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Environmental, Natural Resources &
Indigenous Law

VIA EFILE

September 14, 2020

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC. V6Z 2N3

Attention: Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic,

**Re: Project No. 1599030
BC Hydro – Customer Crisis Fund Evaluation Report**

On behalf of the Zone II Ratepayers Group (“**Zone II RPG**”), we write pursuant to Order No. G-224-20 and in response to the BC Utilities Commission (“**BCUC**”)’s request to address certain items arising from the review of the CCF Program.

At the outset, Zone II RPG stresses that it sees significant value in the CCF Program (for some of its members and others in need) and would like this program to continue at least for an additional year beyond the current May 31, 2021 expiry date. Zone II RPG also sees value in the future to considering whether the grant amount should be increased, in light of the recent increases in the size of grants issued under the pilot project. The cost to each residential account holder is relatively small (rate ride is currently only 0.43 cents per day; or approximately \$1.57 per year), and it provides a valuable service to those experiencing a life crisis who are facing disconnection.

The CCF Pilot Project has become especially important in the context of the COVID-19 pandemic. BC Hydro’s Two-Year Evaluation Report (“**CCF Report**”), at p. 26, supports this assessment, noting that BC Hydro received the most applications for support in April 2020, and that grant applications in year two more than doubled from year one (see: Figure 3, p. 16). This information suggests the CCF Program services a legitimate need in the Province for those facing a life crisis, which can reasonably be expected to grow as the realities of COVID-19 impact financially vulnerable populations.

If the CCF Program expires in May 2021, then BC Hydro’s overall COVID response, including any renewal of its COVID Relief Fund, will take on additional importance. Zone II RPG supports BC Hydro’s decision in response to COVID-19 to halt collection of late payment charges, issuance of final notice of disconnection letters and the suspension of disconnection activities. It is expected that the overall financial and economic impacts of COVID-19 will only start to become evident next year, making the

timing of the expiry of the CCF Pilot Program particularly problematic, unless BC Hydro can implement ongoing, alternative measures to ensure vulnerable persons can continue to access its services.

1. Jurisdiction to Review the CCF Program in light of OIC 159

Order-in-Council 159 (2020) states as follows: “The commission may not exercise its powers under the Act to amend, cancel or suspend the customer crisis fund rate rider, except on application by the authority.” The OIC, accordingly, substantially restricts BCUC’s ability to review the CCF fund rate rider – specifically, it prevents the Commission from amending, cancelling or suspending the rate rider; however, the BCUC appears to retain jurisdiction to extend the Pilot Program, without altering the current rate rider, if it considered such an extension appropriate.

BC Hydro’s CCF Report, however, suggests the CCF cannot be justified from an economic or cost-of-service basis alone, despite the program having recognized societal benefits. This analysis further constrains both BC Hydro and the Commission at this time. If the Province wishes for the CCF Program to continue, further legislative direction is likely required. Zone II RPG encourages the Province to take these steps to protect the CCF Program, which is in line with the Province’s April 18, 2018 mandate letter to BC Hydro, in which it encouraged BC Hydro to consider affordability to British Columbians in the provision of its services.

Zone II RPG agrees with BC Hydro’s submission (Exhibit B-6) that the BCUC retains jurisdiction to review other aspects of the CCF Program, despite the restrictions imposed in OIC 159.

2. Should the BCUC proceed with a review of the CCF Pilot Program or adjourn it again?

In light of the above, Zone II RPG’s preference at this time is that the BCUC adjourn its review of the CCF Pilot Program, preferably until it can be considered in the context of performance-based regulation (“**PBR**”) of BC Hydro, which is under consideration by the Commission. Zone II RPG understands that a PBR approach might allow the Commission to take into account the societal value of the CCF Program.

However, Zone II RPG encourages BC Hydro to work with the Province to find a viable solution so that persons in need during the COVID-19 pandemic can continue to access BC Hydro services if and when the CCF Pilot Program expires. Such a solution may involve either a direction to BC Hydro or public funding in support of such initiatives, among other things.

3. Regulatory Process and Topics to be Addressed in the Review

In light of Zone II RPG's submissions above, we make no submissions on the regulatory process and topics to be addressed in a review, other than to stress that the CCF Program may be best reviewed if the BCUC adopts a performance-based regulation of BC Hydro.

Should you require anything further, please let us know.

Yours truly,
IRIS LEGAL



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