



ORDER NUMBER

F-17-20

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro Power and Authority
Fleet Electrification Rate Application
Participant Assistance/Cost Award Application

BEFORE:

T. A. Loski, Panel Chair
A. K. Fung, QC, Commissioner

on April 30, 2020

ORDER

WHEREAS:

- A. On August 7, 2019, the British Columbia Hydro and Power Authority (BC Hydro) applied to the British Columbia Utilities Commission (BCUC) for approval of rates for two new services, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) (Application);
- B. The Application seeks approval of new Rate Schedules (RS) for an Overnight Rate (RS 1640, 1641, 1642, 1643) and a Demand Transition Rate (RS 1650, 1651, 1652, 1653) for optional services at demand equal to or greater than 150 kilowatts (kW) to allow BC Hydro to support the electrification of fleet vehicles and vessels in its service territory, as set out in Appendix B of the Application. BC Hydro proposes that the Demand Transition Rate and the Overnight Rate be approved effective April 1, 2020 and April 1, 2021, respectively;
- C. By Orders G-198-19, G-295-19, and G-314-19, the BCUC established a public hearing process and the regulatory timetable for the review of the Application, which included one round of BCUC and intervener information requests to BC Hydro, submissions on further process, and written final and reply arguments;
- D. On March 26, 2020, by Order G-67-20 and accompanying reasons for decision, the BCUC, among other things, approved RS 164x – Overnight Rate (150 kW and Over) effective April 1, 2021 and RS 165x – Demand Transition Rate (150 kW and Over) effective April 1, 2020, as set out in Directive 1 and Directive 2 of Order G-67-20, respectively;
- E. The following participants filed Participant Assistance/Cost Award (PACA) applications with the BCUC with respect to their participation in the proceeding:

Date (2020)	Participant	Application
March 16	Association of Major Power Customers of BC	\$7,305.91
February 28	British Columbia Old Age Pensioners' Organization et al.	\$14,843.87
February 18	BC Sustainable Energy Association	\$12,801.60
February 21	Clean Energy Association of B.C.	\$24,206.00
March 9	Commercial Energy Consumers Association of British Columbia	\$7,289.28

- F. By letter dated March 27, 2020, BC Hydro provided its comments on the PACA applications;
- G. By letter dated April 2, 2020, Clean Energy Association of B.C. provided its reply comments; and
- H. The BCUC has reviewed the PACA applications in accordance with the criteria and rates set out in the PACA Guidelines, attached to BCUC Order G-97-17, and BC Hydro's comments on the PACA applications, and makes the following determinations.

NOW THEREFORE pursuant to section 118(1) of the *Utilities Commission Act*, and for the reasons for decision attached as Appendix A to this order, the BCUC orders as follows:

1. Funding is awarded to the following interveners in the listed amounts for their participation in the proceeding:

Participant	Award
Association of Major Power Customers of BC	\$7,305.91
British Columbia Old Age Pensioners' Organization et al.	\$14,843.87
BC Sustainable Energy Association	\$12,801.60
Clean Energy Association of B.C.	\$16,083.20
Commercial Energy Consumers Association of British Columbia	\$7,289.28

2. BC Hydro is directed to reimburse the above noted participants for their respective awarded amounts in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of April 2020.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachment

British Columbia Hydro and Power Authority
Fleet Electrification Rate Application
Participant Assistant/Cost Award Application

REASONS FOR DECISION

1.0 Background

By Order G-67-20 with accompanying reasons for decision dated March 26, 2020, the British Columbia Utilities Commission (BCUC), among other things, approved two new rate schedules to support fleet electrification; the RS 164x – Overnight Rate (150 kW and Over) and RS 165x – Demand Transition Rate (150 kW and Over) effective April 1, 2021.

Participant Assistance/Cost Award (PACA) applications were filed by the following interveners for their participation in the proceeding, as summarized below:

Date (2020)	Participant	Application
March 16	Association of Major Power Customers of BC (AMPC)	\$7,305.91
February 28	British Columbia Old Age Pensioners' Organization et al. (BCOAPO)	\$14,843.87
February 18	BC Sustainable Energy Association (BCSEA)	\$12,801.60
February 21	Clean Energy Association of B.C. (CEABC)	\$24,206.00
March 9	Commercial Energy Consumers Association of British Columbia (CEC)	\$7,289.28

Section 118 of the *Utilities Commission Act* (UCA) provides that “The Commission may order a participant in a proceeding before the commission to pay all or part of the costs of another participant in the proceeding.”

2.0 PACA Guidelines

In its review of the PACA applications, the Panel was guided by the PACA Guidelines as set out in Appendix A attached to BCUC Order G-97-17, which set out the eligibility requirements and criteria used in assessing cost awards, including the process for applying for a cost award, eligible costs and rates.

Section 3.1 of the PACA Guidelines outlines the considerations to determine participant eligibility for a cost award. The BCUC will consider whether the participant:

- (a) is directly or sufficiently affected by the BCUC’s decision; or
- (b) has experience, information, or expertise relevant to a matter before the BCUC that would contribute to the BCUC’s decision-making.

Section 3.2 of the PACA Guidelines describes the general characteristics of a participant in a proceeding that would meet the eligibility criterion. Included among examples of these is a participant representing the direct

interests of ratepayer groups or affected groups in relation to matters that are regulated by the BCUC. If the participant is eligible for a cost award, the Panel then considers the following in determining the amount of a participant's cost award in accordance with section 4.3 of the PACA Guidelines:

- (a) Has the participant contributed to a better understanding by the BCUC of the issues in the proceeding?
- (b) To what degree will the participant be affected by the outcome of the proceeding?
- (c) Are the costs incurred by the participant fair and reasonable?
- (d) Has the participant joined with other groups with similar interests to reduce costs?
- (e) Has the participant made reasonable efforts to avoid conduct that would unnecessarily lengthen the duration of the proceeding, such as ensuring participation was not unduly repetitive?
- (f) The funding day calculation for funding in accordance with sections 4.1 and 4.2, if one is provided.
- (g) Any other matters which the BCUC determines appropriate in the circumstances.

3.0 PACA Applications

Pursuant to Section 14.1.2 of the PACA Guidelines, BCUC staff provided responses to intervener PACA budget estimates. The total number of funding days required for full participation in the proceeding was estimated at 3.0 days, resulting from one round of information requests (IRs), written submission on further process, as well as written final arguments.

BC Hydro was provided with copies of PACA applications as submitted by interveners pursuant to Section 14.2.4 of the PACA Guidelines. In its comment dated March 24, 2020, BC Hydro stated that:¹

BC Hydro has reviewed the cost claims made by the Applicants and finds that they are substantially consistent with the Participant Assistance/Cost Award Guidelines (Commission Order No. G-97-17). With respect to the CEABC application, and while the rates submitted in their application for cost awards are as prescribed in the PACA Guidelines, BC Hydro notes that CEABC's request is approximately twice that of other interveners for an equivalent participation. BC Hydro respectfully submits that the Applicants' application be adjusted, and BC Hydro leaves it to the Commission's discretion as to the level of cost awards to be made.

CEABC provided its reply comment on April 2, 2020, stating that "our reimbursement request is greater than the minimum required to peruse, understand, analyze and comment on BC Hydro's presented materials because CEABC took a broader perspective than other interveners."²

The below table summarizes the number of PACA funding days requested by each intervener in the PACA application.

¹ BC Hydro Comments dated March 27, 2020.

² CEABC Reply Comments dated April 2, 2020

Number of PACA Funding Days Requested by Each Intervener

Participant	Legal	Consulting	Total
AMPC	2.61	0	2.61
BCOAPO	3.2	3.09	6.29
BCSEA	2.1	3.2	5.3
CEABC	3.5	7	10.5
CEC	1.19	2.19	3.38

3.1 AMPC and CEC

AMPC's membership included pulp and paper, forestry, mining, and petro-chemical operators, representing a majority of BC Hydro's industrial electricity load. AMPC's members therefore had a substantial interest in this proceeding due to the impact of potential BC Hydro rate increases on their businesses.³ In this proceeding, AMPC requests a cost award of \$7,305.91.

The CEC is composed of members, which are commercial class customers of BC Hydro, a significant portion of BC Hydro's rate base, whose interests are significantly impacted by this Application.⁴ In this proceeding, the CEC requests a cost award of \$7,289.28.

BCUC Determination

In its consideration of the PACA Guidelines, the Panel finds that AMPC and the CEC are eligible for PACA and contributed to a better understanding of the issues raised in this proceeding. The Panel notes that each intervener actively participated in the proceeding and that the number of days claimed for both legal and consulting services is within BCUC staff's expectation of funding days for this proceeding.

For these reasons, the Panel awards AMPC and the CEC the full amounts of \$7,305.91 and \$7,289.28 inclusive of applicable taxes and disbursements, respectively, as applied for in their respective PACA applications for their participation in this proceeding.

3.2 BCSEA

BCSEA is a registered charity and a non-profit association of citizens, professionals and practitioners committed to promoting the understanding, development and adoption of sustainable energy, energy efficiency and energy conservation in British Columbia.⁵ BCSEA states that members of BCSEA are actual or potential customers of BC Hydro. As such, they are actually or potentially directly affected by the Application. Also, BCSEA's interest in this proceeding are as non-profit public interest environmental and energy policy organizations.⁶ In this proceeding, BCSEA requests a cost award of \$12,801.60.

In BCSEA's PACA application, the amount of funding days sought by BCSEA for legal services (3.2) exceeds BCUC staff's estimated 3.0 funding days required for full participation in this proceeding by 0.2 day, while the 2.1 funding days sought for consulting services are within the estimated number of funding days.

³ AMPC PACA Application, p. 2.

⁴ CEC PACA Application, p. 2.

⁵ Exhibit C4-1, p. 1.

⁶ BCSEA PACA Application, p. 3.

BCUC Determination

With respect to BCSEA's PACA application, the Panel considers the criteria in the PACA Guidelines and finds that BCSEA is eligible for PACA. The Panel also acknowledges that BCSEA contributed to a better understanding of the issues raised in this proceeding. While the 3.2 funding days sought for legal services exceed BCUC staff's estimate, the Panel notes that this estimate is not binding on the Panel and does not find this request to be excessive. The Panel also notes that the 2.1 funding days for consulting services are within the funding day estimate and, in consideration of the PACA Guidelines, the Panel finds that BCSEA's total PACA costs are fair and reasonable.

For these reasons, the Panel awards BCSEA the full award of \$12,801.60 inclusive of applicable taxes as applied for its participation in this proceeding.

3.3 BCOAPO

The constituent groups of BCOAPO represent the interests of low and fixed income energy consumers within British Columbia and more specifically in this proceeding, the interests of BC Hydro's low and fixed income residential ratepayers.⁷ BCOAPO submits their interests will be directly affected by the outcome of this Application.⁸ In this proceeding, BCOAPO requests a cost award of \$14,843.87.

In BCOAPO's PACA application, the amount of funding days sought by BCOAPO for legal services (3.2) and consulting services exceeds BCUC staff's estimated 3.0 funding days required for full participation in this proceeding by 0.2 day and 0.09 day, respectively.

BCUC Determination

With respect to BCOAPO's PACA application, the Panel considers the criteria in the PACA Guidelines and finds that BCOAPO is eligible for PACA. The Panel also acknowledges that BCOAPO contributed to a better understanding of the issues raised in this proceeding. While the 3.2 funding days sought for legal services and 3.09 funding days sought of consulting services exceed BCUC staff's estimate, the Panel notes that this estimate is not binding on the Panel and does not find this request to be excessive. The Panel also notes that issues raised by BCOAPO in this proceeding are important considerations in the Panel's decision, as prominently featured in the Panel's discussion regarding those issues in the reasons for decision in Appendix A to Order G-67-20. In addition, the Panel notes that BCOAPO made a suggestion in its final argument regarding the transition mechanism starting in F2027 and ending in F2032 for the Demand Transition Rate, which was adopted by BC Hydro and approved by the Panel as part of the approved rate schedule for the Demand Transition Rate. In consideration of the PACA Guidelines and BCOAPO's contribution in this proceeding, the Panel finds that BCOAPO's total PACA costs are fair and reasonable.

For these reasons, the Panel awards BCOAPO the full award of \$14,843.87 inclusive of applicable taxes and disbursements as applied for its participation in this proceeding.

⁷ Exhibit C7-1, pp. 1-2.

⁸ BCOAPO PACA Application, p. 2.

3.4 CEABC

CEABC represents members who are actively engaged in the development, including ongoing operation of electrical generating projects the output which is sold to BC Hydro. CEABC members are affected by corporate decisions that BC Hydro makes, some of which are outlined in the Fleet Electrification Rate Application.⁹ Pursuant to Section 14.1.1 of the PACA Guidelines, CEABC submitted a PACA budget with an estimated cost award of \$22,638.00. Pursuant to Section 14.1.3 of the Guidelines, BCUC staff provided a response to CEABC's PACA budget estimate and provided an estimate of funding days and the criteria used to determine PACA awards as set out in Sections 4.2 and 4.3 of the PACA Guidelines. While not binding, BCUC staff also informed CEABC that, in BCUC staff's opinion, a portion of CEABC's budget estimate may not be granted in full as the number of funding days budgeted for each of legal and consulting services exceeded staff's estimate for the proceeding.

In this proceeding, CEABC requested a cost award of \$24,206.00. The cost award submitted by CEABC for its legal counsel is 3.5 days based on Mr. Austin's maximum daily fee of \$2,800 (more than 25 years since call to the BC Bar), and for its consultant is 7 days based on Mr. Weimer's daily fee of \$1,800 (more than 15 years of experience). In CEABC's PACA application, the amount of funding days sought by CEABC totals 10.5 days. Funding days for legal services (3.5) exceed staff's expected number of funding days required for full participation in this proceeding by 0.5 days, while funding days sought for consulting services (7.0) exceeds the staff's expected number of funding days by 4.0 days.

BCUC Determination

In its consideration of the PACA Guidelines, the Panel finds that CEABC is eligible for PACA. The Panel notes that CEABC actively participated in the proceeding and raised matters relevant to a better understating of the issues in the proceeding. The Panel, however, is of the view that CEABC's participation and contribution in the proceeding were in line with, and not above the participation and contributions of other interveners. While the Panel acknowledges that funding day estimates are not binding, the Panel notes that both the individual funding days for legal and consulting services and the 10.5 funding days total sought by CEABC are significantly higher than BCUC staff's funding day estimate.

In addition, the Panel observes that CEABC's requested funding days attributed to legal and consulting services, as a total, are significantly higher than the funding days sought by other interveners. The Panel observes that funding days claimed by CEABC are twice the amount of the next highest request for consulting services. In the Panel's view, however, CEABC's contribution to the proceeding did not exceed the contribution made by any other intervener.

In consideration of the PACA Guidelines, whether the participant has contributed to a better understanding of the issues raised in the proceeding and whether the costs incurred are fair and reasonable, **the Panel finds the number of funding days sought by CEABC is excessive and a downwards adjustment to CEABC's award is warranted.**

To align CEABC's PACA award within the range of the PACA requests made by other interveners, the Panel looks to the funding days for both legal and consulting services requested by the other interveners. The below table compares intervener funding day requests.

⁹ Exhibit C3-1, p. 1.

Intervener Funding Day Request Comparison

	AMPC	BCOAPO	BCSEA	CEABC	CEC
Legal Counsel	2.61	3.2	2.1	3.5	1.19
Consulting	0	3.09	3.2	7	2.19
Total	2.61	6.29	5.3	10.5	3.38

The Panel notes that for legal services, the next highest number of funding days is attributed to BCOAPO at 3.2 days and for consulting services, this is attributed to BCSEA, at 3.2 days. The Panel therefore finds it appropriate to make a reduction to CEABC's PACA award that sets CEABC's funding days at 3.2 for legal services at 3.2 for consulting services, at the applicable daily rates.

CEABC PACA Summary vs Adjusted PACA Award

	Requested PACA		Adjusted PACA	
	Funding Days	Amount	Funding Days	Amount ¹⁰
Legal Counsel	3.5	\$10,976.00	3.2	\$ 10,035.20
Consulting	7.0	\$13,230.00	3.2	\$6,048.00
Total	10.5	\$24,206.00	6.4	\$16,083.20

Pursuant to the PACA Guidelines and for the reasons stated above, the Panel awards CEABC a cost award of \$16,083.20, inclusive of applicable taxes. The award aligns CEABC's contribution towards the higher end of the range of PACA requests made by other interveners, while recognizing their contributions towards the relevant issues in this proceeding.

¹⁰ All amounts Includes GST and PST for legal counsel and disbursements, GST only for consultant.