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September 21, 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: Project No. 1599030
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Customer Crisis Fund (CCF) Evaluation Report
Compliance with BCUC Order No. G-224-20
Reply Submission on Items Outlined in Appendix B**

BC Hydro writes, in compliance with Order No. G-224-20, to provide its reply to the five interveners that have filed submissions in response to BCUC's request for input into items regarding the CCF Pilot Program. Those interveners are: BC Old Age Pensioners' Organization (**BCOAPO**); B.C. Sustainable Energy Association and the Sierra Club of British Columbia (**BCSEA**); Commercial Energy Consumers Association of British Columbia (**CEC**); **FortisBC** and Zone II Ratepayers Group (**Zone II RPG**).

1.0 The jurisdiction of the BCUC to review the CCF Pilot Program in light of OIC 159.

In its September 4, 2020 submissions (Exhibit B-6) BC Hydro noted that while the BCUC could hold a review of the CCF Pilot Program, the ability of the BCUC to make orders in regard to the program varied: some elements of the program are potentially subject to the BCUC's jurisdiction to alter, extend or terminate, and some elements are not. BC Hydro submitted that in the event the BCUC were to initiate a review of the program it would be necessary to seek legal submissions in regard to any order it would consider issuing. All the interveners who have filed submissions agree on these points, or do not address them.¹

¹ BCSEA, Exhibit C1-3; FortisBC, Exhibit C2-3; BCOAPO, Exhibit C5-4; Zone II RPG, Exhibit C6-4; and CEC Exhibit C7-3.

2.0 Whether the BCUC should proceed with a review of the CCF Pilot Program based on the information contained in the Evaluation Reports or whether the proceeding should be adjourned.

In its September 4, 2020 submissions BC Hydro stated that in light of the lack of an economic or cost of service basis for the program, and the fact that the CCF Pilot Program will terminate in any event on May 31, 2021, that no review of the program was warranted. Instead, BC Hydro submitted that the CCF Pilot Program should be allowed to terminate on May 31, 2021, in accordance with BCUC Order No. G-166-17.² BCSEA, FortisBC, and Zone II RPG all agree with these points, or do not address them.

CEC argues for a review of the CCF Pilot Program with “a view to identifying appropriate improvements and modifications such that the jurisdictional concerns of BC Hydro can be addressed”. In reply, BC Hydro notes that the jurisdictional issues regarding the CCF Pilot Program and similar public-welfare issues were extensively canvassed in the 2015 Rate Design proceeding, which was the genesis of the CCF Pilot Program.³ BC Hydro does not see the value in revisiting the issue in this proceeding.

BCOAPO argues for a review of the CCF Pilot Program on the basis that it (and others) should have an opportunity to test the methodology, inputs and the cost-benefit conclusions set out in BC Hydro’s Two-Year Evaluation Report (Exhibit B-5). However, the BCOAPO offers no basis upon which the methodology, inputs or conclusions might be found deficient. The BCOAPO should not have to prove in its submissions that a review of the CCF Pilot Program might lead to a different conclusion, but it should be prepared to offer some reasonable basis for the possibility of that outcome. In the absence of such a basis, BC Hydro questions the value of a review.

BCOAPO also questions whether the CCF Pilot Program will in law terminate on May 31, 2021, as BC Hydro submits. In this regard, BCOAPO argues that neither BCUC Order No. G-116-17 nor Rate Schedule 1903 (the CCF Rate Rider) include any provision for termination.

Regarding BCUC Order No. G-116-17, BC Hydro’s September 4 submissions note that BCUC Order No. G-116-17 includes the following: “The CEF Pilot [CCF Pilot Program] will continue until the earlier of three years from the CEF pilot implementation date...”. Three years from the date of implementation is May 31, 2021.

With regard to the CCF Rate Rider, and the other Electric Tariff provisions that allow for implementation of the program, BC Hydro’s original proposal was for a default two-year program with the possibility of an extension; further, under its original proposal an

² BC Hydro noted that some elements of the Program would continue after May 31, 2021, including the CCF Regulatory Account.

³ Refer for example to pdf pages 88 and 104 to 106 of the BCUC’s January 20, 2017 decision arising from that proceeding.

application and BCUC order would have been required to terminate the tariff-elements of the program. However, in the course of the streamlined review process into the original proposal, questions from the BCUC panel prompted BC Hydro to offer an alternate proposal, namely that the program would have a default period of three years, with the possibility of an extension after two.⁴ It was in consequence of this change that the BCUC issued Order No. G-116-17, reflecting the default termination after three years of those aspects of the program that were in the BCUC's ability to terminate.

BC Hydro agrees with the BCOAPO that certain elements of the CCF Pilot Program are not, and never have been, within the BCUC's jurisdiction to amend, extend or terminate. One such example is the CCF Pilot Program operating and delivery model. These elements of the program are not in strict legal terms subject to the termination provisions of BCUC Order No. G-116-17. However, the tariff provisions that are within the BCUC's jurisdiction are inextricably linked with the CCF Pilot Program, and the continuance of the latter in the absence of the former is not practicable.⁵

3.0 Regulatory Process

BC Hydro made no submissions on this topic in its September 4, 2020 letter (Exhibit B-6). Given that it does not believe a review is warranted, for the reasons set out above, it has no further reply submissions on this topic.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



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⁴ Refer to November 9, 2017 transcript of the streamlined review process, pdf pages 104 to 105 of 144.

⁵ Refer to pdf page 15 of 171 of BC Hydro's July 24, 2017 CEF Pilot Program Application.