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British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC, V6Z 2N3
Attn: Erica Hamilton, Secretary
By Web Posting

Dear Madam:

Re: British Columbia Hydro and Power Authority 2015 Rate Design Application (RDA);
BC Sustainable Energy Association and Sierra Club BC Argument
Regarding RS 1827, 1852, 1853, 1253

I am counsel for the interveners BC Sustainable Energy Association and Sierra Club BC. In Order and Decision G-12-16 (Exhibit A-15), the Commission established a regulatory timetable that includes, among other things, a schedule for final written argument regarding RS 1827, 1852, 1853, 1253. This is BCSEA-SCBC's final argument on those topics.

In summary, BCSEA-SCBC support BC Hydro's position regarding these four rate schedules.

RS 1827 (Exempt Customers)

RS 1827 is for transmission service customers who are exempt from the default transmission service rate RS 1823. BC Hydro is not proposing any changes to RS 1827.¹

There are currently four customers on RS 1827: New Westminster, UBC, SFU, and YVR. RS 1827 consists of a flat rate for energy that is the same as the RS 1823 Tier 1 rate and a demand charge that is the same as the RS 1823 demand charge.

BCSEA-SCBC participated in Workshops 5 and 10 of BC Hydro's stakeholder engagement process in which BC Hydro addressed RS 1827. BCSEA-SCBC accept BC Hydro's legal position² that legal constraints effectively prevent the Commission from making changes to RS 1827 for New Westminster and UBC under the present circumstances.

BCSEA-SCBC accept BC Hydro's position that the Commission does have jurisdiction under sections 58 to 61 of the *Utilities Commission Act* with regard to SFU and YVR.

The Commission established the exemption of SFU and YVR from RS 1823 by Order No. G-10-06. The rationale was that, as BC Hydro states, "SFU and YVR share similar characteristics to New Westminster and UBC in that they distribute a significant portion of their load to others, and that exempting SFU and YVR is consistent with Recommendation No. 15 [of the Commission's Heritage Contract Report]."³

¹ Exhibit B-1, section 7.5.

² Exhibit B-1, page 7-47.

³ Exhibit B-1, page 7-48.

BCSEA-SCBC have considered the submissions made by SFU and YVR during the stakeholder engagement process.⁴ SFU and YVR say that while they do not have a stepped rate (RS 1823) they have undertaken significant DSM projects under RS 1827 and will continue to do so.

In conclusion, BCSEA-SCBC support BC Hydro's proposal to make no change to RS 1827 in this Rate Design Application.

RS 1852 Transmission Service Modified Demand

RS 1852 is an interruptible rate that applies only to the demand charge for customers already taking service under RS 1823.⁵ RS 1852 is structured to provide a financial incentive to a participating customer to daily load curtailments during High Load Hours. The intention is laudable: to reduce BC Hydro's peak demand. However, participation has been low. BC Hydro says that only one Transmission Service customer has taken service under RS 1852 at any one time.⁶

BC Hydro proposes minor amendments to RS 1852 to revise the definition of "Availability" for clarity and to revise the definition of "high load hours." The intention of the amendments is to make RS 1852 clearer and therefore potentially more attractive to certain customers, and to allow modification of HLH so as to better match BC Hydro's system demand issues.

BCSEA-SCBC support BC Hydro's proposed amendments to RS 1852.

RS 1853 Transmission Service -- IPP Station Service

BC Hydro is not proposing any changes to RS 1853.

RS 1853 is a non-firm rate available to independent power producers (IPPs) served at transmission voltage for forced outages, scheduled maintenance requirements and black-start re-energization of generators.⁷ Under RS 1853, energy is priced based on the Mid-C market price. There is no demand charge under RS 1853 because the service is non-firm.

BC Hydro says that no IPP customer expressed any concern with this rate during the stakeholder engagement process.⁸

BCSEA-SCBC support BC Hydro's proposal not to make any changes to RS 1853 at this time.

RS 1253 Distribution Service -- IPP Station Service

RS 1253 is like RS 1853 except that RS 1253 is for IPPs served at distribution voltages. It is understood that BC Hydro proposes no changes to RS 1253 at the present time.

Conclusion

For the reasons set out above, BCSEA-SCBC support BC Hydro's proposal regarding rate schedules RS 1827, RS 1852, RS 1853, and RS 1253.

⁴ Summarized by BC Hydro at Exhibit B-1, pages 7-48 to 7-49.

⁵ Exhibit B-1, section 7.3.2.

⁶ Exhibit B-1, page 7-23.

⁷ Exhibit B-1, section 7.4.2.

⁸ Exhibit B-1, page 7-45.

All the above is respectfully submitted.

Yours truly,

William J. Andrews

A handwritten signature in black ink, appearing to be 'WJ Andrews', with a horizontal line extending to the right from the bottom of the signature.

Barrister & Solicitor

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