

# Columbia Power Corporation

## 2023/24 – 2025/26 Service Plan

February 2023



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## Board Chair's Accountability Statement



The 2023/24 – 2025/26 Columbia Power Corporation Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of January 31, 2023, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, Columbia Power'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 Columbia Power's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, which appears to read "John Stephens". The signature is written in a cursive, flowing style.

John Stephens  
Board Chair  
January 24, 2023

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## Strategic Direction

In 2023/24, public sector organizations will continue working to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how Columbia Power Corporation will support the government’s priorities and selected action items identified in the most recent Columbia Power [Mandate Letter](#).

## Purpose of the Organization and Alignment with Government Priorities

Columbia Power, a commercial Crown corporation existing under the Business Corporations Act, operates four hydroelectric power generation facilities in the West Kootenay region of the Columbia Basin: Arrow Lakes Generating Station; Brilliant Dam and Generating Station; Brilliant Expansion Generating Station; and the Waneta Expansion Generating Station. These power generation and associated transmission assets are owned in partnership with Columbia Basin Trust (the Trust) on a 50/50 basis. Columbia Power uses its share of the income from the power generation assets to pay dividends to its shareholder, the Province of B.C.

Columbia Power’s strategic priority in 2023/24 is to continue to ensure long-term profitability, reliability, safety, and environmental sustainability of the facilities in which Columbia Power, on behalf of its shareholder the Province of B.C., has an ownership share, through effective and efficient management of plant operation and maintenance.

This service plan supports the continued safe and reliable operation of these facilities, the generation of clean hydropower, and provides continued support for community sponsorship and a dividend return to the Province.

The Ministry of Finance is responsible for Columbia Power.

## Operating Environment

Fiscal year 2023/24 will see Columbia Power renew its five-year window of objectives in its Strategic Asset Management Plan, which supports optimum asset performance and profitability while managing the risks inherent in owning and operating hydroelectric facilities.

Columbia Power continues to actively assess its operating environment to ensure risks that could impact performance of the assets are identified and appropriate mitigation actions are put in place. This also includes navigating the potential impacts of increased wildfire risk and COVID-19 public health measures while planning and completing the work required as part of our asset management.

We also expect to see increased costs due to the impacts of inflation and continued variability in supply chain delivery durations and consistency. Advance planning and contingency project management will be utilized to reduce impacts of this risk.

Certain planned operating maintenance and capital programs were delayed due to the COVID-19 pandemic; however, there has been no long-term impact to operations or equipment reliability and the disruption severity seems to be decreasing.

Typical of other utilities, Columbia Power faces material risks in plant reliability and labour disruptions inherent with reliance on a single contractor. In addition, environmental risks such as invasive species or risks due to unforeseen natural environmental events like wildfires could impact operations. Other considerations include potential impacts of the Columbia River Treaty renegotiation, implementation of the Species at Risk Act and new challenges posed by potential salmon reintroduction to the Columbia River.

## Performance Planning

Columbia Power's performance is measured through efficient and reliable plant operations (Goal 1) and optimizing shareholder value (Goal 2). These Goals are supported by the objectives and strategies outlined in this plan. Where possible, performance targets are verified by external benchmarks.

### Goal 1: Efficient and reliable plant operations

This goal measures the output of our facilities in consideration of planned and unplanned outages. A high level of equipment reliability is critical to the success of both Columbia Power and its partner the Trust.

#### **Objective 1.1: Maximize generation availability at Arrow Lakes Generating Station (ALH), Brilliant Expansion Generating Station (BRX), and Waneta Expansion Generating Station (WAX).**

Columbia Power ensures the effective and efficient management of power facilities to ensure high reliability and to control Operations, Maintenance and Administration (OMA) costs. Our Strategic Asset Management Plan and financial management processes focus on improving availability of the generating units while achieving strong financial performance.

#### **Key Strategies**

- Integrate learnings into the Reliability Centered Maintenance program developed for BRX based on trial execution during the early 2023 planned outage.
- Continue to build out documentation within our Asset Management System on a prioritized basis as recommended and executed by the Asset Management Steering Committee, with a focus to educate staff and contractors on Work Planning, Project Management and Asset Information in 2023/24.
- Monitor and manage risk associated with climate change through continued efforts to reduce wildfire risk for transmission lines and facilities.
- Act on the recommendations of the Operations and Maintenance (O&M) outsourcing review, evaluate options and act to confirm cost-effective performance.
- Monitor financial performance regularly throughout the year against established targets using visual dashboards and other communication tools to clearly show progress.

#### **Discussion**

Important new aspects of 2023/24 Key Strategies as compared to previous years include continued progress on Reliability Centered Maintenance program implementation with ALH and BRX programs now complete and WAX on the horizon over the coming years. With the establishment of our Asset Management Steering Committee in early 2021 following a third-party Asset Management Maturity Assessment, there has also been an increase of

documented systems to capture guidance and experience. This documentation provides clear vision for all those practicing Asset Management and captures inherent knowledge within the employee base.

Strategies that continue are the focus areas of climate change risk assessment and mitigation, cost-effective management of O&M resourcing and continued financial performance. Progress towards “Efficient and Reliable Plant Operations” is monitored monthly in consideration of the Performance Measure targets outlined below.

## Performance Measures

Performance Measures	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
1.1a Equivalent Availability Factor (Hours) <sup>1</sup>	ALH: 93.9% BRX: 91.5% WAX: 97.5%	ALH: 93.2% BRX: 95.2% WAX: 96.3%	ALH: 95.4% BRX: 90.5% WAX: 96.0%	ALH: 96.6% BRX: 95.2% WAX: 95.2%
1.1b Equivalent Availability Factor (MWh) <sup>2</sup>	ALH: 99.5% BRX: 98.4%	ALH: 98.9% BRX: 98.7%	ALH: 98.9% BRX: 98.4%	ALH: 99.1% BRX: 98.7%
1.1c Equivalent Availability Factor (Revenue) <sup>3</sup>	WAX: 98.2%	WAX: 97.2%	WAX: 97.1%	WAX: 96.5%
1.1d OMA Costs - \$ per MWh <sup>4</sup>	ALH: \$7.38 BRX: \$11.40 WAX: \$9.72	ALH: \$8.36 BRX: \$12.34 WAX: \$11.51	ALH: \$7.84 BRX: \$15.13 WAX: \$9.37	ALH: \$7.74 BRX: \$11.06 WAX: \$9.32

Benchmark Data source: Columbia Power participates in benchmarking periodically to gauge plant performance relative to industry. The most recent external study was finalized in 2022 by Guidehouse and found 94.2% for Equivalent Availability Factor (EAF) – hours on Medium sized, high-use hydro facilities like ALH, BRX and WAX.

The benchmark values for EAF (MWh), EAF (Revenue) and OMA \$ per MWh are all based on rolling 10-year medians.

<sup>1</sup>Equivalent Availability Factor- Hours is an industry standard measure used in benchmarking to gauge the percentage of time that the plant is available to provide energy to the grid. It also measures the efficiency of operator response to unplanned outages and in carrying out planned outages.

<sup>2</sup>Equivalent Availability Factor - MWh uses an internal benchmark Columbia Power establishes based on historic and forecast performance and accounts for both planned and unplanned outages. It is a measure of the entitlement energy received compared to the total annual entitlement energy potential – and differs from EAF (hours) above in that it is related to energy rather than time.

<sup>3</sup> This measure tracks WAX’s availability relative to its Capacity Purchase Agreement with FortisBC in addition to its Energy Purchase Agreement with BC Hydro. Equivalent Availability Factor - Revenue for WAX is an internal benchmark Columbia Power establishes based on historic and forecast performance and accounts for both planned and unplanned outages. It is required as a separate metric at WAX differing from EAF (hours and MWh) above because residual capacity is accounted for in a different way compared to ALH and BRX.

<sup>4</sup> OMA Costs - \$ per MWh uses an internal benchmark Columbia Power establishes based on historic and forecast performance.

## Discussion

Columbia Power and the Trust are parties to agreements with BC Hydro and FortisBC under which ALH, BRX, Brilliant Dam (BRD) and WAX receive firm monthly energy and capacity entitlements. Under these arrangements, non-BC Hydro generating facility owners transfer hydrology risk (variable annual water flows), and BC Hydro directs the operation of all regional generating plants to optimize overall generation. If a plant is not available to generate due to

planned or unplanned outages, entitlements are reduced accordingly. This is the reason for the focus on plant availability in the performance measures.

Plant availability measures allow Columbia Power to assess asset reliability performance relative to industry benchmarks and its own performance based on internal criteria.

1.1a *Equivalent Availability Factor - Hours* is effective in measuring the number of available generating hours over the year. The established benchmark is derived from the external study prepared by Guidehouse. Successful scheduling and completion of planned outages and efficient response and management of unplanned outages ensure maximum generation availability. It provides a measure of our asset management effectiveness and equipment reliability.

- The established benchmark of 94.2% is derived from the median equivalent rate for medium-sized, high-capacity factor hydro plants from the Guidehouse Study. There were 38 station groups in this category. The 2023/24 through 2025/26 targets for ALH, BRX and WAX were derived from planned outage schedules while allowing for an expected unplanned outage rate throughout the year. The lower than usual Equivalent Availability Factor - Hours for BRX in 2024/25 is due to largely two factors: a major planned outage will be completed, which is longer in duration; and
- BRX is a single unit facility, impacting the hours metric more significantly than at other multi-unit facilities.

1.1b *Equivalent Availability Factor - MWh* helps gauge revenue generation and utilizes an internally established benchmark based on historic and forecast performance. The greater the percentage of entitlement MWh available from each facility annually relative to the total entitlement MWh possible, the greater the plant's revenue from the sale of that entitlement energy.

Columbia Power uses historic and forecast production level data at ALH and BRX to develop internal benchmarks. The benchmark reflects an optimal scenario of reliable plant operations while efficiently completing maintenance outages. This metric allows a comparison of Columbia Power's revenue generating performance to the internal target. The long-term goal is to meet or exceed the annual targets. The fluctuation of targets is due to the variability in the duration of planned outages and the unplanned outage rate target, which has been set at progressively more ambitious values at ALH and BRX over the years to a current value of 1%. As this measure is entitlement-based, it is not comparable to external industry metrics but useful for Columbia Power's internal management purposes.

1.1c *Equivalent Availability Factor - Revenue* will gauge WAX availability considering business decisions on planned and unplanned outage duration and timing and will be comprised of both entitlement energy and capacity sales for WAX. This availability is calculated by comparing the actual revenue from entitlement energy and capacity sales to the maximum possible revenue from entitlement energy and capacity sales.

The targets reflect an optimal scenario of reliable plant operations with successful scheduling and completion of planned outages and efficient response and management of unplanned

outages. The long-term goal is to meet or exceed annual targets. The fluctuation of targets is due to the variability from year to year in the duration of planned outages. The lower than usual Equivalent Availability Factor - Revenue in 2025/26 is due to a major planned outage to be completed, which is longer in duration than other years.

The unplanned outage rate for WAX is 0.70% annually based on strong historical performance.

1.1d *OMA Costs - \$ per MWh* is a measure of controllable operating costs per MWh. The effective management of OMA costs will achieve an optimized cost of power generation and higher reliability through planned maintenance scheduling. The objective is to optimize full life-cycle value of the power facilities and associated equipment.

The targets fluctuate year over year due to the changing requirements to annual operating maintenance schedules and inflationary increases. Improvements and repairs are also required as needed and contribute to these fluctuations in operating costs. Efforts are made to ensure an effective balance between OMA costs and maintaining high reliability.

The targets for ALH for 2023/24 and 2024/25 have increased since the last Service Plan from \$7.90 to \$8.36 and \$7.83 to \$7.84 respectively, due in part to inflation yielding higher costs of products and services. Columbia Power continues to proactively manage budgets through maintenance planning and asset management. The forecast for ALH in 2022/23 of \$7.38 is lower than the target of \$7.66 set in the 2022/23 – 2024/25 Service Plan due to lower maintenance costs.

The target for BRX for 2023/24 has increased since the last Service Plan from \$11.79 to \$12.34. The 2024/25 target has increased more significantly from \$11.93 to \$15.13. This is largely due to increased investment in fish compensation projects as required under the environmental commitments made by the expansion project. Variability in projections for OMA costs can be impacted by changes to the scope of projects. The forecast for BRX in 2022/23 of \$11.40 is slightly below the target of \$11.37 set in the 2022/23 – 2024/25 Service Plan due to timing of changes in scope of operating and environmental projects.

The targets for WAX for 2023/24 and 2024/25 have increased from the last Service Plan from \$10.07 to \$11.51 and \$9.27 to \$9.37 respectively. The changes are due to prioritized scheduling of non-routine maintenance activities. The forecast for WAX in 2022/23 of \$9.72 is below the target of \$11.19 set in the 2022/23 – 2024/25 Service Plan due to reduced maintenance costs during the annual planned maintenance outage.

## **Goal 2: Optimize Shareholder value**

This goal describes the value to Columbia Power's shareholder, the Province, measured by net income and earnings before interest, taxes, depreciation and amortization (EBITDA).

## Objective 2.1: Deliver effective financial management

Columbia Power manages financial results through established financial management systems to ensure consistency, accountability and transparency. We monitor financial progress through prudent planning, budgeting, forecasting and reporting processes.

### Key Strategies

- Maximize revenue by controlling facility operating costs and achieving reliable operations.
- Manage working capital to meet Columbia Power's mandate while returning free cash-flow to the shareholder through an annual dividend.
- Monitor key performance indicators regularly to measure and evaluate the effectiveness of Columbia Power's financial management systems.

### Discussion

With the continually changing economic environment, rising inflation and interest rates which can result in increasing operational costs; therefore, it is important to rely on strong financial management systems to monitor results. Financial results are reviewed regularly to ensure alignment with budgets, and business plans are adjusted as necessary to achieve the financial goals. Detailed multi-year forecasts are developed annually and reviewed and updated quarterly.

### Performance Measures

Performance Measures [\$000]	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
2.1a Net Income	59,674	62,501	64,306	66,956
2.1b EBITDA	78,190	80,148	81,968	84,836

Data source: Columbia Power Corporation

### Discussion

Columbia Power's financial results are monitored frequently throughout the fiscal year. Variances from net income targets are reported quarterly to the Finance and Audit Committee, the Board of Directors, and the Province. In addition, five-year forecasts are prepared quarterly to ensure financial objectives are in-line with our long-term planning.

2.1a Columbia Power's *Net Income* is the most appropriate measure to gauge the company's financial performance. Net income is closely monitored throughout the reporting period and audited annually.

2.1b *EBITDA* is a measure of operating income which focuses on items of importance to ongoing operations and excludes items that do not impact ongoing operations. EBITDA also approximates cash flow from operations before payment of financing costs and necessary

capital investment. After financing costs are paid and capital investment is made, the balance is available to be paid as a dividend to the Shareholder.

Net income and EBITDA targets for fiscal years 2023/24 through 2025/26 are increasing. This is due to increasing revenues from the power facilities from increasing power prices under the long-term agreements and continued focus on effective operating and maintenance planning.

# Financial Plan

## Financial Summary

[\$000]	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
<b>Total Revenue</b>				
<b>Operating Revenue</b>				
Recoveries	3,667	4,137	4,260	4,388
<b>Income for Equity Accounted Investees</b>				
Arrow Lakes Power Corporation	19,031	19,692	20,278	20,751
Brilliant Expansion Power Corporation	9,648	10,133	9,480	10,415
Brilliant Power Corporation	14,779	15,902	16,484	17,125
Waneta Expansion Power Corporation	36,786	36,591	37,930	38,729
<b>Total Revenue</b>	<b>83,911</b>	<b>86,455</b>	<b>88,432</b>	<b>91,408</b>
<b>Total Expenses</b>				
Staff and General Administration	4,171	4,712	4,815	4,881
Sponsorships and Bursaries	157	149	149	134
Zebra Quagga Mussel - Provincial Defense Contribution	250	250	250	250
Grants in Lieu of Property Taxes	1,143	1,196	1,250	1,307
Interest Expense	20,783	20,808	20,830	20,863
Amortization of Property, Plant and Equipment	-	-	-	-
Less: Interest Revenue	(2,267)	(3,161)	(3,168)	(2,983)
<b>Total Expenses</b>	<b>24,237</b>	<b>23,954</b>	<b>24,126</b>	<b>24,452</b>
<b>Annual Surplus</b>	<b>59,674</b>	<b>62,501</b>	<b>64,306</b>	<b>66,956</b>
<b>Total Debt</b>	<b>630,737</b>	<b>627,331</b>	<b>623,654</b>	<b>619,591</b>
<b>Accumulated Surplus</b>	<b>183,303</b>	<b>201,804</b>	<b>222,110</b>	<b>245,066</b>
<b>Dividends</b>	<b>47,000</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>

Note: The above financial information was prepared based on current Generally Accepted Accounting Principles.

## Key Forecast Assumptions, Risks and Sensitivities

Financial forecasts take into consideration Columbia Power's plans to address the key strategic risks facing the organization and changes to the external environment. Typical of other utilities, Columbia Power faces material risks in plant reliability and labour disruptions inherent with reliance on a single contractor. Expected potential changes to the operating environment including impacts of the Columbia River Treaty renegotiation, impacts of implementation of the Species at Risk Act and new challenges posed by potential salmon reintroduction to the Columbia River. Columbia Power also recognizes environmental risks such as invasive species or risks due to unforeseen natural environmental events.

The Columbia Power Board of Directors and the Boards of the subsidiary power corporations review material risks as a part of their governance and oversight function. Columbia Power continuously works to address those risks through effective monitoring, oversight, coordination with governing bodies, maintaining appropriate levels of insurance, and taking actions proactively where appropriate to mitigate anticipated risks.

## Sensitivity Analysis

The financial outlook indicates stable net income for the forecast period. Key assumptions affecting the forecast operations are as follows:

- Plant availability for ALH, BRX and WAX are as forecast. Power sales for BRD are in the form of a long-term lease agreement which is not impacted by plant availability.
- Capital and operating needs of the assets are as forecast.
- Operating cost increases approximately 3% per year, with water rentals increasing by 2.2% based on the past five-year average.
- Columbia Power maintains adequate working capital levels to meet operational and capital requirements and achieve goals within the service plan periods.

Plant availability has a large impact on forecast revenues. Unanticipated O&M cost increases and capital requirements could impact net revenues. An increase in unplanned outages of 1% would decrease revenues in 2023/24 by \$733,000 at ALH, \$346,000 at BRX and \$1,058,000 at WAX.

To compensate for the potential variability of plant availability, a provision for unplanned outages is incorporated into the revenue projections for ALH, BRX and WAX. To impact the revenue results from operations, plant availability will have to fall below the targets presented in Goal 1 - Efficient and reliable plant operations.

## Management's Perspective on Financial Outlook

Over the last two years, Columbia Power experienced some disruption caused by the COVID-19 pandemic. Certain planned operating maintenance and capital programs were delayed as a result. However, the pandemic has not had any negative long-term impacts to operations or equipment reliability and the disruption severity seems to be decreasing.

Management is projecting growth from jointly owned power subsidiaries as a direct result of our focus on Strategic Asset Management Planning and Reliability Centered Maintenance programs that target increased plant reliability.

In addition, we continue to improve budget and forecasting processes to maximize shareholder value and returns. We expect this growth trend to continue into future years.

## Appendix A: Subsidiaries and Operating Segments

### Active Subsidiaries

Columbia Power owns four hydropower facilities in partnership with the Trust. These facilities are owned by corporations jointly owned by Columbia Power and indirect subsidiaries of the Trust, as follows:

#### Arrow Lakes Power Corporation

Arrow Lakes Power Corporation (ALPC) owns ALH and an associated 48-kilometre transmission line from the power plant to BC Hydro's Selkirk Substation.

#### Financial Summary

[\$000]	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
Total Revenue	72,273	73,757	74,514	75,280
Total Expenses	34,212	34,373	33,959	33,778
<b>Annual Surplus (Deficit)</b>	<b>38,061</b>	<b>39,384</b>	<b>40,555</b>	<b>41,502</b>

#### Brilliant Expansion Power Corporation

Brilliant Expansion Power Corporation (BEPC) owns BRX.

#### Financial Summary

[\$000]	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
Total Revenue	33,444	34,871	35,027	35,358
Total Expenses	14,149	14,605	16,068	14,528
<b>Annual Surplus (Deficit)</b>	<b>19,295</b>	<b>20,266</b>	<b>18,959</b>	<b>20,830</b>

#### Brilliant Power Corporation

Brilliant Power Corporation (BPC) owns BRD and the Brilliant Terminal Station (BTS).

#### Financial Summary

[\$000]	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
Total Revenue	48,031	48,669	49,106	49,798
Total Expenses	18,474	16,866	16,139	15,548
<b>Annual Surplus (Deficit)</b>	<b>29,557</b>	<b>31,803</b>	<b>32,967</b>	<b>34,250</b>

## Waneta Expansion Power Corporation

Waneta Expansion Power Corporation (WEPC) owns WAX.

### Financial Summary

<b>[\$000]</b>	<b>2022/23 Forecast</b>	<b>2023/24 Budget</b>	<b>2024/25 Plan</b>	<b>2025/26 Plan</b>
Total Revenue	105,581	106,232	107,924	110,008
Total Expenses	43,731	44,775	43,786	44,138
<b>Annual Surplus (Deficit)</b>	<b>61,850</b>	<b>61,457</b>	<b>64,138</b>	<b>65,870</b>

The Boards of Directors of these corporations are comprised of six directors, three nominated by Columbia Power and three nominated by the Trust. Columbia Power manages these assets on behalf of the power subsidiaries in alignment with its mandate, strategic priorities, and fiscal plan.

BRD, ALH, BRX, BTS and WAX are operated and maintained by FortisBC (a subsidiary of Fortis Inc.) or its related company, FortisBC Pacific Holdings Inc., under the oversight of Trust employees acting as agents of Columbia Power.

Most of the power generated at these facilities is committed under long-term sales agreements to two utilities, FortisBC and BC Hydro. Short-term sales of capacity and energy maximize revenue.

## Appendix B: Mandate Letter from the Minister Responsible



April 9, 2021

John Stephens, Chair  
Columbia Power  
Corporation 200 –  
445 13 Avenue  
Castlegar, British  
Columbia V1N 1G1

Dear John Stephens:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for Columbia Power Corporation, on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to Columbia Power Corporation about priorities and expectations for the coming fiscal year.

I expect that the following five foundational principles will inform your agency's policies

and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board’s decisions maintain, protect and enhance the public services people rely on and make life more affordable for everyone.
- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government’s unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown Agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.
- **Equity and anti-racism:** Our province’s history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.
- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50% reduction in public sector building emissions and a 40% reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out

on these plans and activities as required by legislation.

- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. The Governing in the Public Interest online certificate program is now available, and all board members are encouraged to complete this new offering.

As the Minister responsible for Columbia Power Corporation, I expect that you will make substantive progress on the following priority and incorporate it in the goals, objectives and performance measures in your 2021/22 Service Plan:

- Continue to ensure long-term profitability, reliability, safety and environmental sustainability of the facilities in which Columbia Power Corporation, on behalf of its shareholder the Province, has an ownership share through effective and efficient management of plant operation and maintenance.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better British Columbia.

Sincerely,



Katrine Conroy  
Minister

Date:



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John Stephens,  
Chair



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David de Git,  
Vice-Chair



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Les MacLaren,  
Board Member



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Allison MacLeod,  
Board Member

pc: Honourable John Horgan, Premier of British Columbia  
Lori Wanamaker, Deputy Minister to the Premier, Cabinet  
Secretary and Head of the BC Public Service  
Heather Wood, Deputy Minister and Secretary to Treasury Board, Ministry of  
Finance Douglas S. Scott, Deputy Minister, Crown Agencies Secretariat, Ministry  
of Finance Richard Manwaring, R.P.F., Deputy Minister, Ministry of Forests,  
Lands, Natural  
Resource Operations and Rural Development  
David de Git, Vice-Chair, Columbia Power Corporation  
Les MacLaren, Board Member, Columbia Power  
Corporation Allison MacLeod, Board Member, Columbia  
Power Corporation  
Johnny Strilaeff, Chief Executive Officer/President, Columbia Power Corporation

