

## **REPORT**

### ***Office of the Chief Administrative Officer and Finance***

**To:** Mayor Johnstone and Members of Council  
**Date:** March 18, 2024

**From:** Lisa Spitale  
Chief Administrative Officer  
**File:**

Shehzad Somji  
CFO/Director of Finance

**Item #:** 2024-156

**Subject: BC Electricity Affordability Credit**

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#### **RECOMMENDATION**

**THAT** Council direct the Mayor and Corporate Officer to sign and execute the Shared Cost Arrangement that compensates the City of New Westminster to provide the BC Electricity Affordability Credit to all residential and commercial customers based on the terms and conditions provided by the British Columbia Ministry of Energy, Mines and Low Carbon Innovation, Electricity Policy Branch.

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#### **PURPOSE**

To update Council on the announcement from the Government of BC that eligible BC Hydro customers will receive a BC Electricity Affordability Credit to help reduce their electricity costs over 2024. Other electric utility customers in BC are also eligible, if the respective utility receives electricity services indirectly from BC Hydro through FortisBC, which includes the City of New Westminster. The BC Electricity Affordability Credit will be made available to all residential and commercial customers based on the terms and conditions provided to the City of New Westminster from the British Columbia Ministry of Energy, Mines and Low Carbon Innovation, Electricity Policy Branch.

**BACKGROUND**

On February 22, 2024, during delivery of Budget 2024, Katrin Conroy, BC's Minister of Finance announced measures to help British Columbians with inflationary pressures. Specifically, Budget 2024 commits to a "BC Electricity Affordability Credit that will help reduce electricity costs for residential and commercial customers starting in April 2024." This initiative will also contribute to the Province achieving goals set out in the Ministry's 2024 Mandate Letter, including the key area of "A sustainable, clean, secure, and fair economy."

To achieve this, the Government of BC issued a directive to BC Hydro under Section 35 of the Hydro and Power Authority Act respecting the BC Electricity Affordability Credit. In accordance, BC Hydro will provide credits to certain classes of BC Hydro customers. City of New Westminster falls within a prescribed class of BC Hydro's customers and will receive a credit in accordance with the terms of the BC Electricity Affordability Credit.

**FINANCIAL IMPLICATIONS**

The Government of BC wishes to ensure that eligible electricity customers of BC Hydro also receive an Energy Affordability Credit. In this case, the amount City of New Westminster will receive from BC Hydro under the BC Electricity Affordability Credit is less than the amount required to pass the required affordability credit to eligible customers. Accordingly, the Government of BC has agreed to make a financial contribution to the City of New Westminster to cover this shortfall, along with administrative costs.

The City of New Westminster will receive approximately \$3.1M to implement the BC Electricity Affordability Credit for residential and commercial customers, along with an additional \$23K to cover administrative costs related to the program.

Funds received will be used to provide a one-time credit on or before April 30, 2024 to each eligible customer equal to the greater of the following amounts:

- In respect of the period from January 1, 2023 to December 31, 2023, 4.6% of the total electricity charges billed for service under an eligible rate; or
- The sum of \$24.00

This credit will equate to approximately \$80 in savings for the average residential customer and approximately \$400 for the average small business customer.

**INTERDEPARTMENTAL LIAISON**

Finance staff have finalized the list of customers who are eligible for this credit. In addition, Legal has reviewed and signed off on the Shared Cost Arrangement.

**OPTIONS**

There are two options for Council's consideration; they are:

Option 1 - THAT Council direct the Mayor and Corporate Officer to sign and execute the Shared Cost Arrangement that compensates the City of New Westminster to provide the BC Electricity Affordability Credit to all residential and commercial customers

Option 2 - THAT Council provides further direction.

*Staff recommend Option 1*

**ATTACHMENTS**

Attachment 1 - DRAFT Shared Cost Arrangement – Electricity Affordability Credit

**APPROVALS**

This report was prepared by:  
Indeep Johal, Manager, Financial Services

This report was reviewed by:  
Craig MacFarlane, Manager of Legal Services

This report was approved by:  
Lisa Spitale, Chief Administrative Officer  
Shehzad Somji, CFO/Director of Finance