

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER F-6-13**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and
Applications for Participant Assistance/Cost Award
in the British Columbia Hydro and Power Authority
Certificate of Public Convenience and Necessity Application
for the John Hart Generating Station Replacement Project

BEFORE: M.R. Harle, Panel Chair/Commissioner
N.E. MacMurchy, Commissioner April 9, 2013
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On May 25, 2012, British Columbia Hydro and Power Authority (BC Hydro) filed an application for a Certificate of Public Convenience and Necessity (CPCN) for the John Hart Generating Station Replacement Project (Project) pursuant to section 46(1) of the *Utilities Commission Act*;
- B. By Order G-68-12 dated May 28, 2012, the British Columbia Utilities Commission (Commission) established a Written Public Hearing process for the review of the Application;
- C. By Order C-2-13 dated February 8, 2013, the Commission granted a CPCN to BC Hydro for the Project as described in the Application;
- D. On November 30, 2012, the British Columbia Pensioners' and Seniors' Organization (BCPSO) filed its Participant Assistance/Cost Award (PACA) application in the amount of \$16,665.60;
- E. On December 3, 2012, the British Columbia Sustainable Energy Association and Sierra Club of British Columbia (BCSEA) filed its PACA application in the amount of \$11,318.95;
- F. On December 15, 2013, the British Columbia Residential Utility Customers Association (BCRUCA) filed its PACA application in the amount of \$21,663.18;
- G. On December 20, 2012, the Commercial Energy Consumers Association of British Columbia (CEC) filed its PACA application in the amount of \$20,699.00;
- H. On January 2, 2013, Clean Energy Association of British Columbia (CEABC) filed its PACA application in the amount of \$28,644.00;
- I. By letter dated January 25, 2013, BC Hydro commented on the cost award applications of BCSEA, CEC, BCPSO, CEABC, and BCRUCA;

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- J. By letter dated July 11, 2012, Commission staff informed BCRUCA that "Since the BCRUCA is a new group before the Commission, staff recommends that BCRUCA clearly demonstrate, in its final PACA application, how it represents a ratepayer group. Please note that if this criteria is not met, the Participant will typically not receive a cost award except, possibly, for out-of-pocket disbursements";
- K. By letter dated February 26, 2013, the Commission requested additional information on BCRUCA's PACA application;
- L. By letter dated March 4, 2013, BCRUCA responded to the Commission's request for additional information concerning its PACA application;
- M. By letter dated March 11, 2013, the Commission requested CEABC to comment on BC Hydro's January 25, 2013 cost award comments concerning CEABC's PACA application;
- N. By letter dated March 20, 2013, CEABC responded to the Commission's request for comments concerning BC Hydro's comments on CEABC's PACA application;
- O. The Commission has reviewed the PACA applications with regard to the criteria and rates set out in the PACA Guidelines in Commission Order G-72-07 and has concluded that cost awards should be approved for the PACA applications in the proceeding, as set out in the Reasons for Decision that are attached as Appendix A to this Order.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act*, the Commission orders as follows:

1. Participant Assistance/Cost Awards in the following amounts are awarded to the following Participants with respect to their participation in the proceeding:

Participant	Application	Award
BCPSO	\$16,665.60	\$16,665.60
BCSEA	\$11,318.95	\$11,318.95
BCRUCA	\$21,663.18	\$4,243.68
CEC	\$20,699.00	\$20,699.00
CEABC	\$28,644.00	\$14,322.00
TOTAL	\$98,990.73	\$67,249.23

2. BC Hydro is directed to reimburse the above-noted Participants for the amounts awarded in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this *Ninth* day of April 2013.

BY ORDER

Original signed by:

M.R. Harle
Panel Chair/Commissioner

Attachment

Applications for Participant Assistance/Cost Award
in the British Columbia Hydro and Power Authority
Certificate of Public Convenience and Necessity Application
for the John Hart Generating Station Replacement Project

REASONS FOR DECISION

1.0 INTRODUCTION

On May 25, 2012, British Columbia Hydro and Power Authority (BC Hydro) filed pursuant to section 46(1) of the *Utilities Commission Act (UCA)*, an application for a Certificate of Public Convenience and Necessity (CPCN) for the John Hart Generating Station Replacement Project (Project) as described in the Application.

By Order C-2-13 dated February 8, 2013, the Commission granted a CPCN to BC Hydro for the Project.

As set out in the Order that accompanies these Reasons for Decision, the Commission received five applications pursuant to section 118 of the *UCA* for Participant Assistance/Cost Award (PACA) funding for the Project Proceeding (Proceeding). Section 118 provides that the Commission Panel may make cost awards for participants in a proceeding. The Commission's PACA Guidelines (Guidelines) are set out in Appendix A to Order G-72-07, and include the following provisions:

"The Commission Panel will determine whether a Participant is eligible or ineligible for an award. In determining an award of all or any portion of a Participant's costs, the Commission Panel will first consider whether the Participant has a substantial interest in a substantial issue in the proceeding. If this criterion is not met, the Participant will typically not receive a cost award except, possibly, for out-of-pocket disbursements.

Except in limited circumstances, it is expected that only ratepayer groups will establish a 'substantial interest in a substantial issue' so as to be eligible for an award in a revenue requirements proceeding. For the purposes of this section, the principal interest of 'ratepayer groups' will be the rate impacts of the revenue requirement to be paid by the ratepayer Participants. The Commission Panel will also consider other characteristics of the Participant, including the scope and significance of the principal concerns of the Participant.

The Commission Panel will then consider the following:

- (i) Will the Participant be affected by the outcome?
- (ii) Has the Participant contributed to a better understanding of the issues by the Commission?
- (iii) Are the costs incurred by the Participant for the purposes of participating in the proceeding fair and reasonable?
- (iv) Has the Participant joined with other groups with similar interests to reduce costs?
- (v) Has the Participant engaged in any conduct that tended to unnecessarily lengthen the duration of the proceeding? (This criterion will not, by itself, disqualify a Participant for pursuing a relevant position in good faith and with reasonable diligence)
- (vi) Any other matters appropriate in the circumstances.

If the Commission Panel considers it to be an appropriate consideration in a proceeding, the Commission Panel may consider the Participant's ability to participate in the proceeding without an award."

2.0 PROCEEDING AND PREPARATION DAYS

Section 4 of the PACA Guidelines states that proceeding days may include workshop days, negotiation days, pre-hearing conference days, hearing days, and oral argument days. The proceeding days for the John Hart Replacement Project were:

<u>Activity</u>	<u>Proceeding Days</u>
BC Hydro Workshop	0.5
Total Proceeding Days	0.5

The PACA Guidelines provide that the Commission may award costs for preparation days on a ratio of up to two days per proceeding day, although after the proceeding the Commission may adjust this ratio with adequate justification from participants.

In the case of the Proceeding, the Commission finds that the standard calculation of preparation days is not particularly helpful for a written process. The Commission determines that up to 6.5 days of legal counsel time, up to 7.5 days for consultants and up to 4.25 days for a case manager will be the maximum eligible for PACA funding.

3.0 INDIVIDUAL PACA APPLICATIONS AND AWARD AMOUNTS

The Commission has reviewed the PACA applications and determines that the following amounts of cost awards should be awarded to Participants in the Proceeding.

3.1 British Columbia Pensioners' and Seniors' Organization (BCPSO)

On November 30, 2012, BCPSO applied for PACA funding for its participation in the Proceeding. BCPSO applied for 6 days of legal counsel fees at a cost of \$11,289.60 and 3.84 days of consultant fees at a cost of \$5,376.00, for a total request of \$16,665.60.

In its letter dated January 25, 2013, BC Hydro responded that it believes the funding requests of the four ratepayer intervener groups are consistent with their contribution and level of participation; that the ratepayer groups contributed to a greater understanding in such areas as the Project procurement, the interplay between Amended Special Direction No. 10 and the Project need and alternatives analysis, and the appropriate CPCN reporting requirements. BC Hydro also believes that the four ratepayer intervener PACA funding requests are consistent with the Commission's PACA Guidelines.

Contribution Analysis:

- BCPSO did not attend the Workshop;
- BCPSO submitted 58 information requests and made a 12.5 page final submission; and
- BCPSO participated actively and constructively in the Proceeding.

The Commission Panel considers:

- BCPSO has demonstrated that it represents a ratepayer group(s);
- BCPSO explored the areas of need, alternatives (decommissioning, rehabilitation and staged replacement), costs (NPV and UECs), reporting (workshop, mitigation measures, Public and First Nation consultation, impacts to the City of Campbell River's water supply, role of Special Direction No. 10, seismic risks to the penstocks and powerhouse, risks to the environment/worker safety/financial loss/system reliability, operating efficiency,

alternative means (water conveyancing, number of units, powerhouse location), DBFR procurement rate impact, and IBA cost impacts; and

- BCPSO materially contributed to a full review of the Project.

Commission Determination

The Commission has reviewed BCPSO's application for PACA funding, considered BC Hydro's comments on its application, and weighed the contribution and relevance of its submissions in contributing to a better understanding of the issues by the Commission.

The Commission Panel finds that BCPSO meets all the criteria for PACA reimbursement and awards the full amount of its claim of \$16,665.60 for its contribution to the Proceeding.

3.2 British Columbia Sustainable Energy Association and Sierra Club of British Columbia (BCSEA)

On December 3, 2012, BCSEA applied for PACA funding for its participation in the Proceeding. BCSEA applied for 4.7 days of legal counsel fees at a cost of \$9,475.20 and 3.7 days of case manager fees at a cost of \$1,843.75, for a total request of \$11,318.95.

In its letter dated January 25, 2013, BC Hydro responded that it believes the funding requests of the four ratepayer intervenor groups are consistent with their contribution and level of participation; that the ratepayer groups contributed to a greater understanding in such areas as the Project procurement, the interplay between Amended Special Direction No. 10 and the Project need and alternatives analysis, and the appropriate CPCN reporting requirements. BC Hydro also believes that the four ratepayer intervenor PACA funding requests are consistent with the Commission's PACA Guidelines.

Contribution Analysis:

- BCSEA was represented at the Workshop;
- BCSEA submitted 71 information requests;
- BCSEA made a four page final submission; and
- BCSEA participated actively and constructively in the proceeding.

The Commission Panel considers:

- BCSEA has demonstrated that it represents a ratepayer group;
- BCSEA explored the areas of: project need, penstock and powerhouse condition, DBFR procurement model, reporting requirements/prudency review, UCA filing requirements, public interest test, BC's energy objectives (s.2(e) of the *Clean Energy Act*, reduction of greenhouse gas emissions, 93% clean/renewable), Special Direction No. 10 requirements (need, alternatives, BC based resources), First Nation consultation/IBAs, public engagement/stakeholder consultation, alternatives (including NPV, UECs and viable decommissioning options), the Campbell River WUP/IFMS, and enhancement of environmental values/mitigation (fish flows and drinking water); and
- BCSEA materially contributed to a full review of the Project.

Commission Determination

The Commission has reviewed BCSEA's application for PACA funding, considered BC Hydro's comments on its application, and weighed the contribution and relevance of its submissions in contributing to a better understanding of the issues by the Commission.

The Commission Panel finds that BCSEA meets all the criteria for PACA reimbursement and awards the full amount of its claim of \$11,318.95.

3.3 British Columbia Residential Utility Customers Association (BCRUCA)

On December 15, 2012, BCRUCA applied for PACA funding for its participation in the Proceeding. BCRUCA applied for 13.3 days (106.5 hours) of consultant fees at a cost of \$21,619.50 and \$43.68 for disbursements, for a total request of \$21,663.18.

In its letter dated January 25, 2013, BC Hydro responded that it believes the funding requests of the four ratepayer intervenor groups are consistent with their contribution and level of participation; that the ratepayer groups contributed to a greater understanding in such areas as the Project procurement, the interplay between Amended Special Direction No. 10 and the Project need and alternatives analysis, and the appropriate CPCN reporting requirements. BC Hydro also believes that the four ratepayer intervenor PACA funding requests are consistent with the Commission's PACA Guidelines.

Contribution Analysis:

- BCRUCA was not represented at the 0.5 day Workshop;
- BCRUCA's review of the Application consisted of 82 IRs that explored areas such as: project need; DBRF - procurement, risks, costs, P3s, cost of energy, and technical capacity; consultation and IBA cost effects; the Government review of BC Hydro; Amended Special Direction 10; and the City of Campbell River water supply;
- BCRUCA did not explore many areas of the Application including: alternatives to the water conveyance system, powerhouse location, number of units, timing of replacements, and seismic concerns, hence BCRUCA only contributed to a limited/partial review of the Application;
- BCRUCA filed a 2 ¼ page final submission which commented on three areas: Special Direction No. 10 (insufficient justification provided for Project based on its own merits); public and First Nation consultation (asserting adequacy to date); and procurement/risk (consider possible changes in Provincial viewpoints when wording contracts/escape clauses and imposition of a cost collar as well as more frequent reporting due to lack of experience with DBFR); and
- BCRUCA participated actively and constructively in a limited number of issues in the proceeding and appeared to do so in good faith and with reasonable diligence.

The Commission Panel considers:

- BCRUCA's PACA Budget stated it "represents the average residential ratepayer of BC Hydro's electricity rates. As a ratepayer group the residential customer has been under-represented in prior proceedings before the Commission. BCRUCA believes that the residential customers, and thus BCRUCA, have a significant stake in the outcome of this CPCN and will be applying for PACA"; and in its PACA application, BCRUCA submits "BCRUCA believes that it has had significant involvement in the proceedings and that the residential ratepayer group have been well-represented. Residential customers and BCRUCA have a significant stake in the outcome of this CPCN and therefore request approval of the PACA as attached."

The Panel notes that in Commission staff's July 12, 2012 comfort letter, staff recommended that "BCRUCA clearly demonstrate, in its final PACA application, how it represents a ratepayer group. Please note that if this criteria is not met, the Participant will typically not receive a cost award except, possibly, for out-of-pocket disbursements." (underlining added for emphasis)

The Panel also considered BCRUCA's March 4, 2013 response to the Commission's request for further information. Based on the March 4, 2013 information provided, the Commission has concerns about the degree to which BCRUCA's interest in this proceeding is substantial, as required by the PACA Guidelines. In that March 4, 2013

response, BCRUCA provided information on its membership and states that it is “a Society providing a consolidated view and perspective of the average residential utility customer.” However, the information provided by BCRUCA on the membership of the society and how input is sought from members does not seem to support the claimed representation of the average residential utility ratepayer. In consideration of the limited evidence presented, the Panel determines that BCRUCA has not clearly demonstrated how it represents the average residential utility ratepayer. The Panel finds that BCRUCA has not satisfied all the criteria in the Guidelines to qualify for an award - i.e., BCRUCA has not: clearly demonstrated its “substantial interest in a substantial issue” in the Proceeding; clearly demonstrated how its members represent a ratepayer group; or how it will be affected by the outcome of the Proceeding (see additional Guideline shortcomings discussed below);

- BCRUCA has not demonstrated its efforts to join with other groups with similar interests to reduce costs as required by the Guidelines (s.1). The Panel notes in BCRUCA’s March 4 letter that it “considered” joining with other groups, therefore the Panel assumes BCRUCA made no effort to do so;
- BCRUCA did not demonstrate its ability to participate in the proceeding without an award as required by the Guidelines (s.1);
- The PACA Guidelines state “A Participant applying for costs should again address its eligibility considering section 1 of the Guidelines, preferably citing examples from the proceeding to support the awarding of costs.” (s.2i) BCRUCA did not cite any supporting examples in its application;
- The PACA Guidelines also state “The application must be supported by a statement of costs with the appropriate receipts and invoices and should include a sworn affidavit.” (s.2i) BCRUCA did not submit an affidavit in its application;
- The PACA Guidelines also state “Participants must demonstrate in their submitted budgets their efforts to find qualified consultants knowledgeable of issues in a British Columbia context.” (s.4d) BCRUCA did not demonstrate such efforts;
- BCRUCA is claiming the maximum rate of \$1,450/day for its consultant. The Guidelines state “At the time of filing a budget, the Participant may seek from the Commission staff their opinion as to whether or not a consultant is likely to qualify as a specialist.” BCRUCA made no such enquiry as to staff’s opinion; however, Commission staff’s July 12, 2012 letter advised that the Panel typically only approves the highest rate of \$1,450/day for a consultant participating in oral testimony and/or for a specific subject matter expert. In addition, the Panel finds that BCRUCA’s claim that “only a regulatory specialist with a broad background in regulatory filings, utility issues and the regulation in BC could possibly deal with the many complex CPCN issues raised in the Application” does not justify the expert witness/specialist rate and therefore the daily rate of \$1250 applies in this proceeding;
- The PACA Guidelines state “The Panel will consider factors such as ...complexity of the issue and overall contribution of the consultant in determining an appropriate cost award” (s.4d) and are the costs incurred by the Participant for the purpose of participating in the proceeding fair and reasonable [s.1(iii)]. The Panel considers BCRUCA’s effort versus reward does not justify the highest claim of all ratepayer groups. For example, CEC submitted a comprehensive 20.5 page full review that analyzed many issues and provided useful insight into the majority of issues before the Commission at less cost than BCRUCA’s claim. In contrast, BCRUCA provided no supporting analysis or legal opinion of three issues, summarized in 2 ¼ pages of its final argument (Special Direction No. 10 - insufficient justification provided for Project based on its own merits; consultation- asserting adequacy to date; and procurement/risk- BC Hydro should consider possible changes in Provincial viewpoints when wording contracts/escape clauses and the Panel should impose a cost collar as well as more frequent reporting due to lack of experience with DBFR). The Panel determines BCRUCA’s contribution was of marginal value to the issues before the Commission;
- BCRUCA’s claim for \$43.68 in disbursements is reasonable; and
- The Panel recognizes that BCRUCA is a new Intervener group before the Commission, welcomes its participation in the Proceeding and encourages its efforts to engage others. However, the Panel emphasizes that all participants seeking a PACA cost recovery must satisfy all the criteria in the PACA Guidelines. If BCRUCA intends to intervene in subsequent proceedings, the Panel recommends that it be clear on what constituency it represents, what level of

support it has from this group including how it has been empowered to represent them, and what specific issues it is taking an active role in representing. The Panel finds that BCRUCA has not met all the criteria for PACA, however in this instance and for this Proceeding, the Commission will accept BCRUCA's PACA application.

Commission Determination

The Commission has reviewed BCRUCA's application for PACA funding, considered BC Hydro's comments on its application, noted the absence of legal fees and BCRUCA's attendance at the workshop and weighed the contribution and relevance of its submissions in contributing to a better understanding of the issues before the Commission. On balance and in consideration of the limited scope of its contribution **the Commission Panel awards a reasonable amount of \$4,243.68** (3 days of consultant's fees at \$1,250/day, plus \$39 in disbursements, plus HST) **for BCRUCA's contribution to the Proceeding.**

3.4 Commercial Energy Consumers Association of British Columbia (CEC)

On December 20, 2012, CEC applied for PACA funding for its participation in the Proceeding. CEC applied for 1.5 days of legal counsel fees at a cost of \$3,024.00 and 12.62 days of consultant fees at a cost of \$17,675.00, for a total request of \$20,699.00.

In its letter dated January 25, 2013, BC Hydro responded that it believes the funding requests of the four ratepayer intervenor groups are consistent with their contribution and level of participation; that the ratepayer groups contributed to a greater understanding in such areas as the Project procurement, the interplay between Amended Special Direction No. 10 and the Project need and alternatives analysis, and the appropriate CPCN reporting requirements. BC Hydro also believes that the four ratepayer intervenor PACA funding requests are consistent with the Commission's PACA Guidelines.

Contribution Analysis:

- CEC attended the Workshop;
- CEC participated actively and constructively in the proceeding;
- CEC submitted 145 information requests that explored all issues in the Application; and
- CEC made a 20 ½ page final submission that addressed the majority of issues before the Commission.

The Commission Panel considers:

- CEC has demonstrated that it represents a ratepayer group;
- CEC's consultant fees are higher than the maximum of 7.5 day limit; however, its fees for legal counsel are considerably less than the 6.5 day maximum limit;
- CEC explored, analyzed and presented its recommendations/opinions in the areas of: need for a Capital Plan and CPCN criteria in respect of the UCA, the project's priority, the *Clean Energy Act* and BC Energy objectives (preservation/benefits of heritage assets, electricity self-sufficiency, 93% clean/renewable, greenhouse gas emissions reduction targets, maximization of the value of BC's generation and transmission assets), the public interest criteria, the duty to consult and consultation with affected First Nations, an extensive evaluation and interpretation of Special Direction No. 10 s.6(2), evaluation of alternatives (status quo, standalone bypass, de-rating, decommissioning alternative D, viable decommissioning options, rehabilitation, staged replacement, Mr. Aikman's alternative, alternate sources of supply), NPV and UEC's, analysis of the water conveyancing alternatives, environmental impacts and fish flows, risk management/mitigation, replacement of generating units/transformers, analysis of the Campbell River system condition, pumped storage, consultation with the City of Campbell River, alternate procurement methods and the DBFR model, the subject of a prudency review, capitalization of stipends, rate impacts, generation from the low level outlet, seismic risks and safety concerns, project costs and schedules and recommendations on reporting.

- The Panel found CEC's extensive analysis on the requirements and its interpretation of Special Direction No. 10 along with its legal opinion of great assistance in contributing to the issues before the Commission. To name two, for example, the CEC submitted:
 - "The CEC believes that the Project is the only alternative that meets Special Direction 10 criteria"; and
 - "The CEC submits that the Commission may not consider the Aikman option as it does not meet the requirements of Special Direction 10."
- The CEC unquestionably contributed to a full review of the Application.

Commission Determination

The Commission has reviewed CEC's application for PACA funding, considered BC Hydro's comments on its application, and weighed the contribution and relevance of its submissions in contributing to a better understanding of the issues by the Commission.

The Commission Panel finds that CEC meets all the criteria for PACA reimbursement and awards the full amount of its claim for \$20,699.00.

3.5 Clean Energy Association of BC (CEABC)

On January 2, 2013, CEABC applied for PACA funding for its participation in the Proceeding. CEABC applied for 9.0 days of legal counsel fees at a cost of \$18,144.00 and 7.5 days of consultant fees at a cost of \$10,500.00, for a total request of \$28,644.00.

In its letter dated January 25, 2013, BC Hydro made comments on CEABC's application along the lines that:

- CEABC's PACA funding request is excessive and is several thousand dollars higher than any of the PACA requests submitted by the four ratepayer intervener groups. CEABC's PACA funding request ought to be reduced to a number that falls below the lowest ratepayer intervener PACA funding request;
- CEABC does not represent a ratepayer group. CEABC represents Independent Power Producers (IPPs), which are suppliers to BC Hydro. CEABC stated in its final argument that it intervened to preserve the social license for IPPs and to level the playing field for IPPs. BC Hydro submits that these are not ratepayer issues, and are not issues relevant to the Project CPCN proceeding—therefore, CEABC should be treated as something other than a "ratepayer group" per the PACA Guidelines and their concerns should be given less weight than ratepayer intervener groups because CEABC has not demonstrated that IPPs have a substantial interest in the Proceeding;
- CEABC introduced new materials for the first time in its argument, and raised issues that are not properly in scope for a CPCN Application. This does not make for an effective or efficient hearing process. BC Hydro submits CEABC raised a purported new option for the first time in argument, and introduced new material related to the cost-effectiveness of the Clean Power Call generally, and asserted cost trends for wind resources in particular. BC Hydro notes that the introduction of new evidence by CEABC following the closing of the evidentiary phase in its Final Submission has occurred in at least four other Commission proceedings dealing with BC Hydro capital projects; since ratepayers fund these proceedings, CEABC's conduct in this regard promotes regulatory inefficiency, and is a waste of ratepayer funds;
- CEABC only marginally contributed to a better understanding of the issues raised by the Project Application. BC Hydro submits that CEABC appears to be stating that the length of BC Hydro's Reply Submission is evidence that CEABC raised significant issues. BC Hydro asserts that this is not correct. The length of its Reply is a result of rebutting CEABC's incorrect assertions, dealing with issues not germane to the Application such as Proponents access to data geotechnical information in the data room, and addressing the cost-effectiveness of IPPs without materials on the record.

- BC Hydro concludes that the main areas on which CEABC did focus, did not contribute to a better understanding of the key issues raised by the Application. Such areas included requests for the capital plan instead of responding to the prioritization evidence BC Hydro put forward, adjusting and debating the Clean Power Call results instead of testing the range of energy values used to evaluate the Project, debating whether a decommissioning credit should be assigned to resources that avoid the costs of decommissioning, questioning whether a capacity credit should be assigned to resources that provided dependable capacity instead of testing the range of capacity values BC Hydro used to evaluate the Project, and raising concerns about access to geotechnical information as a way of questioning the choice of underground tunnel versus replacement aboveground penstocks.

In summary BC Hydro states that “[f]or these reasons BC Hydro does not support CEABC’s PACA funding request and submits that CEABC’s PACA funding request ought to be reduced to a number that falls below the lowest ratepayer intervener PACA funding request.” (BC Hydro letter of January 25, 2013)

Contribution Analysis:

- CEABC was not represented at the Workshop;
- CEABC submitted 29 information requests (the fewest number of all the PACA applicants);
- CEABC submitted a 13.5 page final submission which addressed: the need for an overall capital planning context, the need for a Campbell River system planning context, the need for a plan to deal with the impacts of climate change on the Campbell River System, the characterization of project costs vs. alternatives, and the shortcomings of the Application review process; and
- CEABC contributed to a partial review of selected areas of the Application (a full review would have encompassed all aspects such as (but not limited to) First Nation’s issues, the significance of the Amended Special Direction No. 10, and other public interest considerations such as the Campbell River City water supply and seismic risks to the public).

The Commission Panel considers:

- On March 20, 2013, CEABC responded to a request from the Commission on BC Hydro’s comments regarding CEABC’s PACA application. The Panel notes that CEABC has not provided any material additional information that is not on the record of the proceeding;
- CEABC does not represent a ratepayer group, however the Panel has accepted it as a registered Intervener for this proceeding and notes that CEABC’s eligibility for an award is consistent with the criteria in the PACA Guidelines, with the exception that CEABC has not made it clear how it will be materially affected by the outcome of the proceeding;
- CEABC’s costs for participating in the proceeding are higher than any other intervener and do not appear to be reasonable given its level of relevant contribution, particularly since it only pursued limited areas of interest most of which were not germane to the Application (such as evaluation of the other facilities on the Campbell River system, the option of a water conveyance system from Ladore reservoir to an expanded John Hart powerhouse and absence of a PMF plan);
- CEABC’s new/untested alternate powerhouse location option (similar to the Aikman proposal) and CEABC’s opinion on the decrease in the costs of wind generation and the shortcomings of the UECs, were based on opinion and not supported by the evidence on the record and hence of no value to the Panel in determining the key issues before the Commission;
- The CEABC has not made its case that BC Hydro’s capital expenditure plans, Campbell River powerhouse and seismic spending plans, Campbell River PMF plans, and plans to deal with the impacts of climate change on the Campbell River system are necessary before the Commission is able to adjudicate on the merits of the Project;

- CEABC has made it clear that it does not support the Project but has made no submissions as to how the Panel should deal with Special Direction No. 10 6(2) (which is a key issue before the Commission) in order to consider CEABC's advocacy issues;
- The Panel agrees with the points raised by BC Hydro in its January 25, 2013 letter, particularly the relevance of the untested key issues explored in final argument and issues that are not properly in scope for a CPCN Application (cost-effectiveness of the Clean Power Call, the cost-effectiveness of IPPs, cost trends for wind resources, absence of capital plan/PMF plan/Campbell River system plan, decommissioning and capacity credit, access to geotechnical information and a new alternate option);
- CEABC lengthened the duration of the proceeding by the introduction of new evidence after the close of the evidentiary period (as it did in the Ruskin and Waneta proceedings for example) which had to be addressed in the Panel's CPCN decision. Specifically, CEABC submitted that: access to sufficient geotechnical information was lacking and BC Hydro did not submit: an overall Capital Plan to demonstrate the Project's ranking; an overall Campbell River system plan; a Campbell River System Probable Maximum Flood (PMF) Plan or a climate change adaptation plan. CEABC made unsupported assertions on UEC costs (eg: wind costs have come down significantly) and final project actual costs are much more often at or above the initial P90 cost estimates (BC Hydro had submitted evidence to the contrary which CEABC did not contest) which the Panel had to determine were not relevant to the Proceeding. In addition, it introduced an option to remove the JHT and LDR powerhouses (similar to the Aikman proposal) that the Panel had to dismiss.

In its decision, the Panel determined that:

1. **CEABC had every opportunity to bring forward its concerns in the written hearing process. It did not do this. CEABC did not need to wait until Final Submissions to raise its concerns.**
 2. **It will give no weight to the need for plans as proposed by CEABC in its assessment of the Project and alternatives. Furthermore, no weight is given to the option to the Project proposed by CEABC in its Final Submission.**
 3. **For reasons of natural justice and fairness, the Commission Panel determines that CEABC has not provided adequate evidence on the record that BC Hydro's UEC analysis is sufficiently deficient to deny a CPCN for the Project.**
- CEABC rates for counsel and consultant are consistent with the PACA Guidelines.

Commission Determination

The Commission has reviewed CEABC's application for PACA funding, considered BC Hydro's comments on its application, considered CEABC's March 20, 2013 supporting comments and weighed the contribution and relevance of its submissions in contributing to a better understanding of the issues before the Commission.

The Commission Panel finds that CEABC marginally contributed to a better understanding of the issues before the Commission, has not met all the criteria for PACA reimbursement, and determines that on balance a reasonable amount of \$14,322.00 shall be awarded from its claim for \$28,644.00.