Sarah Walsh
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (778) 578-3861
Cell: (604) 230-7874
www.fortisbc.com

March 23, 2026

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Dear Registrar:

Re: FortisBC Inc. (FBC)
Electricity Demand Side Management (DSM) – 2025 Annual Report

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Attached please find the Electricity DSM Program 2025 Annual Report for FBC.

If further information is required, please contact Sarah Commander, Manager, Regulatory Affairs at (250) 469-6081.

Sincerely,

FORTISBC INC.

Original signed:

Sarah Walsh

Attachment

FortisBC Inc.

Electricity
Demand-Side Management Programs
2025 Annual Report

March 23, 2026

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1. REPORT OVERVIEW

This Demand-Side Management (DSM) Annual Report (Report) provides highlights of FortisBC Inc.'s (FBC or the Company) DSM programs for the year ended December 31, 2025, and provides a summary of results achieved in 2025. The Report reviews the progress of FBC's DSM programs in meeting the BCUC accepted 2023-2027 DSM Plan[1] (Plan) by educating and incenting FBC's customers to conserve energy and improve the energy efficiency of their homes, buildings, and businesses.

Section 1.1 contains a statement of financial results (Table 1-1), including the Total Resource Cost (TRC) benefit/cost ratio cost-effectiveness test results by Program Area. Sections 1.1 and 1.2 set out how FBC's DSM programs met the requirements of the British Columbia Demand-Side Measures Regulation (DSM Regulation) enacted under the *Utilities Commission Act* (UCA). Section 1.3 provides an overview of funding transfers and carryover amounts. Section 1.4 provides insight into external collaboration with government and utilities. Sections 2 through 10 of the Report provide an overview of DSM program activities by Program Area, including program-level comparisons of actual energy savings and costs to Plan.

Additional details on 2025 program results, cost-effectiveness test results (TRC) and levelized costs (LCOE), are included in each Program Area.

Throughout the Report, any difference in the totals between the DSM Portfolio Overview and Program Area tables are due to rounding. Where "zero" values occur, they may reflect rounding to the nearest $000s expenditure level when expenditures were under $500.

1.1. PORTFOLIO RESULTS

Tables 1-1 and 1-2 provide an overview of FBC's 2025 energy savings, demand savings, expenditures and TRC cost-effectiveness test results for all DSM programs, by Program Area, and at the portfolio level. FBC achieved an overall portfolio TRC of 1.3 on DSM expenditures of $19.203 million. Electricity savings totaled 49.6 GWh and demand savings totaled 8.4 MW.

[1] The FBC 2023-2027 DSM Plan expenditures were accepted by the BCUC pursuant to Decision and Order G-371-22 (the Decision).

Table 1-1: DSM Portfolio Summary Results for 2025 – Expenditures

Program Area	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Residential	3,002	3,678	857	805	3,859	4,483
Commercial	2,606	3,002	1,037	752	3,643	3,753
Industrial	3,324	3,244	670	335	3,994	3,580
Low Income	1,556	1,148	562	554	2,118	1,702
Conservation Education and Outreach	-	-	1,355	1,194	1,355	1,194
Innovative Technologies	405	354	470	368	875	721
Enabling Activities	1,136	773	1,317	872	2,453	1,645
Portfolio Level Activities	-	-	917	1,011	917	1,011
Demand Response	439	211	1,277	903	1,716	1,114
ALL PROGRAMS	**12,468**	**12,410**	**8,462**	**6,793**	**20,930**	**19,203**

Table 1-2: DSM Portfolio Summary Results for 2025 – Savings

Program Area	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Residential	6.8	4.2	2.7	1.4	0.9	5.7
Commercial	11.5	11.5	1.8	1.9	1.6	2.2
Industrial	8.5	33.1	1.5	1.9	2.1	1.3
Low Income	1.7	0.8	0.1	0.1	1.0	12.6
Conservation Education and Outreach	Savings not estimated		Savings not estimated		Savings not estimated	
Innovative Technologies	Savings not estimated		Savings not estimated		Savings not estimated	
Enabling Activities	Savings not estimated		Savings not estimated		Savings not estimated	
Portfolio Level Activities	Savings not estimated		Savings not estimated		Savings not estimated	
Demand Response	Savings not estimated		6.4	2.2/3.1*	0.5	
ALL PROGRAMS	**28.5**	**49.6**	**12.5**	**8.4**	**1.3**	**3.6**

*Winter Demand Savings/Summer Demand Savings

FBC's actual 2025 DSM expenditures were 92 percent of Plan, and the DSM annual energy savings were 174 percent of Plan. Actual savings met the Plan in the Commercial Program Area and exceeded the Plan in the Industrial Program Area; however, savings were lower than expected in the Residential and Low Income Program Areas.

Throughout the Report, the following general notes also apply to all the Program Areas:

- A "Non-Program Specific Expenses" line item has been included for each Program Area in Sections 2 through 9. These expenditures support multiple programs within that Program Area and are therefore not specific to only one program. Generally, these expenditures represent items such as training, travel, marketing collateral, and consulting services that support the overall Program Area.
- The expenditures, energy savings and cost-effectiveness results presented in the Report are exclusive of third-party funding such as CleanBC funding from the British Columbia Ministry of Energy and Climate Solutions (MECS). For measures that also receive third-

party incentive funding, attribution of energy savings among the parties has been accounted for in both the FBC claimed savings and cost test results.

1.2. MEETING ADEQUACY REQUIREMENTS OF THE DSM REGULATION

Table 1-3 below shows how FBC's portfolio meets the adequacy requirements of section 3 of the DSM Regulation. The 2023-2027 DSM Plan complies with the adequacy requirements of the DSM Regulation that were in effect at the time of Application filing, which includes amendments up to March 24, 2017.

Table 1-3: Meeting Adequacy Requirements of the DSM Regulation

DSM Regulation	Compliance Summary
The DSM Regulation adequacy requirements were as follows: A public utility's plan portfolio is adequate for the purposes of section 44.1(8)(c) of the UCA only if the plan portfolio includes all the following:	
a) a demand-side measure intended specifically i) to assist residents of low-income households to reduce their energy consumption, or ii) to reduce energy consumption in housing owned or operated by A. a housing provider that is a local government, a society as defined in section 1 of the Societies Act, other than a member-funded society as defined in section 190 of that Act, or an association as defined in section 1 (1) of the Cooperative Association Act, or B. the governing body of a first nation, if the benefits of the reduction primarily accrue to C. the low-income households occupying the housing, D. a housing provider referred to in clause (A), or E. a governing body referred to in clause (B) if the households in the governing body's housing are primarily low income households	Section 3 of the Report discusses programs and incentives for low-income customers, including Direct Install Program, the Self Install Program and the Social Housing Support Program.
b) if the plan portfolio is submitted on or after June 1, 2009, a demand-side measure intended specifically to improve the energy efficiency of rental accommodations	FBC continues to offer the Rental Apartment Efficiency Program (RAP). As referenced in Section 3, the RAP targets improving the energy efficiency of rental accommodations.
c) an education program for students enrolled in schools in the public utility's service area if the plan portfolio is submitted on or after June 1, 2009, an education program for students enrolled in post-secondary institutions in the public utility's service area.	Conservation Education and Outreach, as described in Section 6, includes the continuation of the School Education Program which includes programming for grade schools and post-secondary institutions in FBC's service area.

DSM Regulation	Compliance Summary
d) one or more demand-side measures to provide resources as set out in paragraph (e) of the definition of "specified demand-side measure", representing no less than i) an average of 1% of the public utility's plan portfolio's expenditures per year over the portfolio's period of expenditures, or ii) an average of $2 million per year over the portfolio's period of expenditures.	FBC's DSM activities related to the codes and standards specified demand-side measure are considered enabling activities by FBC and are discussed in Section 7.
e) one or more demand-side measures intended to result in the adoption by local governments and first nations of a step code or more stringent requirements within a step code.	Measures to support the BC Energy Step Code are included within the following programs as discussed in Sections 2, 3, and 7: • Residential New Home Program • Commercial Performance Program – New Construction • Enabling Activities – Community Energy Specialists

1.3. FUNDING TRANSFERS AND CARRYOVER

BCUC Decision and Order G-371-22 (Decision) on FBC's 2023-2027 DSM Plan accepted the amended funding transfer rules between Program Areas where only transfers that exceed 25 percent of a Program Area's budget out of a Program Area require approval from the BCUC to proceed. The Decision further accepted amendments to the carryover rules that allow unspent and overspent Plan amounts to be carried over to the subsequent fiscal year.

Table 1-4 shows the 2025 DSM Plan expenditures and 2025 funding transfers between Program Areas. Table 1-5 provides the updated 2026 budget, including the total expenditures carried over from 2025.

Table 1-4: 2025 DSM Funding Transfers and Carryover Amounts ($000s)

Program Area	2025 Plan Expenditures ($000) (including carryover)	2025 Actual Expenditures ($000)	2025 Actual less Plan Expenditures ($000) (including carryover)	Funding Transfer Amount in (out)	Plan Amount Carried over to 2026	Transfer as a percent of Approved (%)
Residential	3,859	4,483	(624)	1,024	400	27%
Commercial	3,643	3,753	(110)	161	51	4%
Industrial	3,994	3,580	414	(414)	0	-10%
Low Income	2,118	1,702	416	0	416	0%
Conservation Education and Outreach	1,355	1,194	161	(161)	0	-12%
Innovative Technologies	875	721	154	0	154	0%
Enabling Activities	2,453	1,645	808	(610)	198	-25%
Portfolio Level Activities	917	1,011	(94)	400	306	44%
Demand Response	1,716	1,114	602	(400)	202	-23%
ALL PROGRAMS	**20,930**	**19,203**	**1,727**	**0**	**1,727**	

Table 1-5: 2026 DSM Budget Including Carryover Amounts ($000s)

Program Area (Sector)	2026 Plan (includes inflation)	2025 Carryover	2026 Budget including Carryover
Residential	4,015	400	4,415
Commercial	3,850	51	3,901
Industrial	2,196	0	2,196
Low Income	1,844	416	2,260
Conservation Education and Outreach	1,028	0	1,028
Innovative Technologies	318	154	472
Enabling Activities	1,846	198	2,044
Portfolio Level Activities	872	306	1,178
Demand Response	1,443	202	1,645
	17,412	**1,727**	**19,139**

1.4. COLLABORATION & INTEGRATION

FBC continues to work alongside BC's major energy utilities and other entities, including governments and industry associations, to integrate and improve DSM programming. The Company understands that such collaboration maximizes program efficiency and effectiveness.

In 2025, FBC, FortisBC Energy Inc. (FEI), and British Columbia Hydro and Power Authority (BC Hydro) (collectively, the BC Utilities) continued to collaborate on various programs and projects to enhance utility integration and to support government legislation, policies, and directives. This collaboration resulted in cost efficiencies, including streamlined application processes for customers, extended program reach, and consistent, unified messaging aimed at improving energy literacy.

Additionally, FBC worked with MECS on CleanBC initiatives, which included administering incentives and facilitating applications for CleanBC rebates through FBC's processes, ensuring a seamless customer experience, and collaborated to support quality assurance and industry capacity training for the Home Performance Stakeholder Council (HPSC). While details of collaborative activities are included in the Program Area sections, the tables throughout the Report reflect expenditure and savings information for FBC's expenditure portfolio only.

1.5. PORTFOLIO SUMMARY

FBC's DSM portfolio met the goal of cost-effectiveness, with a portfolio level TRC Benefit/Cost ratio of 1.3 in 2025. FBC believes that both energy savings accounted for in the portfolio and the resulting TRC are conservative, thus likely understated. In addition to the direct energy benefits accounted for in the TRC, benefits from additional activities, such as Conservation Education and Outreach (CEO), Enabling Activities, and Demand Response, play an important role in supporting the development and delivery of programs, while helping facilitate market transformation in BC. FBC continues to develop and maintain strong, collaborative relationships with the other BC Utilities, government partners, and key market stakeholders to provide its portfolio of DSM programs.

2. RESIDENTIAL PROGRAM AREA

2.1. OVERVIEW

The Residential Energy Efficiency Program Area consists of two programs:

- Home Renovation Program (Includes the Retail Program); and
- New Home Program.

Tables 2-1 and 2-2 summarize the planned and actual expenditures and savings for the Residential Program Area.

Table 2-1: 2025 Residential Program Area Results Summary – Expenditures

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Home Renovation Program	2,482	1,090	157	166	2,639	1,255
New Home Program	519	2,588	45	5	565	2,593
Labour	-	-	611	635	611	635
Non-Program Specific Expenses	-	-	43	-	43	-
ALL PROGRAMS	**3,002**	**3,678**	**857**	**805**	**3,859**	**4,483**

Table 2-2: 2025 Residential Program Area Results Summary – Savings

Program	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Home Renovation Program	6.2	3.1	2.3	1.2	1.0	3.9
New Home Program	0.6	1.1	0.4	0.2	0.8	8.6
Labour	Savings not estimated		Savings not estimated		Savings not estimated	
Non-Program Specific Expenses	Savings not estimated		Savings not estimated		Savings not estimated	
ALL PROGRAMS	**6.8**	**4.2**	**2.7**	**1.4**	**0.9**	**5.7**

2.2. HOME RENOVATION PROGRAM

The Home Renovation (HRR) Program encourages customers to take a whole home approach to their energy efficiency upgrades by consolidating rebates for space heating, water heating and building envelope measures into one overarching program. This program is a collaboration between the BC Utilities and MECS.

Retail offers directed towards the home renovation segment are included in this section. FBC collaborates with FEI, BC Hydro, retailers, and distributors to offer point-of-sale incentives on several low cost and easy to install measures such as LED lighting fixtures, controls, draft proofing, water savers, bathroom fans, air purifiers and connected thermostats. Rebates for ENERGY STAR appliances for existing homes are also available.

The following are key updates for the Program in 2025:

- The Program achieved 48 percent of planned expenditures and 50 percent of planned energy savings. The variance for HRR is attributed to lower than planned participation in heat pump rebates. To drive participation, FBC collaborated with BC Hydro to align on an increased Heat Pump rebate of $4,000 that was introduced in May 2025.
- Participation and incentives in the Program were driven by lower cost retail rebates such as draft proofing and connected thermostats. Retail instant rebates remained a key contributor to overall results, complemented by continued customer participation in post-purchase appliance rebates.

2.3. NEW HOME PROGRAM

The New Home Program aligns with and provides incentives for the tiers of the BC Energy Step Code for Part 9 Buildings, as per Section 3 of the DSM Regulation (as at March 24, 2017). The New Home Program provides incentives for builders who adopt and comply with the Energy Step Code in municipalities across BC. FBC, in partnership with FEI, supports local governments in their adoption of the Step Code as part of an ongoing initiative for market transformation to high performance homes. Rebates for ENERGY STAR appliances in new homes are also available.

The following are key updates for the Program in 2025:

- The Program exceeded the Plan budget by 459 percent and target savings by 183 percent.
- Increased participation from builders advancing to Step 4 and Step 5 was supported by stronger market familiarity with Program requirements and engagement activities delivered throughout 2025.
- Higher volumes of pre-planned projects entering the construction phase, reflecting decisions made under previous Program cycles, contributed to elevated incentive uptake as the Program became more firmly integrated into builder practices.

2.4. SUMMARY

Overall, the Residential Program Area achieved 62 percent of Plan energy savings and 116 percent of Plan expenditures for a total investment of $4.483 million. Higher-than-anticipated builder participation in the New Home Program was the primary driver of increased residential program expenditures, while overall energy savings growth was moderated by lower-than-expected participation in the Home Renovation Program. Overall, the participation in residential programs resulted in over 4.2 GWh/year of electricity savings.

3. COMMERCIAL PROGRAM AREA

3.1. OVERVIEW

The Commercial Energy Efficiency Program Area consists of three programs:

- Prescriptive Program;
- Performance Program; and
- Rental Apartment Efficiency Program.

Tables 3-1 and 3-2 summarize the planned and actual expenditures and savings for the Commercial Program Area.

Table 3-1: 2025 Commercial Program Results Summary – Expenditures

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Commercial Prescriptive	1,346	1,736	53	28	1,399	1,764
Commercial Performance	1,250	1,255	126	26	1,376	1,281
Rental Apartment	10	11	36	4	46	15
Labour	-	-	720	690	720	690
Non-Program Specific Expenses	-	-	102	4	102	4
ALL PROGRAMS	**2,606**	**3,002**	**1,037**	**752**	**3,643**	**3,753**

Table 3-2: 2025 Commercial Program Results Summary – Savings

Program	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Commercial Prescriptive	6.3	8.3	1.4	1.6	2.5	1.8
Commercial Performance	5.0	3.1	0.3	0.3	0.9	3.2
Rental Apartment	0.2	0.1	0.1	-	0.5	60.3
Labour	Savings not estimated		Savings not estimated		Savings not estimated	
Non-Program Specific Expenses	Savings not estimated		Savings not estimated		Savings not estimated	
ALL PROGRAMS	**11.5**	**11.5**	**1.8**	**1.9**	**1.6**	**2.2**

3.2. PRESCRIPTIVE PROGRAM

The Prescriptive Program includes incentives for the purchase and installation of specific qualifying new construction and retrofit measures. It provides rebates for energy efficient measures where the savings are well understood, and where installation may not be a part of a larger, more complex upgrade. Examples of such measures include LED lighting and lighting

controls, commercial refrigeration, variable speed drives, and high efficiency commercial heat pumps.

The Prescriptive Program has two market delivery channels. Commercial customers can purchase qualifying measures at the vendor of their choice and apply for the rebate directly from FBC. Alternatively, for select qualifying measures (such as lighting and kitchen equipment), commercial customers can receive a rebate as a point-of-sale rebate from participating trade allies. Trade allies then apply for reimbursement of the point-of-sale rebates from FBC.

The following are key updates for the Program in 2025:

- The Program achieved 126 percent of planned expenditures and 132 percent of planned savings.
- Savings and expenditures were driven by commercial lighting rebates through point-of-sale vendors and heat pump rebates.

3.3. PERFORMANCE PROGRAM

The Performance Program provides incentives to encourage commercial customers to identify, assess, and implement custom building energy-efficiency projects for existing and new buildings. The Program is administered jointly with FEI, providing customers with a one-stop program in the FBC service territory to evaluate and implement building-scale energy efficiency projects. FBC Technical Advisors provide customer outreach and engagement for the Performance Program.

The commercial retrofit offer in the Performance Program provides incentives for customers to engage a qualified energy consultant to study potential building-scale electrical and natural gas energy efficiency and retro-commissioning opportunities. Incentives are also available to encourage the implementation of cost-effective electric energy efficiency measures. The commercial new construction offer in the Performance Program encourages the design of high-performance commercial buildings. Capital incentives are available for customers that design new buildings that exceed the BC Building Code. This offer includes support for large commercial new construction, which is centred on encouraging the integration of the BC Energy Step Code objectives into the design of high-performance commercial buildings, while also allowing for a more prescriptive pathway.

Jointly with FEI and BC Hydro, incentives are also available through the Performance Program for the recommissioning of commercial building heat, ventilation, and air conditioning systems.

The following are key updates for the Program in 2025:

- The Program achieved 93 percent of planned expenditures and 62 percent of planned savings.
- Savings were below Plan because of lower-than-expected participation in the Continuous Optimization and Commercial Retrofit offers.

- Several commercial new construction projects experienced schedule adjustments due to unsold inventory, investor confidence and economic factors such as rising borrowing costs. Despite these challenges, project development advanced throughout 2025, with timelines recalibrated to reflect evolving conditions. Several commercial new construction projects are positioned to achieve completion in 2026 or 2027.

3.4. RENTAL APARTMENT EFFICIENCY PROGRAM

The Rental Apartment Efficiency Program (RAP), in collaboration with FEI, provides energy assessments and the direct installation of in-suite measures, such as low-flow showerheads, and faucet aerators in purpose-built rental buildings, hotels and motels, and private retirement and care homes.

The following are key updates for the Program in 2025:

- The Program achieved 33 percent of planned expenditures and 50 percent of planned savings due to lower than expected participation.
- The Program had slightly higher than planned incentive costs as building owners continue to be interested in the Program to support tenants and plan for larger retrofits.
- The Program had lower than planned non-incentive costs due to lower than expected costs to manage and operate the Program.

3.5. SUMMARY

Overall, the Commercial Program Area achieved 103 percent of planned expenditures for a total expenditure of $3.753 million and achieved 100 percent of planned savings. The participation in Commercial Programs resulted in nearly 11.5 million kWh/year of electricity savings.

4. INDUSTRIAL PROGRAM AREA

4.1. OVERVIEW

The Industrial Program Area consists of three programs:

- Prescriptive Program;
- Performance Program; and
- Strategic Energy Management (SEM) Program.

Tables 4-1 and 4-2 summarize the planned and actual expenditures and savings for the Industrial Program Area.

Table 4-1: 2025 Industrial Program Results Summary – Expenditures

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Industrial Prescriptive	1,434	1,175	23	1	1,456	1,176
Industrial Performance	1,434	1,591	48	15	1,482	1,606
Strategic Energy Management	457	478	66	9	523	487
Labour	-	-	533	310	533	310
Non-Program Specific Expenses	-	-	-	-	-	-
ALL PROGRAMS	**3,324**	**3,244**	**670**	**335**	**3,994**	**3,580**

Table 4-2: 2025 Industrial Program Results Summary – Savings

Program	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Industrial Prescriptive	5.5	6.2	1.0	0.8	1.7	1.7
Industrial Performance	2.0	19.4	0.2	1.1	2.2	0.9
Strategic Energy Management	1.0	7.4	0.3	-	5.7	7.1
Labour	Savings not estimated		Savings not estimated		Savings not estimated	
Non-Program Specific Expenses	Savings not estimated		Savings not estimated		Savings not estimated	
ALL PROGRAMS	**8.5**	**33.1**	**1.5**	**1.9**	**2.1**	**1.3**

4.2. PRESCRIPTIVE PROGRAM

The Prescriptive Program includes fixed incentives for the purchase and installation of specific qualifying new construction and retrofit measures. It provides rebates for energy efficient measures where the savings are well understood, and their installation is not typically part of a larger, more complex upgrade. Examples of such measures include LED horticultural lighting, variable speed drives, irrigation equipment, and compressed air systems.

The Prescriptive Program has two delivery channels. Industrial customers can purchase qualifying measures and apply for rebates directly from FBC. Alternatively, for select qualifying

measures such as horticultural lighting and irrigation equipment, industrial customers can receive their incentive as a point-of-sale rebate from participating trade allies. Trade allies then apply for reimbursement of the paid rebates from FBC.

The following are key updates for the Program in 2025:

- The Program achieved 81 percent of planned expenditures and 113 percent of planned savings.
- Energy savings and expenditures were driven by LED horticultural lighting.

4.3. PERFORMANCE PROGRAM

The Performance Program provides incentives to encourage customers to identify, assess and implement measures that use energy for process-related activities. The Program is administered jointly with FEI, providing customers with a one-stop program in the FBC service territory to evaluate and implement industrial energy efficiency projects. FBC Technical Advisors provide customer outreach and engagement for the Performance Program. The Program offers co-funding for plant wide audits, feasibility studies, and implementation incentives.

The following are key updates for the Program in 2025:

- The Program achieved 108 percent of planned expenditures and 970 percent of planned savings.
- Savings were much higher than expected due to the completion of a significant industrial efficiency project. It is expected that incentive and savings will return to Plan in future years.

4.4. STRATEGIC ENERGY MANAGEMENT PROGRAM

The Strategic Energy Management (SEM) Program is a comprehensive offering for large and medium industrial customers that provides them with energy modeling, energy efficiency coaching and strategic planning support to achieve both operational savings and to encourage larger capital upgrades. The Program is administered in collaboration with FEI.

The following are key updates for the Program in 2025:

- The Program achieved 93 percent of planned expenditures and 740 percent of planned savings.
- In 2025, a second SEM cohort group launched. This SEM cohort group will report eligible savings in 2026.
- Savings were higher than expected due to strong consultant engagement that facilitated the completion of several significant projects at participating sites, resulting in combined energy savings that surpassed the Plan.

4.5. SUMMARY

Overall, the Industrial Program Area achieved 90 percent of planned expenditures for a total expenditure of $3.580 million, however, savings achieved 389 percent of Plan. The lower than planned expenditures can be attributed to project delays in the Performance Program and fewer than anticipated projects in the Prescriptive Program. The difference between achieved and planned savings can be attributed to strong performance in the SEM Program and the completion of a significant industrial efficiency project. Overall, the participation in industrial programs resulted in over 33.1 million kWh/year of electricity savings.

5. LOW INCOME PROGRAM AREA

5.1. OVERVIEW

This program area focuses on creating energy saving opportunities for low income customers by offering programs they can apply to directly, as well as programs that support charities and non-profit housing providers, co-ops, and Indigenous community housing providers. The Low Income Program Area consists of four programs:

- Self Install Program;
- Direct Install Program;
- Prescriptive Program; and
- Performance Program.

Tables 5-1 and 5-2 summarize the planned and actual expenditures and savings for the Low Income Program Area.

Table 5-1: 2025 Low Income Program Results Summary – Expenditures

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Self Install (ESK)	57	22	22	27	79	50
Direct Install (ECAP)	592	912	194	116	786	1,028
Prescriptive	730	186	27	52	757	237
Performance	177	28	14	1	192	29
Labour	-	-	292	349	292	349
Non-Program Specific Expenses	-	-	12	9	12	9
ALL PROGRAMS	**1,556**	**1,148**	**562**	**554**	**2,118**	**1,702**

Table 5-2: 2025 Low Income Program Results Summary – Savings

Program	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Self Install (ESK)	0.4	0.2	-	-	5.4	5.7
Direct Install (ECAP)	0.4	0.5	-	0.04	0.7	14.4
Prescriptive	0.8	0.1	0.10	0.02	0.7	15.7
Performance	0.1	0	-	0.00	0.4	20.6
Labour	Savings not estimated		Savings not estimated		Savings not estimated	
Non-Program Specific Expenses	Savings not estimated		Savings not estimated		Savings not estimated	
ALL PROGRAMS	**1.7**	**0.8**	**0.10**	**0.07**	**1.0**	**12.6**

5.2. SELF-INSTALL PROGRAM

The Self Install Program provides participants with an Energy Savings Kit (ESK) that includes energy saving measures along with an instruction booklet and directions to access online "how to" videos. All measures are easy to install and participants install them themselves. The Self Install program is a partnership program with FEI and BC Hydro.

The following are key updates for the Program in 2025:

- The Program achieved 63 percent of planned expenditures and 50 percent of planned savings.
- The Program was impacted by the uncertainty leading up to the postal strike during the heating season which is generally a time when participation increases as energy efficiency is top of mind.
- FBC invested in marketing and communications initiatives to support Program participation, including a joint campaign that launched in November; however, the effectiveness of the initiatives was impacted by the overlapping timing with the postal strike. FBC continued to leverage partnerships with local food banks and senior's centres to distribute kits directly to customers in communities across the service area.

5.3. DIRECT INSTALL PROGRAM

The Direct Install Program provides an in-home visit from a program contractor to assess a participant's home energy efficiency, install basic measures (e.g., LED lighting, low-flow showerheads, etc.) and provide customized energy efficiency coaching. Additionally, some participants qualify to receive more robust measures such as fridges and insulation. Partners in the Direct Install Program include FEI and BC Hydro.

The following are key updates for the Program in 2025:

- The Program achieved 131 percent of planned expenditures and 125 percent of planned energy savings.
- In 2025, the Program advanced several initiatives, including two joint Request for Proposals (RFPs) to select delivery vendors and an outreach and community engagement vendor.
- The Program also implemented several changes, including shifting eligibility solely to individual low income customers, refining the program model to prioritize higher energy saving measures, and introducing ductless heat pumps to support future integration as a standard program offering. These changes were designed to enable deeper energy savings for participants.

5.4. PRESCRIPTIVE PROGRAM

The Prescriptive Program provides rebates, implementation support and funding for energy studies. Prescriptive rebates are available for residential and commercial measures such as lighting, ventilation, insulation, windows/doors, heat pump water heaters and heat pumps. Additional measures for health and safety (e.g., mould or asbestos removal), air sealing, and appliance maintenance are also included.

The following are key updates for the Program in 2025:

- The Program achieved 31 percent of planned expenditures and 13 percent of energy savings.
- Program performance can be partly attributed to other offers in the market that are competing with this program and to the continued slow uptake of rebates for low income residential customers including ventilation, insulation, and windows and doors.
- For Indigenous customers, prescriptive offers were restructured to collaborate and align with MECS and BC Hydro. This restructured offer was launched in mid-2025 and experienced significant interest.

5.5. PERFORMANCE PROGRAM

The Performance Program provides incentives to support Indigenous communities to construct high-performance homes and commercial buildings. For example, participants access incentives by meeting the BC Energy Step Code standards for Part 3 and Part 9 buildings. The Program is administered jointly with FEI.

The following are key updates for the Program in 2025:

- The Program achieved 15 percent of planned expenditures.
- The Program continued to include elevated incentives for Step Codes 3, 4 and 5 to encourage more energy efficient construction. Only five communities within FBC's service area are eligible to participate in this program and in 2025 no Indigenous community completed Step Code homes, thus no energy savings were claimed.

5.6. SUMMARY

Overall, the Low Income Program Area achieved 80 percent of total planned expenditures for a total expenditure of $1.702 million. The participation in Low Income Programs resulted in 0.8 GWh/year of electricity savings.

6. CONSERVATION EDUCATION AND OUTREACH

6.1. OVERVIEW

The Conservation Education and Outreach (CEO) Program Area provides education about energy conservation and efficiency, as well as non-program specific outreach communications and engagement. This Program Area fosters a culture of conservation within the province by providing education to a broad range of customers and stakeholders, including hard-to-reach residential and commercial customers, and students. The goal of these programs is to inform customers on how to conserve energy (behaviour change) and to educate about energy conservation, efficiency and incentive programs. The CEO includes the following programs:

- Customer Engagement Tool;
- Residential Education Program;
- Commercial Education Program; and
- School Education Program.

Tables 6-1 summarizes the planned and actual expenditures for the CEO Program Area.

Table 6-1: 2025 Conservation, Education and Outreach Results Summary – Expenditures

Program	Utility Expenditures ($000s)			
	Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Residential Customer Engagement Tool	460	297	460	297
Residential Education Program	152	224	152	224
Commercial Education Program	134	162	134	162
School Education and Post-Secondary Program	78	167	78	167
Labour	531	344	531	344
ALL PROGRAMS	**1,355**	**1,194**	**1,355**	**1,194**

6.2. RESIDENTIAL CUSTOMER ENGAGEMENT TOOL

The Residential Customer Engagement Tool home energy reports help customers understand their energy use in comparison to energy used by similar homes and encourages customers to reduce their energy through actionable advice. The online portal “My Energy Use” offers a home assessment survey that helps customers understand their energy consumption better. By completing the home assessment survey, users receive a customized action plan tailored to their specific needs, which can guide them in reducing their energy use more effectively.

The following are key updates for 2025:

- Lower than planned expenditures are due to not proceeding with further development of the tool due to a program overlap with an energy rating tool being developed externally for BC residential homeowners, reducing the need for FBC to continue investing in similar functionality. In addition, FBC chose not to pursue the proposed Virtual Energy Audit offer after additional customer research indicated it would not deliver the expected value.
- FBC sent five home energy reports to approximately 8,000 customers throughout 2025.

6.3. RESIDENTIAL EDUCATION PROGRAM

The Residential Education Program provides residential customers and the broader public with information on electricity conservation and energy literacy through a combination of direct engagement, online tools, and general public marketing and advertising campaigns. Outreach activities – including face-to-face interactions, digital engagement, educational seminars, and participation in home shows and community events – are designed to reach a wide range of audiences, including low-income and multilingual customers. Ongoing partnerships with regional districts, municipalities, social service organizations, and local sports organizations further expand opportunities to connect with residential customers across the province.

Promotional efforts include multimedia rebate awareness and education campaigns, as well as targeted engagement initiatives aimed at increasing conservation awareness and program participation. The Program also covers the development and production of educational and marketing materials, along with audience-engagement incentives – such as draft-proofing kits – used at events that interact directly with residential customers.

The following are key updates for the Program in 2025:

- Higher than anticipated expenditures are attributed to an increase in paid media for 2025 to ensure a sustained presence in market.
- FBC and FEI maintained a commitment to direct customer engagement by participating in over 40 events in FBC's service territory. During these events, more than 4,200 meaningful conversations were held, focusing on energy literacy, conservation, efficiency, affordability and rebate programs.

6.4. COMMERCIAL EDUCATION PROGRAM

The Commercial Education Program provides ongoing communication and education about energy conservation and efficiency measures as well as behavioural change educational programming to help commercial customers reduce their organization's energy consumption.

Commercial Education includes small to large businesses in a variety of sub sectors such as retail, offices, multi-family residences, schools, hospitals, hospitality services and municipal/institutions. Promotional activities include face-to-face engagement, print and online marketing, and participating in industry association meetings and tradeshows. FBC and FEI also deliver the Efficiency in Action Awards, which recognizes commercial customers for their

innovation in energy efficiency and the electricity savings achieved. Additionally, FBC and FEI provide support for behavioral and technical education campaigns delivered by energy specialists in their respective organizations such as the Energy Wise Network which is offered in partnership with BC Hydro. These initiatives also guide and support energy specialists, thermal energy managers or energy/facilities managers in their respective organizations or communities.

The following are key updates for the Program in 2025:

- Higher than anticipated participation in the behavioural and technical education campaigns, combined with increased in-person engagement activities for small businesses, led to higher overall expenditures.

6.5. SCHOOL EDUCATION AND POST-SECONDARY PROGRAM

The School Education Program includes the Live It Earth series, a Kindergarten to Grade 8 curriculum connected resource, and the assembly style presentation, Energy Champions, which is currently delivered in collaboration with the BC Lions. A program for Grades 9 to 12, introduced in partnership with Live It Earth, offered students practical experience in storytelling through film and opportunities to engage with professionals from the energy efficiency sector. FBC and FEI enjoy ongoing partnerships with post-secondary institutions and support additional energy efficiency training for academic and trades training initiatives. This includes in-class programs, on-campus education campaigns, instructional tool development, and education campaigns delivered by energy specialists, thermal energy managers or energy/facilities managers.

The following are key updates for the Program in 2025:

- FBC and FEI sponsored curriculum-connected programs for Grades K to 9 that focus on energy literacy, conservation, and efficiency. The Live It Earth series delivered energy efficiency and conservation education to students in Grades K to 7 through an interactive online learning platform.
- FBC and FEI supported Geering Up Okanagan in delivering Science, Technology, Engineering, and Math (STEM) programming with an emphasis on energy efficiency and conservation for youth in Grades 8 to 12 within several communities in BC's Southern Interior. The initiative developed and delivered a range of activities, including workshops, school events, camps, and professional development sessions for teachers. In total, Geering Up programs reached 421 students and 20 educators.
- FBC and FEI supported the Climate Action Ripple Effect (CARE) initiative in Vernon and the Central Okanagan school district. CARE engages teachers, students, and community climate experts in creating student projects that align with UN Sustainable Development Goals, including energy efficiency and conservation. In 2025, the initiative involved over 690 students, 34 teachers, 155 community members and mentors, resulting in 33 projects focused on energy efficiency.

- For students enrolled in post-secondary academic institutions, FBC, in collaboration with FEI, delivered virtual presentations on DSM policies and programs in BC, as well as employment opportunities within the energy management sector. Additionally, FBC and FEI provided funding support to Okanagan College and Selkirk College for hands-on training on high performance buildings and heating systems using a science based, envelope-first approach.
- Higher than anticipated expenditures were driven by expanded outreach efforts and increased partnership activity.

6.6. SUMMARY

The CEO Program Area continues to support the DSM Portfolio goals of energy conservation in various ways. Several initiatives and campaigns were undertaken in 2025, positively influencing customer attitudes about efficiency. Educating all types of customers and students remains a priority. FBC is committed to ensuring that the information provided is relevant and timely.

FBC continued its collaboration with FEI in 2025 to maximize efficiencies across both utilities. Costs continue to be shared on school, residential, and commercial outreach as applicable. FBC remains focused on behavioral change opportunities and partnering with post-secondary institutions to foster a culture of conservation in BC while driving program awareness and participation.

7. ENABLING ACTIVITIES

7.1. OVERVIEW

Enabling Activities are initiatives that support and supplement FBC's C&EM program development and delivery. These programs, activities and projects provide resources common to the support and delivery of all Program Area activities. The Enabling Activities include the following:

- Trade Ally Network;
- Codes and Standards;
- Reporting Tool and Customer Application Portal;
- Commercial Energy Specialist Program;
- Community Energy Specialist Program; and
- Customer Research.

Table 7-1 summarizes the planned and actual expenditures for the Enabling Activities Program Area.

Table 7-1: 2025 Enabling Activities Results Summary

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Trade Ally Network	-	-	193	103	193	103
Codes and Standards	457	238	347	480	803	718
Reporting Tool & Customer Application Portal	-	-	392	153	392	153
Commercial Energy Specialist Program	266	290	47	8	313	298
Community Energy Specialist Program	414	245	13	1	427	246
Customer Research	-	-	11	-	11	-
Labour	-	-	314	127	314	127
ALL PROGRAMS	**1,136**	**773**	**1,317**	**872**	**2,453**	**1,645**

7.2. TRADE ALLY NETWORK

The Trade Ally Network (TAN) includes expenditures related to FBC's work with industry. FBC relies on trade allies, such as contractors and distributors that install energy efficiency measures and provide qualifying products. TAN also supports funding energy efficiency training, a specified demand-side measure outlined in Section 1 of the DSM Regulation.[2]

The following are key updates in 2025:

[2] *BC Utilities Commission Act, Demand-Side Measures Regulation (BC Reg. 326/2008) Section 1 amended March 24, 2017.*

- In collaboration with program partners, and the Home Performance Stakeholder Council (HPSC), FBC supported the development of the Home Performance Industry through trades outreach, training, and ongoing development of the Home Performance Contractor Network (HPCN) – a database of retrofit contractors in BC that meet specific trade designation and training qualifications.
- FBC supported the development of training for the industry aimed at enhancing quality installations and best practices, including building science and HVAC controls training.
- Industry training analysis was completed to assess industry readiness for adopting deep energy retrofits and to help build contractor capacity.
- FBC continues to offer co-op funding for advertising and targeted messaging about energy efficiency and FBC's DSM rebate programs, as well as funding for eligible training courses related to energy efficient measures.
- Results were lower than Plan due to delays with certain training activities.

7.3. CODES AND STANDARDS

The Codes and Standards budget finances FBC's support for codes and standards policy development and research, through in-kind and financial co-funding arrangements. In the residential sector, FBC provides support for energy compliance and testing of new homes through the provision of incentives for energy advisory services in support of the BC Energy Step Code. Incentives encourage builders to work with an energy advisor to validate the energy performance of their home through energy modelling, on-site airtightness testing, and completion of the Step Code compliance reports. These activities support builders achieving advanced BC Energy Step Code levels.

The Codes and Standards area "supports the development of or compliance with specified standard or a measure respecting energy conservation or the efficient use of energy", as referred to in the definition of "specified demand-side measures" in Section 1 of the DSM Regulation, and supports implementation and adoption of such measures as well as aiming to educate and provide training to the industry.

The following are key updates in 2025:

- Codes and Standards expenditures achieved 89 percent of Plan. Builder and Energy Advisor incentives continued to experience strong participation, supporting uptake of Step Code–related incentives; however, participation in mid-construction blower door testing and design-focused offerings were lower than planned. Conversely, expenditures in the non-incentive category exceeded the Plan, primarily due to continued support for standards development activities initially planned for 2024, as well as the initiation of select activities anticipated for 2025.

7.4. REPORTING TOOL AND CUSTOMER APPLICATION PORTAL

The Reporting Tool & Customer Application Portal includes expenditures related to the Demand-Side Management Tracking System. This system manages DSM rebates from the application stage through to payment, including application review, approval, payment file exports, reporting, and customer communications. Expenditures include licensing and hosting fees, and the labour required to operate and maintain the system and related customer portal.

As of 2025, dependency on third parties was eliminated by handling all integrations internally, continuing to reduce costs.

7.5. COMMERCIAL ENERGY SPECIALIST PROGRAM

The Commercial Energy Specialist Program is a joint initiative between FBC and FEI that co-funds Energy Specialist, Analyst or Thermal Energy Manager positions in large commercial organizations. FBC offers up to $45 thousand in annual funding per participant, while FEI matches this amount. The priority is to identify and implement energy efficiency upgrades for their organizations and to participate in FBC's and FEI's DSM programs. The participants are also responsible for identifying and implementing non-program specific opportunities to use electricity and natural gas more efficiently. FBC considers this an energy management program, and hence a specified demand-side measure, as defined in Section 1 the DSM Regulation and subject to Section 4.[3]

The following are key updates in 2025:

- There were eight contracted positions within the Commercial Energy Specialist Program that focused on both FEI and FBC related projects within their organizations. This program is funded to encourage activities that result in energy savings and program participation in the Commercial Program Area. An evaluation was conducted in early 2026 to quantify savings from 2025 that were not already captured in the Commercial Program Area. The evaluation study identified an additional 28,046 kWh of energy savings not previously captured in the Commercial Program Area.

7.6. COMMUNITY ENERGY SPECIALIST PROGRAM

The Community Energy Specialist Program provides financial support to local municipal governments and regional districts, and institutional customers to facilitate energy efficiency planning activities such as the development of community energy plans, energy efficient design practices and organizational policies such as adopting advanced energy efficiency standards for the entities' own buildings. FBC, in partnership with FEI, funds up to $120 thousand annually within its service territory. FBC's and FEI's C&EM budgets contribute up to 75 percent of this amount, with the remaining portion provided by FEI's External Relations department. The planning must be targeted at reducing electricity usage and demand. FBC considers this an

[3] *BC Utilities Commission Act, Demand-Side Measures Regulation (BC Reg. 326/2008) Section 4(4)(5), amended March 24, 2017.*

energy management program, and hence a specified demand-side measure, as defined in Section 1 the DSM Regulation and subject to Section 4.[4]

The following are key updates in 2025:

- Lower than anticipated expenses resulted from hiring challenges within local governments.
- There were six contracted positions within the Community Energy Specialist Program that focused on both FBC and FEI related projects within their organizations.

7.7. CUSTOMER RESEARCH

Customer Research expenditures fund forward-looking initiatives such as customer segmentation that inform marketing and communications strategies.

The following are key updates for 2025:

- No new research activities were required in 2025 because findings from the 2024 research cycle continue to effectively support marketing and communications planning.

7.8. SUMMARY

Overall, the Enabling Program Area achieved just over 67 percent of total planned expenditures. The gap between achieved and planned savings is primarily attributed to municipalities facing hiring challenges in the Community Energy Specialist Program, lower than anticipated participation in the co-op advertising program, and a delay in planned contractor training due to ongoing industry training analysis.

[4] *BC Utilities Commission Act, Demand-Side Measures Regulation (BC Reg. 326/2008) Section 4(4)(5), amended March 24, 2017.*

8. INNOVATIVE TECHNOLOGIES

8.1. OVERVIEW

The Innovative Technologies Program Area funding supports the development, or increased use, of a "technology, a system of technologies, or a building or industrial facility design that could achieve significant reductions of energy usage or significantly more efficient use of energy."[5] FBC uses innovative technology funding to support feasibility studies, technology pilots, and field studies to assess the potential for these technologies.

In 2025, expenditures for Innovative Technologies were 82 percent of Plan. The variance was primarily due to delays in pilot activities. The Deep Energy Retrofit project, which encompasses both incentive and non-incentive costs, commenced in 2024 with construction completed in May 2025; however, a large portion of the program evaluation costs will not be paid out until project completion in June 2026.

Tables 8-1 summarizes the planned and actual expenditures for Innovative Technologies.

Table 8-1: 2025 Innovative Technologies Expenditures Results Summary

Program	Utility Expenditures ($000s)	
	Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual
Incentive Costs	405	354
Non-Incentive Costs	370	259
Labour	100	109
ALL PROGRAMS	**875**	**721**

8.2. INNOVATIVE TECHNOLOGIES

The table below details the projects undertaken throughout the year and their status.

Table 8-2: Technology Screening Activities

Technology Screening Activity	Activity Description
SolarPV DSM Regulation Review	A study to assess the viability of residential solarPV systems in the FBC service territory. The study included an examination of the DSM regulation and if solarPV could be a demand-side measure. In addition, a cost-effectiveness assessment was completed along with recommendations for the technology's future steps. The final report and presentation were completed in January 2025.

[5] Technology innovation program defined in the Demand-Side Measures Regulation 326/2008 (amended March 24, 2017).

Technology Screening Activity	Activity Description
Deep Energy Retrofits	The Yaqan Nukiy Deep Energy Retrofit project development began in 2023. This involved selecting four homes within the Lower Kootenay Band and completing comprehensive energy upgrades. Measures include window replacements, heating system upgrades and roof insulation addition. Construction was completed in May 2025 with measurement and verification expected to be completed in 2026.

8.3. SUMMARY

Overall, the Innovative Technologies Program Area achieved 82 percent of total planned expenditures. The difference between achieved and planned expenditures is attributed to delays in construction activities for the Deep Energy Retrofit project, which shifted the measurement and verification period to June 2026.

9. DEMAND RESPONSE

9.1. OVERVIEW

Demand Response programs and pilots encourage customers to connect eligible devices to a demand response platform that FBC can then manage to reduce the amount of electricity consumption during peak hours of the winter and summer seasons. The objective of Demand Response programs is to reduce electrical load during peak periods either by lowering consumption or shifting the load to non-peak periods. Demand Response is made up of two programs:

- Residential Demand Response; and
- Commercial and Industrial Demand Response.

Tables 9-1 and 9-2 summarize the planned and actual expenditures and savings for Demand Response.

Table 9-1: 2025 Demand Response Program Results Summary – Expenditures

Program	Utility Expenditures ($000s)					
	Incentives		Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Residential Demand Response	348	101	452	335	801	436
Commercial and Industrial Demand Response	91	110	327	219	417	329
Labour	-	-	498	349	498	349
Non-Program Specific Expenses	-	-	-	-	-	-
ALL PROGRAMS	**439**	**211**	**1,277**	**903**	**1,716**	**1,114**

Table 9-2: 2025 Demand Response Program Results Summary – Savings

Program	Annual Energy Savings (GWh)		Annual Demand Savings (MW)		Benefit/Cost Ratios	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual	TRC	LCOE (¢/kWh)
Residential Demand Response	Savings not estimated		4.5	1.8/3.1*	0.7	-
Commercial and Industrial Demand Response	Savings not estimated		1.9	0.4/0.0**	0.2	-
Labour	Savings not estimated		Savings not estimated		Savings not estimated	
Non-Program Specific Expenses	Savings not estimated		Savings not estimated		Savings not estimated	
ALL PROGRAMS			**6.4**	**2.2/3.1***	**0.5**	

*Winter Demand Savings/Summer Demand Savings. **Program launched in November 2025 - no summer savings available.

9.2. RESIDENTIAL DEMAND RESPONSE

Residential Demand Response activities include the Power Hours Rewards Program, which targets connected thermostats and electric vehicles (EVs) via telematics, the onboard software within the vehicles. This program is currently available to all FBC residential electric customers.

The following are key updates in 2025:

- FBC's Power Hours Rewards program had its second year in market, targeting connected thermostats and EVs via telematics – the onboard software within vehicles.
- Over 3,500 customers registered for the program and connected devices that were used for demand response events during both the winter and summer seasons.
- FBC began piloting Optiwatt, an EV scheduling app, to pilot utility-managed EV charging and expand the number of eligible EV models allowed into the Power Hours Rewards program. The pilot is planned to run until the end of June 2026.
- Expenditures and demand savings for Residential Demand Response were below Plan because of fewer EVs participating in the program. Despite overall participation being as expected, there were a greater number of customers with thermostats who registered than customers with EVs, and thermostats have lower average incentive amounts and demand savings than electric vehicles.

9.3. COMMERCIAL AND INDUSTRIAL DEMAND RESPONSE

The following are key updates in 2025:

- In September 2025, FBC completed the commercial and industrial automated demand response pilot. The pilot identified several challenges for connecting building control systems to a software platform for utility dispatch, which was used to inform future program design.
- In November 2025, FBC completed the load shifting pilot for horticultural customers, who began shifting their facility's operations to reduce their impact on peak demand in August 2024. The pilot was extended for several months to allow for transitioning the pilot participants into the load shifting pathway of the Power Hours for Business program. The pilot showed promising on-peak capacity savings and positive customer reception, and the results were used to inform future program design.
- In December 2025, FBC launched the Power Hours for Business program, which incentivizes commercial and industrial customers to reduce their electricity usage during on-peak hours. Customers may participate through a demand response pathway with both behavioural and automated demand response options, or through a load shifting pathway targeted towards horticultural customers and commercial EV fleets. This program is currently available to all FBC commercial and industrial customers.
- Demand savings and expenditures for Commercial and Demand Response were below Plan because of a delayed program launch, compared to what was anticipated in the 2023-2027 DSM Plan.

9.4. SUMMARY

The Demand Response Program Area demand savings and expenditures were both slightly below planned values. This is due to fewer EV participants than anticipated in the Residential

Demand Response program, and a delayed program launch for the Commercial and Industrial Demand Response program.

10. PORTFOLIO LEVEL ACTIVITIES

10.1. OVERVIEW

Portfolio level activities are required to properly plan and implement the proposed DSM programs and support efforts to meet the energy savings targets. Their expenses include provisions for DSM planning and program evaluation staff. These staff members perform DSM project due diligence, including savings verification, and oversee program evaluation studies; prepare long term DSM Plans and DSM Expenditure Plans; and undertake conservation potential and avoided costs studies.

This area includes:

- Evaluation; and
- Portfolio Level Activities.

Evaluation studies are conducted to determine if FBC's DSM program objectives are being met and savings are being realized. Evaluation of energy efficiency programs provides internal and external accountability in the estimates of energy and demand savings. Evaluation activities and studies are often done in collaboration with various stakeholders including FEI and other utilities.

Portfolio Level Activities are comprised largely of planning as well as staffing costs and consultant fees for the numerous studies. Portfolio Level Activities are those activities for which the costs cannot be assigned to individual DSM programs. These distinct Portfolio Level Activities can include expenditures such as DSM support and portfolio level staff labour, staff training and conferences, facilities and equipment, industry association memberships, regulatory work, and EECAG[6] activities.

Table 10 -1 includes the annual expenditures for DSM Studies, Evaluation, and Reporting portfolio activities. Expenditures in 2025 for Evaluation and Portfolio-Level Activities were largely as planned. Additional details on Program Evaluation Activities are provided in Appendix A-1.

Table 10-1: 2025 Portfolio Expenditures Results Summary

Program	Utility Expenditures ($000s)			
	Non-Incentives		Total Expenditures (includes carryover)	
	2025 Plan	2025 Actual	2025 Plan	2025 Actual
Evaluation	362	321	362	321
Portfolio-Level Activities	555	690	555	690
ALL PROGRAMS	**917**	**1,011**	**917**	**1,011**

[6] The Energy Efficiency and Conservation Advisory Group (EECAG) provides insight and feedback on FBC's and FEI's portfolio of DSM activities and related issues. In 2025, no EECAG sessions were held.

11. CONCLUSION

In 2025, FBC achieved 92 percent of its approved DSM expenditures and 174 percent of its annual energy savings target, as outlined in the 2023-2027 DSM Plan. This result realized a total energy savings of 49.6 GWh, driven by Industrial savings of 33.1 GWh, Commercial savings of 11.5 GWh, and Residential savings of 4.2 GWh. Customer incentives comprised the largest cost component of expenditures, making up 65 percent of the overall portfolio.

This Report details how FBC delivered its energy conservation programs in a cost-effective manner, achieving an overall portfolio TRC Benefit/Cost ratio of 1.3 while exceeding planned energy savings targets. FBC continues to offer a robust portfolio of DSM programming accessible to all customer rate classes, while meeting the adequacy requirements of the DSM Regulation and operating according to the Company's DSM Guiding Principles.

Appendix A-1

INVENTORY OF DSM PROGRAM EVALUATION AND RESEARCH ACTIVITIES

Evaluation Name	Program Area	Type of Evaluation	Evaluation Partners	Evaluation Status
Retail and Appliance Rebate Evaluation	Residential	Process	FortisBC Inc. (FBC) & FortisBC Energy Inc. (FEI) (together, FortisBC)	Objectives include assessing net-to-gross ratios (free ridership and spillover), exploring demand response potential of rebated appliances, benchmarking other utility practices, recommending alternatives to ENERGY STAR® criteria, and identifying new retail/appliance measures for inclusion. **To be completed in 2026.**
Rental Apartment Efficiency Program - Participant and Building Owner Surveys	Commercial	Process	FortisBC	Ongoing surveys conducted with building owners and tenants to assess customer satisfaction, program awareness, and gather feedback for future program design.
LED Lighting Evaluation	Commercial & Industrial	Process & Impact	FortisBC	Evaluation of the program from design to delivery, including assessment of free ridership, understanding participants' motivations for participation and identifying opportunities and areas for improvement. **To be completed in 2026.**
Direct Install Quality Assurance	Low Income	Evaluation Study	FortisBC & BC Hydro	The direct install program uses an external vendor to conduct quality assurance checks by reviewing all case files and verifying that energy saving measures and retrofits are installed according to program specifications and documented according to program guidelines.
Energy Conservation Assistance Program - Customer Feedback Surveys	Low Income	Process	FortisBC & BC Hydro	Feedback surveys based on the former ECAP model were conducted only for the first half of the year in anticipation of the redesigned program that was launched in July 2025. This resulted in two quarterly surveys. Customer feedback surveys on the new ECAP model will begin in 2026. **Completed in 2025.**

Evaluation Name	Program Area	Type of Evaluation	Evaluation Partners	Evaluation Status
Income Qualified Rebate Evaluation	Low Income	Process	FortisBC	The evaluation was aimed at understanding the profiles of the participants benefiting from the rebates, the impact of the rebates on decisions to install the upgrades, and overall participant experience with the rebates offer. **Completed in 2025.**
Energy Audit 2024	Enabling Activities	Impact	FortisBC	The study is an update to an energy savings audit to verify energy savings from projects completed in 2024. **Completed in 2025.**
Energy Audit 2025	Enabling Activities	Impact	FortisBC	The study is an update to an energy savings audit to verify energy savings from projects completed in 2025. Preliminary results reported in the 2025 Annual Report. **To be completed in 2026.**
Customer Satisfaction Index	Enabling Activities	Communications	FortisBC	The study identified aspects of the customers' experience that were driving customer satisfaction of energy efficiency programs, and how FortisBC can target actions to improve. **Completed in 2025.**
Measure Library Review	Portfolio	Process	FortisBC	This is a comprehensive review and integration of the Measure Library in the Demand-Side Management Tracking System. **Completed in 2025.**