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| Your reference | Our reference |
| 1598990 | 1000385863 |

November 15, 2019

By e-Filing

British Columbia Utilities Commission
Suite 400 – 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

Dear Sir:

**British Columbia Hydro and Power Authority – F2020-F2021 Revenue Requirement Application (Application) – Project No. 1598990
Order G-279-19 – Request for Extension to File Attachment A Information Requests Submission from Association of Major Power Customers of BC (AMPC)**

We are legal counsel to AMPC in this matter and write to respond to the Commission's request for intervenor submissions. BC Hydro is declining to respond to some outstanding information requests (**IRs**) because it says they are better dealt with in the future Integrated Resource Planning process.

AMPC IR 4.7.1 is one of the impugned IRs. It states: "Please explain how BC Hydro is planning to address the energy and capacity deficits listed in Tables D-3 and D-4 in Appendix D."¹ Tables D-3 and D-4 forecast energy and capacity deficits towards the end of the 2020s.

The information sought in AMPC IR 4.7.1 is relevant to costs and decisions that arise in the test period and will therefore directly affect BC Hydro's proposed revenue requirement, operations, program choices and rates. Responding is not onerous.

AMPC also has concerns about the continued compression of the hearing schedule and how this may prejudice interveners. We elaborate below.

1. BC Hydro's Plans to Address Energy and Capacity Deficits are Relevant to Test Period

AMPC IR 4.7.1 seeks information on BC Hydro's plan to address energy and capacity deficits. Although the energy and capacity deficits identified by BC Hydro do not arise in the test period, BC Hydro will be incurring costs and making financial, planning, and operating decisions within the test period in response to these anticipated deficits. The costs and decisions that BC Hydro is making within the test period to address future deficits have real effects on BC Hydro's proposed revenue and rates, including on the costs, scheduling, and operations of existing BC Hydro projects.

¹ Ex. C-11-9, AMPC IR No. 4 to BC Hydro, p. 9.

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A clear example arises in Table D-3 in Appendix D of BC Hydro's 20-year Load Forecast. Table D-3 shows that under the Existing and Committed Resources, the capacity shortfall that starts in F2023 is deferred to F2029 by relying on planned Future Supply-Side Resources (i.e., IPP renewals, expected SOP projects and other First Nations commitments, and planned DSM).² There are costs associated with these planned Future Supply-Side Resources that ratepayers must pay, including costs that may arise during the test period. It is also reasonable to assume that at least some of BC Hydro's decisions about developing and/or accessing these planned Future Supply-Side Resources or alternatives like optional rate programs, have already been or are made during the test years.

As another example, elsewhere in the original Application, BC Hydro states that Revelstoke Unit 6 project timing "has been revised for an In Service Date (ISD) of fiscal 2030 to align with current load growth expectations."³ However in Table D-4 of Appendix D of BC Hydro's 20-year Load Forecast, the high forecast (i.e., large gap scenario with high load and low DSM forecast) scenario shows that the capacity shortfall starts in fiscal 2029, and states that the "in-service date of Revelstoke Unit 6 (which is included as a planned resource) has changed from fiscal 2030 to fiscal 2036".⁴ BC Hydro's decision to defer the in-service date for projects like Revelstoke Unit 6 was made between the filing of its original Application and its 20-year Load Forecast. BC Hydro's decision to defer this project affects BC Hydro's test period spending and decisions.

Finally, BC Hydro's plans to address energy and capacity deficits directly affect its ability to avoid shortfalls, interruptions and system outages. These issues affect reliability, which is important for industrial customers.

2. Response from BC Hydro is Not Onerous

AMPC agrees that aspects of AMPC IR 4.7.1 are also relevant to issues in BC Hydro's upcoming 2021 Integrated Resource Plan proceeding. However, BC Hydro cannot reasonably suggest that providing *any* response to AMPC IR 4.7.1 is onerous. BC Hydro is capable of providing a response that addresses potential effects within the test period.

3. Concerns about Proceeding Schedule

BC Hydro's extension request illustrates AMPC's earlier concern that the current schedule in this proceeding risks being unduly compressed by the need to maintain the January 20, 2020 hearing date. To maintain procedural fairness, the Commission should reconsider that timing if further adjustments are required.

Please contact the writer if you have any questions.

Yours very truly,



for Matthew D. Keen*

MDK/roe

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² Ex. B-15, BC Hydro 20-year Load Forecast, Appendix D, pdf p. 33.

³ Ex. B-1, BC Hydro Application, Appendix J – Attachment 1, p. 1 of 133, pdf p. 1504.

⁴ Ex. B-15, BC Hydro 20-year Load Forecast, Appendix D, pdf p. 35