



ORDER NUMBER
G-224-20

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

and

British Columbia Hydro and Power Authority
Customer Crisis Fund Evaluation Report

BEFORE:

W. M. Everett, QC, Panel Chair
D. A. Cote, Commissioner
K. A. Keilty, Commissioner

on August 28, 2020

ORDER

WHEREAS:

- A. On July 31, 2020, British Columbia Hydro and Power Authority (BC Hydro) filed its Two-Year Evaluation Report for the Customer Crisis Fund (CCF) Pilot Program (Two-Year Evaluation Report) with the British Columbia Utilities Commission (BCUC);
- B. Following the public hearing of BC Hydro's 2015 Rate Design Application (2015 RDA), the BCUC issued Order G-5-17 and the accompanying Decision on January 20, 2017. In the 2015 RDA Decision, the BCUC approved the establishment of a pilot crisis intervention fund and directed BC Hydro to file a proposal for a pilot program within six months of the date of the 2015 RDA Decision;
- C. By Order G-166-17 dated November 17, 2017, the BCUC made orders related to the Customer Emergency Fund (CEF) Pilot Program Application, including approval of the CEF Rate Rider and the CEF Regulatory Account. The BCUC also directed BC Hydro to file an evaluation report within 90 days of the completion of the second year of the CEF Pilot Program. The CEF, renamed the Customer Crisis Fund (CCF) Pilot Program, came into effect on June 1, 2018;
- D. Upon receiving a significant number of complaints regarding the CCF Pilot, by Order G-211-20, the BCUC directed BC Hydro to file an evaluation report of the CCF Pilot Program within 90 days of the completion of the first year of the CCF Pilot Program;
- E. On July 31, 2019, BC Hydro filed its Year One Evaluation Report for the CCF Pilot Program with the BCUC and, on August 22, 2019, the BCUC commenced a proceeding to review the Evaluation Report (CCF Evaluation Report Proceeding). The Year One and Two-Year Evaluation Reports are collectively referred to as the Evaluation Reports;
- F. On July 31, 2019, BC Hydro filed a separate application with the BCUC to amend the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day (CCF Rate Rider Amendment Application);

- G. By Order G-194-19 dated August 21, 2019, for the CCF Rate Rider Amendment Application, the BCUC approved the amendment to the CCF Rate Rider from 0.82 cents per day to 0.43 cents per day on an interim basis. In that same order, the BCUC suspended its review of the BC Hydro CCF Rate Rider Amendment Application pending the outcome of the CCF Evaluation Report Proceeding;
- H. The following parties registered as interveners in the CCF Evaluation Report Proceeding: BC Sustainable Energy Association (BCSEA); FortisBC Energy Inc. and FortisBC Inc. (collectively FortisBC); Mr. Anthony Lo; Non-Integrated Areas Ratepayers Group (NIARG); BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and Together Against Poverty Society (BCOAPO); Zone II Ratepayers Group (Zone II RPG); and Commercial Energy Consumers Association of British Columbia (CEC);
- I. By Order G-5-20, the BCUC adjourned the CCF Evaluation Report Proceeding pending the filing of the evaluation report on or before July 28, 2020, being within 90 days of the completion of the second year of the CCF Pilot Program in compliance with Order G-166-17;
- J. On April 2, 2020, Order in Council (OIC) 159 was issued and made the following orders, amongst others:
 - 3. The commission must allow the authority to do the following:
 - (a) defer to the customer crisis fund regulatory account the following amounts:
 - (i) the amounts credited to customers in accordance with the emergency program for residential customers;
 - (ii) the costs incurred by the authority in administering the emergency program for residential customers;
 - (iii) in relation to the balance in the customer crisis fund regulatory account, interest determined in a fiscal year at a rate equal to the authority's weighted average cost of debt in that fiscal year;
 - (b) reduce the customer crisis fund regulatory account by amounts paid to the authority under the customer crisis fund rate rider;
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 - 5. The commission may not exercise its powers under the Act to amend, cancel or suspend the customer crisis fund rate rider, except on application by the authority.
- K. By Order G-79-20, the BCUC approved the BC Hydro COVID-19 Customer Relief program; and
- L. The BCUC considers that reopening the CCF Evaluation Report proceeding and establishing a regulatory timetable is warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. A Regulatory Timetable is established, as set out in Appendix A to this order, for BC Hydro and Registered Intervenors to file submissions addressing the items outlined in Appendix B to this order.
- 2. BC Hydro must make the CCF Evaluation Reports and non-confidential supporting material available on BC Hydro's website.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of August 2020.

BY ORDER

Original Signed By:

W. M. Everett, QC
Commissioner

Attachment

British Columbia Hydro and Power Authority
Customer Crisis Fund Evaluation Report

REGULATORY TIMETABLE

Action	Date (2020)
Submissions from BC Hydro on items outlined in Appendix B	Friday September 4
Submissions from Registered Interveners on items outlined in Appendix B	Monday, September 14
Reply submissions from BC Hydro on items outlined in Appendix B	Monday, September 21
Further process	To be determined

British Columbia Hydro and Power Authority
Customer Crisis Fund Evaluation Report

REQUEST FOR SUBMISSIONS

The British Columbia Utilities Commission (BCUC) Panel requests submissions from British Columbia Hydro and Power Authority (BC Hydro) and registered interveners that address the specific items listed below in relation to the Customer Crisis Fund (CCF) Pilot Program. Submissions should be made in accordance with the Regulatory Timetable.

Background

The BCUC approved the establishment of a pilot crisis intervention fund in the 2015 BC Hydro Rate Design Application proceeding, in order to assess whether there is an economic or cost of service justification for a permanent fund.¹

BC Hydro subsequently filed its proposal for the CCF Pilot with the BCUC, which was reviewed as part of a public hearing process. The BCUC approved the CCF rate rider and regulatory account and directed BC Hydro to file an evaluation report within 90 days of the completion of the second year of the pilot. The CCF Pilot Program came into effect on June 1, 2018 and was to continue until the earlier of three years from the implementation date, BCUC approval of an application from BC Hydro to end the pilot, or issuance of a BCUC order to end the pilot.²

Following customer feedback, the BCUC ordered BC Hydro to file an evaluation report for the CCF Pilot Program within 90 days of the completion of the first year.³

Upon reviewing the CCF Year One Evaluation Report, it was determined that more data was required to accurately evaluate the program's effectiveness. Therefore, the BCUC ordered the adjournment of the CCF Evaluation Report proceeding pending the filing of an evaluation report upon the completion of the second year of the CCF Pilot Program.⁴

On April 2, 2020, the Lieutenant Governor in Council issued a Direction to the BCUC Respecting COVID-19 Relief (Order in Council (OIC) 159), which stated, amongst other things, that the BCUC must allow BC Hydro to defer amounts for the residential customer COVID-19 Relief Program to the CCF regulatory account. In addition, OIC 159 states that the BCUC "may not exercise its powers under the Act to amend, cancel or suspend the customer crisis fund rate rider, except on application by [BC Hydro]."

As a result of the amounts credited to the CCF regulatory account for the residential COVID-19 Relief Program, the account is currently in a deficit position.

On July 28, 2020, BC Hydro filed its Two-Year Evaluation Report for the CCF Pilot Program with the BCUC, which states that "the evaluation of the pilot program indicates there are insufficient utility benefits to justify CCF on an economic or cost of service basis notwithstanding the potential societal benefits of the CCF." Further, BC Hydro states that "the purpose of the Year Two Evaluation Report is not to make a recommendation regarding the viability of an on-going customer crisis program."⁵

¹ BC Hydro 2015 RDA Decision, pp. 93-98

² BCUC Order G-166-17

³ BCUC Order G-211-18

⁴ BCUC Order G-5-20

⁵ Exhibit B-5, pp. 2, 8

Request for Submissions

The Panel requests that the submissions from BC Hydro and registered interveners address the following items:

1. The jurisdiction of the BCUC to review the CCF Pilot Program in light of OIC 159.
2. Whether the BCUC should proceed with a review of the CCF Pilot Program based on the information contained in the CCF Evaluation Reports or whether the proceeding should be adjourned again.
3. If the BCUC proceeds with a review of the CCF Pilot Program based on the information contained in the Evaluation Reports, please address the following:
 - a. The proposed regulatory process and the supporting rationale; and
 - b. The specific topics that should be addressed as part of the scope of the review.