



DIRECTOR REPORT

To: Chair and Directors

Report Number: DR-BRD-104

From: Director Sperling

Date: July 17, 2025

Subject: BC Hydro Grants-in-Lieu of Taxes Paid

PURPOSE/ISSUE:

For the Regional Board to consider allocating fifty percent of the annual BC Hydro Site C Grant-in-Lieu of Taxes (GILT) to Electoral Area C starting in 2027. Electoral Area C was significantly impacted by the construction of the Site C dam, including loss of land for taxation. The requested allocation of fifty percent of the Site C GILT would be considered compensation for those impacts.

RECOMMENDATION/ACTION: *[Corporate Weighted]*

That the Regional Board allocate fifty percent of the BC Hydro Grant-in-Lieu of Taxes attributed to the Site C dam, upon successful referendums in Area C at the 2026 local government election for either Aquatic Plant Harvesting, Potable Water, or both; further, that the fifty percent of the additional BC Hydro Grant-in-Lieu of Taxes amount paid to the Regional District for Site C be allocated to Area C on an ongoing annual basis, starting in 2027.

BACKGROUND/RATIONALE:

The Regional District receives an annual payment from BC Hydro as a Grant-in-Lieu of Taxes (GILT) for generating facilities, and annual funding through the Site C Regional Legacy Benefits Agreement. The Regional District has also received one-time funding from BC Hydro through the Community Measures Agreement, the Solid Waste Agreement, and the Charlie Lake Wastewater Treatment System Memorandum of Understanding (MOU).

Now that Site C is operating, the annual GILT payment has increased substantially. The Site C portion of GILT is currently \$1,221,387 for 2025 and will be \$1,376,469 for 2026.

The BC Government website provides four options for distributing the BC Hydro generating Grant-in-Lieu of Taxation (see website linked at the bottom of this report):

- Option 1. For allocation of the payment is to apply the entire grants-in-lieu-of-taxes to the general administration service since it effectively reduces the amount of the general administration requisition.
- Option 2. Applies the payment to all regional services.
- Option 3. Applies the payment to a specific regional service.
- Option 4. Applies the payment to all services that have a specific dam in their service area, with a default proration based on requisition for each service unless the Board resolves another method.

Effective May 8, 2024 the Peace River Regional District (PRRD) and BC Hydro entered into a Site C Clean Energy Project Community Agreement (Community Measures). The agreement will compensate the PRRD for the potential impacts of the Site C project on the PRRD as set out in the Environmental Impact Statement (EIS), and with respect to other community issues and concerns with the project.

The breakdown of the CMA specific to Area C is listed below:

Community Measures	Purpose	Funding Amount	Function
Change in Land Use Payment	Loss of taxation in Area C	\$ 277,156	120 - Area C
Fire/Emergency Services	Offset Charlie Lake Fire not getting fire contract to look after camp	\$ 50,000	120 - Area C
Emergency Preparedness Funding	Negotiated for Area C, but integrated into a regional plan	\$ 75,000	300 - Area C
Regional Community Liaison Committee and Project Engagement	Ectoral Area Directors for PRRD participation	\$ 700,000	100
Old Fort Community Amenity	Negotiated specifically for Area C (park/playground)	\$ 250,000	120 - Area C
Old Fort Emergency Preparedness and Resiliency Measures	For Area C (siren for dam breach)	\$ 50,000	120 - Area C
85th Avenue Lands/Community Planning	Negotiated for Area C, feasibility study for the land in the future	\$ 50,000	120 - Area C
Total Funding Amount for Community Measures		\$ 1,452,156	

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan

Attachments:

1. Current BC Hydro Grant-in-Lieu of Taxes Allocation
2. Consent Letter from BC Hydro Re Regional Legacy Benefits Agreement
3. 2013 Site C Legacy Benefits Agreement

External Links:

1. [Email from BC Hydro re: Grant-in-Lieu Taxes payment](#) as provided on the June 19, 2025 Board Meeting Agenda
2. Report titled "[BC Hydro Grant-in-Lieu for Generating Facilities, FN-BRD-289](#)" as provided on the June 20, 2024 Board Meeting Agenda
3. [Response from Environmental Assessment Office re: BC Hydro's Amendment Application](#) as provided on the April 10, 2025 Board meeting Agenda
4. [BC Hydro Grants-in-Lieu-of-Taxes for Regional Districts](#)