
NEWS RELEASE

For Immediate Release
2024EMLI0068-001550
Sept. 18, 2024

Ministry of Energy, Mines and Low Carbon Innovation
BC Hydro

BC Hydro receives strong response to call for clean electricity to power economy

VANCOUVER – BC Hydro has received a strong response to its call for new renewable power-generation projects while it continues to build out and strengthen B.C.’s electricity grid, creating jobs and supporting clean growth in communities such as Vancouver.

“We need more clean energy to power our homes, businesses and industries, to power growing communities and to power our future,” said Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation. “Building an economy powered by clean, reliable and affordable electricity is one of the job-creation opportunities of our generation. Through regular calls for power and BC Hydro’s 10-year capital plan, we are creating over 10,000 construction jobs and driving sustainable growth across the province.”

In April 2024, BC Hydro launched a call for power to acquire approximately 3,000 gigawatt hours per year (GWh/y) of clean electricity. This is BC Hydro’s first competitive call for power in more than 15 years and will add 5% to its current supply.

In response, BC Hydro received proposals for three times more energy than it was targeting. There were 21 proposals from independent power producers throughout B.C., representing more than 9,000 GWh/y, enough to power approximately 800,000 homes. Of the proposals received, approximately 70% are wind projects, 20% are solar and 10% include biomass and hydro.

The proposals are geographically diverse representing almost every region in the province. Of the 21 proposals, there are eight from the southern Interior, four from the central Interior, five from the north coast, two from the Peace Region and two from Vancouver Island.

After evaluating the proposals over the coming months, BC Hydro will award electricity purchase agreements in December and expects projects to start coming online as soon as fall 2028. The development and construction of new clean-energy projects in response to the call for power will generate an estimated \$2.3 billion to \$3.6 billion in private capital spending throughout the province and create approximately 800 to 1,500 jobs annually on average.

Unlike other provinces, B.C. is well positioned to add more intermittent renewables, such as wind and solar, to the electricity grid as its integrated, flexible system of hydroelectric dams act as batteries. The reservoirs store water and allow BC Hydro to ramp production up or down almost instantly, providing a reliable backup when the sun isn’t shining or the wind isn’t blowing. The cost of wind and solar, and the time needed to construct new facilities, has dropped significantly over the past decade.

As part of Powering Our Future: BC’s Clean Energy Strategy, the Province has committed to conducting regular, competitive calls for power every two years. This will ensure that B.C. has

the clean electricity it needs as the economy and population continues to grow while keeping BC Hydro rates affordable for people and businesses.

In addition to increasing the generation of electricity in the province, BC Hydro is also investing to expand and strengthen its transmission and distribution system through its capital plan. Upgrading BC Hydro's electricity grid will ensure that clean power can be delivered to new homes, businesses and industries when and where they need it.

In January 2024, the Province announced BC Hydro's updated 10-Year capital plan, which contains \$36 billion in regional and community infrastructure investments across B.C., a 50% increase in investments over its previous capital plan. These new construction projects are forecast to support 10,500 to 12,500 jobs annually, on average, as well as increase and maintain BC Hydro's capital investments as major projects, such as Site C, are completed.

"In growing municipalities like Vancouver, where we are seeing substantial population growth and increasing residential, commercial and industrial customers clean electricity needs, we are embarking on significant upgrades to our electricity system, including adding new substations and expanding existing substations, transmission lines and distribution network to ensure we can continue to provide reliable and clean electricity to our customers," said Chris O'Riley, president and CEO, BC Hydro. "We are also making important changes to our customer connections process to speed up timelines for newly constructed homes and buildings."

Vancouver is the most populated municipality in B.C. Population and housing growth along with increasing residential, commercial and industrial electrification is driving up energy needs. To meet this surge in demand, approximately \$2 billion is being invested in several projects, including:

- approximately \$1.4 billion to construct three new substations, which will be in service by the early 2030s:
 - West End substation to replace the Dal Grauer substation will power as many as 70,000 new homes;
 - East Vancouver substation to replace the Murrin substation will power as many as 70,000 new homes; and
 - Boundary substation to provide capacity in the fast-growing south Vancouver and south Burnaby areas will power as many as 70,000 new homes.
- approximately \$200 million to expand capacity at Mount Pleasant and Kidd 1 substations, and to replace aging equipment at Cathedral Square and Sperling substations;
- approximately \$300 million in investments in distribution capacity to:
 - convert underground systems in downtown Vancouver to higher voltages to provide additional capacity;
 - connect new residential developments in Oakridge, West Broadway, Yaletown and west side of Vancouver; and
 - provide new feeder capacity in the West End, West Side and south Vancouver.
- approximately \$120 million to replace an aging 230 kilovolt cable approaching end-of-life to maintain reliable supply of power to the Cathedral Square substation in downtown from Burnaby; and
- as part of the Metro South Project, \$500 million will be invested to expand the transmission network to support the projected load growth and increase capacity feeding the Camosun and Mainwaring substations in Vancouver.

Quick Facts:

- Currently 98% of the power generated for B.C.'s integrated grid comes from clean or renewable resources making B.C. a leader in North America when it comes to clean energy.
- Electricity demand in B.C. is expected to increase by 15% or more between now and 2030.
- BC Hydro has kept rate increases below the rate of inflation for six years in a row.
- B.C. has the second lowest residential electricity rates in North America and the third lowest commercial and industrial rates.
- BC Hydro's capital plan and its first call for power are estimated to lead to total public and private capital investments of approximately \$40 billion and create between 11,300 and 14,000 construction jobs annually.
- BC Hydro was a net exporter of electricity for the past five years (2019-23), with the majority of imports coming from dedicated clean sources of electricity.

Learn More:

To read Powering Our Future: BC's Clean Energy Strategy,

visit: <https://www2.gov.bc.ca/gov/content?id=E28B86DD48CC469684A9401B54087682>

To view BC Hydro's 10-year Capital Plan, Power Pathway: Building BC's energy future, visit:

https://news.gov.bc.ca/files/CS-4307-CapitalPlan_LTR.pdf

To view a graph of BC Hydro's planned capital spending, visit: https://news.gov.bc.ca/files/CS-4307-CapitalExpenditures_Chart.pdf

For more details about BC Hydro's call for power, visit:

<https://news.gov.bc.ca/releases/2023EMLI0036-000941>

Two backgrounders follow.

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BACKGROUND 1

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What people are saying about B.C. Hydro investments

George Heyman, Minister of Environment and Climate Change Strategy, and MLA for Vancouver-Fairview –

“This significant investment by BC Hydro is crucial for Vancouver. As our region continues to grow rapidly, these upgrades and expansions will ensure that our residents and businesses have access to reliable and clean electricity. This not only supports our economic development, but also aligns with our commitment to a sustainable, clean economy and electrifying vehicles and home energy. I’m excited to see these upgrades coming to Vancouver.”

Merran Smith, president, New Economy Canada –

“The incredible response and numbers we’re seeing today from BC Hydro confirms what we already know – B.C.’s key industries want and need more clean power to build and power new homes, mines, manufacturing plants and trucking fleets. With so many clean-energy producers stepping up, the future is bright as we look to accelerate investment, get more people working and grow our clean economy.”

Mark Zacharias, executive director, Clean Energy Canada –

“The significant response to BC Hydro’s first call for new power in 15 years is a key step towards making sure that B.C. can deliver on its climate and economic targets. The electrification of B.C.’s industries and households is an immense opportunity to make life more affordable for British Columbians while growing our economy and must remain a core objective for the government.”

Ken Sim, mayor, Vancouver –

“Vancouver is committed to leading the way in clean energy and BC Hydro’s substantial investment in our city’s infrastructure is a testament to that commitment. These projects will not only support our growing population but also help us achieve our ambitious sustainability goals.”

Annette Toth, president, MoveUp –

“This substantial investment by BC Hydro is critical for ensuring we have a safe electrical supply for our communities for generations to come. It is both an investment in critical infrastructure as well as in the people who live and work in British Columbia. This investment means generating good-paying, unionized jobs in our communities for workers, like our MoveUP members at BC Hydro and Powertech, who provide an essential service to people across B.C. every day.”

Anne McMullin, president and CEO, Urban Development Institute (UDI) –

“UDI is very pleased that BC Hydro is investing \$2 billion in much-needed electrical infrastructure in Vancouver. These upgrades to the distribution system are essential for the city and our members to deliver the job spaces and 10s of thousands of new homes Vancouver needs in the coming decades, while ensuring governments can still achieve their climate goals of reducing greenhouse gas emissions.”

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BACKGROUND 2

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BC Hydro's plan to meet future demand

BC Hydro's updated Integrated Resource Plan (IRP) outlines how BC Hydro will meet the electricity needs of its customers over the next 20 years and reflects B.C.'s greenhouse-gas reduction targets and electrification. It's a flexible plan that allows BC Hydro to monitor changing conditions and adjust its planning to meet the future needs of customers.

In addition to Site C coming online and BC Hydro's first competitive call for power in 15 years, the IRP includes a range of actions to meet future demand, including:

- ramping up demand-side management (including energy efficiency) activities and investments to conserve energy and limit peak demand to achieve greater customer energy savings;
- offering optional rates, such as the new voluntary Time-of-Day rate, to achieve system capacity savings, including for home charging of electric vehicles;
- renewing electricity purchase agreements with existing clean or renewable independent power producers on a cost-effective basis;
- continuing to explore the expansion of existing capacity at the Revelstoke generating station;
- advancing upgrades to transmission infrastructure to achieve additional capacity; and
- advancing the integration of utility-scale batteries (energy-storage systems).

The BC Utilities Commission (BCUC) approved BC Hydro's IRP in March 2024 following a multi-year regulatory proceeding that included participation from 36 stakeholder intervenors and BC Hydro staff answering approximately 5,000 questions. This is the first time since 2006 that the BCUC has had the opportunity to provide oversight and approval of BC Hydro's IRP. The BCUC's oversight of long-term energy planning was restored in 2019 through legislative amendments to the Utilities Commission Act.

Under the Clean Energy Act, BC Hydro is required to be self-sufficient based on average water years. This means that in some years B.C. will be in surplus (and a net exporter), while during others it will be in deficit (and a net importer), such as during 2023 due to the current historic drought. Over the past 15 years, B.C. was a net importer in seven years and a net exporter in eight.

By bringing more renewables onto the grid, such as wind and solar, B.C. will diversify how it generates electricity and make us more resilient to extreme events and uncertainty due to climate change.

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