This Memorandum of Understanding (MOU) between the Clean Energy Association of BC (Clean Energy BC), representing the independent power sector, the BC Hydro and Power Authority (BC Hydro), the Crown Corporation responsible for providing affordable, reliable and clean electricity and the Government of British Columbia, represented by the Ministry of Energy and Mines (Government) sets out the goals and activities the parties will undertake to secure opportunities that will both benefit ratepayers and grow the independent power sector in British Columbia.

**Background**

The independent power sector is an important partner and supplier to BC Hydro, providing a significant and growing amount of British Columbia’s energy needs through more than 100 electricity purchase agreements across a wide range of resource types including hydro, biomass, wind, solar and natural gas.

Government has fostered a robust independent power sector in British Columbia with the 2002 and 2007 Energy Plans which stated the private sector will develop new electricity generation facilities, while BC Hydro continues to upgrade and expand existing infrastructure and with government’s approval, is constructing Site C. Additionally, the Minister of Energy and Mines’ 2015 Mandate Letter states government will continue working with BC Hydro and Clean Energy BC to identify further opportunities for private clean energy producers in British Columbia.

The sector adds value to BC Hydro and to British Columbia by supporting regional economic development, advancing renewable technologies, assuming and managing technical and financial risks and fostering partnerships with First Nations and communities.

BC Hydro has a responsibility to deliver reliable, affordable and clean electricity and Government has put in place a 10 Year Plan to provide ratepayers with certainty by keeping rates low and predictable.

Clean Energy BC is well positioned to act as the representative of the independent power sector in this agreement as it has represented the entire sector in British Columbia for 25 years and has 160 members across a wide range of developed and emerging energy technologies.

Government and BC Hydro will continue to collaborate generally with other renewable power associations, notwithstanding that other renewable power associations are not signatories to this agreement.

Clean Energy BC, BC Hydro and Government have a mutual interest in seeing all of these objectives accomplished and recognize that greater engagement and partnership is the most effective way to manage divergent pressures and secure opportunities that can both benefit ratepayers and grow the independent power sector.

**Purpose**

This MOU will support a stronger relationship between Clean Energy BC, BC Hydro and Government. It will provide a framework for constructive and ongoing engagement that provides all parties with certainty and stability. It will facilitate collaboration on key issues to strengthen British Columbia’s competitive advantage of reliable and affordable clean electricity and support continued investment and growth in the independent power sector.

**Goals**

These goals will be accomplished by undertaking the following activities, within the framework of the 10 Year Plan for BC Hydro rates.

1. The parties agree that collaboration, open information sharing and transparency are the foundation of any successful partnership and commit to the following actions to support these objectives:
   a. Once a year, the Chief Executive Officers and other key members of the Executive Team of BC Hydro and the Minister, Deputy Minister and appropriate Assistant Deputy Minister of the Ministry of Energy and Mines will meet with the Board of Directors of Clean Energy BC.
   b. Once a year, designated members of the Board of Directors of Clean Energy BC and BC Hydro will host a meeting to help foster a collaborative relationship.

2. The parties agree the independent power sector is a British Columbia success story and commit to coordinating communications to promote an understanding of the benefits of the sector’s current operations and future growth including the value to the ratepayer and taxpayer and cost competitiveness.

3. The parties recognize the importance of securing economic opportunities for First Nations and the role all parties, including the independent power sector, must have in enabling these opportunities to be realized. The parties also recognize that to advance the development of British Columbia’s clean energy resources, it is appropriate and advantageous to work collaboratively together with First Nations as partners to develop shared objectives and actions and to build lasting relationships. Therefore, the parties agree to explore opportunities with First Nations that will support the development and stewardship of British Columbia’s clean energy resources.

4. The parties agree to work together to share information on environmental management and stewardship as appropriate.

5. The parties recognize clean energy projects can play an important role for rural communities and agree to support community knowledge on potential benefits and opportunities.

6. The parties agree to engage together transparently on BC Hydro’s Integrated Resource Plan review and policy for electricity purchase agreement renewals. This engagement will include:
   a. The development of various load growth scenarios and contingency plans for those scenarios.
   b. The development of resource options and costs.
   c. An understanding of load, demand side measures and supply forecasts are developed by BC Hydro and the various factors that impact those forecasts, including any additional information that the parties could provide to inform those forecasts.
   d. An understanding of demand side measures targets and programs including whether targets are being met and if programs are cost effective compared to new generation options, recognizing that BC Hydro must also comply with the requirements of the Demand Side Measures Regulation under the Utilities Commission Act.

7. In addition to the Integrated Resource Plan review, Clean Energy BC and BC Hydro agree to continuous processes to review the issues listed under item 6 as well as an ongoing review of innovative and emerging technologies in renewable energy. This will take place through an ongoing series of workshops and the parties will meet at least quarterly.

8. Clean Energy BC and BC Hydro also agree to a continuous process of evaluation and improvement of BC Hydro’s procurement processes for acquiring independent power resources, including the Standing Offer Program and a review of successful procurement practices in other jurisdictions.

9. The parties agree that extending the grid for suppliers and customers to support economic development is a priority and to support this objective they should explore improvements to extension and interconnection policies including potential roles for the independent power sector as well as process and timeline commitments.

10. The parties agree that advancing the electrification of key sectors of the economy can make an important contribution to the achievement of British Columbia’s greenhouse gas reduction targets and climate action goals and that they should explore how each can contribute to ensuring this opportunity is realized including enabling greater export opportunities to neighbouring regions to facilitate reductions to their emissions, provided those opportunities are cost effective for ratepayers.

11. The parties agree that displacing diesel generation in remote communities through the development of clean energy projects is a priority and that a program should be developed to advance this opportunity on an ongoing basis. The parties also agree that the Government of Canada should be a funding partner with respect to displacing diesel generation in First Nations communities and commit to working together to secure this involvement.

**Resources**

Each party to this agreement will be responsible for committing the necessary resources to support their active participation in the activities described above.

The parties will each designate two individuals to participate in a steering committee, which will meet at least quarterly, to discuss, prioritize and advance the activities set out in this MOU and report to the authorized signatories on progress.

**Duration**

This MOU shall become effective upon signature by the authorized officials from the parties and shall remain in effect until December 31, 2017 or until terminated by any one of the parties providing at least 30 days notice to the other parties. This agreement may be modified by mutual consent of the authorized officials of the parties.

Signed in , British Columbia, this day of in the year 2015.

Hon. Bill Bennett  
Minister of Energy and Mines

Jessica McDonald  
President and CEO, BC Hydro

Paul Kariva  
Executive Director, Clean Energy BC

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