



November 4, 2019

**NEWS RELEASE – BCUC Releases Draft Report for Indigenous Utilities Regulation Inquiry for Public Comment**

VANCOUVER – On Friday, November 1, 2019, following an open and transparent engagement process, the British Columbia Utilities Commission (BCUC) issued its Draft Report for the Inquiry into the regulation of Indigenous energy utilities.

The Inquiry process included feedback from 21 Registered Interveners and attendees at 11 Community Input Sessions, as well as eight letters of comment. Based on the comments and submissions received during the Inquiry engagement process, the Panel has released its Draft Report with proposed recommendations regarding the potential regulatory framework for Indigenous-owned and operated energy utilities in British Columbia (BC).

The Draft Report is now available for public review and comment until March 2, 2020.

Subject to further feedback received during Draft Report Workshops and a public comment period, the Panel’s proposed recommendations include the following:

<b>Regulation of Monopolies</b>	1. That all ratepayers of Indigenous utilities receive the same protection as ratepayers of non-Indigenous utilities.
<b>Regulation of Mandatory Reliability Standards</b>	2. That the BCUC retain jurisdiction, with respect to approval, compliance, and enforcement of Mandatory Reliability Standards (MRS), applicable to all transmission infrastructure in BC regardless of who owns or operates it.
<b>Reserve Lands</b>	3. That a First Nation be given the opportunity to self-regulate when it provides utility service on its reserve land in much the same way as municipalities and regional districts do.  Subject to proposed recommendations 4–6, this can be accomplished by enabling a First Nation or Band Council to “opt out” of BCUC regulation by notifying the BCUC of its intention.
	4. That the First Nation should demonstrate it has an appropriate complaint process in place to protect all ratepayers. In the event it cannot do so, the BCUC would retain jurisdiction to handle all complaints.
	5. That the BCUC complaint and dispute handling processes be available to any ratepayer who wishes to appeal a decision arising out of the First Nation utility’s complaint process.
	6. Safety and reliability (other than MRS) will be the subject of the workshop and comment period. If the Final Report recommends that the BCUC retains jurisdiction over safety and reliability, First Nations would not be able to opt out of those applicable portions of the <i>Utilities Commission Act</i> (UCA).
<b>Modern Treaty Lands – Nisga’a</b>	7. That the Nisga’a Nation be given the opportunity to self-regulate, as do municipalities and regional districts, when it provides utility service on its own lands.

	8. That notwithstanding the Nisga'a's authority over their own lands, the BCUC retains jurisdiction over MRS, because of the interconnected nature of the North American bulk electric system.
<b>Other Modern Treaty Lands</b>	9. That a modern Treaty Nation be given the same opportunity to self-regulate, when it provides utility service on its own lands, as proposed for the Nisga'a Nation, provided that a modern Treaty contains terms that are substantially similar to those in the Nisga'a Treaty.
<b>Historical Treaty Lands</b>	10. That First Nations who are parties to Historical Treaties be covered by the same proposed recommendations 3-6, in the "Reserved Lands" section of the Draft Report.
<b>Westbank First Nation</b>	11. That the Westbank First Nation be given the opportunity to self-regulate when it provides utility services on its lands, as proposed for the Nisga'a Nation, provided that the Advisory Council Law applies to the resolution of utility complaints.
<b>Sechelt Indian Band</b>	12. That the Sechelt Indian Band and the Sechelt Indian Government District be given the opportunity to self-regulate when they provide utility services on their own lands, as proposed for the Nisga'a Nation, provided that the Advisory Council has the power to resolve utility complaints.
<b>Ceasing to be an Indigenous Utility</b>	13. That if a utility ceases to meet the definition of an Indigenous utility it becomes subject to regulation under the UCA.
<b>Definition of Indigenous Utility</b>	14. That consideration be given during the workshop and written comment period to any further context in which the definition of Indigenous utility is required. The workshop topics further explore different ways that service is provided, thereby defining an Indigenous utility.

The BCUC will host six Draft Report Workshops around BC in November and December 2019, to gather feedback on the Draft Report and proposed recommendations. The BCUC is seeking input on a number of specific questions listed in Section 7.2 of the Draft Report. The [Draft Report](#), the [Draft Report Summary](#) and the schedule of Draft Report Workshops are available on the BCUC website.

In addition to providing input at the Draft Report Workshops, the public may submit written comments on the report until March 2, 2020. The BCUC will provide an interim status report to the BC Government by December 31, 2019, and a Final Report to the Minister Responsible for the Hydro and Power Authority Act by April 30, 2020.

## Background

On March 11, 2019, the Lieutenant Governor in Council, pursuant to section 5(1) of the *Utilities Commission Act* (UCA), directed the British Columbia Utilities Commission (BCUC) to provide recommendations to the BC Government regarding the regulation of Indigenous utilities in British Columbia. The terms of the Inquiry are outlined in [Order in Council \(OIC\) No. 108](#). The BCUC established the Inquiry on March 19, 2019 by Order [G-62-19](#).

The inquiry is exploring and seeking feedback on a number of important questions, including:

- What are the characteristics of an "Indigenous Utility" with respect to:
  - The ownership and operation of the utility;
  - What services are provided;

- Who the services are provided to; and/or,
- The location or area served by the utility?
- Should Indigenous utilities be regulated or not? And if so, how?
  - If they should be regulated, should they be regulated by the UCA or another mechanism?
  - If unregulated, how will the interests of indigenous utility ratepayers be protected?

Currently, under the UCA most utilities with a connection to an Indigenous community are regulated by the BCUC as public utilities. Some utilities have requested exemptions from existing regulatory requirements.

In June and July 2019, the BCUC held a series of ten Community Input Sessions throughout British Columbia to hear comments on the issues raised in the Inquiry. The BCUC hosted an additional Community Input Session to coincide with the BC Assembly of First Nations 16th Annual General Assembly held in Vancouver on September 18, 2019. Registered Interveners had the opportunity to file written evidence, submit and respond to information requests, and submit final arguments. The BCUC received 19 written evidence submissions from Registered Interveners who represented a range of Indigenous Nations, special interest groups and existing utilities.

The following Draft Report Workshop dates and locations have been confirmed, anyone wishing to participate in person is encouraged to register in advance via email to [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com) or by telephone at 1-800-663-1385. The following Draft Report Workshops have been confirmed:

LOCATION	DATE (2019)	TIME <sup>1</sup>	VENUE
Prince George	<b>Monday, Nov 18</b>	10am – 3pm	<b>Coast Inn of the North</b> 770 Brunswick St. Prince George, BC <b>Room:</b> Nechako Room
Kelowna	<b>Thursday, Nov 21</b>	10am – 3pm	<b>Sandman Hotel</b> 2130 Harvey Ave Kelowna, BC <b>Room:</b> Okanagan Room
Vancouver	<b>Wednesday, Nov 27</b>	10am – 3pm	<b>Allwest Reporting</b> 12 <sup>th</sup> Floor - 1125 Howe St. Vancouver, BC <b>Room:</b> 12 <sup>th</sup> Floor Hearing Room
Nanaimo	<b>Thursday, Nov 28</b>	10am – 3pm	<b>Coast Bastion Hotel</b> 11 Bastion St. Nanaimo, BC <b>Room:</b> Benson Room
Victoria	<b>Friday, Nov 29</b>	10am – 3pm	<b>Comfort Inn and Suites</b> 3020 Blanshard St. Victoria, BC <b>Room:</b> Topaz Room
Smithers	<b>Monday, Dec 9</b>	10am – 3pm	<b>Prestige Hudson Bay Lodge</b> 3251 East, BC-16 Smithers, BC <b>Room:</b> Summit Ball Room

For more information about this Inquiry, please see the proceeding page on the BCUC website [here](#).

**About the BCUC**

The BCUC is a regulatory agency responsible for the oversight of energy utilities and compulsory auto insurance in British Columbia. It is the BCUC's role to balance the interests of customers with the interests of the businesses it regulates. The BCUC carries out fair and transparent reviews of matters within its jurisdiction and considers public input where public interest is impacted.

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