



**bcuc**  
British Columbia  
Utilities Commission

**Patrick Wruck**  
Commission Secretary

Commission.Secretary@bcuc.com  
**bcuc.com**

Suite 410, 900 Howe Street  
Vancouver, BC Canada V6Z 2N3  
**P:** 604.660.4700  
**TF:** 1.800.663.1385  
**F:** 604.660.1102

December 17, 2019

Sent via eFile

<b>BC HYDRO F2020–F2021 REVENUE REQUIREMENTS EXHIBIT A-26</b>
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Mr. Fred James  
Chief Regulatory Officer  
Regulatory & Rates Group  
British Columbia Hydro and Power Authority  
16th Floor - 333 Dunsmuir Street  
Vancouver, BC V6B 5R3  
bhydroregulatorygroup@bhydro.com

**Re: British Columbia Hydro and Power Authority – F2020–F2021 Revenue Requirements Application – Project No. 1598990 – Information Request No. 1 on Zone II Ratepayers Group Intervener Evidence**

Dear Mr. James:

Further to British Columbia Utilities Commission Order G-312-19, enclosed please find BCUC Information Request No. 1 on Zone II Ratepayers Group Intervener Evidence. In accordance with the Regulatory Timetable, please file your responses no later than Friday, January 10, 2020.

Sincerely,

*Original Signed By:*

Patrick Wruck  
Commission Secretary

/nd  
Enclosure



British Columbia Hydro and Power Authority  
F2020-F2021 Revenue Requirements Application

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**INFORMATION REQUEST NO. 1 ON INTERVENER EVIDENCE TO ZONE II RATEPAYERS GROUP**

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**A. CHAPTER 10 – DEMAND-SIDE MEASURES**

**1.0 Reference: DEMAND-SIDE MEASURES  
Exhibit C5-9, Zone II Ratepayers Group Evidence, PDF p. 3;  
Exhibit B-6, Zone II RPG IR 20.3; Exhibit B-13, Zone II RPG IR 47.4  
DSM for Zone II customers**

In Zone II Ratepayers' (Zone II RPG) evidence, it states:

The recent initiatives by BC Hydro, in the areas of communications, DSM, supply and reliability, are encouraging but need to be expanded and sustained. Short-term testing of new approaches and pilot projects, which do not result in any long-term change, do not address the fundamental issues of affordability, access and reliability in our community. We need changes that will affect permanent improvements in our community.

In British Columbia Hydro and Power Authority's (BC Hydro) response to Zone II RPG IR 20.3 regarding the specific issues and barriers that BC Hydro continues to work with indigenous communities on with respect to conservation and energy management, BC Hydro outlined particular barriers the communities encounter and the measures being taken to address them. These include approaches to address awareness raising, accessibility, affordability and acceptance in the Non-Integrated Areas (NIA).

1.1 Please explain how Zone II RPG customers currently participate in BC Hydro's Demand-Side Management (DSM) programs.

1.1.1 Please describe any differences in how Zone II RPG customers currently participate in BC Hydro's DSM programs compared to the BC Hydro F2017-F2019 Revenue Requirements Application proceeding (Previous RRA). As part of the response, please discuss whether there have been any changes to the unique barriers to participation in BC Hydro's DSM programs, and to what extent the current approaches adopted by BC Hydro are addressing these barriers.

On page 10-11 of the Application, BC Hydro states that "BC Hydro has recently launched a new Non-Integrated Areas program to increase support for these remote and predominantly Indigenous communities. This program is described in section 5.5 of Appendix X."

In Exhibit B-13, Zone II RPG asked BC Hydro in IR 47.4 to list the new measures added as part of the new NIA program. BC Hydro responded that in fiscal 2018 (F2018), residential customers in the NIA had access to incentives for home energy upgrades through existing residential programs (Low Income Program and the Home Renovation Rebate Program). Starting in F2020, BC Hydro is offering a dedicated program for NIA customers. The table provided by BC Hydro outlines the new and enhanced measures and incentives through the new program that are available to residential customers and Indigenous

Bands in the NIA during the test period and compares them to offers in F2018 that were available through the existing residential programs.

- 1.2 Please explain the level of participation anticipated from Zone II customers in the dedicated DSM program for NIA customers as described by BC Hydro in response to Zone II RPG IR 47.1.
  - 1.2.1 Please highlight any areas of concern with the current NIA program as described by BC Hydro for the Test Period.
  - 1.2.2 Please discuss whether Zone II RPG considers its level of participation in BC Hydro's DSM programs to have changed (i.e. improved, worsened or the same) since the Previous RRA. Please explain.

## **B. NON-INTEGRATED AREAS**

- 2.0 Reference: Non-Integrated Areas  
Exhibit C5-9, Zone II Ratepayers Group Evidence, PDF p. 3;  
BC Hydro F2017-F2019 RRA proceeding, Exhibit C17-9, BCUC IR 5.1  
Fort Ware improvements**

Zone II RPG states in its evidence:

The recent initiatives by BC Hydro, in the areas of communications, DSM, supply and reliability, are encouraging but need to be expanded and sustained. Short-term testing of new approaches and pilot projects, which do not result in any long-term change, do not address the fundamental issues of affordability, access and reliability in our community. We need changes that will affect permanent improvements in our community.

In response to BCUC IR 5.1 in the Previous RRA, Zone II RPG mentioned the implementation of energy efficiency pilots, the need for multi-year commitments to DSM programs and funding, as well as the commitments made by BC Hydro that have not been fulfilled, such as LED street lights.

- 2.1 Please provide an update to Zone II RPG's response to BCUC IR 5.1 in the Previous RRA. As part of the response, please discuss whether any permanent improvements have been implemented since the Previous RRA and what specific further improvements Zone II RPG considers BC Hydro should be responsible to fund.
- 2.2 Please clarify the statement in the preamble referring to new approaches and pilot projects "which do not address the fundamental issues of affordability, access and reliability in our community." Please discuss whether the statement refers to BC Hydro's DSM program or the general concern about Zone II's remote community?
  - 2.2.1 If the former, please discuss how BC Hydro's DSM program can be modified to address these concerns.
  - 2.2.2 If the latter, please discuss how other government organizations can assist with these concerns.

**3.0 Reference: Non-Integrated Areas**  
**Exhibit C5-9, Zone II Ratepayers Group Evidence, PDF p. 14; Exhibit B-6, Zone II RPG IR 25.8.2, 26.9; Exhibit B-13, Zone II RPG IR 53.1**  
**Zone II RPG requests**

Zone II RPG, referring to DSM and energy efficiency, states in its evidence: “Due to the remoteness of the community, planning resources are required along with a multi-year funding commitment from BC Hydro for programs to be effective.”

In Zone II RPG IR 25.8.2, BC Hydro stated that the Indigenous Customers Offer is not considered a pilot program offer for the Test Period; it is an ongoing offer within the Low Income program.

In Zone II RPG IR 26.9 to BC Hydro, Zone II RPG stated that the Annual Plan for the new NIA program is \$1.2M (F2020), \$1.4M (F2021) and \$1.5M (F2022), whereas from Table 2 the NIA activity for F2018 totaled \$569,472 (DSM Program Activity + Pilot Project Initiatives). The new NIA program represents a significant increase in expenditures over F2018 – over twice as much as current spending.

BC Hydro outlined an implementation schedule for the new NIA program over the Test Period in Table 1 of its response to Zone II RPG IR 26.9

In response to Zone II RPG IR 53.1 requesting details, including funding, timing, program, on BC Hydro’s multi-year NIA program in its longer term DSM planning, BC Hydro provided the following:

**Future activity beyond the Test Period will be updated in our next Integrated Resource Plan, but current high level estimates for energy saving and program costs are presented in the table below. These estimates assume a similar program offer remains in place.**

**Non-Integrated Areas Program Forecast**

	<b>New Incremental Energy Savings at Customer Meter (GWh/yr)</b>	<b>Total NIA Costs (\$ million)</b>
<b>F2020</b>	<b>0.5</b>	<b>1.2</b>
<b>F2021</b>	<b>0.6</b>	<b>1.4</b>
<b>F2022</b>	<b>0.6</b>	<b>1.5</b>
<b>F2023</b>	<b>0.8</b>	<b>1.6</b>
<b>F2024</b>	<b>0.8</b>	<b>1.8</b>
<b>F2025</b>	<b>0.8</b>	<b>1.8</b>
<b>F2026</b>	<b>0.7</b>	<b>1.8</b>
<b>F2027</b>	<b>0.7</b>	<b>1.7</b>
<b>F2028</b>	<b>0.7</b>	<b>1.7</b>
<b>F2029</b>	<b>0.6</b>	<b>1.5</b>

- 3.1 Please discuss to what extent the NIA DSM forecast provided by BC Hydro in response to Zone II RPG IR 53.1 addressed the request for a multi-year funding commitment.
- 3.2 Please outline any concerns Zone II RPG may have with the implementation schedule for the Test Period outlined in Table 1 of BC Hydro’s response to Zone II RPG IR 26.9.

**4.0 Reference: Non-Integrated Areas**  
**Exhibit C5-9, Zone II Ratepayers Group Evidence, PDF p. 13; BC Hydro F2017-F2019 RRA proceeding, Exhibit C17-9, BCUC IR 4.2, 6.1**  
**Quality of service**

In response to BCUC IR 4.2 in the Previous RRA, Zone II RPG stated:

In Fort Ware, electricity reliability has improved since BC Hydro took over service. However, there have been some problems with the smart meters and some meters had to be replaced. These issues have now been resolved.

In Tsay Keh Dene, the level of service has not met the needs of the community. There have been delays in service connections, an unanswered need for upgrades, and multiple generator failures. Delays in restoring operations have caused damage to housing and computers, and negatively effected the community's communications network.

In Zone II RPG's evidence, it states:

The community's [Tsay Keh Dene] electricity demand is exceeding BC Hydro's projections, with blackouts and flickering lights occurring on a weekly basis. The community needs additional electricity supply to provide reliability, to provide much needed housing for a growing community, to grow the economy and to provide services. Cooperation is needed from BC Hydro to develop renewable energy projects at fair prices, offset diesel needs and achieve broader community objectives.

4.1 Please elaborate on the frequency and duration of blackouts in Tsay Keh Dene. How many times during a week does a blackout occur, how long does it take for power to be restored and at what time of day and year do these blackouts occur?

4.1.1 Please explain whether the quality of service has changed since the Previous RRA. If so, please elaborate.

In response to BCUC IR 6.1 in the Previous RRA, Zone II RPG stated:

BC Hydro is in the process of consulting with Tsay Keh Dene to determine:

1. The extent of the current and future load growth;
2. How this growth can be minimized through comprehensive energy efficiency and conservation efforts; and
3. How the shortfall can be addressed by upgrading the diesel generating station and the distribution system while considering potential future renewable energy installations by the community.

Zone II RPG's response also stated:

Distribution system upgrades will also be required to service a planned residential development. This new residential development area is adjacent to an area currently serviced by a single phase line. This line requires upgrading to a three phase line in order to service the planned addition of 50 new residences to ensure:

1. Sufficient line load capacity; and
2. Load is shared equally between the three phases (required for generating unit operation).

Tsay Keh Dene representatives are currently submitting a customer connection request for the planned residential, which will initiate the distribution cycle.

- 4.2 Please provide details of any discussions with BC Hydro since the Previous RRA as they relate to the above.

**5.0 Reference: Non-Integrated Areas**  
**Exhibit C5-9, Zone II Ratepayers Group Evidence, PDF p. 13;**  
**Exhibit B-13, Zone II RPG IR 44.1**  
**Adequate support regarding energy efficiency in NIA**

Zone II RPG states in its evidence:

Tsay Keh Dene is committed to reducing electricity consumption in the community. Sustainable and responsible use of energy to mitigate effects on the environment and climate are a core Tsay Keh Dene value and priority. However, Tsay Keh Dene needs assistance from BC Hydro to manage the energy conservation process since BC Hydro and contractors have the expertise. BC Hydro funded an energy steward, which Tsay Keh Dene appreciated; however, the steward does not have adequate resources to implement and manage DSM programs in our community. Tsay Keh Dene is interested in building its own long term capacity to efficiently and responsibly manage energy consumption in the community. To do so, we require adequate resources and support.

- 5.1 Please describe the role and responsibilities of the existing BC Hydro funded energy steward, the accessibility of the energy steward for the Tsay Keh Dene community, and any challenges currently faced by the energy steward.
- 5.2 Aside from the energy steward, please identify and describe any new funding or support provided by BC Hydro since the Previous RRA.

In response to Zone II RPG IR 44.1, BC Hydro provided details on how it is engaging with Zone II RPG within the Low Income Advisory Council.

- 5.3 Please discuss any particular concerns Zone II RPG has regarding the level of engagement provided through the Low Income Advisory Council.