hi Les,

Sure, please find them below. Once you have used these, please delete as a transitory file. Thanks!

Elaine

s.13

---

**From:** MacLaren, Les EMPR:EX  
**Sent:** Friday, April 26, 2019 8:23 AM  
**To:** Cross, Elaine ENV:EX <Elaine.Cross@gov.bc.ca>  
**Subject:** CSCG Notes

Hi Elaine

Would you please send me your notes for the BC Hydro Review section of yesterday's CSCG meeting. That would help me update my MO on the feedback.

*Les MacLaren*

Assistant Deputy Minister  
Electricity and Alternative Energy Division  
BC Ministry of Energy, Mines and Petroleum Resources

**NOTE NEW OFFICE PHONE NUMBER: 778-698-7183**

Cell: 250-889-3479

*Energizing BC—clean, sustainable and productive*

**From:** [Cutler, Scott EMPR:EX](#)  
**To:** [MacLaren, Les EMPR:EX](#)  
**Cc:** [McSherry, Diane](#); [Wieringa, Paul EMPR:EX](#); [Sopinka, Amy EMPR:EX](#)  
**Subject:** Phase 2 Terms of Reference  
**Date:** June 17, 2019 5:03:26 PM  
**Attachments:** [BCH Review Phase II TOR 190617 Public Communities change.docx](#)

---

Hi Les,

Following on your comment about communities on Friday we have a proposed change to the TOR. The TOR is not clear on looking at BC communities broadly. AS it reads now it can be interpreted as referring to indigenous communities only. The change is included in the attachment and below for your consideration. The other approach we could take is to carry on with the TOR as written, do the work anyway and note that where the review went was looking more broadly at all communities in the final report.

Scott

---

**From:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>

**Sent:** June 17, 2019 4:34 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>

**Subject:** Re: Terms of Reference

I agree with you suggested language but also understand if you are not able to change.

Sent from my iPhone

On Jun 17, 2019, at 4:32 PM, Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)> wrote:

s.13

---

**From:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>

**Sent:** June 17, 2019 2:28 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>

**Subject:** Terms of Reference

Scott

Based on the feedback from Les on Friday related to "Communities" do you feel any change is required to the TOR to make this clearer? Is there a minor tweak to the wording that would help I.e. as adding regional or local communities in the text?.

Diane

---

This email and its attachments are intended solely for the personal use of the individual or entity named above. Any use of this communication by an unintended recipient is strictly prohibited. If you have received this email in error, any publication, use, reproduction, disclosure or dissemination of its contents is strictly prohibited. Please immediately delete this message and its attachments from your computer and servers. We would also appreciate if you would contact us by a collect call or return email to notify us of this error. Thank you for your cooperation.



## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

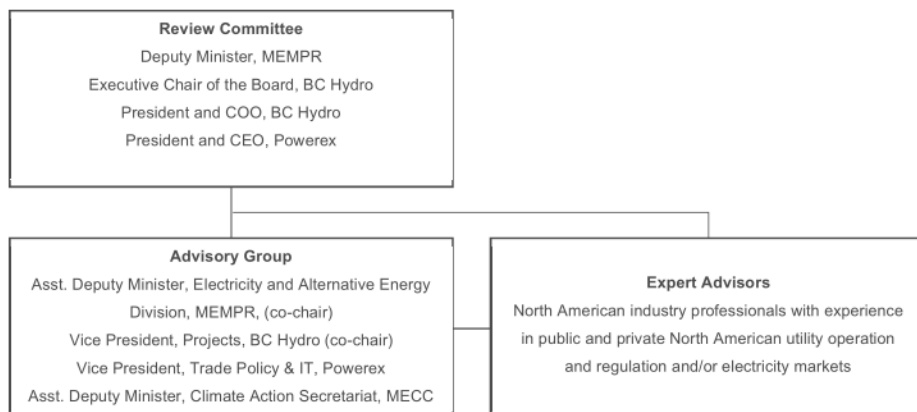
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

#### Governance Chart - Phase 2 Review:



#### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## 2. Thriving in an Evolving Electricity Sector

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## 3. Leveraging Our Strengths

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### 4. Opportunities for Indigenous Nations and Communities

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

Deleted: and communities

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### Process

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

**From:** [MacLaren, Les EMPR:EX](#)  
**To:** [Sanderson, Melissa EMPR:EX](#)  
**Cc:** [Wieringa, Paul EMPR:EX](#)  
**Subject:** RE: BCH Phase 2 Review TOR  
**Date:** May 21, 2019 8:58:10 AM  
**Attachments:** [BCH Phase 2 ToR DRAFT 21-5-19.docx](#)  
[BCH Phase 2 ToR DRAFT 21-5-19.pdf](#)

---

Attached is the version of the ToR where we incorporated the Green's objective and CleanBC primary focus. I first sent this up May 2, but have re-dated to today as the "current" draft for their review.

I have attached as both Word and PDF files.

Les

---

**From:** Sanderson, Melissa EMPR:EX  
**Sent:** Tuesday, May 21, 2019 8:13 AM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Cc:** Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>  
**Subject:** Re: BCH Phase 2 Review TOR

Can you share it w me in a word doc or PDF - before that happens I need to share w Greens

Sent from my iPhone

On May 21, 2019, at 6:13 AM, MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)> wrote:

Hi Melissa

The Clean Growth Advisory Council has requested the BCH Phase 2 ToR for review and feedback. We could share it with the Smiths (Merran and Marcia) or their technical subcommittee. All of the members have NDAs as they review and comment on CleanBC action items.

This might be a good opportunity to get some feedback before we take the ToR to Cabinet next week.

Les

---

**From:** Cross, Elaine ENV:EX  
**Sent:** Wednesday, May 15, 2019 6:01 PM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Cc:** Hewitt, Jeremy ENV:EX <[Jeremy.Hewitt@gov.bc.ca](mailto:Jeremy.Hewitt@gov.bc.ca)>; Dobson, Neil ENV:EX <[Neil.Dobson@gov.bc.ca](mailto:Neil.Dobson@gov.bc.ca)>  
**Subject:** BCH Phase 2 Review TOR

Hi Les,

Neil and I met with the CSCG technical sub-committee on Monday, and they were asking if it would be possible for them to review the Terms of Reference for the BC Hydro Review Phase 2.

At the full Council meeting at end of April, you had said you could ask to share the TOR with either the sub-committee or the full Council, so I am following up to see if this is a possibility.

Thanks,

Elaine

**Elaine Cross**

A/Project Director

Climate Action Secretariat

Ministry of Environment & Climate Change Strategy

P: 250-893-0582

Page 068 of 229 to/à Page 079 of 229

Withheld pursuant to/removed as

s.12 ; s.13



**From:** [MacLaren, Les EMPR:EX](#)  
**To:** [De Champlain, Rhonda EMPR:EX](#)  
**Cc:** [Schmidt, Cathy A EMPR:EX](#)  
**Subject:** RE: E-binder Materials?  
**Date:** May 2, 2019 8:39:46 AM  
**Attachments:** [Cab Sub BCH Review Phase 2 TOR CASA update 1-5-19 ADM.docx](#)  
[Site C Update - TB Presentation 2-5-19.pptx](#)

---

Hi Rhonda

Attached are a revised BC Hydro Review Phase 2 CabSub, and a Site C Update PowerPoint with speaking notes.

The Phase 2 CabSub has been rearranged to reflect greater emphasis on BC Hydro supporting CleanBC in response to feedback from the Green Party Caucus. **s.12; s.13**

**s.12; s.13**

**s.12; s.13**

I have made some editorial changes throughout. I am assuming this needs a new 19/20 Ministry Document #. In discussion with TBS, they suggested we prepare a short PowerPoint to frame the discussion at TB. We have added some speaking points to the 6-slide deck. I plan to have one more document for the Weekend Binder. We are working on responses to the key themes/criticisms raised in Second Reading of Bill 28.

Les

---

**From:** De Champlain, Rhonda EMPR:EX  
**Sent:** Wednesday, May 1, 2019 6:18 PM  
**To:** MacLaren, Les EMPR:EX <Les.MacLaren@gov.bc.ca>  
**Cc:** Schmidt, Cathy A EMPR:EX <Cathy.Schmidt@gov.bc.ca>  
**Subject:** E-binder Materials?

Hello,

Just checking in on items for Minister's e-binder:

Speaking Notes for TB Submission – Site C

Final BC Hydro Phase 2 (Paul Finkel is still getting a date for us)

Thank you.

Rhonda De Champlain

Director

Cabinet and Legislative Initiatives

and Executive Operations

Deputy Minister's Office

Ministry of Energy, Mines and

Petroleum Resources

(778) 698-7188

Page 081 of 229 to/à Page 089 of 229

Withheld pursuant to/removed as

s.12 ; s.13

Page 090 of 229

Withheld pursuant to/removed as

s.12 ; s.13 ; s.17

Page 091 of 229 to/à Page 102 of 229

Withheld pursuant to/removed as

s.12 ; s.13

**From:** [Cutler, Scott EMPR:EX](#)  
**To:** [MacLaren, Les EMPR:EX](#)  
**Cc:** [Wieringa, Paul EMPR:EX](#); [Sopinka, Amy EMPR:EX](#)  
**Subject:** RE: Phase 2 - TOR  
**Date:** June 14, 2019 4:32:19 PM  
**Attachments:** [BCH Review Phase II TOR 190614 Public.docx](#)  
[image001.jpg](#)

---

That works for me, the change below is included in the attached:

The Review Committee and Advisory Group will undertake the Review **June to November, 2019** utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

---

**From:** MacLaren, Les EMPR:EX  
**Sent:** June 14, 2019 4:22 PM  
**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>  
**Cc:** Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>  
**Subject:** RE: Phase 2 - TOR  
Works. Rather than spring, summer and Fall in the last section, how about June to November, 2019?  
Les

---

**From:** Cutler, Scott EMPR:EX  
**Sent:** Friday, June 14, 2019 4:19 PM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Cc:** Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>  
**Subject:** RE: Phase 2 - TOR  
Hi Les,  
Here is a revised version of the TOR that I sent to you earlier today that removes reference to CSCG for your review.  
Scott

---

**From:** Cutler, Scott EMPR:EX  
**Sent:** June 14, 2019 3:59 PM  
**To:** Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>  
**Subject:** RE: Phase 2 - TOR  
I deleted the two references to the Climate Solutions and Clean Growth Advisory Council. Ok to go to Les?

---

**From:** Cutler, Scott EMPR:EX  
**Sent:** June 14, 2019 10:44 AM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Cc:** Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>

**Subject:** RE: Phase 2 - TOR

Hi Les,

Attached is the draft Phase 2 TOR for public distribution. We have made a few edits based on the version that went to Cabinet, in particular some inconsistencies that were in the process section, when compared to the cabsup, were cleaned up. Also, the names in the governance table were removed and your title has shifted to be first over Diane's so gov't is at the top of the list.

Are you ok with these adjustments?

Thanks,

Scott

---

**From:** Wieringa, Paul EMPR:EX

**Sent:** June 14, 2019 8:56 AM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>

**Subject:** RE: Phase 2 - QA

Looks good to me. Move it up for approval.

---

**From:** Sopinka, Amy EMPR:EX

**Sent:** June 10, 2019 12:01 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>; Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>

**Subject:** RE: Phase 2 - QA

A couple of minor formatting changes. Over to you Paul.

A

---

**From:** Cutler, Scott EMPR:EX

**Sent:** June 10, 2019 11:53 AM

**To:** Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>; Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>

**Subject:** RE: Phase 2 - QA

Just bumping this to the top of your email. Colin is hoping that I can send this to him today or tomorrow.

---

**From:** Cutler, Scott EMPR:EX

**Sent:** June 5, 2019 4:52 PM

**To:** Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>; Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>

**Subject:** RE: Phase 2 - QA

Here is the TOR for public distribution. I have made a few edits based on the version that went to Cabinet, in particular I cleaned up some inconsistencies that were in the process section when compared to the cabsup. I also removed the names from the governance table and moved Les to be first over Diane so gov't is at the top of the list.

Are you ok with my edits?

Scott

---

**From:** Grewar, Colin GCPE:EX

**Sent:** June 5, 2019 3:31 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>

**Cc:** Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>

**Subject:** RE: Phase 2 - QA

Scott could you also please send me the latest version of the Terms of Reference.

Thanks,

Colin



Colin Grewar  
Senior Public Affairs Officer  
Government Communications and Public Engagement  
Ministry of Energy, Mines and Petroleum Resources  
**Phone:** 250-952-0650  
[Colin.Grewar@gov.bc.ca](mailto:Colin.Grewar@gov.bc.ca)

---

**From:** Grewar, Colin GCPE:EX

**Sent:** June 5, 2019 3:24 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>; Sopinka, Amy EMPR:EX  
<[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>

**Cc:** Rowe, Katherine EMPR:EX <[Katherine.Rowe@gov.bc.ca](mailto:Katherine.Rowe@gov.bc.ca)>; Wieringa, Paul EMPR:EX  
<[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Tally, Holly GCPE:EX <[Holly.Tally@gov.bc.ca](mailto:Holly.Tally@gov.bc.ca)>

**Subject:** Phase 2 - QA

Hi Scott and Amy: Could you please take a look at Q9 and my related comment in the attached QA for Phase 2.

For reference, I have also attached the transcript of the Estimates debate from the afternoon of May 9. Please note highlighted sections at 1345 and 1350.

Thanks,

Colin



Colin Grewar  
Senior Public Affairs Officer  
Government Communications and Public Engagement  
Ministry of Energy, Mines and Petroleum Resources  
**Phone:** 250-952-0650  
[Colin.Grewar@gov.bc.ca](mailto:Colin.Grewar@gov.bc.ca)

Page 106 of 229 to/à Page 110 of 229

Withheld pursuant to/removed as

s.13



**From:** [Cutler, Scott EMPR:EX](#)  
**To:** [MacLaren, Les EMPR:EX](#)  
**Cc:** [McSherry, Diane](#); [Wieringa, Paul EMPR:EX](#); [Sopinka, Amy EMPR:EX](#); [Norris, Nancy EMPR:EX](#)  
**Subject:** RE: Phase 2 Terms of Reference  
**Date:** June 18, 2019 10:33:24 AM  
**Attachments:** [BCH Review Phase II TOR 190618 Public.docx](#)

---

Thanks Les.

Attached is a clean version of the TOR with the communities change. Colin in communications has suggested a few changes to the IB and QA to better reflect communities that will come your way. We have language ready to go for amending the website.

Colin says that once the Cabinet minute comes through, and assuming the changes to the webpages are ready to go, they'll seek direction on timing from the MO and from GCPE HQ. The IB would be released province-wide.

I have an email into Rhonda to see if she has any indication on when the minute will come in.  
Scott

---

**From:** MacLaren, Les EMPR:EX  
**Sent:** June 18, 2019 6:35 AM  
**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>  
**Cc:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>; Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>  
**Subject:** RE: Phase 2 Terms of Reference

Thanks Scott

I agree with the proposed change which is consistent with the intent and should not be an issue. What is the status of the comms package and release date?  
Les

---

**From:** Cutler, Scott EMPR:EX  
**Sent:** Monday, June 17, 2019 5:03 PM  
**To:** MacLaren, Les EMPR:EX <[Les.MacLaren@gov.bc.ca](mailto:Les.MacLaren@gov.bc.ca)>  
**Cc:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>; Wieringa, Paul EMPR:EX <[Paul.Wieringa@gov.bc.ca](mailto:Paul.Wieringa@gov.bc.ca)>; Sopinka, Amy EMPR:EX <[Amy.Sopinka@gov.bc.ca](mailto:Amy.Sopinka@gov.bc.ca)>  
**Subject:** Phase 2 Terms of Reference

Hi Les,

Following on your comment about communities on Friday we have a proposed change to the TOR. The TOR is not clear on looking at BC communities broadly. AS it reads now it can be interpreted as referring to indigenous communities only. The change is included in the attachment and below for your consideration. The other approach we could take is to carry on with the TOR as written, do the work anyway and note that where the review went was looking more broadly at all communities in the final report.

Scott

---

**From:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>  
**Sent:** June 17, 2019 4:34 PM  
**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>  
**Subject:** Re: Terms of Reference

I agree with you suggested language but also understand if you are not able to change.  
Sent from my iPhone

On Jun 17, 2019, at 4:32 PM, Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)> wrote:

s.13

---

**From:** McSherry, Diane <[diane.mcsherry@bchydro.com](mailto:diane.mcsherry@bchydro.com)>

**Sent:** June 17, 2019 2:28 PM

**To:** Cutler, Scott EMPR:EX <[Scott.Cutler@gov.bc.ca](mailto:Scott.Cutler@gov.bc.ca)>

**Subject:** Terms of Reference

Scott

s.13

Diane

---

This email and its attachments are intended solely for the personal use of the individual or entity named above. Any use of this communication by an unintended recipient is strictly prohibited. If you have received this email in error, any publication, use, reproduction, disclosure or dissemination of its contents is strictly prohibited. Please immediately delete this message and its attachments from your computer and servers. We would also appreciate if you would contact us by a collect call or return email to notify us of this error. Thank you for your cooperation.

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

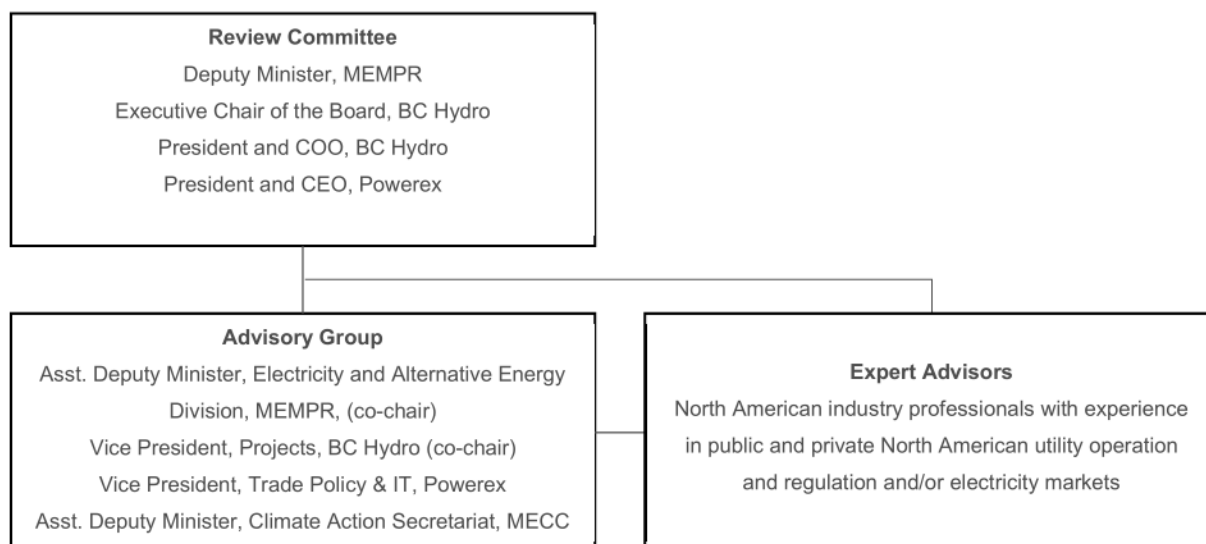
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

Page 118 of 229 to/à Page 153 of 229

Withheld pursuant to/removed as

s.13



## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission by February 2021.

## **Governance**

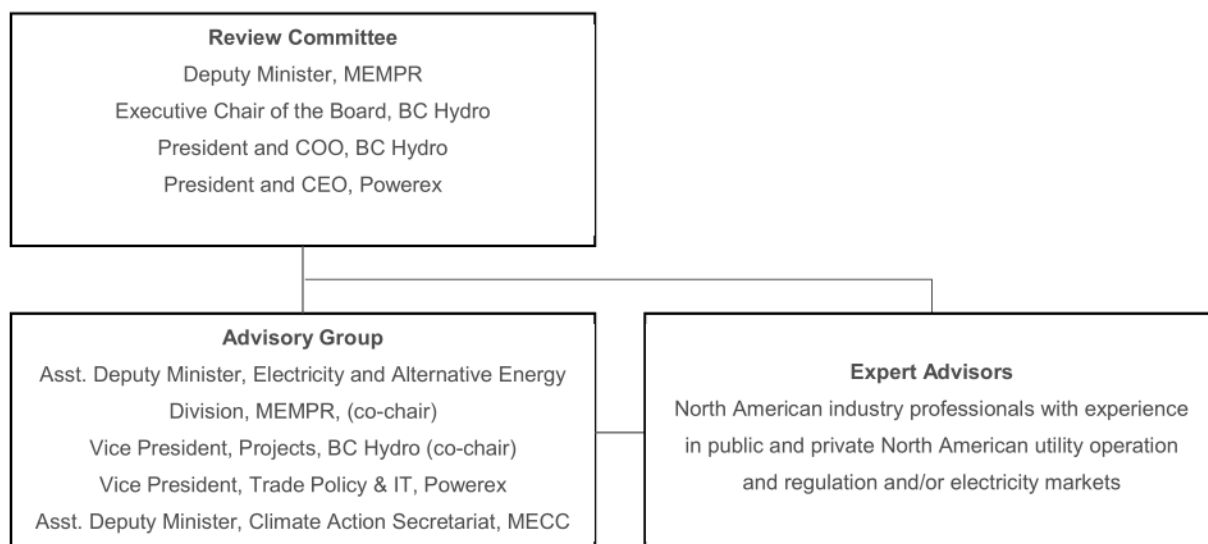
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations and communities in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

Page 159 of 229 to/à Page 164 of 229

Withheld pursuant to/removed as

s.13

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

Overseeing the Phase 2 Review process will be a Review Committee consisting of:

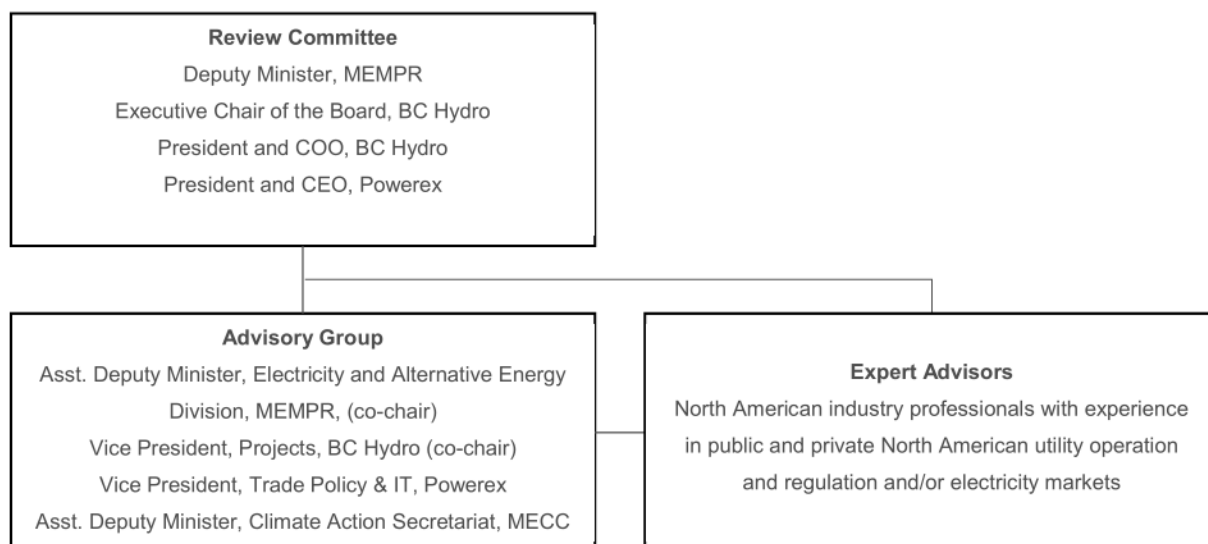
- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.



### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations and communities in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

## **Governance**

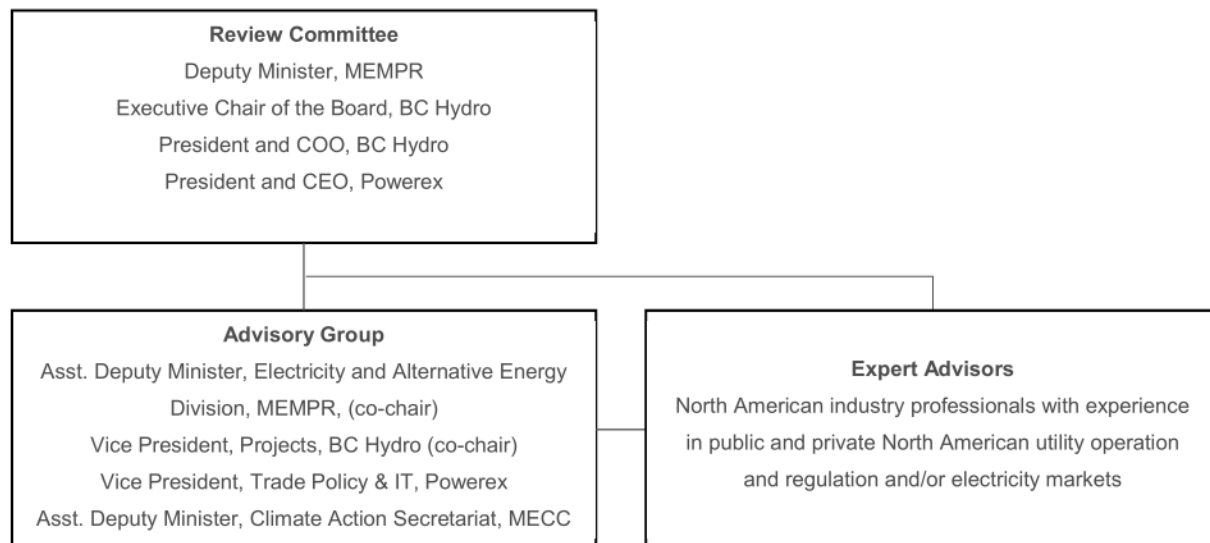
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations and communities in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.



## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

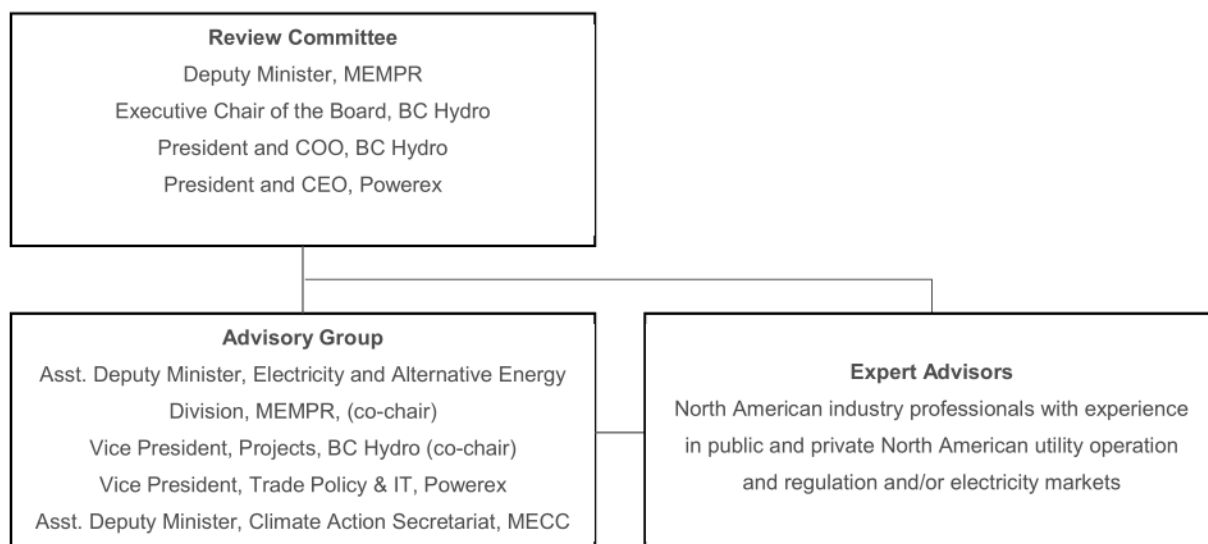
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review June to November, 2019 utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

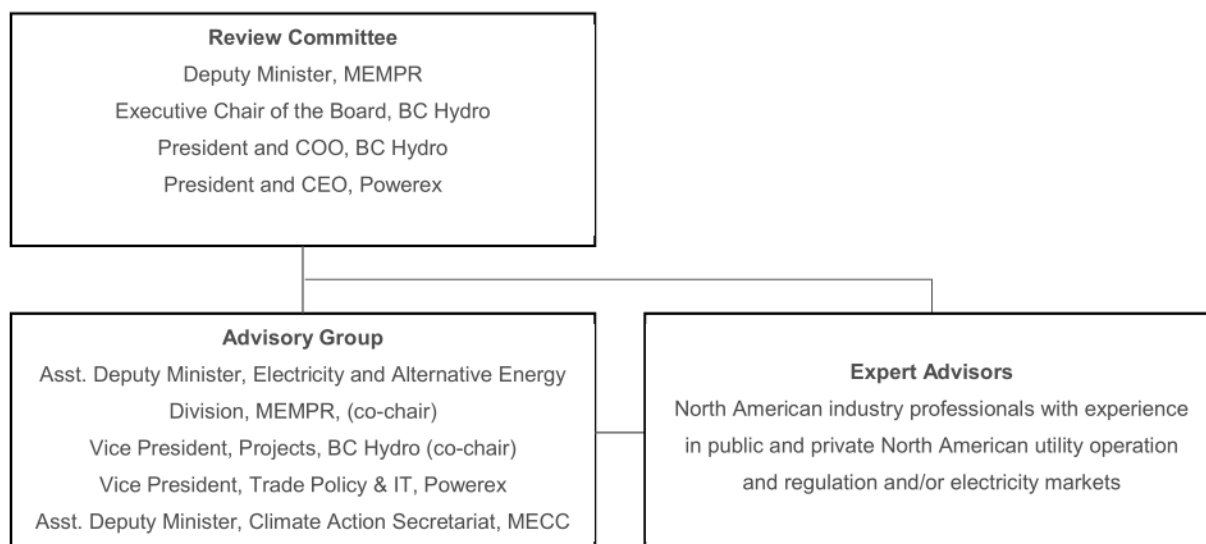
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?



- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.

The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

### **Governance**

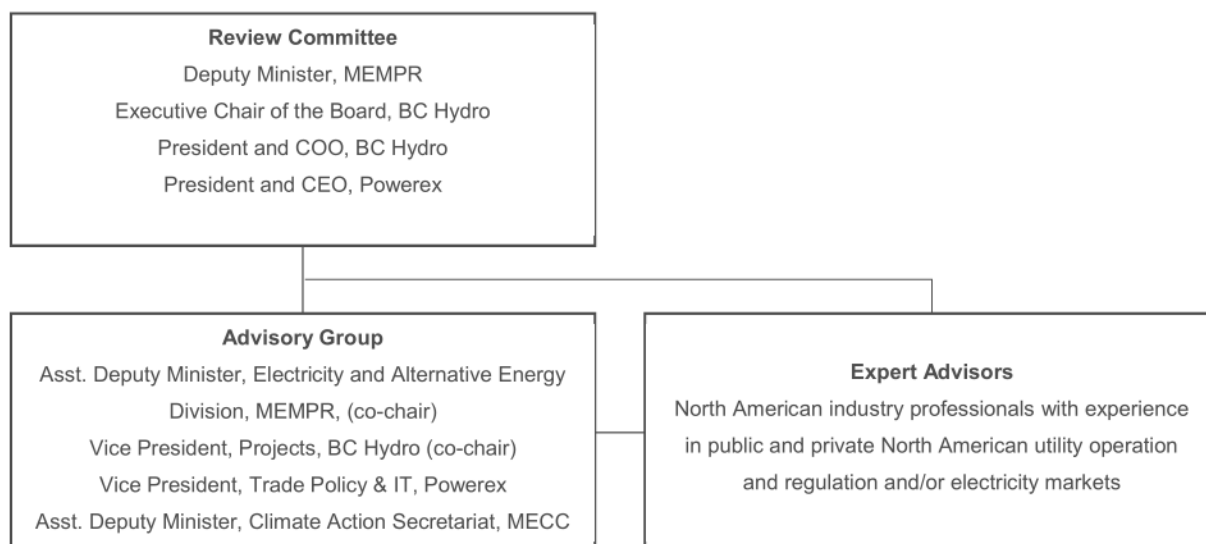
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

## **Terms of Reference**

### *Comprehensive Review of BC Hydro – Phase 2*

#### **Context**

The 2017 Mandate Letter to the Minister of Energy, Mines and Petroleum Resources directs the ministry to undertake a Comprehensive Review of BC Hydro and to work with BC Hydro to develop a refreshed plan to keep rates affordable over the long-term.

In June 2018, Government announced a two-phase approach for carrying out the Minister's mandate:

- Phase 1 - examine opportunities to keep BC Hydro's rates affordable by increasing BC Hydro's revenues, reducing its costs and protecting ratepayer interests by re-empowering the British Columbia Utilities Commission to oversee BC Hydro's costs and activities; and
- Phase 2 - explore global energy sector shifts and provincial strategies that could transform the way BC Hydro does business.

Phase 1 of the Comprehensive Review of BC Hydro is now complete. On February 14, 2019 the Province released a final report on this first phase, which details actions to ensure sound financial and regulatory oversight of BC Hydro, and a five-year rate forecast reflecting cost and revenue strategies to keep rates affordable.

In December 2018, Government released its CleanBC plan, a combined economic development, energy and climate strategy. CleanBC offers a pathway that will enable our province to seize opportunities for innovation and growth. To meet the goals in CleanBC, we must increase our use of cleaner energy, including electricity generated from renewable sources, to shift away from our reliance on fossil fuels for transportation, industry, and buildings. CleanBC's actions will get British Columbia approximately 75% of the way to legislated 2030 greenhouse gas reduction targets. Achieving the remaining 25%, and ultimately the 2040 and 2050 targets, will require additional clean energy.

#### **Objective**

The objective of the Comprehensive Review's second phase is to develop recommendations for how BC Hydro can accomplish the provincial policy objectives laid out in the CleanBC plan, including how BC Hydro can support meeting British Columbia's legislated 2030, 2040, and 2050 greenhouse gas reduction targets in a manner that ensures BC Hydro sustainability in the future for the benefit of British Columbians.



The Review will consider the potential impacts of North American energy and market trends, the needs of current and future BC Hydro customers, evolving technologies and utility structures, the affordability of electricity to consumers, and opportunities to involve indigenous peoples and communities.

The recommendations from the Phase 2 Review will be used to inform BC Hydro's Integrated Resource Plan that will be filed with the British Columbia Utilities Commission in early 2021.

## **Governance**

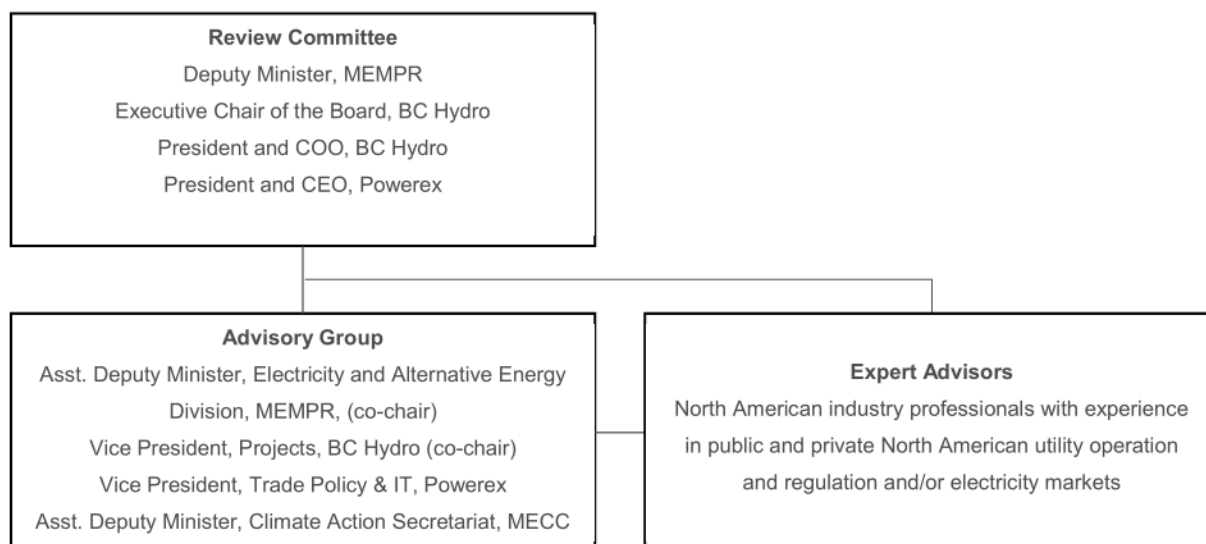
Overseeing the Phase 2 Review process will be a Review Committee consisting of:

- Deputy Minister of Energy, Mines and Petroleum Resources,
- Executive Chair of the BC Hydro Board of Directors,
- President and Chief Operating Officer of BC Hydro, and
- Chief Executive Officer of Powerex.

This Review Committee is responsible for ensuring that the objective of the second phase of the Review is met.

An Advisory Group consisting of senior staff from the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Ministry of Environment and Climate Change (MECC), BC Hydro, and Powerex will provide advice to the Review Committee, draft material for their consideration and prepare a final report that includes the recommendations of the Review Committee. Industry experts that have extensive experience in public and private North American utility operation, regulation, and/or electricity markets will inform and guide Review Committee recommendations.

### Governance Chart - Phase 2 Review:



### **Areas of Interest**

The Review Committee, with the support of the Advisory Group and advice from industry experts, is tasked with addressing questions within four areas of interest, with the goal of gathering the information necessary to develop a final report with recommended actions for the utility.

#### **1. Supporting CleanBC**

CleanBC is central to reducing greenhouse gas emissions while also meeting BC's energy and economic development goals. Any recommended changes to BC Hydro must achieve the electrification goals set out in CleanBC to meet our legislated 2030 greenhouse gas reduction targets and lay the groundwork for additional greenhouse gas emissions reductions to meet the province's legislated 2040 and 2050 emissions targets. Achieving the electrification targets will support the production of lower carbon natural resources for export. The Review will identify additional opportunities to reduce greenhouse gas emissions through fuel-switching, electrification, energy efficiency and conservation and will include responses to the following questions:

- What is required to ensure that new customer demand for access to clean electricity from the grid is achieved in an efficient, cost-effective, and timely manner?
- How should the costs of this new access be allocated between existing and new customers? Is there a role for government(s) in financing the infrastructure to provide this access?

- What can/should BC Hydro do to encourage fuel switching to increase the use of clean electricity as an alternative to fossil fuels and reduce greenhouse gas emissions?
- How can BC Hydro and the Province's CleanBC Better Homes/Better Buildings program coordinate further to address climate change by reducing greenhouse gas emissions and meeting CleanBC objectives?

## **2. Thriving in an Evolving Electricity Sector**

The Phase 2 Review final report will describe the trends in technology, changes in electricity markets and transformative approaches used by other electric utilities (e.g. distributed generation, microgrid and digital utilities). Recommendations will address how BC Hydro must adapt to a broad range of future scenarios and evolve its existing structure, services, and assets in support of ensuring BC Hydro's sustainability for the benefit of all British Columbians. At a minimum, the Phase 2 Review final report will address the following questions:

- Which industry trends are most likely to have an impact on BC Hydro?
- What actions are needed to ensure that BC Hydro is able to benefit from new markets and integrate new technologies while keeping rates affordable?
- Are there opportunities for BC Hydro to provide customers with more energy choices and information?
- Are changes needed to BC Hydro's governance structure to allow the utility to pursue new business opportunities?

## **3. Leveraging Our Strengths**

BC Hydro's wholly-owned subsidiary Powerex currently buys and sells electricity in other markets throughout the Western Interconnection. The Phase 2 Review will consider whether there are opportunities to enable increased participation in external markets to the benefit of BC Hydro ratepayers. The Phase 2 final report will make recommendations that consider each of the following questions:

- What constraints, if any, reduce Powerex's ability to trade electricity in the Western Interconnection today or in the future?
- Is there an opportunity or actions that can be taken that will enable Powerex to expand its business in markets outside of BC, further leveraging BC Hydro's clean generation and/or Powerex's expertise in energy markets?

- How should cost effective clean energy located outside of BC be considered in BC Hydro's planning and operations?
- Is there an opportunity to own and/or operate assets outside of BC Hydro's current service area that would benefit BC Hydro's ratepayers?

#### **4. Opportunities for Indigenous Nations and Communities**

In support of BC's commitment to reconciliation with Indigenous Peoples, the Review will consider future opportunities or new roles for Indigenous Nations in the development, ownership, or operation of electrical infrastructure or services. In relation to BC Hydro's existing business and proposed new lines of business, the Phase 2 Final Report will include recommendations to enhance Indigenous Nations' participation in the energy sector. The review will also consider how BC Hydro currently works with communities and explore alternatives.

For each of these four areas of interest, the Expert Advisors will provide advice on opportunities for program and rate design, changes to BC Hydro's governance structure and regulatory framework, and other opportunities for improved organizational readiness to enhance BC Hydro's financial and operational sustainability to keep rates affordable over the long term.

#### **Process**

The Review Committee and Advisory Group will undertake the Review ~~June to November, 2019~~ utilizing the advice of the Expert Advisors as and when needed. In late fall 2019, stakeholders and Indigenous Peoples will be asked to provide feedback on interim Phase 2 results.

A final report will be completed in early 2020 and will outline the Review Committee's recommendations on policy, governance, and strategy to ensure BC Hydro's sustainability and ability to contribute to CleanBC and other Government policy objectives.

Page 195 of 229 to/à Page 203 of 229

Withheld pursuant to/removed as

s.12 ; s.13

Page 204 of 229

Withheld pursuant to/removed as

s.12 ; s.13 ; s.17

Page 205 of 229 to/à Page 219 of 229

Withheld pursuant to/removed as

s.12 ; s.13

Page 220 of 229 to/à Page 229 of 229

Withheld pursuant to/removed as

s.13