



**ORDER NUMBER  
E-14-19**

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

and

British Columbia Hydro and Power Authority  
Letter Agreement with Powerex Corp. – Forward Electricity Purchases

**BEFORE:**

D. M. Morton, Commissioner

on June 20, 2019

**ORDER**

**WHEREAS:**

- A. On December 6, 2018, pursuant to section 71 of the *Utilities Commission Act* (UCA), British Columbia Hydro and Power Authority (BC Hydro) filed for acceptance with the British Columbia Utilities Commission (BCUC) a confidential application seeking approval of a letter agreement, dated November 23, 2018, (Letter Agreement) between BC Hydro and Powerex Corp. (Powerex) (altogether the Application);
- B. The Letter Agreement, along with a subsequent amendment to the Letter Agreement, dated November 30, 2018 enables BC Hydro to enter into forward electricity purchase and sale transactions over the period from December 1, 2018 to June 30, 2019 (altogether the Agreement);
- C. By Order G-61-12, dated May 17, 2012, the BCUC established the Rules for Energy Supply Contracts (ESC) for Electricity (Rules). The Rules are intended to facilitate the BCUC's review of ESCs and proposed ESCs for electricity;
- D. On May 23, 2019, BC Hydro filed a public version of the Application, which included;
  - The Application;
  - BCUC information requests (IR) and respective responses; and
  - All confirmations of transactions made under the Agreement.
- E. BC Hydro requests that details in the Application, as well as the Agreement, are kept confidential due to their commercially sensitive nature and;
- F. The BCUC has reviewed the Application and has determined that the Agreement is in the public interest.

**NOW THEREFORE** pursuant to section 71 of the *Utilities Commission Act*, the BCUC directs the following:

1. The Agreement between BC Hydro and Powerex, which enables BC Hydro to enter into forward electricity purchase and sale transactions over the period from December 1, 2018 to June 30, 2019, is accepted for filing.
2. BC Hydro is directed to file with the BCUC the following no later than July 15, 2019;
  - a. All additional transactions made under the Agreement executed between May 23, 2019 and June 30, 2019;
  - b. The total volume of purchases made under the Agreement that were re-exported through the Transfer Pricing Agreement (TPA) between BC Hydro and Powerex and surplus to domestic load requirements;
  - c. The dates on which forward purchases made under the Agreement were re-exported through the TPA; and
  - d. The total revenues generated by re-exporting volumes purchased under the Agreement through the TPA.
3. BC Hydro is directed to file with the BCUC monthly reports to monitor water levels and inflows at each of the Kinbasket and Williston reservoirs. The submission of the first monthly report for the period June 1, 2019 to June 30, 2019, is required no later than July 15, 2019 and should contain the following for each of Kinbasket and Williston reservoir levels:
  - a. A line graph reflecting monthly reservoir levels over the past 12 months on a rolling basis compared against;
    - i. The minimum and maximum reservoir level as authorized by the water licence associated with each facility;
    - ii. A line graph reflecting monthly reservoir levels over the previous 12-month period;
    - iii. A line graph reflecting mean monthly reservoir levels over a 12-month period since dam operations took place;
    - iv. Line graphs reflecting the 12-month rolling period when each of the maximum and minimum monthly reservoir levels were achieved; and
  - b. A line graph reflecting monthly reservoir levels over the past 5 years on a rolling basis compared against;
    - i. The minimum and maximum reservoir level as authorized by the water licence associated with each facility;
    - ii. A line graph reflecting monthly reservoir levels over the previous five-year period;
    - iii. A line graph reflecting mean monthly reservoir levels since dam operations took place;
    - iv. Line graphs reflecting the five-year rolling period when each of the maximum and minimum monthly reservoir levels were achieved; and

- c. A line graph reflecting monthly forecast reservoir levels over the next 3 years on a rolling basis compared against;
  - i. The minimum and maximum reservoir level as authorized by the water licence associated with each facility;
  - ii. A line graph reflecting monthly forecast reservoir levels over the next 3 years;
  - iii. A line graph reflecting mean monthly reservoir levels since dam operations took place;
  - iv. Line graphs reflecting the three-year rolling period when each of the maximum and minimum monthly reservoir levels were achieved; and
- 4. Prior to the execution of any agreement involving physical forward electricity purchases and/or sales transactions, BC Hydro is directed to:
  - a. File an application with the BCUC requesting acceptance of such an agreement; and
  - b. Notify all parties to the 2011 NSA.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 20<sup>th</sup> day of June 2019.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner