



**COASTAL
FIRST NATIONS**
GREAT BEAR INITIATIVE

September 3, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager,
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Dear Ms. Tresoglavic:

**Re: British Columbia Utilities Commission ("Commission")
British Columbia Hydro and Power Authority ("BC Hydro")
Long-Term Resource Plan ("LTRP")**

Coastal First Nations-Great Bear Initiative ("CFN-GBI") is an intervener in the referenced matter, and provides this submission pursuant to Commission Order No. G-205-20.

In making this submission, we have reviewed, among other things, BC Hydro's August 20, 2020 letter to the Commission (Exhibit B-2), as well as BC Hydro's letter to the Commission of July 2, 2020 on the same subject (the "July 2 Letter").

Section 44.1(2) of the *Utilities Commission Act* (the "Act") sets out a clear structural logic for the LTRP that the Commission may require BC Hydro to file at any time after February 28, 2021.

In particular, subsections (a) to (c) describe the demand and conservation (demand side management, or "DSM") elements of the LTRP, while sections (d) to (e) describe the supply side of the plan (resources to be built, and electricity to be purchased).

BC Hydro's Exhibit B-2 also addresses the LTRP in this general manner:

- At page 2, BC Hydro addresses its demand forecast. BC Hydro states that it will have a new load forecast in December 2020, which will include scenarios related to COVID-19 implications;
- At page 4, BC Hydro addresses its DSM plan. BC Hydro states that it will have a one-year DSM "expenditure schedule request" by December 2020, and DSM "expenditure schedules" for subsequent years when it files its LTRP.
- At page 5, BC Hydro sets out the timing for when it intends to file the entirety of its LTRP, and describes when it will have completed the necessary consultations and, we understand, finalized the supply-side elements of its plan.

In its Order No. G-205-20, the Commission states that:

“The lack of a more recent [LTRP] impedes the BCUC’s ability to efficiently discharge its regulatory responsibilities in relation to BC Hydro.”

The lack of a current LTRP affects other electricity market participants, as well. In its Final Report from the Indigenous Utilities Inquiry, the Commission noted, for example, that:

“The [Declaration on the Rights of Indigenous Peoples Act] establishes the framework for reconciliation agreements and legislative change, and the Reconciliation Principles establish an overarching policy direction that all government agencies are responsible for implementing. The Panel believes that these provide an opportunity to both address institutional change in the short term and offer a pathway to broader participation of First Nations in the utility industry in the longer term.”¹

CFN-GBI represents First Nations that are seeking such participation in the utility industry. Preparing for this long-term goal is expensive and time consuming, and the plans depend to a great extent on how much electricity BC Hydro needs, when it needs it, and how it intends to source that electricity – that is, our planning depends on the core elements of the LTRP.

For this reason, CFN-GBI agrees with the Commission that there is an imperative to advance the LTRP as expeditiously as possible. That being said, however, CFN-GBI agrees with BC Hydro about the importance of consulting on its resource plans ahead of filing. We agree, too, that if this process has not yet begun with First Nations and customers (as BC Hydro states at pages 2 and 3 of Exhibit B-2), then the filing date for at least the supply-side elements of the LTRP must allow for this process.

As CFN-GBI has noted above, however, the Act specifies that an LTRP must be built up to include a particular logic, as follows:

- (i) Forecast demand absent DSM (s. 44.1(2)(a);
- (ii) Prepare a DSM plan to reduce that demand (s.44.1(2)(b);
- (iii) Estimate the difference, or the demand after DSM (s.44.1(2)(c);
- (iv) Describe the facilities that are intended be built to serve the post-DSM forecast demand (s.44.1(2)(d);
- (v) Describe the electricity contracts that are intended to serve the forecast demand (s.44.1(2)(e);

Exhibit B-2 seems to say that BC Hydro could be ready to file at least element (i) of this logic chain by the earliest filing date that the Commission can compel: February 28, 2021. It seems likely that BC Hydro could also file element (ii), the DSM plan – and by extension element (iii), the net demand – by that date, as well. CFN-GBI imagines that these are not elements of the LTRP on which material (or at least lengthy) consultation is being contemplated.

¹ Final Report, Indigenous Utilities Regulation Inquiry, page 73.

Supply side elements of the LTRP (items (iv) and (v) in the legislative logic), where more detailed consultation is required, could then be consulted upon and filed according to the timing set out by BC Hydro.

The benefits of such a two-phased approach would be material to electricity industry participants such as CFN-GBI's member First Nations.

For example, insight would be gained more quickly on such matters as: (i) the likely long-term demand impacts, if any, of COVID-19; (ii) the likely path of industrial electrification, of the kind contemplated by CleanBC and required if BC is to meet its legislated greenhouse gas emissions targets; and (iii) the extent to which forecast load will be met with DSM, including the reasonableness of forecast levels of DSM contained in BC Hydro's previous revenue requirements applications, and the extent to which electrification-load growth is amendable to DSM measures.

Understanding these issues sooner rather than later would not only help industry participants like CFN-GBI appreciate the nature of future opportunities, it will help our members to participate more meaningfully in planned BC Hydro consultations, as we will better understand the extent of resources that BC Hydro needs to build and buy.

CFN-GBI respectfully submits that there is further reason to advance the demand and DSM side of the LTRP filing. We worry that it is quite likely that further delays will be required on the supply-side discussion, arising from material changes to BC Hydro's planning context.

Two such contextual changes seem sufficiently likely to justify our concern that delays may occur.

First, in its July 2 Letter, BC Hydro emphasised the importance of the *Clean Energy Act Amendment Act* (Bill 17) in the timing of its LTRP filing. Indeed BC Hydro noted that the legislation's removal of self-sufficiency as a planning constraint, and the requirement for a "100 per cent clean delivery standard" (subject to a new definition of "clean electricity") was material enough that it delayed consultation on its LTRP in anticipation of Bill 17 being tabled.

Bill 17 has not advanced past first reading, apparently held up (at least in part) because of its impact on First Nations reconciliation. However, the planning rationale for the new legislation (allowing BC Hydro to access low-cost US markets for its future energy needs) remains unchanged.

CFN-GBI does not know if, or when, government intends to advance Bill 17 (or similar replacement legislation), but we are not aware that in delaying the legislation government has expressly rejected the policy goal of removing self-sufficiently or redefining clean electricity. If such goals are eventually advanced in another form, the supply-side

elements of the LTRP will undoubtedly be different from what they would have been without such a policy shift.

The second possible change to the supply-side planning context is Site C. In its July 31, 2020 letter to the Commission, (Quarterly Progress Report No. 19), BC Hydro identified that there is now “uncertainty with the project’s schedule and in-service date”, suggesting delays beyond the planned in-service date of 2024. This change was directly attributed to COVID-19 and, less explicitly, to geological challenges.

Clearly, any material delay in the timing of Site C will have significant implications on the nature and timing of BC Hydro’s resource requirements, particularly if self-sufficiency obligations remain in place.

In summary, CFN respectfully suggests that the Commission should adhere closely to the legislative logic of section 44.1(2) of the Act in setting the timetable of BC Hydro’s LTRP. We suggest that this logic, BC Hydro’s consultation obligations, and the likelihood of further changes to the BC Hydro’s supply-side planning context, argue for establishing a two-phase LTRP process.

We respectfully recommend that Phase I, considering the demand forecast and DSM plan, should begin with a BC Hydro filing in March, 2021. Phase II should follow the September 2021 filing timeline suggested by BC Hydro (including the spring 2021 draft LTRP), with allowances made if the planning context is materially changed by, particularly, new self-sufficiency rules and/or Site C timing updates.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Kariya". The signature is stylized and cursive.

Paul Kariya