



February 21, 2019

Mr. Kenneth G. Peterson
Executive Chair
BC Hydro
18th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3

Dear Mr. Peterson:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in serving the public interest. Crown agencies play a key role in delivering important services that benefit British Columbians in every region of our Province.

The Government's three priorities remain unchanged: make life more affordable, deliver the services people count on, and build a strong and sustainable economy that supports jobs throughout the Province. Across government ministries and in strong partnership with Crown agencies, our emphasis is on raising the standard of living for all British Columbians, delivering quality programs and services that are practical and realistic in a B.C. context and in our fiscal environment, and judiciously managing affordability pressures – both for citizens and for our business community.

BC Hydro's mandate is to safely provide reliable, affordable, clean electricity throughout British Columbia.

Our Government has also made important commitments to reconciliation with Indigenous peoples, taking action against climate change, and working to ensure that our public service and public sector institutions are representative and inclusive of all our diverse society:

- The Government is adopting and implementing the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission (TRC), demonstrating our support for true and lasting reconciliation with Indigenous Peoples. All public sector organizations are expected to incorporate the UNDRIP and TRC within their specific mandate and context. Additionally, in May 2018, the Government released 10 Draft Principles to Guide the Province's Relationship with Indigenous peoples, which serves as a guide for all public sector organizations as we continue to build relationships with Indigenous communities based on respect and recognition of inherent rights;

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- While Government has already taken steps towards achieving our legislated carbon reduction targets, much remains to be done. Our new climate strategy will outline significant GHG reduction measures in 2019/20 while supporting our program and service objectives through economic growth powered by clean, renewable energy, supported by technological innovation. Please ensure your organization's operations align with Government's new climate plan; and
- Over the coming fiscal year, I look forward to working with your leadership team to provide effective, citizen-centered governance, through strong public sector boards that represent the diversity of British Columbia. The Crown Agencies and Board Resourcing Office (CABRO) at the Ministry of Finance provides leadership for the appointment process to fill positions on the boards of Crown agencies. As your board is renewed over time, I encourage you to work with CABRO to actively seek out women, visible minorities, Indigenous peoples, persons with disabilities, LGBTQ2S+ individuals, and others who may contribute to diversity to add to the CABRO candidate pool to fill open positions. My expectation is that candidates from all regions of our Province will be invited to apply to help renew B.C.'s public sector boards, including individuals with a broad range of backgrounds in community, labour and business environments.

Having Canada's Digital Supercluster located in British Columbia creates an opportunity for industries, government ministries, crown agencies, public institutions and non-governmental organizations to collaborate in digital research and development projects. Should BC Hydro intend to participate in or be a funding partner for Digital Supercluster projects, you are asked to work closely with Ministry of Energy, Mines and Petroleum Resources staff to ensure that investments are aligned with Government's priorities and wherever possible, undertaken collectively with partner ministries and organizations. The Ministry of Energy, Mines and Petroleum Resources will work with the recently-established Deputy Minister's Committee on the Digital Supercluster to ensure that all projects are coordinated effectively across government.

As the Minister Responsible for BC Hydro, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures included in your Service Plan:

- Under the oversight of the independent Project Assurance Board, complete the Site C Project by November 2024 at a total cost of no more than \$10.7 billion, and provide quarterly progress exception reporting;
- Continue delivering affordability measures, including demand-side management programs targeted to low-income ratepayers, and any other measures that may be identified through development of BC's Poverty Reduction Strategy;

- Continue to implement the Government direction resulting from Phase 1 of the comprehensive review of BC Hydro, and make all reasonable efforts to limit rate increases to the amounts projected in the F2020 to F2024 rates forecast;
- Participate in Phase 2 of the comprehensive review of BC Hydro, which will examine opportunities to keep rates low and strategically position BC Hydro for long term success, within the context of a rapidly evolving international and continental energy sector and provincial and federal climate action strategies. Provide leadership in advancing the Government's energy and climate strategies, including through electrification, fuel switching, and energy efficiency initiatives in the built environment, transportation, oil and gas, and other sectors;
- Provide comprehensive quarterly and annual performance reports to the Deputy Minister of Energy, Mines and Petroleum Resources (EMPR) on the status of BC Hydro finances and forecasts, as well as other initiatives and directions approved by the BC Hydro Board and the Minister of EMPR. As and when appropriate, also update the Deputy Minister of EMPR on other emerging trends and issues as they occur;
- Continue to deliver planned capital projects on time and on budget to maintain the reliability of the system, while providing community benefits and training and apprenticeship opportunities;
- Perform system upgrades where necessary to ensure that BC Hydro is well-positioned to connect customers in a timely and cost-effective manner; and
- Maintain or improve customer satisfaction by providing timely and responsive service.

Each board member is required to sign the Mandate Letter to acknowledge Government's direction to your organization. The Mandate Letter is to be posted publicly on your organization's website on Budget Day on February 19, 2019 to coincide with the release of your organization's service plan.

I look forward to ongoing collaboration with your Board as we work together to deliver improved service and better outcomes for British Columbians.

Sincerely,



Michelle Mungall
Minister

Date: February 21, 2019



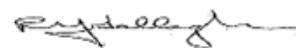
Ken Peterson,
Chair



Len Boggio,
Director



Daryl Fields,
Director



Robert Gallagher,
Director



James P. Hatton,
Director



Valerie Lambert,
Director



Irene Lanzinger,
Director



John Nunn,
Director



Catherine Roome,
Director



Chris Sanderson,
Director

cc: Honourable John Horgan, Premier
Don Wright, Deputy Minister to the Premier and Cabinet Secretary
Lori Wanamaker, Deputy Minister, Ministry of Finance
Heather Wood, Associate Deputy Minister and Secretary to Treasury Board, Ministry of Finance
Dave Nikolejsin, Deputy Minister, Ministry of Energy, Mines and Petroleum Resources
Len Boggio, Director, BC Hydro
Daryl Fields, Director, BC Hydro
Robert Gallagher, Director, BC Hydro
James P. Hatton, Director, BC Hydro
Valerie Lambert, Director, BC Hydro
Irene Lanzinger, Director, BC Hydro
John Nunn, Director, BC Hydro
Catherine Roome, Director, BC Hydro
Chris Sanderson, Director, BC Hydro
Chris O'Riley, President and Chief Operating Officer, BC Hydro