



ORDER NUMBER
F-32-20

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

and

British Columbia Hydro and Power Authority
F2020 to F2021 Revenue Requirements Application
Interim Participant Assistance/Cost Award Application

BEFORE:

D. M. Morton, Panel Chair
A. K. Fung, QC, Commissioner
E. B. Lockhart, Commissioner
R. I. Mason, Commissioner

on September 9, 2020

ORDER

WHEREAS:

- A. On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2020 to Fiscal 2021 (F2020–F2021) Revenue Requirements Application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to sections 44.2, 58 to 61 and 99 of the *Utilities Commission Act* (UCA) requesting, among other things:
1. approval of a reduction of the Deferral Account Rate Rider from 5 percent to 0 percent effective April 1, 2019;
 2. approval of an increase in rates by 6.85 percent effective April 1, 2019;
 3. approval of an increase in rates by 0.72 percent effective April 1, 2020; and
 4. approval of the F2020–F2021 Open Access Transmission Tariff rates as set out in Table 9-8 of the Application effective April 1, 2019 and April 1, 2020, respectively;
- B. By Orders G-45-19, G-146-19, G-218-19, G-268-19, G-279-19, G-312-19 and G-63-20, the BCUC established and later amended a regulatory timetable for the review of the Application, which includes, among other things, a BC Hydro workshop, two procedural conferences, four rounds of BCUC and intervener information requests (IRs) and two rounds of Panel IRs to BC Hydro, intervener evidence and IRs on that evidence, rebuttal evidence and an oral hearing, followed by final and reply arguments from all parties, and an oral phase of argument, if required. By letter dated June 2, 2020, the Panel confirmed a web-based oral phase of argument and interveners and BC Hydro were provided the opportunity to submit written submissions regarding any issues arising from the web-based oral phase of argument;
- C. By letters dated July 6 and 15, 2020, the Panel sought further legal reply submissions from BC Hydro and interveners on certain matters;

- D. BC Sustainable Energy Association (BCSEA) registered as an intervener in the proceeding and, on July 22, 2020, filed an interim Participant Assistance/Cost Award (PACA) application with the BCUC requesting \$215,931.80, inclusive of applicable taxes, with respect to its participation in the proceeding pursuant to the BCUC's PACA Guidelines (Interim PACA Application);
- E. On August 7, 2020, BC Hydro provided its comments regarding the Interim PACA Application and stated, among other things, that it does not object to an interim cost award, but suggests the interim award be equal to BCSEA's revised PACA budget estimate dated July 8, 2019 of \$132,334.00 and that any additional PACA award be explored during the final award review stage. BCSEA did not submit a reply to BC Hydro's comments; and
- F. The BCUC has reviewed the Interim PACA Application and the comments made by BC Hydro in accordance with the criteria and rates set out in the PACA Guidelines attached to Order G-97-17 and considers an interim cost award is warranted.

NOW THEREFORE pursuant to section 118(1) of the UCA, the BCUC orders as follows:

1. For the reasons outlined in Appendix A to this order, interim costs in the amount of \$132,334.00 are awarded to BCSEA as an advance against the BCUC's final cost award determination after the conclusion of the proceeding.
2. BC Hydro is directed to pay BCSEA the amount of the interim cost award in a timely manner.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of September 2020.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

British Columbia Hydro and Power Authority
F2020 to F2021 Revenue Requirements Application
Interim Participant Assistance/Cost Award Application

REASONS FOR DECISION

1.0 Introduction

On February 25, 2019, the British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2020 to Fiscal 2021 (F2020–F2021) Revenue Requirements Application (Application) with the British Columbia Utilities Commission (BCUC). The BCUC established and later amended a regulatory timetable for the review of the Application, which includes, among other things, a BC Hydro workshop; two procedural conferences; four rounds of BCUC and intervener information requests (IRs) and two rounds of Panel IRs to BC Hydro; intervener evidence and IRs on that evidence; rebuttal evidence; an oral hearing followed by written final and reply arguments from all parties; and a web-based oral phase of argument followed by written reply submissions from all parties.¹ On July 6 and 15, 2020, the Panel also sought further legal reply submissions from BC Hydro and interveners on certain matters.²

BC Sustainable Energy Association (BCSEA) is a registered intervener in the proceeding to review the Application and, on July 22, 2020, filed with the BCUC an application for interim funding (Interim PACA Application) pursuant to the BCUC’s Participant Assistance/Cost Award (PACA) Guidelines. As part of the review process for the Interim PACA Application, BC Hydro was provided an opportunity to comment and BCSEA was provided an opportunity to reply to BC Hydro’s comments. BC Hydro’s comments were received by the BCUC on August 7, 2020 and BCSEA did not submit a reply.

1.1 Legislative Framework

Section 118 of the *Utilities Commission Act* (UCA) states that the BCUC may order a participant in a proceeding before the BCUC to pay all or part of the costs of another participant in the proceeding.

Order G-97-17 establishes the BCUC’s PACA Guidelines. Section 5.0 of the PACA Guidelines specifies the application process, requirements, and considerations for assessing interim funding requests.

2.0 Interim PACA Funding for BCSEA

On April 2, 2019, BCSEA filed a PACA budget with the BCUC pursuant to the BCUC’s PACA Guidelines. BCSEA’s PACA budget was subsequently revised on July 8, 2019 to estimate PACA funding of \$132,334.00, inclusive of applicable taxes, for its participation in the BC Hydro F2020–F2021 Revenue Requirements Application proceeding.

On July 22, 2020, BCSEA filed an Interim PACA Application requesting interim funding of \$215,931.80, inclusive of applicable taxes. In the Interim PACA Application, BCSEA notes the “lengthy” duration of the proceeding and that it cannot afford to participate in the BCUC’s proceedings without the prospect of a participant cost award.³

¹ By Orders G-45-19, G-146-19, G-218-19, G-268-19, G-279-19, G-312-19 and G-63-20; Exhibit A-34.

² Exhibit A-37; Exhibit A-38.

³ Interim PACA Application, p. 8; Cover Page, p. 1.

On August 7, 2020, BC Hydro provided its comments regarding the Interim PACA Application and stated, among other things, that it does not object to an interim cost award, but suggests the interim award be equal to BCSEA's revised PACA budget estimate and that any additional PACA award be explored during the final award review stage.

BCUC Determination

The final determinations on any PACA award are generally made upon application for cost awards after the proceeding, and considering the criteria noted in the PACA Guidelines. The criteria include, among other things, whether the participant has contributed to a better understanding by the BCUC of the issues in the proceeding.⁴ The Panel will be in a better position to make this determination after the conclusion of the proceeding and after the proceeding's final order and decision have been issued. This is consistent with the BCUC's target to issue final cost awards within 60 calendar days after the issuance of the proceeding's final order, decision or report.⁵

After consideration of BCSEA's Interim PACA Application and the comments submitted by BC Hydro in accordance with the criteria and rates set out in the BCUC's PACA Guidelines, attached to Order G-97-17, the Panel finds that an interim award is warranted. However, until the Panel considers whether BCSEA has contributed to a better understanding by the Panel of the issues in the proceeding, the interim award is limited to the amount submitted by BCSEA in its revised PACA budget dated July 8, 2019. Therefore, the Panel awards BCSEA interim funding of \$132,334.00, inclusive of applicable taxes. This interim funding constitutes an advance against the Panel's final cost award determination after the conclusion of the proceeding. As such, the Panel will make a final determination on the amount of PACA for BCSEA after the conclusion of the proceeding.

The Panel notes section 5.4 of the PACA Guidelines states that interim funding ordered by the BCUC "typically does not exceed 50 percent of the participant's budget estimate." However, considering the increased regulatory process compared to the process contemplated when BCSEA submitted its revised PACA budget, the Panel accepts that BCSEA's actual participation costs may be higher than budgeted and finds it appropriate to exercise its discretion to make an interim award in the amount of BCSEA's revised PACA budget, pending the Panel's final cost award determination.

⁴ PACA Guidelines, Section 4.3(a).

⁵ Ibid., Section 14.2.8.