



ORDER NUMBER
E-11-18

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Section 71 Filing of the Electricity Purchase Agreement Replacement
Eagle Lake Micro Hydro Project

BEFORE:

M. Kresivo, QC, Commissioner

on March 29, 2018

ORDER

WHEREAS:

- A. On November 30, 2017, the British Columbia Hydro and Power Authority (BC Hydro), pursuant to section 71 of the *Utilities Commission Act* (UCA), filed with the British Columbia Utilities Commission (Commission) an application for acceptance of the Eagle Lake C2 Micro Hydro Project Replacement Electricity Purchase Agreement (Replacement EPA), effective October 1, 2017, between BC Hydro and the Corporation of the District of West Vancouver (Filing). The Replacement EPA is intended to replace the Eagle Lake C2 Micro Hydro Project Electricity Purchase Agreement, dated December 21, 2001, between BC Hydro and Pacific Cascade Hydro Inc. (PCHI) (Original EPA);
- B. In the Filing, BC Hydro seeks an order from the Commission that the Replacement EPA filed maintains, and is in the public interest and is accepted for filing;
- C. On November 30, 2017, BC Hydro filed both redacted and un-redacted copies of the Filing and advised the Commission that it provided a redacted copy of the Filing to interveners in the BC Hydro Fiscal 2017 to Fiscal 2019 Revenue Requirements proceeding. BC Hydro requests that the un-redacted version of the Filing be held confidential as it contains information that is commercially sensitive and the public disclosure of such information may result in prejudice to BC Hydro's negotiating position with respect to further EPA renewals, extensions, and replacements, to the detriment of ratepayers;
- D. By Order E-10-03 dated December 18, 2003, the Commission accepted the Original EPA pursuant to section 71 of the UCA;
- E. By Order E-3-05 dated May 25, 2005, the Commission accepted the amendment to the Original EPA to include a side agreement dated June 3, 2002 between BC Hydro, PCHI, and the District of West Vancouver (Side Letter). The Side Letter provided payment directions to BC Hydro such that EPA payments due to PCHI under the Original EPA were to be made to the District of West Vancouver. In addition, the Side Letter provided that if the District of West Vancouver terminated the Design-Build-Operate Agreement, then the Original EPA would be terminated concurrently, and a replacement EPA would be entered into between the

District of West Vancouver and BC Hydro for the unexpired term of the EPA, on the same price, and terms and conditions of the EPA;

- F. In April 2013, BC Hydro learned that PCHI was dissolved on April 13, 2009 by the Registrar of Companies. As a result, PCHI ceased to exist as a corporate entity in 2009;
- G. By Order G-61-12 dated May 17, 2012, the Commission established “Rules for Energy Supply Contracts for Electricity” (Rules) to facilitate the Commission’s review of energy supply contracts for electricity. As stated in the Rules, the Commission will rely on all information it considers necessary to determine whether an energy supply contract is in the public interest;
- H. The Commission issued letter L-1-18 dated January 9, 2018, inviting submissions from stakeholders regarding whether the EPA is in the public interest, and if there is a need for a hearing. No comments were received;
- I. On February 9, 2018, BC Hydro submitted its reply submission stating that BC Hydro has not received any comments from stakeholders, and therefore has no comments;
- J. On March 8, 2018, the Commission issued staff questions to BC Hydro. BC Hydro filed its responses on March 22, 2018; and
- K. The Commission reviewed the Filing in accordance with the criteria under section 71(2.21) of the UCA and requirements under the Rules, and considered submissions by BC Hydro. The Commission finds that the Eagle Lake C2 Micro Hydro Project Replacement EPA is in the public interest, and that a public hearing is not necessary for acceptance of the EPA.

NOW THEREFORE pursuant to section 71 of the *Utilities Commission Act* and the British Columbia Utilities Commission’s Rules for Energy Supply Contracts for Electricity, the Commission orders as follows:

- 1. The EPA dated October 1, 2017, between BC Hydro and the District of West Vancouver is in the public interest, and is accepted for filing under section 71 of the *Utilities Commission Act*.
- 2. The Commission will hold confidential the un-redacted version of the Eagle Lake C2 Micro Hydro Project Replacement EPA and the un-redacted additional information provided in confidence to the Commission in regard to the Eagle Lake C2 Micro Hydro Project Replacement EPA, on the basis that disclosure of commercially sensitive information may result in prejudice to BC Hydro’s ability to negotiate favourable EPAs in the future, to the detriment of ratepayers.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of March 2018.

BY ORDER

Original signed by:

M. Kresivo, QC
Commissioner