



March 2, 2020

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BCH TRANSMISSION SERVICE MARKET REFERENCE- PRICED RATES	EXHIBIT A-5
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To: British Columbia Hydro and Power Authority
Registered Interveners

Re: British Columbia Hydro and Power Authority – Transmission Service Market Reference-Priced Rates Application – Project 1599053 – Streamlined Review Process

Further to the British Columbia Utilities Commission (BCUC) Order G-327-19, which established a regulatory timetable with respect to the above-noted application, this letter confirms the upcoming Streamlined Review Process (SRP) and provides information about the hearing.

General Information

The SRP will commence at **9:00 a.m. on Tuesday, March 17, 2020 on the 12th Floor, 1125 Howe Street, Vancouver, BC V6Z 2K8**. Parties who wish to participate via video/teleconference must test their connections prior to the commencement of the SRP. Please contact Allwest Reporting Ltd. at 604-683-4774 if you require technical assistance.

As set out in the [SRP Policy, Guidelines and Procedures](#), participation in the SRP includes the applicant, registered interveners, the Panel and BCUC staff. An SRP is designed to combine the essential elements of a workshop, oral hearing, information requests and arguments in one efficient process. While a verbatim transcript of the discussions will be taken by Allwest Reporting Ltd., all parties may participate in the SRP in an informal yet respectful manner.

The Panel provides details regarding the scope and process of the SRP below.

Scope and Process

The scope of the SRP is to address the Freshet Rate component of the Application. Specifically, BC Hydro requests approval of an amended Freshet Rate (Rate Schedule 1892) to be made available on an ongoing basis, commencing April 1, 2020 with no fixed termination date.¹ BC Hydro has indicated that it is proceeding to enroll customers for the 2020 freshet period on the premise that the Panel will grant its approval prior to May 1, 2020.²

Appendix A of this letter includes a list of BCUC scoping questions in advance of the SRP to facilitate an efficient process. Interveners may submit written questions in advance of the SRP by Monday, March 9, 2020. BC Hydro is requested to address the pre-filed questions as part of its presentation. BC Hydro's presentation should not reintroduce details of the Application. Any other questions by the participants can be addressed during the SRP.

¹ Exhibit B-1, pp. 4–5

² Exhibit B-4, BC Hydro response to BCUC IR 1.5.1

The SRP will proceed in the following order:

1. The Panel Chair will make an opening statement and comment on procedural matters for the day.
2. Participants will register their appearances.
3. BC Hydro will provide its presentation on the scoping items set out in Appendix A as well as the interveners' pre-filed questions. The Panel and participants may ask questions of BC Hydro at the conclusion of its presentation. Before asking questions, participants should first identify themselves for the transcription record.
4. In order for BC Hydro to respond to any confidential questions, the Panel may arrange for an in-camera session.
5. After the question period, BC Hydro and interveners will provide oral final and reply arguments, as applicable, regarding the Freshet Rate approval sought in the Application.
6. Participants are invited to make submissions on process and resolution, if the Panel does not reach a decision on the Freshet Rate component of the Application before May 1, 2020.

If you have any questions or concerns about the SRP, please contact Commission Secretary at commission.secretary@bcuc.com, 604-660-4700 or BC Toll Free: 1-800-663-1385.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

LC/jo
Enclosure

British Columbia Hydro and Power Authority
Transmission Service Market Reference-Priced Rates Application

BCUC Pre-filed Questions for Streamlined Review Process

1. To date, how many customers have given notice to BC Hydro to enroll for the 2020 freshet period? How does the 2020 freshet period enrollment compare to the average historical participation?
2. In response to BCUC information request (IR) 1.9.4, BC Hydro provides its rationale for not curtailing customers for economic reasons. How will all other BC Hydro ratepayers be protected in the absence of curtailment for economic reasons? What are the benefits (and to whom would they accrue) if the curtailment criteria include economic reasons?
3. In response to BCUC IR 1.8.2, BC Hydro states that the 2019 year of the Freshet Rate Pilot had periods where the system was under marginal resource Condition 1: Minimum Generation with Exports approximately █ per cent of the time, Condition 2: Minimum Generation with Imports approximately █ per cent of the time, and Condition 3: Higher Basin Generation on the Margin approximately █ per cent of the time. What was the split of such conditions during Years 1 to 3 of the Freshet Rate Pilot?
4. Recognizing the potential economic losses incurred by energy imports, in what ways can BC Hydro manage the potential economic losses in each year's freshet period (e.g. reduce energy imports to serve non-firm Freshet Rate, increase the energy adder, utilize BC Hydro generation resources, and/or other methods)?
5. In Year 4 (2019) of the Freshet Rate Pilot, BC Hydro initially decided to not offer the Freshet Rate because of low water conditions and the possibility of high Mid-C prices. In response to stakeholder request, BC Hydro nonetheless proceeded to offer the Freshet Rate. Year 4 resulted in a loss to BC Hydro. When BC Hydro predicts that there is a high probability of economic losses due to unfavorable conditions, should BC Hydro be precluded from offering the Freshet Rate or not? Why or why not?
6. In response to BCSEA IR 1.5.2, BC Hydro submits that the subtraction of implementation costs, and verified load shifting costs, from the estimated revenue gains for the entire period of the Freshet Rate Pilot would have provided a more accurate indication of net financial impact. However, BC Hydro does not have verified estimates of load shifting for Year 3 and 4 of the pilot and has not provided actual implementation costs for Year 4. To the extent possible, what is BC Hydro's best estimate of load shifting and implementation costs, and what is the corresponding financial impact for each of Years 3 and 4?
7. Please model and discuss scenarios of energy availability in the following scenarios: (i) favourable, (ii) normal, and (iii) unfavourable water conditions. For each of these scenarios, what is the likely financial impact on other ratepayers that flows from BC Hydro continuing to offer the Freshet Rate in each scenario?
8. In response to MoveUP IR 1.3.1, BC Hydro explains its proposal to not review the Freshet Rate earlier than ten years. How, if at all, will BC Hydro, BCUC and ratepayers ensure that the Freshet Rate remains economical for all ratepayers during this ten year period?