

# What Does BC Hydro's Call for Power Mean for First Nations in BC?



Prepared by:<sup>1</sup> Dr. Suzanne von der Porten, Niilo Edwards, and Mark Podlasly

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## Purpose of this Document

This document is an information brief produced by the First Nations Major Projects Coalition on the recent Call for Power announced by the Government of British Columbia. This document provides a baseline of information about the Call for Power and how it is relevant to BC First Nations' interests. This information brief outlines questions that BC First Nations may consider asking BC Hydro during their First Nations engagements sessions about the Call for Power.

## What is BC's Call for Power?

A "Call for Power" is a process under which BC Hydro is looking to purchase a guaranteed supply of generated electricity from power producers under contractual terms, sometimes referred to as an Electricity Purchase Agreement or "EPA." The current Calls for Power by BC Hydro is the first one in fifteen years:

**2008:** BC's previous 2008 Clean Power Call/Request for Proposals in was created for BC to ensure sufficient clean electricity to meet future needs, and to align with BC's 2007 Energy Plan,<sup>2</sup> which indicated that at least 90% of all electricity generated in the province must come from clean sources. A total of 25 Electricity Purchase Agreements were awarded in August 2010,<sup>3</sup> and the majority of these were run-of-river hydroelectric projects.<sup>4</sup>

**2023:** The Province of BC announced on June 15, 2023, that there will be an upcoming Call for Power – a call for new sources of renewable, emission-free electricity to power British Columbia's clean economy and to meet BC Utilities Commission (BCUC) demand forecasts that "new sources of electricity will be required sooner than previously expected".<sup>5</sup> If approved by the BCUC, BC Hydro will seek approximately 3000 GWh of new clean or

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<sup>1</sup> This paper is a general overview of the subject matter, was prepared on the available information, but should not be relied upon as legal or commercial advice/opinion.

<sup>2</sup> Province of BC, 2007, *The BC Energy Plan*, [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/electricity-alternative-energy/bc\\_energy\\_plan\\_2007.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/electricity-alternative-energy/bc_energy_plan_2007.pdf)

<sup>3</sup> BC Hydro, June 2023, *Clean Power Call*, <https://www.bchydro.com/work-with-us/selling-clean-energy/closed-offerings/clean-power-call.html>

<sup>4</sup> BC Hydro, 11 May 2010, *BC Hydro announces first group of successful projects in Clean Call*, [bchydro.com/news/press\\_centre/news\\_releases/2010/bch\\_announces\\_first\\_group\\_of\\_successful\\_projects\\_in\\_clean\\_call.html](https://www.bchydro.com/news/press_centre/news_releases/2010/bch_announces_first_group_of_successful_projects_in_clean_call.html)

<sup>5</sup> BC Ministry Energy, Mines and Low Carbon Innovation, 15 June 2023, *Clean power to electrify B.C.'s future*, <https://news.gov.bc.ca/releases/2023EMLI0036-000941>

renewable energy from greenfield facilities<sup>6</sup> in BC for commercial operation by 2029.<sup>7</sup> BC Hydro may also acquire 700 GWh of new clean or renewable energy from existing facilities before 2028.<sup>8</sup>

**Future calls:** There may be subsequent calls to power by BC going forward “as the transition to clean energy continues to accelerate, and BC Hydro requires additional resources in order to electrify B.C.’s growing economy and meet the province’s climate targets.”<sup>9</sup> The scale of this current 2023 Call for Power is only large enough to support a few First Nations to participate in this round of clean energy projects.

## What a Call for Power Is Not

- » The Call for Power will be a competitive process and will not be awarded to all proponents/First Nations who bid on building new power generation.
- » The Call for Power does not include transmission projects or capacity (e.g., battery storage).
- » The Call for Power is focused on larger, utility scale projects only.
- » The Call for Power does not include greenhouse gas-emitting/fossil-fuel based projects.
- » The Call for Power will not include projects within “Non-Integrated Areas” where BC Hydro’s grid does not reach.

## What Type of Energy will BC Hydro Purchase?

BC Hydro is seeking sources of clean or renewable energy including biomass, biogas, geothermal heat, hydro, solar, ocean, wind “or any other prescribed resource”<sup>10</sup> However, BC Hydro’s analysis is that **greenfield wind energy is the most cost-effective source of additional clean or renewable energy**.<sup>11</sup> In its Call for Power announcement, BC frequently mentions “wind and solar”.<sup>12</sup> Additionally, the upcoming Call for Power is likely to discourage “projects that would provide the bulk of their energy during spring freshet, such as run-of-river hydro projects, when provincial demand for power and market prices are at their lowest.”<sup>13</sup>

## What is the Timeline for BC Hydro Acquiring This New Energy?

DATES	ACTIVITIES
June 2023	(Complete) Announcement of upcoming Call for Power
Spring 2023-Spring 2024	(In progress) BC Hydro engagement with First Nations, public and stakeholders; drafting of documentation and release for public comment (October 2023 – January 2024)
Spring 2024	Issuance of the Call for Power
Spring or Summer 2025	Submission of bids, evaluation or proposals, and awarding of contracts.
Fall 2028	Implementation, construction, and commercial operation (target)

<sup>6</sup> Greenfield facility: project on previously undeveloped land, as opposed to redevelopment/reuse of existing facilities.

<sup>7</sup> Fasken, 26 June 2023, *What to expect from BC Hydro’s New Clean Power Call*, [fasken.com/en/knowledge/2023/06/what-to-expect-from-bc-hydros-new-clean-power-call](https://fasken.com/en/knowledge/2023/06/what-to-expect-from-bc-hydros-new-clean-power-call)

<sup>8</sup> Ibid

<sup>9</sup> BC Ministry Energy, Mines and Low Carbon Innovation, 15 June 2023, *Clean power to electrify B.C.’s future*, <https://news.gov.bc.ca/releases/2023EMLI0036-000941>

<sup>10</sup> BC Clean Energy Act, [SBC 2010] CHAPTER 22

<sup>11</sup> Fasken, 26 June 2023, *What to expect from BC Hydro’s New Clean Power Call*, [fasken.com/en/knowledge/2023/06/what-to-expectfrom-bc-hydros-new-clean-power-call](https://fasken.com/en/knowledge/2023/06/what-to-expectfrom-bc-hydros-new-clean-power-call)

<sup>12</sup> Ibid

<sup>13</sup> Ibid

## Why is the Call for Power Relevant to First Nations?

The Call for Power is relevant to BC First Nations for several reasons:

1. A BC Hydro task force is drawing on “further Indigenous and external energy experts to provide strategic advice on advancing Indigenous ownership and/or equity interest opportunities.”<sup>14</sup> The First Nations Major Projects Coalition is currently assisting our First Nations membership in exploring equity ownership of energy and other major projects in BC and across Canada. **Our service delivery places an emphasis on structuring ownership opportunities in a manner where the risks associated with ownership can be minimized and where the social and economic value of participation by First Nations as owners can be maximized.**
2. All projects resulting from this Call for Power, First Nations-led or otherwise, will have some (still unspecified) minimum requirement for partnerships with First Nation(s), and will include evaluation on this basis. **BC Hydro’s engagement on the Call for Power includes “development of options regarding minimum requirements for Indigenous participation in new projects.”<sup>15</sup>**
3. Outside of the Call for Power, but complimentary to it, the Province of BC has announced \$140 million in funding to the BC Indigenous Clean Energy Initiative<sup>16</sup> in partnership with New Relationship Trust. This funding was created to support “smaller Indigenous-led power projects that may otherwise not be competitive due to their smaller size.”<sup>17</sup> This funding suggests that **Indigenous equity** is on the table for clean projects generally.<sup>18</sup>

## How Can First Nations Get Ready for the Call for Power?

In addition to the Call for Power, the BC Government has established a BC Hydro Task Force that will focus on three known priorities:<sup>19</sup>

1. Speed of permitting and delivery;
2. Oversight to protect ratepayers and enable economic and climate priorities; and
3. Identifying, enabling, and accelerating economic opportunities.

For those First Nations interesting in bidding on the request for proposals once it is out, or for those First Nations simply exploring the idea, First Nations may consider the following actions to prepare for the Call for Power:

1. **Conduct comprehensive community planning/community engagement** to gauge the interest and readiness of the Nation for infrastructure, including what type of power generation project suits First Nation member values and priorities.

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<sup>14</sup> BC Ministry Energy, Mines and Low Carbon Innovation, 15 June 2023, Clean power to electrify B.C.’s future, <https://news.gov.bc.ca/releases/2023EMLI0036-000941>

<sup>15</sup> Ibid

<sup>16</sup> “The BCICEI is a clean-energy funding partnership between [BC], Canada, and the New Relationship Trust. It provides support and capacity-building funds to First Nations communities toward the planning and implementation of clean-energy projects.”

Source: [news.gov.bc.ca/releases/2023EMLI0036-000941](https://news.gov.bc.ca/releases/2023EMLI0036-000941)

<sup>17</sup> BC Ministry Energy, Mines and Low Carbon Innovation, 15 June 2023, *Clean power to electrify B.C.’s future*, <https://news.gov.bc.ca/releases/2023EMLI0036-000941>

<sup>18</sup> Fasken, 26 June 2023, What to expect from *BC Hydro’s New Clean Power Call*, [fasken.com/en/knowledge/2023/06/what-to-expect-from-bc-hydros-new-clean-power-call](https://fasken.com/en/knowledge/2023/06/what-to-expect-from-bc-hydros-new-clean-power-call)

<sup>19</sup> BC Ministry Energy, Mines and Low Carbon Innovation, 15 June 2023, *Clean power to electrify B.C.’s future*, <https://news.gov.bc.ca/releases/2023EMLI0036-000941>

2. \*\* For power generation projects identified in comprehensive community planning, **determine whether any of them likely to qualify for the Call for Power projects**. BC Hydro is likely to buy power, in this 2023 Call for Power, only from projects that:
  - a. Are larger, utility-scale projects;
  - b. Are in service as early as Fall 2028;
  - c. Will connect to the existing system with minimal to no infrastructure upgrades;
  - d. Are built in areas that are already serviced by BC Hydro (“Non-Integrated Areas” will not be included in the Call);
  - e. Have a demonstrated Indigenous partnership (details on what this means has not been announced by BC Hydro).
3. Explore what types of **clean energy** are viable on the location of traditional territory and seek advice on the costs of construction and operation, the return on investment, and likeliness of success with the RFP process.
4. Explore the components of the **value chain** that are feasible and that will be most beneficial to the First Nation, e.g., construction, installation, storage, operation, distribution, sale, Indigenous utility, end use.
5. Seek reliable **professional advice** such as legal, finance, engineering, commercial and negotiation experts to support the viability of projects, the best options for project ownership structures, and bidding on the RFP.
6. Assess whether the First Nation could benefit from setting up an **economic development corporation, First Nations-owned businesses, procurement arrangements, and/or clean technology skills training** to maximize benefits from clean energy projects.
7. Identify **industry partners who have a positive track record working with Indigenous** nations or Indigenous businesses on clean energy projects.

## What First Nations could ask BC/BC Hydro to clarify or prioritize

BC Hydro has not released the details of the Call for Power. In conversations with BC/BC Hydro on the matter of the Call for Power. Examples of questions First Nations could ask:

1. What criteria for Indigenous consent, Indigenous ownership/equity, and Indigenous partnership will be included in the selection criteria for the Call for Power?
2. What will be the preferred power sources (e.g., wind, solar, hydro)? Does BC Hydro plan to support First Nations-owned new capacity such as battery storage?
3. Will there be a change in wheeling policies that allow First Nations-owned power producers to sell their power to buyers using the BC transmission grid?
4. What will be the minimum percentage of First Nations ownership for new clean energy projects in BC? What will be the evaluation criteria used for Indigenous participation?
5. What financing measures, such as loan guarantees, will be put in place to ensure First Nations access to competitively priced capital?
6. How will BC address the barriers that have prevented First Nations in BC from participating in clean energy projects?
7. What benefits-sharing agreements are being considered in the Call for Power?

8. What will the selection criteria be for the successful bids on the Call for Power/RFP? How will First Nations, who have been heavily impacted but historically been excluded from participation and benefitting in clean power projects, be prioritized in the selection process?
9. Will the creation of Indigenous-owned utilities be supported in the upcoming Call for Power?

For further inquiries or to provide feedback to BC Hydro on the Call for Power please email:

[FirstNationsCleanEnergy@bchydro.com](mailto:FirstNationsCleanEnergy@bchydro.com)

## Further Readings on First Nation Participation in the Electricity Sector

FNMPG has produced several research papers highlighting Indigenous leadership in the clean energy sector. These papers are accessible online for reference through the following links:

1. [\*Paths for Indigenous Participation in Electricity Infrastructure\*, July 2019](#)
2. [\*Indigenous Ownership of Electricity Infrastructure: A Case Study\*, May 2020](#)
3. [\*Indigenous Leadership and Opportunities in the Net Zero Transition\*, April 2022](#)
4. [\*The Only Road to Net Zero Runs Through Indigenous Lands\*, September 2022](#)

## Accessing FNMPG Business Capacity Support for Electrification Projects

Did you know that most project capacity services FNMPG provides to its national First Nation membership are in the electrification sector? Does your First Nation need help with an electrification project that is over \$100 million in value? FNMPG has in-house experience, tools, and advice that may be able to help. To access these services, please contact:

**Niilo Edwards, Chief Executive Officer**  
First Nations Major Projects Coalition  
Email: [ceo@fnmpg.ca](mailto:ceo@fnmpg.ca)

**Barry Vickers, Senior Vice President of Project Development**  
First Nations Major Projects Coalition  
Email: [barryvickersconsulting@gmail.com](mailto:barryvickersconsulting@gmail.com)



## Navigating First Nations Opportunities within BC's Call for Power for Clean Energy

**Wednesday, September 13th, 10:00am –11:30am**

On Wednesday, September 13th, the First Nations Major Projects Coalition will convene experts in clean energy generation projects to understand BC's Call for Power as it relates to First Nations in BC. This online panel will examine the significance of the Call for Power, potential opportunities, and challenges for First Nations. As the province takes decisive steps towards a cleaner economy, it is imperative that First Nations are equipped with the knowledge and tools to leverage this opportunity for economic growth, centering the benefits with First Nations.



**Mark Podlasy**  
(Nlaka'pamux Nation)  
Chief Sustainability Officer,  
First Nations Major Project Coalition



**Terry Burgis**  
Senior Vice President,  
Kiewit



**David Durrant**  
Market Development and Stakeholder  
Relationship Manager,  
Pattern Energy Group



**Kwatuma Cole Sayers**  
(Hupacasath First Nation)  
Executive Director,  
Clean Energy BC

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