BC Hydro and Power Authority

2026/27 – 2028/29 Service Plan

February 2026

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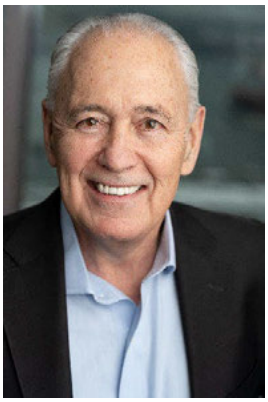
Board Chair's Accountability Statement



The 2026/27 – 2028/29 BC Hydro Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of February 6, 2026, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Hydro's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of BC Hydro's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

Glen Clark
Board Chair, BC Hydro
February 6, 2026

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Strategic Direction

In 2026/27, the public sector organizations will do their part to support the Government of British Columbia's prioritizing support for people by taking action to make life better for everyone.

Despite a challenging fiscal environment due to global uncertainty, trade relationship reordering, and low resource prices, over the past year Government made significant progress on efforts to reduce costs for British Columbians, hire more doctors and nurses, and build more homes, hospitals and schools, faster. Crown Agencies will continue to advance these key priorities even as tariffs, trade policies, and instability outside of the province's borders continue to put pressure on the province's finances.

Ongoing fiscal pressure means all parts of Government, including Crown Agencies must continue to do their part to maximize efficiencies and make sure every dollar counts.

To respond to these extraordinary times, Crown Agencies will support Government's focus on expanding trade and investment both within Canada and abroad and delivering major projects that offer good jobs and opportunities for people and communities. This focus on economic growth and prosperity is critical to delivering the revenue needed to provide services and infrastructure.

Good relationships and mutually beneficial partnerships with First Nations are critical to building a better future for everyone in British Columbia. Crown Agencies will continue supporting efforts to implement the Declaration on the Rights of Indigenous Peoples Act Action Plan. Through collaboration and open dialogue, we aim to foster trust, stability and certainty for all.

This 2026/27 service plan outlines how BC Hydro will support the Government's priorities and selected action items identified in the Minister's most recent Mandate Letter.

Purpose of the Organization and Alignment with Government Priorities

BC Hydro is one of the largest electric utilities in Canada and is publicly owned by the people of British Columbia. We generate and provide electricity to 95 percent of B.C.'s population and serve approximately five million people. The electricity we generate and deliver to customers throughout the province powers our economy and our quality of life. As a provincial Crown Corporation, BC Hydro reports to the Provincial Government through the Minister of Energy and Climate Solutions. Government's expectations are expressed through the following legislation and policies:

- The Hydro and Power Authority Act
- The Utilities Commission Act
- The BC Hydro Public Power Legacy and Heritage Contract Act
- The Clean Energy Act
- The Clean Power Action Plan
- Powering Our Future: BC's Clean Energy Strategy

- CleanBC and the CleanBC Roadmap to 2030

The Hydro and Power Authority Act gives BC Hydro its mandate to generate, manufacture, conserve, supply, acquire, and dispose of power and related products. In 2022, our statutory purposes were expanded by regulation to add the promotion of the use of electricity, including for the purpose of reducing greenhouse gas emissions.

Performance Planning

Goal 1: Meet growing customer demand

Economic development, industrial expansion, population growth and climate action are all driving an increase in demand for renewable electricity and related infrastructure. As we work towards a cleaner economy, electricity is increasingly a larger proportion of the province's total energy use and our customers are looking to connect quickly to our reliable, renewable electricity system.

Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[1a] CSAT Index[1]	85	85	85	85

Data source: BC Hydro customer satisfaction surveys
[1]Percentage of customers satisfied or very satisfied. Customer Satisfaction Index (CSAT) is an index measuring customer satisfaction of BC Hydro's three main customer groups (residential, commercial, and industrial). The index is comprised of the five key drivers of satisfaction weighted equally across the three customer types.

Discussion

As a Crown corporation serving over five million people in B.C., customer service and satisfaction is at the core of our mandate. Our Customer Satisfaction (CSAT) Index measures customer satisfaction with BC Hydro on five key drivers: value for money; commitment to customer service; providing reliable electricity; acting in the best interest of British Columbians; and efforts to communicate to customers and communities. This measure gauges the degree to which BC Hydro is meeting customers' electricity and service needs. The stable target for the CSAT index reflects that customers' service needs are being met; however, continued effort is necessary to address gaps in specific areas, as well to meet customer's changing expectations from their interactions with other organizations. Maintaining our current target of 85 percent customer satisfaction indicates strong customer support of our work.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[1b] Corporate Reputation Index	N/A	1st quartile	1st quartile	1st quartile

Data source: Monthly online surveys administered by third-party vendor on behalf of BC Hydro.

Discussion

The new Corporate Reputation Index measures BC Hydro's reputation among British Columbians, calculated as the equally weighted average of six key drivers: positive sentiment, negative sentiment, corporate citizenship, quality products and services, value for money and environmental responsibility. This metric represents a good proxy for corporate reputation and stakeholder trust. All data is collected through online surveys administered by an external service provider. Our target is to be in the top quartile compared to other companies with a significant presence in B.C., aiming to deliver the highest level of performance.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[1c] Energy Efficiency Program Savings[1]	350	400	500	400

Data source: BC Hydro Energy Management and Innovation group
[1]Energy Efficiency Program Savings are measured in GWh/year.

Discussion

Energy Efficiency Program Savings measured in gigawatts per year (GWh/year) reflect the annual new incremental energy savings from programs in the Energy Efficiency Plan. This metric measures the success of BC Hydro's energy efficiency programs. The targets are derived from the Energy Efficiency Plan, which is informed by the Integrated Resource Plan. There are more capital incentive projects with longer persistence and fewer behavioral savings claims, which results in lower annual incremental savings but ultimately higher cumulative savings, keeping us on track to meet the Integrated Resource Plan cumulative GWh targets.

Objective 1.1: BC Hydro will enable economic growth and the success of our customers

As our province continues to grow, so do the needs and expectations of our customers, who we are committed to serving. This objective ensures we engage deeply with all customer segments to build trust and confidence. By understanding their changing needs, we can effectively power economic growth in British Columbia, including unlocking the economic potential of the North Coast and Northeast areas of the province.

Key Strategies

- Work closely with industrial customers to understand their priorities, respond to changing market conditions and enable effective and responsive system planning that supports economic growth.
- Remove barriers and develop solutions that make it easier for our residential, commercial and industrial customers to connect to our system including process improvements and business practice changes.
- Expediently provide our industrial customers with the information they need to make decisions related to connecting to our transmission system.
- Modernize our industrial tariffs to ensure that they enable economic growth in British Columbia.
- Provide frequent and transparent customer and stakeholder communications to build support throughout this period of system investment.

Objective 1.2: BC Hydro will deepen our partnerships

We, alongside our customers, work in an increasingly complex economic and operating environment. This objective highlights the need for us to increasingly collaborate with partners, such as

municipalities and our suppliers, to develop agile and creative solutions that can accelerate our work, meet growing demand and drive sustainable economic development.

Key Strategies

- Work with local government to streamline the electrical service connection process and reduce the amount of time it takes for electrical infrastructure design, permitting and construction.
- Collaborate meaningfully with local government to jointly plan and execute infrastructure construction work to minimize the impact of infrastructure work on communities and drive cost and time efficiencies.
- Partner with priority suppliers and service providers to ensure we can secure the services, materials and equipment needed to implement our increased capital plan and energy efficiency plan.
- Evolve our procurement approach to make it easier and more appealing for suppliers to work with BC Hydro.

Objective 1.3: BC Hydro will maximize the value of Power Smart programs and offers

To increase energy and capacity savings, and improve customer affordability, we will simplify and scale Power Smart programs and offers to deliver maximum customer value and service. As the energy landscape evolves and customer expectations shift, we will continue to innovate and create new opportunities for customers to save and manage their energy use.

Key Strategies

- Prioritize, simplify and expand the highest-value programs and offers.
- Enhance customer experience and increase program enrollment by introducing a new self-serve Power Smart mobile application, enabling future scalability.
- Innovate and scale through strategic partnerships to accelerate growth, introduce new solutions and expand market reach.

Goal 2: Strengthen our resilience

The world around us is changing and we are investing in our energy system to drive economic growth and reliably meet the energy needs of current and future customers. This includes securing new sources of renewable energy and capacity, empowering our employees to meet the evolving expectations of our customers and supporting British Columbia's greenhouse gas reduction goals. At the same time, we are addressing climate change risks, cybersecurity threats and continuing to prioritize safety to ensure a sustainable and resilient energy future.

Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2a] Fatality & Permanently Disabling Injury[1]	0	0	0	0

Data source: BC Hydro Incident Management System
[1]Loss of life or the injury has resulted in a permanent disability. BC Hydro's safety performance measure does not include contractor or public safety injuries or fatalities.

Discussion

Achieving our target of zero fatalities and permanently disabling injuries is an indicator of the effectiveness of our safety plan. This measure can indicate systemic issues with our safety management system that can drive improvements to our operations. To ensure accuracy and reliability of the data, each incident is reviewed to ensure the correct injury category and seriousness has been assigned in BC Hydro's Incident Management System. The target for this metric is set at zero, which aligns with our focus on safety by preventing all fatalities and permanently disabling injuries.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2b] System Average Interruption Duration Index (SAIDI) [1,2]	4.75	4.55	4.55	4.55

Data source: BC Hydro Distribution Outage Data Warehouse System and Asset Registry
[1]Reliability targets are based on specific values, however performance within 10 percent is considered acceptable given the reliability projection modelling uncertainty, the wide range of variations in weather patterns, and the uncontrollable elements that can significantly disrupt the electrical system. BC Hydro reviews performance during major events and takes the performance into consideration in reliability improvement initiatives.
[2]Total outage duration (in hours) of sustained interruptions experienced by an average customer in a year excluding major events.

Discussion

BC Hydro's service reliability to its customers is measured using SAIDI, which is the average outage duration of sustained interruptions experienced by an average customer in a year, excluding major event days. The performance measure helps support targeted investment, planning, and process improvements to meet our customers' needs for reliability. SAIDI targets are based on several factors including long-term historic reliability trending, current year performance, previous years' investments, and future years' investment plans, while also accounting for annual variability due to weather. BC Hydro reports reliability under normal circumstances, because major events are not predictable and largely uncontrollable therefore the data excludes major events. BC Hydro follows the Institute of Electrical and Electronics Engineers standard to define a major event day to automate calculation, improve comparability across peer utilities companies, and annually adjust thresholds to account for climate change and system operational changes. The targets remain relatively stable and align with planned capital investment to mitigate increasing reliability impacts due to planned outages to maintain and upgrade equipment.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2c] Employee Engagement Index (points)	N/A[1]	At or above the engagement score of the BC Public Service	At or above the engagement score of the BC Public Service	At or above the engagement score of the BC Public Service

Data source: Confidential biennial employee engagement survey administered by an external service provider.
[1]Due to labour disruption at BC Public Service, our external service provider was unable to administer the employee engagement surveys as planned in 2025/26.

Discussion

The Employee Engagement Index measures the extent to which employees are motivated to contribute to business success and are willing to apply discretionary effort to accomplish tasks important to the achievement of business goals. An engaged workforce can have a significant effect on financial and operational results. Businesses with highly engaged employees see higher customer satisfaction, have lower turnover rates, and outperform businesses with lower levels of employee engagement. All data is collected and generated from the confidential biennial employee engagement survey, administered by an external service provider.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2d] Cybersecurity Ranking amongst Canadian Peers[1]	Upper quartile	Upper quartile	Upper quartile	Upper quartile

Data source: BitSight Security Rankings Amongst Canadian Peers
[1]The 11 Canadian peers BC Hydro is benchmarked against includes: SaskPower, Hydro One, TransAlta, Nova Scotia Power, Hydro-Quebec, NB Power, Manitoba Hydro, Nalcor Energy, Atco Ltd., Northwest Territories Power Corporation, and Ontario Power Generation.

Discussion

As BC Hydro is a critical infrastructure operator, this performance measure reflects our performance in addressing cybersecurity risk, which can cause significant disruption to our operations. BitSight's Security Ranking Amongst Canadian Peers is an industry-recognized measure of preparedness to withstand cybersecurity incidents. We aim to achieve the highest level of cybersecurity in our operations. Our target is to be in the top quartile, indicating performance among the top three Canadian peers.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[2e] GHG Emission Reduction – BC Hydro Operations[1]	44%	46%	47%	47%

Data source: Collected by various BC Hydro groups, including: Environment (sulfur hexafluoride (SF6)/CH4); Supply Chain (paper use and air travel); Fleet Services (vehicle emissions); Properties (buildings); Integrated Planning (Non-Integrated Areas and Independent Power Producers); and Operations (thermal).
[1] Cumulative GHG reductions from BC Hydro operations since 2007. The baseline GHG emission in 2007 was 1,735 k tCO2e.

Discussion

GHG Emissions Reduction – BC Hydro Operations measures BC Hydro's progress in reducing GHG emissions related to our own operations to align with and support the Province's climate goals. This includes areas such as: fleet; buildings; sulfur hexafluoride (SF6) and carbon tetrafluoride (CF4); thermal; air travel; paper; independent power producers; and non-integrated areas. Non-integrated areas are communities that are not connected to BC Hydro's integrated grid and instead receive electricity service from local generation sources. Targets for this measure have been set to exceed the 38 to 43 percent provincial reduction targets for industry from 2007 levels by 2025 and 2030, respectively. Under the Clean Energy Act, BC Hydro is required to submit annual GHG Reduction Regulation Reporting to the provincial government.

Objective 2.1: BC Hydro will invest in B.C.'s energy system

With significant electrical load growth on the horizon, and our existing system aging, this objective reinforces our commitment to extending the life of our assets where possible, while also modernizing and investing in new infrastructure and technology to drive economic development in a way that is responsive to changing market conditions and demand from new large loads. This includes a focus on fostering economic development in the North through the North Coast Transmission Line and infrastructure to support industrial growth in the Northeast.

Key Strategies

- Advance the North Coast Transmission Line and transmission infrastructure in the North Montney region.
- Enhance the reliability and resilience of the generation, transmission and distribution system by continuing to effectively implement maintenance and vegetation management programs.
- Plan and deliver capital investments to support growth and renewal of our system.
- Advance our 5-Year Technology and Cybersecurity plans to modernize our technology systems and enhance cybersecurity measures to safeguard the electrical grid.
- Implement innovations and advance work on modernizing the grid to enable new system capabilities and meet future energy needs.

Objective 2.2: BC Hydro will add sources of energy and capacity

Meeting increased demand will require the addition of new sources of renewable energy and capacity. This objective emphasizes our efforts to build towards a clean economy by increasing and diversifying B.C.'s energy and capacity supply by adding new sources of renewable electricity, while also helping customers adjust their current electricity consumption to reduce demand on the system.

Key Strategies

- Take action to increase generation capacity, including advancing work to maximize the value of existing assets, such as adding a sixth generation unit at Revelstoke Generating Station and upgrades to generating units 1-5 at G.M. Shrum Generating Station.
- Prepare for and implement renewable energy projects in the integrated and non-integrated systems, including the advancement of the 2024 and 2025 Calls for Power.

- Increase investment in energy efficiency and demand response to secure a total of 2,500 gigawatt hours of energy savings and 800 megawatts of capacity savings by Fiscal 2034.

Objective 2.3: BC Hydro will empower and strengthen our organization

BC Hydro provides stable, family supporting jobs, across British Columbia. The increasing scale, scope and complexity of work will have significant impacts on our people and organization. This objective highlights the need to increase our emphasis on innovation and technology in our business, ensure we have the skills needed for the future, and take an intentional approach to supporting the workplace culture we need to succeed.

Key Strategies

- Preserve our strong safety performance during this time of growth and enhance our focus on both physical and psychological safety.
- Refresh our existing people programs to foster the cultural attributes needed to achieve our strategic objectives.
- Further develop the capability of our leaders and ensure they have the support, training and skills they need to cultivate engaged and productive teams.
- Implement technology systems and tools to increase the ability of our employees to deliver their work.
- Build the capabilities of our workforce to identify, assess and leverage technological innovations.

Goal 3: Maintain affordability

This goal focuses on BC Hydro's efforts to balance the investment needed to support economic development and growing demand with affordability, which is a challenge facing utilities across North America. To maintain affordability and support the economy during this period of rapid growth we will make smart decisions focused on cost-effectiveness and efficiency.

Performance Measures

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[3a] Affordable Bills – Residential[1]	1st quartile	1st quartile	1st quartile	1st quartile

Data source: Hydro-Québec's annual report on North American electricity rates, "Comparison of Electricity Prices in Major North American Cities"

[1]BC Hydro calculates the Affordable Bills performance measure based on the median consumption level for residential customer. The rankings of the 22 participating utilities are then allocated into quartiles. The 1st quartile ranking represents the six utilities that have the lowest monthly electricity bills on April 1 of a given year.

Discussion

The Affordable Bills measure is based on BC Hydro's rankings in the residential category in the annual Hydro-Québec report, Comparison of Electricity Prices in Major North American Cities. Our

targets, based on this report, demonstrate that our bills are affordable compared to other major North American utilities. In Hydro-Québec's 2024 Comparison of Electricity Prices in Major North American Cities report, monthly bills have been calculated based on rates in effect on April 1, 2024. In addition to Hydro-Québec, this comparative analysis of electricity prices across North America includes 22 utilities: 12 serving the principal cities in the nine other Canadian provinces, and 10 utilities in American states. The main sources of electricity vary amongst the 22 participating utilities from wind, hydro, solar, nuclear, thermal, coal, and natural gas. The results are based, in part, on a survey to which 14 utilities (including BC Hydro) responded, and, in part, on estimates of bills calculated by Hydro-Québec. Further information about Hydro-Québec's methodology can be found in the Hydro-Québec report. The methodology for calculating Affordable Bills performance measure uses the median consumption level because it provides a better representation of the central tendency than average. Targets of first quartile aim to maintain the highest level of performance when benchmarked against other North American utilities.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[3b] Project Budget to Actual Cost: Cumulative Five Years (% variance][1,2]	Within ±5% of budget	Within ±5% of budget	Within ±5% of budget	Within ±5% of budget

Data source: BC Hydro Capital Infrastructure Project Delivery

[1]This measure compares actual project costs at completion to the original approved expected cost budget for the project, not including project reserve amounts, for capital projects that were put into service during the five-year rolling period at the project portfolio level.

[2]Site C is not included in this measure because the size of the Site C Project would dominate the results of this measure making the results less meaningful.

Discussion

The Project Budget to Actual Cost measure includes Dam Safety, Generation, Transmission, Substation, and Distribution projects managed by BC Hydro Capital Infrastructure Project Delivery, as well as properties over $1.5 million over the last five years. BC Hydro reports the past five years' performance annually at the portfolio level in delivering capital projects. Since 2015/16, BC Hydro has utilized the Project Budget to Actual Cost measure for the delivery of capital projects, with a target of actual project costs to be within five percent of the budget, excluding project reserves at the portfolio level. The ± five percent target is the same over the plan period, as the objective is to have the entire project portfolio in service within this actual cost range, as we continue to prudently manage capital expenditures and keep rates affordable for our customers.

Objective 3.1: BC Hydro will ensure long-term financial sustainability

This objective ensures our financial model and structures are set up to deliver the needed investments in our system both today and in the longer-term. Managing costs and improving operational efficiencies with technology and process optimization will remain important to ensure we can continue to meet demand and support economic development in British Columbia.

Key Strategies

- Implement rates aligned to the investments required to meet growing demand and sustainment of the power system.
- Maintain a sustainable financial structure to ensure long term viability and support growth.
- Improve operational efficiency by optimizing processes and leveraging technology that helps us deliver more work, faster.
- Continue to enhance the ways we work across teams, suppliers, and experts to ensure thoughtful assessments of how to successfully operate and deliver our projects on time and on budget.

Goal 4: Advance reconciliation with First Nations

Advancing reconciliation is a long-standing priority for BC Hydro. As a Crown corporation, we also have an important role to play in supporting the Province's commitments to reconciliation, guided by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[4a] First Nations Economic Participation: • Economic Participants (#) • First Nations Revenues ($ million)	 • N/A • 250	 • Info Only • 550	 • Info Only • 900	 • Info Only • 1,300

Data source: BC Hydro Supply Chain, Independent Power Producer Portfolio Management, and Properties

Discussion

The First Nations Economic Participation measure demonstrates BC Hydro's commitment to a progressive operating model and improving relationships with First Nations. The measure has two components – Economic Participants and Economic Benefit. Economic Participants counts the number of instances of First Nations participation in directed Indigenous procurement contracts, Indigenous land lease contracts, Electricity Purchase Agreements with Indigenous equity interest, and Indigenous joint ownership of transmission assets. We report the Economic Participants as an informational only measure because it offers valuable insight that complements the Economic Benefit measure. However, these figures can fluctuate depending on demand and transaction size, making target setting ineffective. First Nations Revenues measures the total cumulative value paid to First Nations beginning in 2025/26 for directed Indigenous procurement contracts, Indigenous land lease contracts, Electricity Purchase Agreements with Indigenous equity interest, and Indigenous joint ownership of transmission assets. In aggregate, the First Nations Economic Participation measure is a proxy for our ability to become partners in the energy system with the First Nations and our commitment to advancing meaningful economic reconciliation with First Nations. The target for 2027/28 has been adjusted upward based on the latest available information and estimates.

Performance Measure	2025/26 Forecast	2026/27 Target	2027/28 Target	2028/29 Target
[4b] Partnership Accreditation in Indigenous Relations	Gold	Gold	Gold[1]	Gold

Data source: The Partnership Accreditation in Indigenous Relations certification program is overseen by the Canadian Council for Indigenous Business. It is reviewed on a three-year cycle.
[1]BC Hydro last received the three-year Gold accreditation in 2024/25, with the next certification in 2027/28.

Discussion

Gold is the highest level for the Partnership Accreditation in Indigenous Relations (PAIR), formerly known as Progressive Aboriginal Relations certificate, from the Canadian Council for Indigenous Business. This level of certification offers external validation of BC Hydro's continuous improvement and focus on enhanced Indigenous relations. The PAIR certification program is designed to help Canadian businesses benchmark, improve, and signal their commitment to progressive relationships with Indigenous communities, businesses, and peoples. PAIR certification evaluates four areas of performance including: leadership actions; employment; business development; and community relations. Certification every three years is supported by an independent third-party verification and is determined by a jury comprised of Indigenous businesspeople. BC Hydro has attained the highest, gold-level designation from the Canadian Council for Indigenous Business since 2012. BC Hydro is one of 23 companies in Canada that have attained this designation.

Objective 4.1: BC Hydro will continue to invest in and build mutually beneficial and stronger relationships with First Nations communities

Constructing and operating our electricity system has left lasting impacts on Indigenous peoples, cultures, traditions and ways of life, which we deeply regret. Developing mutually beneficial relationships with First Nations is critical to our ongoing approach to operating and growing our system.

Key Strategies

- Continue to meet our commitments in our Relationship Agreements and work together with First Nations to further reconciliation by creating sustainable benefits.
- Promote and deliver Indigenous awareness training and other cultural awareness opportunities to our employees to increase understanding of reconciliation and UNDRIP.
- Continue to implement our Indigenous employment strategy including delivering on our Indigenous employment programs.
- Partner with First Nations communities, the Province and the federal government to develop a plan to support remote communities to reduce diesel generation.
- Establish a First Nations UNDRIP Advisory Committee to provide advice on the advancing reconciliation and implementing the principles of UNDRIP.

Objective 4.2: BC Hydro will increase First Nations participation in the energy system

This objective highlights the important role we play in advancing reconciliation, and our belief that new models of doing business will be critical moving forward. To be successful we need to continue building on our relationship with First Nations and look for opportunities for First Nations to become partners in the energy system.

Key Strategies

- Engage First Nations in energy planning and provide meaningful procurement opportunities on capital and maintenance work.
- Support economic reconciliation with First Nations through opportunities such as electricity purchase agreements from calls for power and community renewable energy projects in non-integrated areas.
- Implement co-ownership or other type of agreements with First Nations on the North Coast Transmission Line.

Financial Plan

Summary Financial Outlook

Consolidated Statement of Net Income[1] ($ millions)	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Domestic	6,385	6,872	7,286	7,821
Trade	1,331	1,326	1,353	1,375
Total Revenues	**7,716**	**8,198**	**8,640**	**9,196**
Operating Costs				
Cost of energy	2,686	2,635	2,715	2,859
Personnel expenses, materials & external services[2]	2,071	2,094	2,179	2,203
Amortization and depreciation	1,360	1,436	1,517	1,590
Grants and taxes	349	365	392	417
Other	145	145	172	183
Finance charges	1,054	1,177	1,250	1,304
Total Expenses	**7,665**	**7,852**	**8,225**	**8,556**
Net Income before movement in regulatory balances	**50**	**346**	**415**	**640**
Net movement in regulatory balances	**662**	**366**	**297**	**72**
Net Income	**712**	**712**	**712**	**712**
Other Selected Financial Information				
Dividends	**-**	**-**	**-**	**-**
Net Debt[3]	**34,704**	**37,646**	**40,081**	**42,658**
Equity	**8,964**	**9,671**	**10,379**	**11,091**
Capital Expenditures before CIA	**4,288**	**4,760**	**4,839**	**4,991**

[1] Table may not add due to rounding.
[2] These amounts are net of capitalized costs and recoveries and include Powerex & Powertech operating costs as well as expenses subject to regulatory deferral.
[3] Debt figures are net of sinking funds and cash and cash equivalents.

Key Forecast Assumptions, Risks and Sensitivities

Key Assumptions[1]	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
Growth and Load				
Domestic Sales Load Growth (%)[2]	1.7	0.2	(0.9)	1.8
Load and System Exports:				
Domestic Sales Volume (GWh)	56,961	57,083	56,595	57,610
System Exports Volume (GWh)	1,731	4,134	4,924	4,943
Line Loss and System Use (GWh)	5,188	5,533	5,518	5,614
Total Load and System Exports (GWh)	63,880	66,750	67,037	68,168
Energy Generation				
Total System Water Inflows (% of average)	84.5	100.0	100.0	100.0
Sources of Supply:				
Hydro Generation (GWh)	43,769	49,348	49,962	50,581
System Imports (GWh)	6,690	3,269	2,717	2,465
Independent Power Producers and Long-Term Purchases (GWh)	13,121	13,803	14,034	14,800
Thermal Generation & Other (GWh)	299	329	323	322
Total Sources of Supply (GWh)	63,880	66,750	67,037	68,168
Average Mid-C Price (U.S.$/MWh)	47.90	58.48	62.37	62.11
Average Natural Gas Price at Sumas (U.S.$/MMBTU)	2.35	3.93	4.53	4.45
Financial				
Canadian Short-Term Interest Rates (%)[3]	2.45	2.21	2.45	2.51
Canadian Long-Term Interest Rates (%)[3]	4.03	4.05	4.09	4.09
Foreign Exchange Rate (U.S.$:Cdn$)[3]	0.7261	0.7516	0.7679	0.7764

[1] Table may not add due to rounding.

[2] Includes the impact of Demand Side Management programs. Excludes system exports.

[3] Financial assumptions from Ministry of Finance, October 2025.

Sensitivity Analysis

Factor	Change	Approximate change in 2026/27 earnings before regulatory account transfers (in $ millions)
Hydro Generation (GWh) [1]	+/- 1%	25
Customer Demand [2]	+/- 1%	30
Electricity/Gas trade margins [3]	+/- 1%	10
Purchases from Energy Purchase Agreements (EPAs) [4]	+/- 1%	5
Interest rates – variable debt	+/- 100 basis points	60

[1] Assumes a change in hydro generation is offset by a corresponding change in system imports or exports.
[2] Assumes a percentage change is applied equally to all customer classes. Assumes a change in customer load is offset by a corresponding change in system imports or exports.
[3] Trade revenues less trade energy costs.
[4] Assumes a change in purchases from EPAs is offset by a corresponding change in system imports or exports.

Management's Perspective on Financial Outlook

The current financial projections for revenues and expenses through 2028/29 were approved by the BC Hydro Board of Directors and submitted to the Ministry of Finance in January 2026.

The U.S. government's announcement in 2025 of new tariffs on Canadian imports prompted retaliatory measures from Canada and British Columbia. BC Hydro continues to take actions to limit procurement from U.S. suppliers where viable in alignment with provincial regulation enacted under the Economic Stabilization Tariff Response Act. BC Hydro purchases the vast majority of goods and services from Canadian suppliers, but continues advancing longer-term plans to diversify its supply chain and reduce reliance on U.S. suppliers, including for certain critical equipment and services that are typically sourced from the U.S. and have no readily available alternatives. With respect to cost impacts from tariffs, these have remained relatively low. However, tariffs continue to represent risks of cost escalation and contribute to uncertainty in cost projections and planning.

Escalating geopolitical tensions and the trade disputes have intensified fears of a global economic downturn and slower economic growth. These factors carry significant implications for federal and provincial economies, as well as BC Hydro's load, revenue, trade, supply chains, interest rate risk, and ability to deliver capital projects. These economic uncertainties make it difficult to predict the ultimate adverse effects on BC Hydro's performance, financial condition, operational results, and cash flows.

Uncertainty around water inflows (high or low) may have an impact on BC Hydro's future performance. As at December 31, 2025, the forecast water inflows for this fiscal year are expected to be below the historical average, but higher than the actual water inflows in the two prior fiscal years. While snowpack levels in spring 2025 were significantly below the historical average, residual water supply improved in part with near average inflows over the third quarter of fiscal 2026. Cost of energy may be higher due to imports in times of deficit and domestic revenues may be higher due to exports in times of surplus. Variability in seasonal and annual surplus or deficit amounts affects BC Hydro's cost of energy, domestic revenues, and financial performance.

This plan contains forward looking statements, including statements regarding the business and anticipated financial performance of BC Hydro. These statements are subject to a number of risks and uncertainties such as customer load, hydro generation, interest rates, electricity/gas market conditions and our ability to deliver our capital projects on-time and on-budget. These and other risks and uncertainties may cause actual results to differ from those contemplated in the forward-looking statements.

Capital Expenditures by Year and Type and Function

BC Hydro's 10-Year Capital Plan is being updated and is targeted to be finalized later in 2026. As a result, the forecasts in the table below are primarily based on the 10-Year Capital Plan announced in early 2024 and preliminary forecasts for the North Coast Transmission Line (NCTL) Project's Phase 1 and Phase 2 of $6 billion.

The NCTL project will expand our transmission infrastructure to foster economic growth by building new transmission lines and associated infrastructure from Prince George to Terrace through two phases. NCTL Phase 3 is likely required but the estimate is still being finalized and therefore no Phase 3 costs are included in the table below. The NCTL Project is not yet Board approved for Implementation phase and therefore not included in the Projects over $50 million table on the next page.

Site C Project expenditures have been updated to reflect expenditures moving from fiscal 2026 to fiscal 2027 and fiscal 2028.

($millions)	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
Capital Expenditures by Type[1]				
Sustaining	2,102	2,390	2,508	2,266
Growth	2,186	2,370	2,331	2,725
Subtotal – BC Hydro Capital Expenditures before CIA	4,288	4,760	4,839	4,991
Contributions-in-Aid (CIA)[2]	(297)	(306)	(444)	(276)
Total – BC Hydro Capital Expenditures net of CIA	3,991	4,454	4,395	4,715
Capital Expenditures by Function				
Generation	756	919	977	784
Transmission and Distribution	2,323	2,674	2,640	2,355
Properties, Technology and Other	454	446	501	474
Site C Project[3]	652	444	50	-
North Coast Transmission Line (NCTL) Project	103	277	671	1,378
Subtotal – BC Hydro Capital Expenditures before CIA	4,288	4,760	4,839	4,991
CIA	(297)	(306)	(444)	(276)
Total BC Hydro Capital Expenditures net of CIA	3,991	4,454	4,395	4,715

[1] BC Hydro classifies capital expenditures as either sustaining capital or growth capital:

- Sustaining capital includes expenditures to ensure the continued availability and reliability of generation, transmission and distribution facilities. It also includes expenditures to support the business, such as vehicles and information technology.
- Growth capital includes expenditures to meet customer load growth and other business investments. Growth capital includes expenditures to expand existing generation assets as well as expand and reinforce the transmission and distribution system, and includes Site C and North Coast Transmission Line (NCTL).

[2] Contributions in aid of construction are amounts paid by certain customers toward the cost of property, plant and equipment required for the extension of services to supply electricity.

[3] Site C project expenditures excludes charges subject to regulatory deferral and certain operating expenditures.

Projects over $50 million

BC Hydro has the following projects, each with capital costs expected to exceed $50 million, listed according to targeted completion date.

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Projects Recently Put into Service				
Mica Modernize Controls Project This project addressed the reliability, maintainability, and operability of the Units 1-4 exciters, governors, unit controls and control room controls at the Mica Creek Generating Station.	2025 In-Service	$56	$-	$56
Natal – 60-138 kV Switchyard Upgrade Project This project addressed reliability, regulatory and safety risks at the Natal substation as the 60-138kV switchyard equipment was at end-of-life and removed PCB containing equipment by the December 31, 2025 Federal PCB Regulation deadline.	2025 In-Service	$77	$8	$85
Site C Project** This project constructed a third dam and a hydroelectric generating station on the Peace River approximately seven kilometres southwest of Fort St. John. It can produce approximately 5,100 gigawatt-hours of electricity annually and has 1,150 – 1,230 megawatts of capacity. Site C will provide clean, renewable and cost-effective power in B.C. for more than 100 years.	2025 In-Service	$14,822	$1,178	$16,000*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
**Site C project total anticipated cost and project cost to date include capital costs, charges subject to regulatory deferral and certain operating expenditures.* ***As approved in June 2021, the Site C project budget is $16 billion. In August 2025, the sixth and final generating unit was placed in-service. Trailing costs and wrap-up work remain on the project.*				
Vancouver Island Radio System Project This project replaced the end-of-life BC Hydro telecommunication system on Vancouver Island with a modernized system to improve reliability and increase communication capacity. Upgrades were completed at 38 substations and microwave repeater sites and the project included installation of a new microwave radio link. **The total cost represents the gross cost of the project and has not been netted for a contribution of $1M.*	2025 In-Service	$55	$3	$58*
Various Sites – EV Charging Infrastructure Implementation Program This program was required to deliver BC Hydro's portion of the Provincial Government's mandate B.C. 's Electric Highway and target of 10,000 public EV charging stations by 2030.	2025 In-Service	$72	$-	$72*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
**The total cost represents the gross cost of the project and has not been netted for the Provincial and Federal Government's funding of $8 million and $10 million, respectively.*				
Ongoing				
Mica Replace Units 1 to 4 Generator Transformers Project This project addressed the reliability and safety risks of the Unit 1-4 Generator Step-up Unit transformers at the Mica Generating Station, which were nearing end of life and went in-service in 2022. One of the transformers developed issues and was exchanged with a spare transformer. The Board approved the purchase and construction of infrastructure to store an additional spare transformer. Some deficiency work for the spare transformer remains.	2022 In-Service	$85	$1	$86
2L143 – Cable Replacement Project This is an emergency project is to address reliability, environmental, and seismic risks associated with the existing transmission cable 2L143 between Horsey Substation and Esquimalt Substation and to address load growth.	2026 Targeted In-Service	$28	$72	$100

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
2L333 – Load Interconnection – Enbridge APP CS16 Project This project is to connect the Enbridge Westcoast CS16 facility to BC Hydro's transmission grid. **The total cost represents the gross cost of the project and has not been netted for estimated Federal government contributions of $15M nor a customer's contribution of $46M.*	2026 Targeted In-Service	$65	$67	$132*
Cheakamus Recoat Units 1 and 2 Penstocks (Interior and Exterior) Project This project is required to recoat the interior and exterior of the Units 1 & 2 penstocks at Cheakamus generating station, as well as the shared steel lined tunnel section, due to corrosion and loss of steel.	2026 Targeted In-Service	$46	$7	$53
Comox – Puntledge Flow Control Improvements Project This project is required to address public safety risk relating to water conveyance at Comox-Puntledge; the Puntledge Diversion Reach is a heavily used public recreation area.	2026 Targeted In-Service	$50	$3	$53

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Fort Nelson – Regional Reliability Improvement Project This project is required to address reliability risks to the Fort Nelson region's power supply by installing a new dual fuel generator at the Fort Nelson Gas Generating station.	2026 Targeted In-Service	$38	$20	$58
Goldstream – Property Purchase This project is to acquire a property near the Goldstream area of Langford to build a new outdoor substation to support load growth.	2026 Targeted In-Service	$1	$60	$61
Mainwaring Station Upgrade Project This project is required to maintain the reliability of the Mainwaring substation, and address safety and environmental risks at the substation and load growth.	2026 Targeted In-Service	$95	$59	$154
Mica Townsite Apartment Accommodation Project This project is required to construct permanent accommodations for the long-term workforce at the Mica Generating station which is requiring significant investment over time to sustain the health of its assets.	2026 Targeted In-Service	$41	$26	$67

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Ruskin – Left Abutment Slope Sinkhole Remediation Project This project will address the left abutment slope instability and remediate the sinkhole issues adjacent to the Ruskin Generating Station to mitigate dam safety risks.	2026 Targeted In-Service	$76	$53	$129
1L037 Jervis and Agamemnon Crossings Project This project is to address safety and reliability risks associated with circuit 1L037's marine crossings over Jervis Inlet and the Agamemnon Channel.	2027 Targeted In-Service	$16	$48	$64
1L243 Transmission Load Increase (HVC) Project This project is required to upgrade transmission infrastructure to accommodate Teck Resources Ltd.'s request to provide power for Teck's Highland Valley Copper (HVC) Mine Life Extension project. **The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $3M.*	2027 Targeted In-Service	$38	$104	$142*
Fleetwood – Distribution Load Interconnection (SLS Servicing) Project This project is on behalf of BC Hydro's customer, the Province of BC, to supply the Surrey-Langley-Skytrain extension	2027 Targeted In-Service	$27	$131	$158*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
and will also allow BC Hydro to reinforce the flexibility and reliability of the overall distribution system. **The total cost represents the gross cost of the project and has not been netted for a Provincial government contribution of $81M.*				
Kimberley to Marysville – Substation Relocation Project This project is to address the reliability, safety and environmental risks associated with three bulk oil circuit breakers and other station assets at Kimberley substation which have reached their end-of-life.	2027 Targeted In-Service	$8	$65	$73
Long Lake Terminal Station – Transmission Load Interconnection Project This project is to facilitate the interconnection of customers' facilities to BC Hydro's Long Lake terminal substation. Under BC Hydro's standard tariffs and policies, customers are required to pay a portion of this project's costs. **The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $1M.*	2027 Targeted In-Service	$33	$47	$80*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Materials Classification Facility Project This project is to complete the construction and commissioning of the new Materials Classification Facility on the BC Hydro Surrey Campus. The facility will receive, classify and process hazardous polychlorinated biphenyl (PCB) and non-hazardous waste from BC Hydro operations across the province, and process materials for safe off-site recycling or disposal.	2027 Targeted In-Service	$35	$41	$76
Minette – Transmission Load Interconnection Project This project is to facilitate the interconnection of a customer's facility to BC Hydro's Minette Substation. Under BC Hydro's standards tariffs and policies, the customer is required to pay a portion of this project's costs. **The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $20M.*	2027 Targeted In-Service	$23	$49	$72*
Public EV Charging – Light-Duty Program This program is required to deliver BC Hydro's portion of the Provincial Government's mandate for the installation of public EV charging ports by 2030. **The total cost represents the gross cost of the project and has not been netted for the*	2027 Targeted In-Service	$55	$75	$130*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Provincial and Federal Government's contributions which are dependent on the final actual project costs and what costs are eligible under the agreement.				
Sperling Substation Metalclad Switchgear Replacement Project This project will address the existing asset health, reliability and safety risks associated with the 12kV 60 series feeder section and the bulk oil breaker in the 12 kV 70/80 series feeder section, insufficient electrical clearances in the 60 series feeder section, and arc flash safety risks associated with the 12kV indoor metalclad switchgear.	2027 Targeted In-Service	$65	$18	$83
Clayburn – Substation Upgrade (2nd Phase) Project This project is to address reliability risk by adding a new 230/25kV, 150 MVA power transformer and two new feeder sections to increase the firm capacity at Clayburn substation.	2028 Targeted In-Service	$6	$51	$57
Ladore Spillway Seismic Upgrade Project This project is to replace the existing spillway gates system to address known seismic and reliability deficiencies at the Ladore dam.	2028 Targeted In-Service	$116	$257	$373

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Mica – U1 – U4 Circuit Breaker and Iso-phase Bus Replacement Project This project will address reliability risks at the Mica Creek Generating Station by replacing the aging and obsolete unit 1 to 4 generator circuit breakers, isolated phase buses and other ancillary equipment.	2028 Targeted In-Service	$41	$135	$176
Northwest – Substations Outage Mitigation Project This project is required to improve supply availability to a customer by mitigating planned line outages in the radial bulk transmission system that supplies the Northwest. Under BC Hydro's standard tariffs and policies, the customer is required to pay a portion of this project's costs. **The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $2M.*	2028 Targeted In-Service	$27	$62	$89*
Peace to Kelly Lake Stations Sustainment Project This project is required to maintain the reliability of BC Hydro's bulk transmission system by replacing station assets within the Peace to Kelly Lake transmission system that are at end-of-life.	2028 Targeted In-Service	$148	$196	$344

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Prince George to Terrace Capacitors Project This project is required to increase the transfer capacity of the North Coast bulk transmission system to meet growing customer service requests in the region. **The total cost represents the gross cost of the project and has not been netted for estimated Federal government contributions of $97M nor a customer's contribution of $4M.*	2028 Targeted In-Service	$252	$330	$582*
Treaty Creek Terminal – Transmission Load Interconnection (KSM) Project This project is to facilitate the interconnection for construction power for the planned Kerr-Sulphurets-Mitchell (KSM) Mine to BC Hydro's transmission system. Under BC Hydro's standard tariffs and policies, the customer is required to pay a portion of this project's costs. A future project is planned to supply power for the full mine. **The total cost represents the gross cost of the project and has not been netted for a customer's contribution of $87M.*	2028 Targeted In-Service	$100	$68	$168*

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Burrard Switchyard – Control Building Upgrade Project This project will address the need of constructing a new control building, establish the communication system, and install the new protection and control equipment for the Burrard switchyard.	2029 Targeted In-Service	$6	$51	$57
John Hart Dam Seismic Upgrade Project This project will address dam safety risks at the John Hart dam and will significantly improve the overall seismic withstand of the dam structure, the reliability of the spillway gates system, and address inflow imbalance issues between the Ladore dam and John Hart dam.	2029 Targeted In-Service	$436	$476	$912
Kootenay Canal Modernize Controls Project This project will address reliability, maintainability, and safety of the Kootenay Canal facility by replacing the aged control equipment, exciters, and select governor mechanical components for the four Kootenay Canal generating units.	2029 Targeted In-Service	$30	$31	$61

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
McLellan – Substation Upgrade Project This project will address system reliability and future load growth at the McLellan substation by adding a new 230/25kV, 150 MVA transformer and 16 new feeder positions.	2029 Targeted In-Service	$12	$65	$77M
Mount Pleasant Substation – Transformer and Feeder Sections Addition Project This project will add feeder positions at the Mount Pleasant substation which are needed to supply the forecasted load growth in the South False Creek and Mount Pleasant area.	2029 Targeted In-Service	$6	$84	$90
Victoria Secondary Network Replacement Project This project will address safety risks associated with the underground Victoria Integrated Secondary Network distribution system by replacing end-of-life equipment in the network vaults.	2029 Targeted In-Service	$2	$113	$115

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Bridge River 1 – Recoat Penstocks 1-4 Project This project will address safety and reliability risks of the Bridge River 1 (BR1) penstocks 1-4 by stripping and recoating the failed coatings on the interior and exterior penstock surfaces to extend their service life and ensure safe and reliable operations at BR1.	2030 Targeted In-Service	$8	$118	$126
Strathcona Discharge Upgrade Project This project will address seismic and reliability risks at the Strathcona dam by installing a new low-level outlet structure to provide the capability for a deep reservoir drawdown and converting the three existing spillway gates with a new concrete overflow spillway.	2030 Targeted In-Service	$76	$490	$566
Newell Substation Upgrade Project This project will address system reliability and safety risks, and future load growth by replacing the end-of-life feeder section, one power transformer and associated equipment at the Newell substation.	2031 Targeted In-Service	$14	$181	$195

Major Capital Projects (over $50 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Bridge River 1 Replace Units 1-4 Generators / Governors Project This project will address the deteriorating condition of the aging generators, governors, excitors, and control systems at the Bridge River 1 generating station. The project will improve reliability, restore licensed flow and generation capacity, and increase operating flexibility of the generating station.	2032 Targeted In-Service	$30	$283	$313

Significant IT Projects

Significant IT Project (over $20 million)	**Targeted Completion Date (Calendar Year)**	**Project Cost to Dec 31, 2025 ($ millions)**	**Estimated Cost to Complete ($ millions)**	**Anticipated Total Cost ($ millions)**
Ongoing				
Distribution Design Modernization Project This project is required to replace obsolete technology systems used to support BC Hydro's distribution design process with modern, commercially available solutions. Distribution design is a critical function that enables BC Hydro to plan, design, and manage projects to expand, maintain, and upgrade its distribution system.	2027 Targeted In-Service	$14	$40	$54

Appendix A: Subsidiaries and Operating Segments

Active Subsidiaries

As wholly owned subsidiaries, and like BC Hydro itself, Powerex Corp. and Powertech Labs Inc. follow best practices in corporate governance and subsidiary activities align with BC Hydro's mandate, strategic priorities, and fiscal plan.

Powerex Corp

Powerex Corp., incorporated in 1988, is an energy marketing company and a key participant in wholesale energy markets across North America. Powerex's business consists of trading wholesale power and natural gas, environmental products (renewable energy credits or other similar products), carbon products (allowances and other similar products), ancillary energy services, and financial energy products.

Powerex operates in competitive and complex wholesale energy markets, which can cause income in any given year to vary significantly. The Service Plan forecast includes annual Trade Income from Powerex of approximately $650 million per year for 2026/27 to 2028/29, based on the average earnings over the last five fiscal years. For more information, visit powerex.com.

Board of Directors:

- Catherine Roome – Chair
- Sam Drier
- Bill Duvall
- Don Kayne
- Marilyn Loewen Mauritz
- Charlotte Mitha

Powertech Labs Inc

Powertech Labs Inc., incorporated in 1988 and originally established in Surrey in 1979, is a wholly owned subsidiary of BC Hydro. Powertech provides innovative solutions, specialized testing, and technical expertise to industry partners globally, all aimed to foster a safe and sustainable energy future. Powertech is internationally recognized for its technical leadership across various fields related to electric utilities and sustainable energy sectors. It is also a leader in hydrogen technology, having long-standing experience designing and manufacturing innovative hydrogen vehicle refueling systems. This expertise plays a pivotal role in supporting BC Hydro's commitment to the Province's B.C. Hydrogen Strategy.

The President and CEO of Powertech reports to Powertech's Board of Directors through its Chair. The Powertech Board is chaired by BC Hydro's Senior Vice-President, Capital Infrastructure Project Delivery and its Directors include senior Executives and Directors of BC Hydro.

The Service Plan forecast includes annual net income from Powertech ranging from approximately $3 to $4 million per year for 2026/27 to 2028/29. For more information, visit powertechlabs.com.

Board of Directors:

- Melissa Holland - Chair
- Henry Honda
- Karen Tam Wu
- Tony Penikett
- Bruce Ralston

Other Subsidiaries

BC Hydro has created or retained a number of other subsidiaries for various purposes, including holding licences in other jurisdictions, to manage real estate holdings, and to manage various risks. Three of these subsidiaries are considered active:

BCHPA Captive Insurance Company Ltd.

- Procures insurance products and services on behalf of BC Hydro.

Columbia Hydro Constructors Ltd.

- Administers and supplies the labour force to specified projects.

Tongass Power and Light Company

- Provides electrical power to Hyder, Alaska from Stewart, B.C. due to its remoteness from the Alaska electrical system.

Inactive Subsidiaries

BC Hydro's remaining subsidiaries either serve as nominee holding companies (indicated with an *) or are considered to be inactive/dormant. The inactive/dormant subsidiaries do not carry on active operations. As of December 31, 2025, these other subsidiaries consisted of the following:

- British Columbia Hydro International Limited
- British Columbia Power Exchange Corporation
- British Columbia Power Export Corporation
- British Columbia Transmission Corporation
- Columbia Estate Company Limited*
- Edmonds Centre Developments Limited*
- Fauquier Water and Sewerage Corporation
- Hydro Monitoring (Alberta) Inc.*
- Victoria Gas Company Limited
- Waneta Holdings (US) Inc.*
- 1111472 BC Ltd.

Appendix B: Mandate Letter from the Minister Responsible

May 23, 2025

145829

Glen Clark
Chair
BC Hydro
18th Floor, 333 Dunsmuir Street
Vancouver BC V6B 5R3

Dear Glen Clark:

On behalf of Premier Eby and Executive Council, I would like to extend my thanks to you and your board members for your organization's leadership, dedication, and expertise in which you serve the people of British Columbia.

Public sector organizations—including Crown corporations, Health Authorities and Post-Secondary Institutions—support British Columbians by delivering vital public services and are accountable to the public through their Minister responsible. Your continued leadership in advancing and preserving the public interest strengthens trust in public institutions.

This mandate letter, which I am sending in my capacity as Minister responsible for BC Hydro, communicates our government's priorities for the entire public sector and provides specific direction and expectations of your organization for the duration of Government's term.

Government's priority is to make a tangible difference in people's lives through growing the economy, creating good paying jobs, strengthening health care and making our communities and neighbourhoods safer for British Columbians. British Columbians expect public sector organizations to deliver responsible, quality services equitably in all regions across the Province.

This includes strategic stewardship in planning, operations, financial, risk, and human resource management including information security and privacy protection. Providing equitable service requires due consideration of the diverse needs of local communities with specific attention to the unique needs of rural, remote and First Nation communities.

In the current economic and fiscal context including the threat of U.S. tariffs and other global economic challenges affecting British Columbian families, your organization is to

Ministry of Energy and Climate Solutions Office of the Minister
Mailing Address: PO Box 9060 Stn Prov Govt Victoria, BC V8W 9E2
Telephone: 778-698-7671
Facsimile: 250-356-2965
Website: www.gov.bc.ca/ECS

work with ministry staff to review all existing programs and initiatives to ensure programs remain relevant, efficient, sustainable, grow the economy, and help keep costs low for British Columbians. Public sector organizations are expected to adhere to the principles of: cost consciousness, accountability, appropriate compensation, service, and integrity. This includes following the spirit and intent of core government fiscal management practices to make all efforts to achieve administrative and operating efficiencies while delivering core programs and services.

Strategic stewardship requires public sector organizations keep up-to-date systems and implement effective cybersecurity practices, including maintaining information management and cybersecurity policies, guidelines, and standards; assessing enterprise risk for high-value information and services, including confidential and sensitive data; and continuously evaluating and updating security practices to align with industry standards. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas including communication protocols with core government.

As required by the *Climate Change Accountability Act*, you must ensure your organization implements plans and strategies for minimizing greenhouse gas emissions and managing climate risk. Your organization is expected to work with my ministry to report out on these plans and activities as required by legislation. Public sector organizations will continue to take action on climate change, a commitment that remains foundational and key to a healthy and prosperous BC for future generations.

Underlying all this work is our partnership with Indigenous peoples and our commitment to advancing reconciliation. I expect your organization to comply with the Declaration on the *Rights of Indigenous Peoples Act*, including implementing existing commitments made under it.

I expect your organization to work in partnership with First Nations rights-holders to advance shared interests. Public sector organizations must also adhere to government direction provided through the Public Sector Employers' Council Secretariat (PSEC) with respect to public sector compensation and bargaining mandates.
Your organization's compensation decisions must be consistent with policy direction provided through PSEC. Please coordinate closely with PSEC before finalizing compensation decisions for existing CEOs or Presidents and Vice Presidents and in the recruitment of new CEOs or Presidents. PSEC consultation is also encouraged prior to hiring for Vice President positions.

Ministry of Energy and Climate Solutions Office of the Minister
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The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office will continue to support your board on recruitment, appointments and professional development by ensuring board composition and governance reflects the diversity of our Province.

To support the annual budget process, you are to provide annual updates to Treasury Board on BC Hydro's operations, including financial forecasts, program delivery, risks and issues. Additional guidance related to the content and timing of these updates will be provided by Treasury Board Staff.

I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization and as you develop plans to address the following priorities:

- Support the province's economic, climate and reconciliation objectives through the procurement of clean energy, delivery of the BC Hydro Capital Plan and partnerships with First Nations.

- Keep electricity affordable by ensuring that rates do not increase above inflation, on a cumulative basis between 2017 and 2031, and ensure rates are reasonably predictable and reasonably consistent from year to year.

- Ensure BC Hydro's plans and programs remain relevant, efficient and financially sustainable, while maintaining affordability.

- Aligned with the recently announced Clean Power Action Plan, work with First Nations and the renewable power industry through frequent competitive calls for power to secure additional sources of energy and capacity to support a growing clean economy.

- Continue to identify and advance First Nations ownership opportunities in future calls for power and major transmission investments to advance reconciliation and support economic self-determination.

Ministry of Energy and Climate Solutions Office of the Minister
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- Continue to implement BC Hydro's Electrification Plan to attract new innovative industries to BC and advance the switch from fossil fuels to clean electricity in homes and buildings, vehicles and fleets, businesses and industry.

- Continue to make improvements to accelerate the process for new residential and commercial customer connections under the new Distribution Extension Policy to support the Province's housing priorities.

- Work with ECS to enhance responsiveness to changing market conditions and demand for large load capacity from potential local and international investors to grow our economy and reduce our emissions while protecting ratepayers.

- Conduct ongoing risk assessment and work with the Ministry of Energy and Climate Solutions (ECS) to prepare contingency plans in the event of tariffs imposed by the United States on electricity exports.

- Pursue opportunities to enhance electrical connections with neighbouring provinces and territories to diversify markets and enhance grid reliability.

- Continue to make improvements to accelerate and expand efforts to support the Province's goal of providing all BC communities with access to high-speed internet connectivity by 2027, while maintaining cost effectiveness and reliability for BC Hydro ratepayers, and safety for workers.

- Develop and implement a strategic plan to improve access to clean, reliable and affordable energy in the Non–Integrated Areas, in alignment with the provincial Remote Community Energy Strategy.

- Work with ECS to co-develop targeted programs to support clean energy and efficiency upgrades for low-income households and multi-unit residential buildings.

- Support the Province's target of 10,000 public EV charging stations by 2030 by leading station deployment, working with other parties and providing clean, reliable electricity to power vehicles and stations.

Ministry of Energy and Climate Solutions
Office of the Minister
Mailing Address: PO Box 9060
Stn Prov Govt
Victoria, BC V8W 9E2
Telephone: 778-698-7671
Facsimile: 250-356-2965
Website: www.gov.bc.ca/ECS

Each board member is asked to sign this letter to acknowledge this direction from government to your organization. The signed letter is to be posted publicly on your website by June 2025.

I look forward to continuing to work with you and your board colleagues to ensure the sustainable delivery of the services the public relies on.

Sincerely,

Adrian Dix
Minister

cc: Honourable David Eby, KC
Premier

Shannon Salter
Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service

Douglas S. Scott
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Elenore Arend
Associate Deputy Minister, Crown Agencies Secretariat
Ministry of Finance

Peter Pokorny
Deputy Minister, Ministry of Energy and Climate Solutions

Chris O'Riley
CEO & President, BC Hydro

Brynn Bourke
Director, BC Hydro

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Lynette DuJohn
Director, BC Hydro

Don Kayne
Director, BC Hydro

Chief Clarence Louie
Director, BC Hydro

Mike McDonald
Director, BC Hydro

Nalaine Morin
Director, BC Hydro

Vasee Navaratnam
Director, BC Hydro

John Nunn
Director, BC Hydro

Catherine Roome
Director, BC Hydro

Karen Tam Wu
Director, BC Hydro

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Glen Clark
Chair, BC Hydro
Date: 11 June 2025

Brynn Bourke
Director, BC Hydro
Date: 11 June 2025

Lynette DuJohn
Director, BC Hydro
Date: 11 June 2025

Don Kayne
Director, BC Hydro
Date: 11 June 2025

Chief Clarence Louie
Director, BC Hydro
Date: 11 June 2025

Mike McDonald
Director, BC Hydro
Date: 11 June 2025

Nalaine Morin
Director, BC Hydro
Date: 11 June 2025

Vasee Navaratnam
Director, BC Hydro
Date: 11 June 2025

John Nunn
Director, BC Hydro
Date: 11 June 2025

Catherine Roome
Director, BC Hydro
Date: 11 June 2025

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Karen Tam Wu
Director, BC Hydro
Date: 11 June 2025

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