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Dear Mr. Wruck:

**Re: BC Hydro F2020 – F2021 Revenue Requirements Application
Intervener IR No. 2**

The attached are my Information Requests No. 2. Note that the references given for each question are sections or page numbers in BC Hydro's 2020 – 2021 Revenue Application.

Sincerely



Paul Willis

Reference: Chapter 3, section 3.2.8.1 Account by Account Approach

Willis Question Submitted on May 2, 2019 (1.4.1)

BC Hydro has a Strategic Energy Management (SEM) program in place for most if not all of their transmission customers; do the SEMs include electricity consumption forecasts for each customer facility?

BCH Response

BC Hydro works with transmission customers participating in the Strategic Energy Management program to develop a strategic energy management plan based on their operations that may include a forecast for electricity consumption. Inclusion of electricity consumption forecasting is not mandatory under the program; however, it is sometimes included in the plan because it can be useful to understand when a customer is anticipating a near-term change in consumption that could affect their DSM opportunities.

Information Request No.2 - 1

The load forecast of BC Hydro's large industrial customers is a critical aspect of the load forecast and it is understood that this forecast is put together on a site by site basis. It seems that it would be very useful to BC Hydro if a load forecast was a mandatory part of a SEM, signed off by a senior executive within the industrial customer's organization.

BC Hydro does contribute financially to the cost of an Energy Manager being on site monitoring electricity use and analyzing how electricity could be used more efficiently. This is an ideal person to coordinating the development of an annual load forecast for the site.

Why isn't such a load forecast a mandatory part of a SEM?

Reference: Chapter 3, top of page 3 – 25

Willis Question Submitted on May 2, 2019 – (1.5.1)

Are customers that applying for new power, asked to complete a SEM for their potential facility? Is would this SEMD include a consumption forecast?

BCH Response

New and existing customers with a Key Account Manager assigned to them are made aware of BC Hydro's DSM programs, including the Strategic Energy Management program. If customers wish to participate in the program, a Strategic Energy Management plan is created. Please refer to BC Hydro's response to WILLIS IR 1.4.1 where we explain that a consumption forecast may form part of the Strategic Energy Management plan.

Information Request No. 2 - 2

An electric utility provides a key service to potential industrial customers by providing electric power at a new site. Planning for this additional power is a difficult challenge because of the uncertainty as to when and how much power will be required. It would be very useful to BC Hydro's load forecasting effort if customers applying for new power were required to submit a SEM including a load forecast. Such a SEM including a load forecast would allow BC Hydro and the customer to analyze efficiency and self generation options.

Why isn't a SEM with a load forecast required for new customers applying for new power?

Reference: Appendix X, page 7, Table 3

Wills Question Submitted on May 2, 2019 (1.13.1)

The Utility Test and the Modified Resource Test seem appropriate but does BC Hydro also use the Participant or Customer Test to evaluate individual programs?

BCH Response

BC Hydro uses the utility cost test and total resource cost test to understand the cost effectiveness of its DSM plan from both a utility and total resource perspective. The participant perspective is considered during the program design stage to better understand potential take up rate of the initiative by customers.

Information Request No.2 – 3

A very important service that is provided by BC Hydro's Conservation and Efficiency (C&E) efforts is reducing the cost of electricity to its customers. In actuality BC Hydro's owners are its customers so one of its important objectives is keeping electricity costs low and the C&E initiative plays an important role.

The utility cost and total resource test endeavour to monitor the impact that the C&E effort has on BCH's financial profitability. The data BCH has provided indicated that the C&E efforts do not have a negative financial impact on BC Hydro and in effect do not have a negative impact even on customers who do not participate in any C&E programs. Accordingly, these two tests are worthwhile and should be performed.

However, surely every C&E program should reduce the cost of electricity to customers who chose to participate. Why isn't the results of a participant test published for every C&E program.