

BC Hydro's Climate Action Strategy

Lessons learned and the value of being prepared

Financial Executives International, June 2010

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BC hydro 

FOR GENERATIONS

OUTLINE

BC Hydro Overview

Business Drivers

Planning Processes

Value Derived

BC HYDRO OVERVIEW

Crown Corporation of the
Province of British Columbia, Canada

Serving 1.8 M customers

Total generating capacity of 11,300 MW

43,000 and 54,000 GWh/year

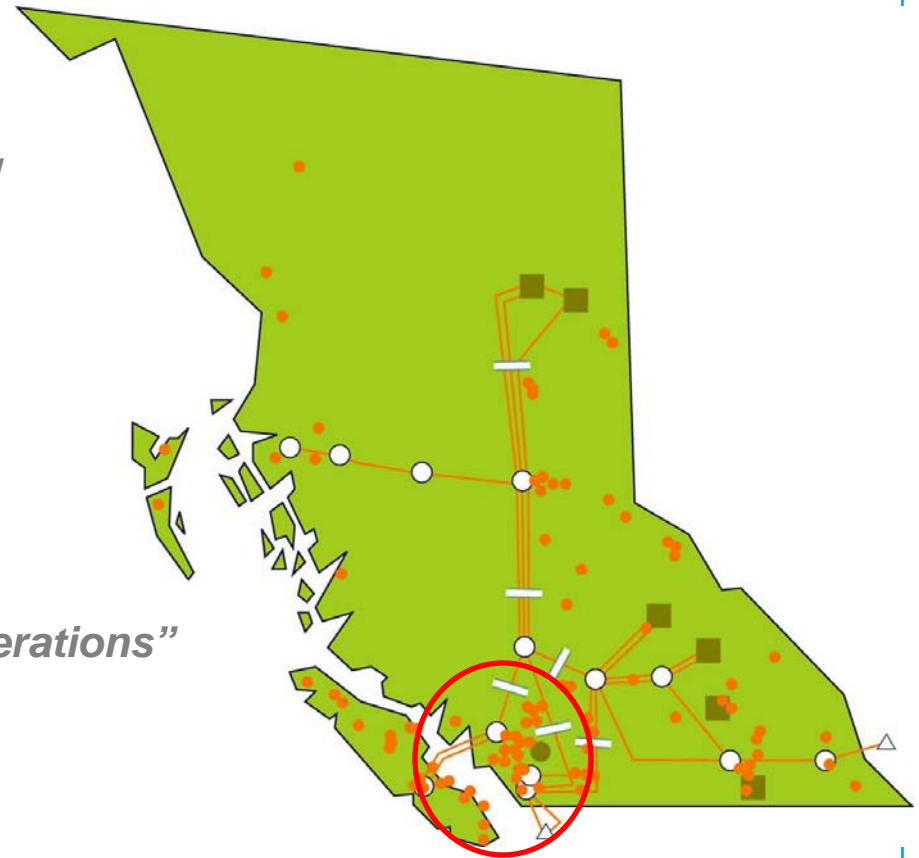
90% hydroelectric

18,280 kms transmission lines &
56,000 kms distribution lines

“Reliable power, at low cost, for generations”

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BUSINESS DRIVERS - REGULATORY

PROVINCE OF B.C.'S GHG EMISSION REDUCTION TARGETS:

33% below 2007 levels by 2020 – interim targets 6% by 2012, 18% by 2016
80% below 2007 levels by 2050

POLICY MEASURES

- Regulations
- Fiscal measures
- Market mechanisms
- Support for technology
- Behavioural change
- Leadership – Carbon Neutral Public Sector

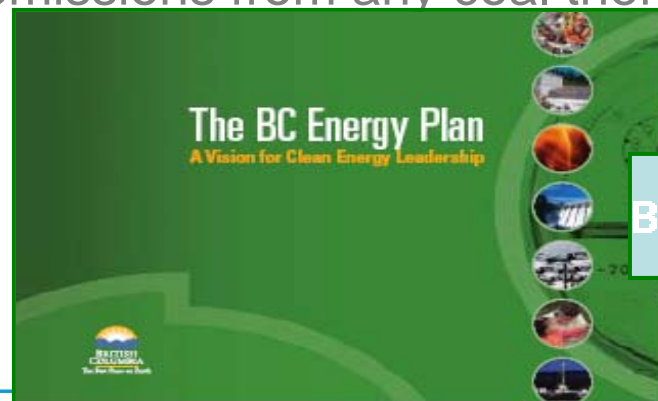


BUSINESS DRIVERS – Risks, Opportunities

B.C. Energy Plan & Clean Energy Act

- Acquire 50% of BC Hydro's incremental resource needs through conservation by 2020 → 66% with CEA
- Achieve electricity self-sufficiency by 2016
- Ensure clean or renewable generation continues to account for at least 90% of total → 93% with CEA
- All new electricity generation projects will have zero net GHG emissions
- Zero net GHG emissions from existing thermal generation power plants by 2016
- Zero GHG emissions from any coal thermal electricity facilities

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BUILDING ON THE **POWER** OF BC

BUSINESS DRIVERS – Compliance

B.C. Legislation & Regulation

Greenhouse Gas Reduction Targets Act

- Carbon Neutral Government Regulation

Greenhouse Gas Reductions (Cap and Trade) Act

- Reporting Regulation *In Force 2010*

Greenhouse Gas Reductions (Renewable and Low Carbon Fuel Requirements) Act

Amendments to the Environmental Management Act

- Enables Zero Net Electricity Generation Regulations



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BUSINESS DRIVERS - VOLUNTARY

SERVICE PLAN PRIORITIES

“Reliable power, at low cost, for generations”

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CLIMATE CHANGE AND ENVIRONMENTAL IMPACT

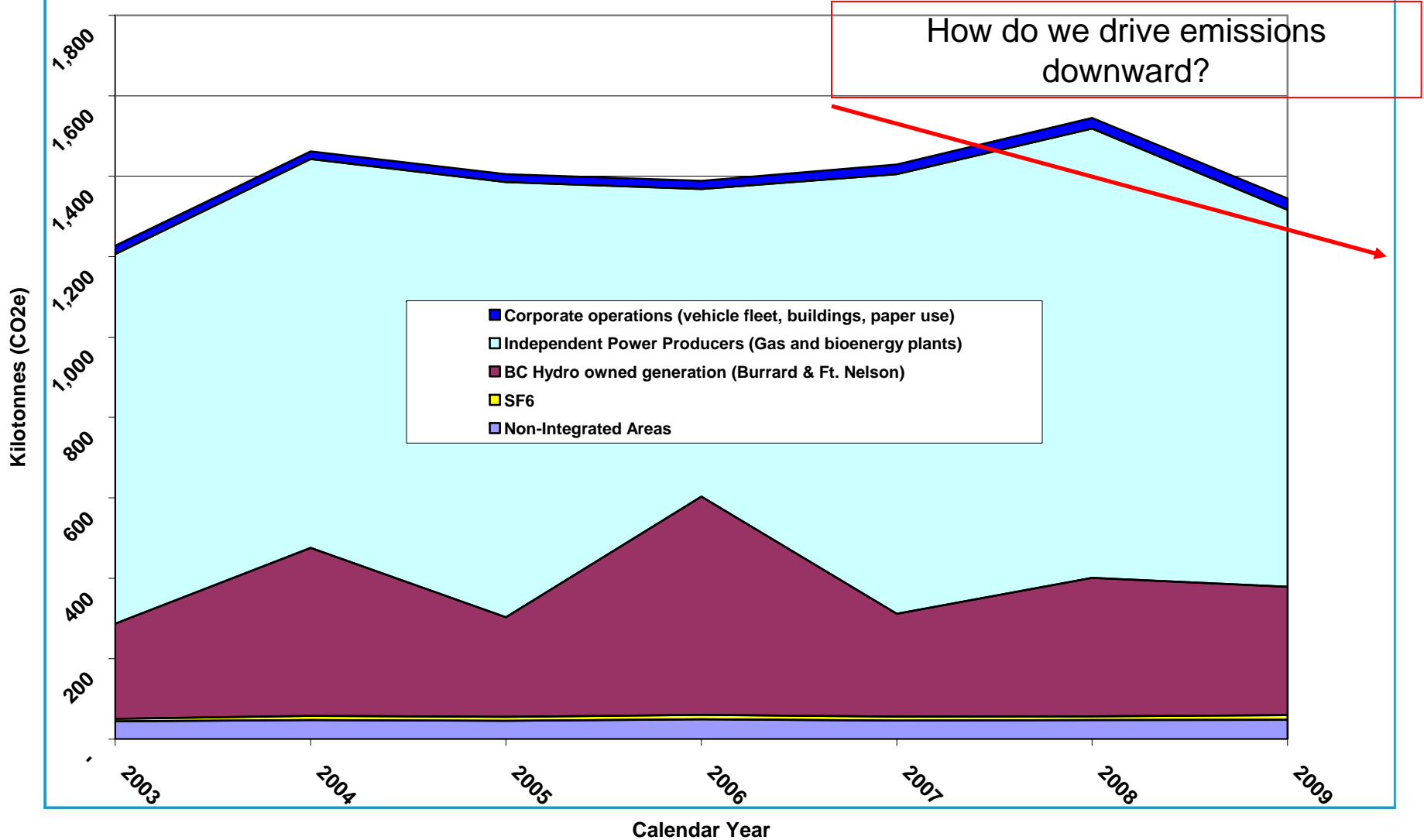
To have no net incremental environmental impact by 2024 when compared with 2004.

ENERGY CONSERVATION AND EFFICIENCY

Develop and foster an energy conservation and efficiency culture in B.C. that leads to customers choosing to make a dramatic and permanent reduction in the use of electricity.

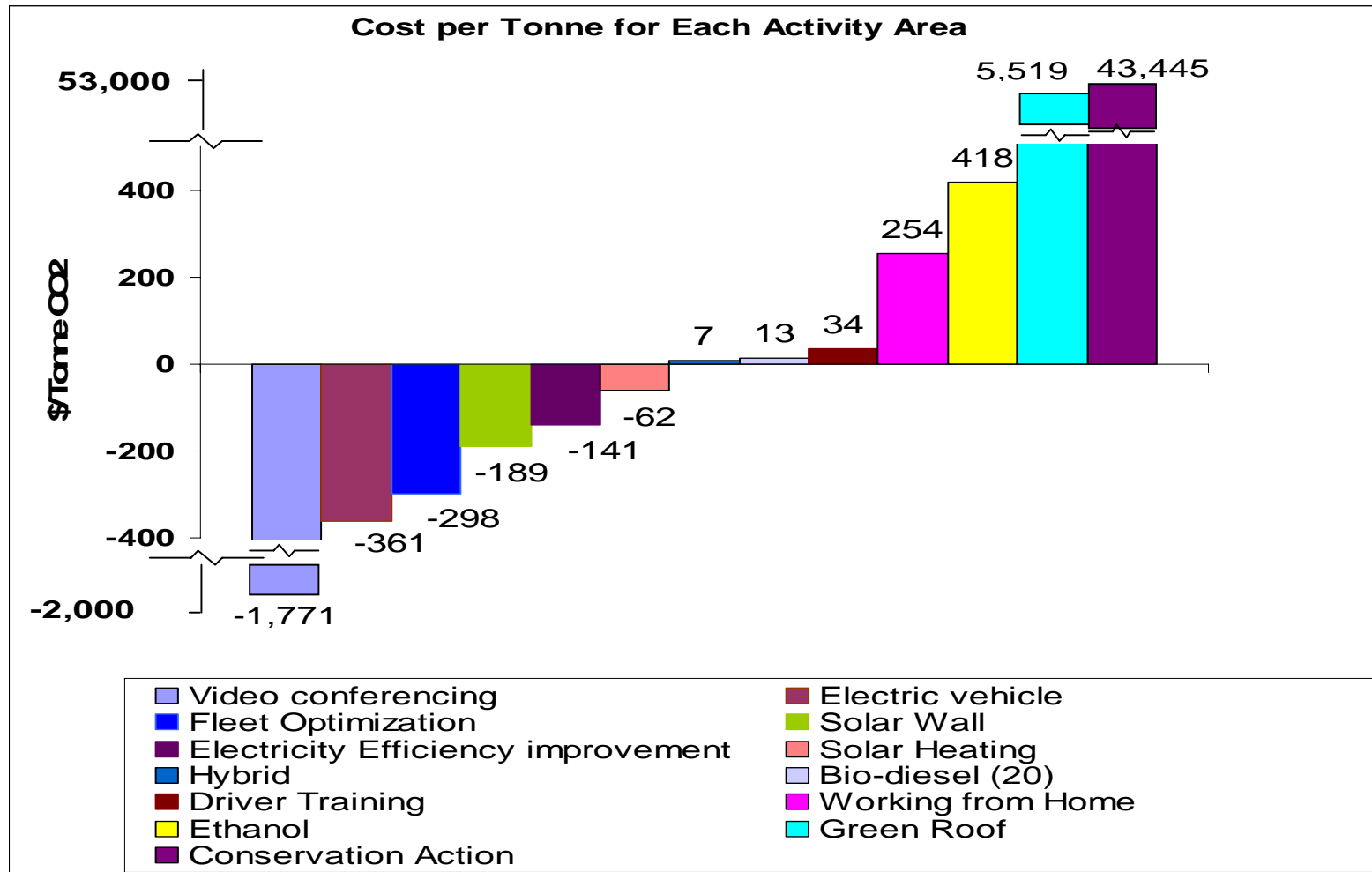
PLANNING PROCESSES: Measurement

Report, Forecast, Set Targets



PLANNING PROCESSES: Evaluate Options

Marginal Cost Comparisons



PLANNING PROCESSES: Situation Analysis

SWOT

- Interview process across the organization
- Seek broad range of viewpoints
- Include all aspects of operations, projects, and planning

Strengths	Weaknesses
Opportunities	Threats

PLANNING PROCESSES: Strategy



Set clear objectives

Establish a governance structure

Identify the strategic elements or approaches that will be used to reach your objectives:

- Partnerships, Communication
- Program planning & design
- Policy monitoring, advocacy, long-range planning

VALUE DERIVED

Market opportunities and regulatory risks

Marketing clean AND green electricity

Prepared to manage risks as regulatory landscape evolves

Influencing others

Catalyst to influence suppliers

Catalyst to influence customers

EMPLOYEE CONSERVATION LEADERSHIP AWARDS

Nominate someone you believe has shown true leadership in the area of conservation at BCH.

lead by example



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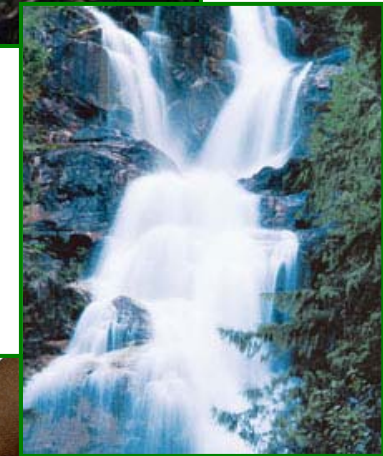
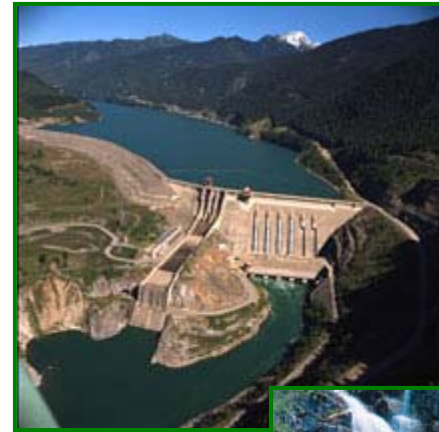
Reputation and trust

Transparency in reporting

Our customers view us as part of their supply chain

Employee attraction and retention

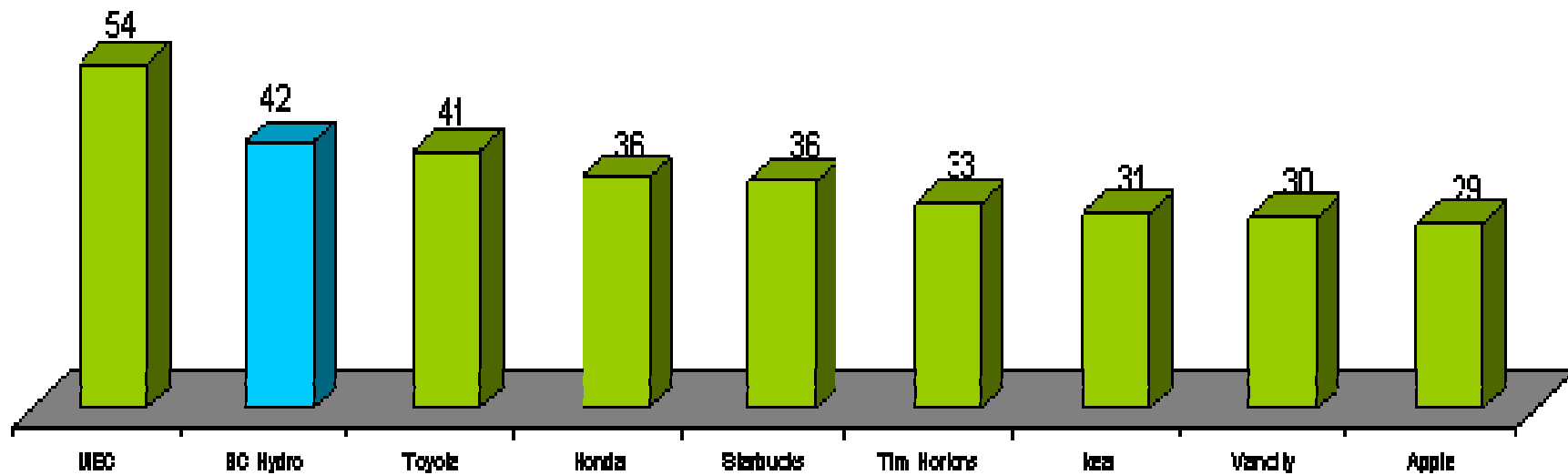
Public perception



VALUE DERIVED

Public Perception

ENVIRONMENTAL RESPONSIBILITY



PROGRAM EXAMPLE: Carbon Neutral

Facilities Improvement Program

- New buildings built to LEED Gold
- Energy-efficiency improvements to building upgrades (HVAC, new roofs, lighting systems)
- Floor and office transformations, last year saved 114 MWh of energy savings

Greening the Fleet

- fleet emissions inventory, driver eco-education, hybrid vehicle purchases, demo of alternate fuels and technology (e.g. biodiesel, PHEV), idle-free campaign

Paper Use

- Paper use reduction campaign, 100% recycled, consolidated delivery

Employee Engagement

- Lead by Example and Green Teams encourage and support employee actions that reduce energy consumption and greenhouse gas emissions



lead by example GREEN TEAM

