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December 13, 2019

Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

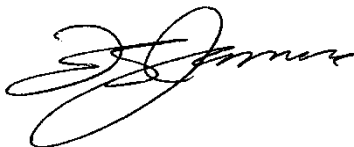
RE: Project No. 1598990
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application
Responses to Out of Scope Information Request No. 4

BC Hydro writes in compliance with BCUC Order No. G-312-19 to provide its responses to the remaining Round 4 information requests.

Exhibit B-22-2	Remaining Response to Commission IRs
Exhibit B-23-3	Remaining Responses to Intervener IRs

For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
Chief Regulatory Officer

cs/ma

Enclosure

British Columbia Utilities Commission Information Request No. 4.326.4 Dated: October 30, 2019 British Columbia Hydro & Power Authority Response issued December 13, 2019	Page 1 of 1
British Columbia Hydro & Power Authority Fiscal 2020 to Fiscal 2021 Revenue Requirements Application	Exhibit: B-22-2

**326.0 Reference: TWENTY YEAR LOAD FORECAST
Exhibit B-15, Appendix D, Table D-3; BC Hydro F2017 to F2019 Revenue Requirements Application, Exhibit B-1-1, Application, Table 3-8; Government of BC, Ministry of Energy, Mines and Petroleum Resources, Comprehensive Review of BC Hydro: Phase 1 Report, pp. 22, 23
IPP Renewals**

BC Hydro provides the planning view of the energy load resource balance after planned resources in Table D-3 included in Appendix D of Exhibit B-15. It shows the future supply-side resources for F2036 includes 8,123 GWh of energy from Independent Power Producer (IPP) renewals and 226 GWh of energy from expected Standing Offer Program (SOP) Projects and other first nations commitments.

BC Hydro provides the energy load resource balance after planned resources in Table 3-8 of its F2017 to F2019 Revenue Requirements Application. It shows that the future supply-side resources for F2036 includes 5,515 GWh and 2,045 GWh of energy from IPP renewals and the SOP, respectively.

Page 22 of the Comprehensive Review of BC Hydro: Phase 1 Report states “[t]he cost of energy procured from Independent Power Producers is now one of BC Hydro’s biggest cost drivers and these costs will be recovered from ratepayers. Though BC Hydro has not conducted competitive calls for power since 2011, it is projected to have an energy surplus into the 2030s.” The report further states on page 23 that “[t]he primary opportunities for managing costs moving forward relate to expiring biomass agreements and the Standing Offer Program.”

4.326.4 Please explain whether, and if so how, the planned reliance on IPPs in the future could impact BC Hydro’s capital planning and expenditures. For example, would BC Hydro increase maintenance, upgrades and construction of BC Hydro’s generation facilities if energy and capacity from IPPs make a smaller portion of BC Hydro’s total future resource?

RESPONSE:

A reduction in planned reliance on IPPs in the future could increase or advance the amount of energy and capacity required from other resources to meet future load.

Incremental energy and capacity from BC Hydro’s generation facilities is one of many resource options that will be considered through the 2021 Integrated Resource Plan (IRP). The 2021 IRP will examine questions like this, and determine the most cost-effective combination of resources to meet anticipated demand.