

# William J. Andrews

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September 1, 2020

British Columbia Utilities Commission  
Suite 410, 900 Howe Street,  
Vancouver, BC, V6Z 2N3  
Attn: Marija Tresoglavic, Acting Commission Secretary  
By web posting

Dear Madam:

Re: British Columbia Hydro and Power Authority Long-Term Resource Plan Filing Date ~  
BCUC Project No. 1599117  
B.C. Sustainable Energy Association Submission

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This is the submission of the intervener BC Sustainable Energy Association pursuant to the regulatory timetable set out in Order G-205-20.<sup>1</sup>

In Exhibit A-2, the Commission asked BC Hydro to provide:

- “a. the date by which BC Hydro will file its next long-term resource plan; and
- b. a proposal for an interim filing of BC Hydro’s current planning context that would, in the absence of a recently filed long-term resource plan, aid in the review of BC Hydro applications filed prior to the BCUC review of the next BC Hydro long-term resource plan.”<sup>2</sup>

BC Hydro responded by letter of August 20, 2020.<sup>3</sup>

BCSEA understands BC Hydro to be proposing the following schedule of filings with the BCUC:

1. October 2020 – the default inputs, including the initial load/resource balance, that BC Hydro will be using in its Fall 2020 consultations on development of the 2021 long-term resource plan (“2021 Integrated Resource Plan”), filed for information,
2. Spring 2021 – a draft Board-approved 2021 IRP that BC Hydro will have developed in response to the fall consultations, filed for information, and
3. September 2021 – BC Hydro’s 2021 IRP as approved by the BC Hydro Board of Directors, filed with the Commission for review under the *Utilities Commission Act*.

BCSEA understands BC Hydro to be proposing the following three streams of consultation:

1. BC Hydro’s Technical Advisory Committee (TAC) for the 2021 IRP,<sup>4</sup>

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<sup>1</sup> Exhibit A-2.

<sup>2</sup> Exhibit A-2, Order G-205-20, para.3.

<sup>3</sup> Exhibit B-2.

<sup>4</sup> BCSEA participates on the TAC.

2. public and customer consultations, based on the default inputs in the Fall of 2020, and on a Draft 2021 IRP in the Spring of 2021, and
3. consultation with Indigenous Nations starting in the Fall of 2020.

BCSEA's submissions are as follows.

**1. BCSEA can accept a September 2021 IRP filing date, but would respectfully suggest that this should be a firm deadline.**

BCSEA recognizes that the COVID-19 pandemic has disrupted BC Hydro's main planning parameters, including load, peak demand, revenues, DSM, low-carbon electrification opportunities, market prices, and the estimated year of a load/resource gap. The enhanced uncertainties associated with COVID-19 reasonably support an extension of the time for BC Hydro to develop the 2021 IRP.

However, BCSEA respectfully disagrees with the implication in BC Hydro's August 20 letter that COVID-19 is the only underlying reason for delaying the IRP filing beyond February 2021. In BCSEA's view, a February 2021 IRP filing date was already in jeopardy by early 2020 (prior to the pandemic) when the BC Government failed to complete Phase 2 of the Comprehensive Review of BC Hydro that was intended to inform BC Hydro's development of the 2021 IRP. In March 2020, shortly after completion of the oral hearing in the Commission's review of BC Hydro's F2020-F2021 RRA, the Government issued a "discussion document" in lieu of a Phase 2 draft report. The Government initially said a Phase 2 final report would be issued in the Spring of 2020, but that timing has since slipped several times. In fact, a Phase 2 final report has still not been issued, as of the time of writing. Neither BC Hydro nor the BCUC controls the timing of the Government's completion of Phase 2 of the Comprehensive Review. However, the Commission could control its own process by making a firm deadline for BC Hydro to file the 2021 IRP.

As noted in Order G-205-20, the last time BC Hydro's long term resource plan (LTRP) was reviewed by the Commission was a decade ago. BCSEA respectfully suggests that BC Hydro's LTRP is overdue for a transparent, public review. Also, there is some urgency for the LTRP to reflect important recent developments, including, among many other things, the policy implications of the 2018 CleanBC climate action plan.<sup>5</sup> In these circumstances, BCSEA respectfully suggests that the Commission should not accept a long or indefinite delay in the filing of the LTRP.

**2. BCSEA submits that the Commission should require BC Hydro to state in its proposed October 2020 filing how it will address low-carbon electrification in the 2021 IRP, for review and direction by the Commission.**

BCSEA believes that the Commission should have an early opportunity to consider directing BC Hydro to include long-term plans and targets for low-carbon electrification in the 2021 IRP. Currently, BC Hydro's intention is to limit its treatment of electrification in the 2021 IRP to load

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<sup>5</sup> [https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC\\_Full\\_Report\\_Updated\\_Mar2019.pdf](https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC_Full_Report_Updated_Mar2019.pdf).

and supply impacts.<sup>6</sup> BCSEA wants the Commission to address this important issue soon so that BC Hydro would be able to include LCE planning in its development of the IRP if that is the Commission's preferred approach.

To be clear, BCSEA is not suggesting that the Panel should make a ruling on this issue without further process. Rather, BCSEA is suggesting that the Panel should require BC Hydro to set out its intentions and rationale sooner rather than later so that the Commission and interveners can address the issue and the Panel can provide timely direction to BC Hydro.

To further explain the issue that BCSEA says should be addressed, I have attached a copy of BCSEA's August 4, 2020 comments to BC Hydro regarding the treatment of electrification within the 2021 IRP. BCSEA disagrees with BC Hydro's position that the IRP should be limited to how BC Hydro meets forecasted load and to matters that are subject to BCUC's authority. BCSEA says that IRPs properly address BC Hydro's plans for measures to affect the loads that BC Hydro would be required to serve, e.g. with demand-side management measures and programs. Further, in the F2020-F2021 Revenue Requirement Application BC Hydro emphasized that Demand-Side Management is no longer limited to conservation and efficiency measures and now includes low-carbon electrification. Further, BCSEA says IRPs routinely address matters that are not subject to BCUC decision-making authority. There is long list of legislated financial and policy items which will constrain the BCUC's review of BC Hydro's 2021 IRP (and other filings). That does not mean these topics are excluded from the IRP.

In BCSEA's view, the 2021 IRP is a crucial opportunity to examine and determine plans for how, and how much, low-carbon electrification BC Hydro will achieve over the planning period. BCSEA is concerned that if the Commission does not address this issue until after the IRP has been filed (i.e., in September 2021 as BC Hydro proposes) then a decision to require LCE to be included in the IRP would be too late to have practical effect.

All the above is respectfully submitted.

Yours truly,

William J. Andrews



Barrister & Solicitor

Encl.

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<sup>6</sup> BC Hydro, 2021 IRP, Technical Advisory Committee, Meeting #4, Meeting Presentation, July 22, 2020, pp.6-10, <https://www.bchydro.com/content/dam/BCHydro/customer-portal/documents/corporate/regulatory-planning-documents/integrated-resource-plans/current-plan/2021-irp-tac-mtg4-20200722-slides.pdf>.

4 August 2020

To: Anne Wilson, Policy & Business Strategy Senior Professional,  
Energy Planning and Analytics, Integrated Planning, BC Hydro  
By email: [anne.wilson@bchydro.com](mailto:anne.wilson@bchydro.com)

Dear Anne,

**Re: BC Hydro 2021 Integrated Resource Plan Technical Advisory  
Committee Meeting #4**

Here are BCSEA's comments on the 2021 Integrated Resource Plan (IRP),  
Technical Advisory Committee (TAC), Meeting #4, July 22, 2020.

These comments focus on BC Hydro's "general approach" to low-carbon  
electrification in the 2021 IRP.<sup>1</sup> BC Hydro says the meeting is to "Clarify the  
approach to address electrification in the IRP." This includes: "IRP and linkage  
with electrification plan," and "Goal of IRP electrification analysis."<sup>2</sup>

BC Hydro states: "Electrification in the 2021 IRP, IRP focuses on actions to serve  
electrification load"<sup>3</sup> and "[The] IRP will not be choosing a level of electrification."<sup>4</sup>  
BCSEA interprets this to mean that the 2021 IRP will treat electrification as if it  
was an external factor outside of BC Hydro's influence and that the IRP will  
exclude any long-term plan or targets for BC Hydro's low-carbon electrification  
actions.

BCSEA acknowledges that BC Hydro takes this position but respectfully and  
strongly disagrees with it. BCSEA maintains that the 2021 IRP should include  
long-term targets and a plan for BC Hydro's low-carbon electrification activities,  
i.e. both those under GGRR regulation and those that are not under GGRR. BC  
Hydro's approach deliberately limits low-carbon electrification to its impact on  
forecasted load and load uncertainty. In BCSEA's view, this approach misses the  
crucial opportunity for the 2021 IRP to examine and determine plans for how, and  
how much, low-carbon electrification BC Hydro will achieve over the planning  
period. The 2021 IRP should clearly signal that BC Hydro will energetically  
pursue the low carbon electrification measures described in CleanBC, which are

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<sup>1</sup> 2021 Integrated Resource Plan (IRP) Technical Advisory Committee (TAC) Meeting  
#4, 22 July 2020, pp. 6-10.

<sup>2</sup> *Ibid*, p. 6

<sup>3</sup> *Ibid*, p. 7 [underline added]

<sup>4</sup> *Ibid*, p. 9

a key part of BC's strategy on climate action.<sup>5</sup> Including BC Hydro's long-term plans and targets for low-carbon electrification in the 2021 IRP would be consistent with BC Hydro's public profile as a leader in climate action.

BC Hydro goes on to state: "IRP is BC Hydro's long-term plan to meet its load serving obligations, subject to BCUC review."<sup>6</sup> The implication is that the integrated resource plan is limited to meeting load and to matters that are subject to BCUC authority. With respect, this is incorrect and does not justify BC Hydro's attempt to exclude low carbon electrification plans from the 2021 IRP.

First, IRPs appropriately *do* address planning by BC Hydro to affect loads that BC Hydro would otherwise be required to serve, e.g. with demand-side management measures and programs. Further, in the F2020-F2021 Revenue Requirement Application BC Hydro emphasized that Demand-Side Management is no longer limited to conservation and efficiency measures and now includes low-carbon electrification.

Second, IRPs routinely address matters that are not subject to BCUC authority. As BC Hydro is well aware, there is a very long list of legislated financial and policy items which constrain the BCUC's review of BC Hydro's 2021 IRP (and other filings). That does not mean these topics are excluded from the IRP.

BC Hydro states:

"BC Hydro's electrification plans are not generally subject to BCUC review

o Greenhouse gas (GHG) reduction regulation exempts (non-rate) electrification undertakings

o Rate designs with electrification objective subject to BCUC approval"<sup>7</sup>

In BCSEA's view, these statements do not justify exclusion of low carbon electrification plans from the 2021 IRP. The GRR does not support BC Hydro's sweeping proposition that "BC Hydro's electrification plans are not generally subject to BCUC review." The GRR applies to expenditures, not to long-term plans. Similarly, any rate design requires BCUC approval, whether or not the rate design is aimed at low carbon electrification.

BC Hydro states:

"BC Hydro's near-term electrification plans will be set out in the next revenue requirement application (RRA), and will be an input into the IRP

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<sup>5</sup>

[https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC\\_Full\\_Report\\_Updated\\_Mar2019.pdf](https://blog.gov.bc.ca/app/uploads/sites/436/2019/02/CleanBC_Full_Report_Updated_Mar2019.pdf)

<sup>6</sup> *Ibid*, p. 7

<sup>7</sup> *Ibid*, p. 7

o Load impact from electrification plans should be captured in load forecast and load uncertainties analyzed in the IRP”<sup>8</sup>

BCSEA welcomes inclusion of low-carbon electrification spending and “near-term” plans in the next RRA. However, inclusion of near-term plans in the RRA highlights that long-term plans and targets should be in the 2021 IRP. Low-carbon electrification should be in both the next RRA and the 2021 IRP.

BC Hydro’s statement that “Load impact from electrification plans should be captured in load forecast and load uncertainties analyzed in the IRP”<sup>9</sup> seems problematic in the absence of electrification plans in the 2020 IRP. Further, electrification is not an uncontrollable impact on future load any more than conventional DSM is.

Yours truly,



Tom Hackney, Policy Advisor

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<sup>8</sup> *Ibid*, p. 7

<sup>9</sup> *Ibid*, p. 7 [underline added]