

September 30, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mesdames/Sirs:

**Re: BCUC Review of BC Hydro's Performance Based Regulation (PBR)
Report (Project No. 1599045)**

As per Commission letter dated September 17, 2020 regarding Further Process for the subject proceeding, please find herein the submission of Ms. GJOSHE, an Independent Intervener on this matter.

All of which is respectfully submitted,

Ms. Edlira Gjoshe
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On the scope of further review of BC Hydro's report and next steps, and as it concerns the request to "comment on whether the following points should be part of the scope of the review":

1. **Scope of the Review – List of Issues:**

- a. To what extent does the BCUC have jurisdiction to approve or direct PBR or incentive-based mechanisms for BC Hydro?
- b. What should be the goals of BCUC regulation with respect to BC Hydro (e.g. regulatory efficiency, cost control and/or balancing risk between ratepayers and BC Hydro)?
- c. What aspects of PBR would help in achieving the above goals?
- d. Are there unique aspects of BC Hydro regulation that affect the application of PBR to BC Hydro?
- e. Are there unique aspects of BC Hydro business conditions that affect the application of PBR to BC Hydro?
- f. Should some form of PBR be implemented for BC Hydro? If PBR were to be implemented, is an incremental approach necessary? What is the process and timing to implement that form of PBR?
- g. What elements of PBR could be added to a more traditional form of rate regulation (i.e. Cost-of-Service) to achieve the BCUC's regulatory goals and what is the process and timing for implementing those elements?

I support the notion that all of the above points put forth by the Commission Panel form part of the scope of Further Review, as they land themselves squarely within the confines of the broader question being asked as to whether some form of PBR for BC Hydro (understood to be beyond those PBR elements that are presently embedded in BC Hydro's Cost-of-Service Regulation (COSR)), would be *desirable* and/or *achievable* in light of deliberations surrounding points 1/b, 1/c, 1/d and 1/e above.

Further, as per questions raised by the Commission Panel in points 1/f and 1/g above, I would suggest that an incremental and deliberate approach to exploring PBR for BC Hydro maybe preferable in light of both, the characteristics of the set-up of the crown corporation and the "economic times" we find ourselves in.

On the scope of further review of BC Hydro's report and next steps, and as it concerns the request to "add any further points that you wish the BCUC to consider, with your supporting reasons":

As Performance Measurement (i.e. performance metrics and benchmarking) is a *key feature* of PBR, then perhaps the list of scope issues could be expanded (or alternatively future process step(s) could be conceived) to include discussions surrounding *practical* considerations for:

- i. The establishment of an appropriate PBR baseline year for BC Hydro and related evidentiary support.
- ii. The evidentiary support for the selection of peer utilities (to BC Hydro).
- iii. The identification of relevant ongoing sources of data and data exchange processes that would enable the said adoption of PBR for BC Hydro.
- iv. The identification of BC Hydro initial organizational costs of complying with the said PBR requirements.
- v. Estimates of the time requirement (i.e. number of months) for the initial implementation of the said form of PBR for BC Hydro.
- vi. The identification of ongoing BC Hydro organizational costs related to PBR compliance.

2. Remaining Review Procedure for Current Proceeding

a. Are parties seeking an opportunity for further evidentiary submissions? If yes, in what format?

At this stage, I do not foresee filing (intervener) evidence.

b. Are parties seeking an opportunity for a round of information requests for either of the following?

- i. Participant information requests to BCUC Staff Consultant
- ii. Participant information requests to BC Hydro

There maybe a need for information requests to BC Hydro, subject to the final scope of Further Review considerations.

c. Do parties see value in a Streamlined Review Process or an Oral Hearing to review the record further?

I support a Streamlined Review Process with the caveat that, should the scope of Further Review be amended or additional process step(s) added, that the need for an Oral Hearing be re-evaluated later in the proceeding.

d. Would parties prefer final arguments to be written or oral?

I support a process of written final arguments.