

C2-30

- 1 • BC Hydro is expecting to have a greater need for new capacity resources over  
2 energy resources.

3 Accordingly, BC Hydro has initiated an optimization process for the Standing Offer  
4 Program and Micro-Standing Offer Program to reflect future system needs, consider  
5 recent advancements in technology and align with the 2013 10 Year Rates Plan.

6 Changes are expected to apply to projects with in-service dates starting in  
7 calendar 2020 so that projects that are significantly advanced are not unduly  
8 impacted.

### 9 **1.5.7 We Updated Demand-Side Management Plan**

10 In June 2015, we initiated a process to modernize and improve the  
11 cost-effectiveness of our demand-side management programs to use new  
12 technologies, and respond to changing customer expectations and system needs.  
13 As a result of this process, BC Hydro reduced the average cost of its demand-side  
14 management programs to \$22/MWh while remaining on track to meet the *Clean*  
15 *Energy Act* target to offset at least 66 per cent of incremental demand from 2008 to  
16 2020 through conservation and maintaining the capability to acquire further  
17 demand-side management electricity savings in the future should those savings be  
18 required.

19 BC Hydro has eliminated or modified programs that are not as cost-effective or are  
20 less aligned with customer expectations and system needs, while retaining or  
21 expanding programs that align well with new priorities.

22 Given the reduction in the rate of growth of demand for electricity in the short term  
23 and the targets in the 2013 10 Year Rates Plan, BC Hydro has reduced its overall  
24 level of planned demand-side management expenditures.