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INFORMATION REQUEST ROUND NO: **5 (Cost of Energy | Evidentiary Update)**
TO: BRITISH COLUMBIA HYDRO & POWER AUTHORITY
DATE: **October 30, 2019**
PROJECT NO: **1598990**
APPLICATION NAME: **British Columbia Hydro and Power Authority - F2020-F2021 Revenue Requirements Application**

In Section 1.2, on page 8, lines 1-5, BC Hydro states: “Dry conditions and lower water inflows have decreased planned hydroelectric generation (water rentals) and purchases from IPPs and Long-Term Commitments. In addition, purchases from IPPs and Long-Term Commitments have decreased due to delayed IPP commercial operation dates and due to lower forecast IPP deliveries, based on updated historical delivery averages.”

- 5.1 As it concerns planned hydroelectric generation at heritage resources, the Energy Study methodology considers historical inflow averages. Given that these averages span decades, and in light of changing expectations about future inflows, does such a methodology produce upwardly biased results?
- 5.2 To what extent looking back may no longer suffice to produce accurate expectations of future hydroelectric generation levels?
- 5.3 What impact, if any, would continued repeated overestimation of planned hydroelectric generation, have on the balance of the Heritage Deferral Account?

In Appendix C - Updated Cost of Energy Forecast, in Section 1.1 on page 2 BC Hydro states: “This difference is primarily due to lower hydro generation output in fiscal 2019 and fiscal 2020 than forecast in the Application. Actual hydro generation output in fiscal 2019 was 4,027 GWh lower than the fiscal 2019 Plan, and hydro generation output in fiscal 2020 is expected to decrease by 4,894 GWh compared to the fiscal 2020 Plan in the Application. This is mainly driven by lower inflows constraining hydro generation during the winter of fiscal 2019 and fiscal 2020.”

- 5.4 Aside from lower inflows, are there other factors as it concerns water use at reservoirs of heritage power generating assets (i.e. use of reservoir water for other industrial, agricultural or residential purposes) of an appreciable magnitude, which may impact availability of water for power generation going forward?
- 5.5 Please comment on any such factors for the Peace Region, the Interior (Columbia et al basins) and Vancouver Island generation.

- 5.6 As it concerns the Williston reservoir in the Peace Region, has BC Hydro come across any data or noticed any discernable trends with regard to the use of reservoir water for agriculture, shale gas fracking and other natural gas sector activities, mining, production of construction materials and such, that may impact estimates of heritage hydro generation output in the future?
- 5.7 As it concerns the Williston reservoir in the Peace Region, does BC Hydro foresee any impacts on its water use for power generation in the scenario of a full build out of LNG Canada (phases 1 and 2), including associated natural gas production, processing and transportation facilities?