
STATEMENT

For Immediate Release
2018EMPR0004-000311
March 1, 2018

Ministry of Energy, Mines and Petroleum Resources

Government will help low-income families manage electricity costs

VICTORIA – Minister of Energy, Mines and Petroleum Resources Michelle Mungall has issued the following statement on the B.C. Utilities Commission (BCUC) decision on the BC Hydro rate freeze:

“I am disappointed the BCUC turned down BC Hydro’s request for a one-year rate freeze, and instead, approved the previous government’s rate increase.

“We completely understand the affordability crisis so many families face, and will be taking action quickly to address the need to reduce electricity costs for those who need it most.

“Government will work with BC Hydro and customer groups on a lifeline rate program. The program could mean that people who have demonstrated need would have access to a lower rate for their electricity.

“In addition, starting in May, BC Hydro residential customers who find themselves in an emergency – such as loss of employment, unanticipated medical expenses or pending eviction for example – will be eligible for a grant toward their outstanding BC Hydro bill. The grant is up to \$600 and does not need to be repaid.

“Last month, BC Hydro announced enhanced measures to help customers manage higher winter bills, including a winter payment plan, giving customers the option to spread bill payments over a six-month period, and increased funding for low-income energy-conservation programs.

“To lower electricity costs for B.C. businesses and industries, we are phasing out the provincial sales tax (PST) on electricity. Following the 50% reduction that started on Jan. 1, 2018, government will completely eliminate the PST on non-residential electricity on April 1, 2019. Residential use of electricity is already PST-exempt.

“Eliminating the PST on electricity will translate into savings of more than \$150 million annually for B.C. businesses. This will help them create more jobs for British Columbians, expand into new markets, and reinvest in new technologies.

“Our government will also undertake a comprehensive review of BC Hydro to make it work for people. The review will identify changes and cost savings to keep rates low, while ensuring BC Hydro has the resources it needs to continue to provide clean, safe and reliable electricity. We expect to announce the scope and process for the review in the coming weeks.

“We respect the BCUC’s work and diligence as British Columbians’ independent regulator. Although disappointed with its decision, we understand the commission’s concerns and will

work to address them, while implementing ways to make life more affordable for B.C. families.”

A backgrounder follows.

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BACKGROUND

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Ministry of Energy, Mines and Petroleum Resources

Affordability measures will help households manage higher winter electricity bills

For the many British Columbians faced with the balancing act of managing their household finances, the winter season can be especially challenging. Cooler-than-average temperatures lead to higher-than-average electricity bills, especially for those using electric heat (about 40% of British Columbians).

In December 2017, about 90,000 residential customers paid their BC Hydro bill late. Since 2010, an average of between 10% and 15% of customers have paid their bills late each month.

On Feb. 9, 2018, BC Hydro announced enhanced measures to help its customers manage electricity costs:

Winter Payment Plan:

- BC Hydro is launching the Winter Payment Plan, giving customers the option to spread bill payments over a six-month period.
- The winter billing period runs from Dec. 1, 2017, to March 31, 2018.
- This plan was successfully piloted last winter, with more than 4,000 customers signing up.
- Customers who would like participate this year can call 1 800 BCHYDRO to set up individual payment arrangements.

Low-income conservation programs:

- Over the next three years, BC Hydro will spend \$10 million – an increase of \$2.2 million – on low-income conservation programs to help customers in need.
- These programs include:
 - The Energy Conservation Assistance Program, in partnership with FortisBC, provides free energy assessments and energy-saving products, such as new ENERGY STAR refrigerators and insulation upgrades. Over 13,000 customers have participated, including more than 3,600 First Nations' homes in 90 communities.
 - Energy-savings kits, which include a number of simple, easy-to-install products, such as energy-efficient LED light bulbs and weather stripping, have been distributed to more than 100,000 customers since 2008. These kits has resulted in over \$4 million in annual electricity cost savings to BC Hydro's low-income customers.
 - More than 20% of BC Hydro's residential customers qualify for low-income assistance. This is the result of increasing the income point for low-income qualification from \$44,000 to \$57,000.

BC Hydro offers existing payment options, conservation programs and online tools that have helped hundreds of thousands of customers reduce their electricity use and save on their bills,

including:

Equal Payment Plan:

- BC Hydro offers an Equal Payment Plan that can be set up anytime.
- The plan takes usage from the most-recent 12 months and divides it into equal monthly payments, helping to make monthly budgeting easier.
- Over 440,000 BC Hydro customers are on an Equal Payment Plan.
- Customers can set up a plan by calling 1 800 BCHYDRO.

Online electricity tracking tools:

- Customers can set up an online MyHydro account at bchydro.com and access free electricity tracking tools to get a better understanding of how they are using electricity and look for ways to save.
- These tools allow customers to see their electricity use per hour, and to compare their electricity use:
 - to similar homes nearby;
 - to last year's use; and
 - to the average outside temperature.

Team Power Smart:

- Customers can join Team Power Smart and start the Reduction Challenge, committing to reducing their household's electricity use by 10% over the next 12 months.
- After 365 days, customers will receive a \$50 reward if they are successful in meeting their goal.
- Over 135,000 customers are participating in Team Power Smart.

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