



ORDER NUMBER
G-228-23

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

and

British Columbia Hydro and Power Authority
Optional Residential Time-of-Use Rate Application

BEFORE:

D. M. Morton, Panel Chair
A. K. Fung, KC, Commissioner
T. A. Loski, Commissioner

on August 25, 2023

ORDER

WHEREAS:

- A. On February 27, 2023, British Columbia Hydro and Power Authority (BC Hydro) filed its Optional Residential Time-of-Use Rate Application (Application) seeking approval of Rate Schedule 2101 - Residential Service - Time-of-Use Rate (Optional Residential TOU Rate), effective the later of April 1, 2024 or the first day of the fourth calendar month following the British Columbia Utilities Commission (BCUC) order approving the rate schedule;
- B. In the Application, and as shown in Appendix B of the Application, BC Hydro proposes that the Optional Residential TOU Rate be as follows:
 1. Available to BC Hydro's Residential Service Customers on a voluntary, opt-in basis, in BC Hydro's integrated service area;
 2. Applicable for all electricity consumption under a Residential Service account, including electric vehicle charging; and
 3. An "add-on" rate that applies year-round and every day of the year, such that participating customers are first billed for their total electricity usage during a billing period based on their existing Residential Service rate, and then will receive:
 - i. a 5-cent credit for each kWh of electricity consumed during the Overnight period (11 p.m. to 7 a.m.);
 - ii. a 5-cent additional charge for each kWh of electricity consumed during the On-Peak period (4 p.m. to 9 p.m.); and

- iii. no credit or additional charge for each kWh of electricity consumed during the Off-Peak period (9 p.m. to 11 p.m. and 7 a.m. to 4 p.m.);
- C. By Order G-49-23, the BCUC established a regulatory timetable for the review of the Application that included, among other things, a round of information requests to BC Hydro, a procedural conference, and further process to be determined;
- D. On August 18, 2023, BC Hydro and the registered interveners made submissions at the procedural conference; and
- E. The Panel has considered the evidentiary record and the submissions made by the parties at the procedural conference and finds that a further regulatory timetable for the review of the Application is warranted.

NOW THEREFORE for the reasons set out in Appendix B attached to this order, the BCUC establishes a further regulatory timetable, as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 25th day of August 2023.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachments

British Columbia Hydro and Power Authority
Optional Residential Time-of-Use Rate Application

REGULATORY TIMETABLE

Action	Date (2023)
BC Hydro files supplementary Information Request (IR) responses to BCUC IRs 17.2 and 38.5	Tuesday, August 29
BCUC and Intervener ¹ IR No. 2 to BC Hydro, with limited scope	Wednesday, September 13
BCOAPO IR No. 2 to BC Hydro, with limited scope	Wednesday, September 27
BC Hydro responses to IRs No. 2 and Final Argument	Tuesday, October 10
Intervener Final Argument	Wednesday, October 25
BC Hydro Reply Argument	Wednesday, November 8

¹ Excludes British Columbia Old Age Pensioners' Organization, *et al.* (BCOAPO).

British Columbia Hydro and Power Authority
Optional Residential Time-of-Use Rate Application

REASONS FOR DECISION

1.0 Background

On February 27, 2023, British Columbia Hydro and Power Authority (BC Hydro) filed its Optional Residential Time-of-Use Rate Application (Application) seeking approval of Rate Schedule 2101 - Residential Service - Time-of-Use Rate (TOU Rate), effective the later of April 1, 2024 or the first day of the fourth calendar month following the British Columbia Utilities Commission (BCUC) order approving the rate schedule.

By Order G-49-23, the BCUC established a regulatory timetable for the review of the Application that included, among other things, a round of information requests (IRs) to BC Hydro, a procedural conference, and further process to be determined. A procedural conference was held on August 18, 2023 to determine next steps in the regulatory process.

The following parties made oral submissions at the procedural conference:

- BC Hydro;
- Movement of United Professionals (MoveUP);
- Residential Consumer Intervenor Association (RCIA);
- Commercial Energy Consumers Association of British Columbia (the CEC);
- B.C. Sustainable Energy Association and Vancouver Electric Vehicle Association (BCSEA-VEVA);
- British Columbia Old Age Pensioners' Organization, *et al.* (BCOAPO);
- Brent Lipson and Riverside Energy (Lipson-Riverside); and
- BCUC Staff.

2.0 Further Process and Scope

In its Application, BC Hydro requests approval of the optional residential TOU rate “effective the later of April 1, 2024, or the first day of the fourth calendar month following the Commission order approving the rate schedule.”² However, at the procedural conference BC Hydro states its preference to implement the optional residential TOU rate effective April 1, 2024, given that is the beginning of BC Hydro’s fiscal year. Further, BC Hydro points out that a delay in the implementation date may also delay potential capacity savings.³ BC Hydro states that it requires a BCUC decision by end of January 2024 to implement the rate effective April 1, 2024. However, BC Hydro clarifies that if the rate cannot be implemented on April 1, 2024, the next potential date is not limited to April 1, 2025, and it could be a date in between.

² Exhibit B-1, p. 1-5.

³ Transcript Volume 1 of the Procedural Conference dated August 18, 2023 (Transcript), p. 28.

At the procedural conference, BC Hydro filed a proposed regulatory timetable that includes supplementary IR responses, a round of IRs (IR no.2) limited to those supplementary IR responses and written final and reply arguments.⁴ The supplementary IR responses are as follows:

- BCUC IR 17.2, to provide additional analysis with respect to the IR, which requests BC Hydro to update Table 4-20, *Assessment Results for Winter Only Fixed Time-of-Use Energy Charges with Flat Non-Winter Energy Charge*, assuming a flat rate as the default residential rate, to discuss the results, and to provide any assumptions used.
- BCUC IR 38.5, to expand on how/why BC Hydro now proposes that net metering customers be on the TOU Rate.

In addition to the above-noted supplementary IR responses, BC Hydro proposes to include within the scope of IR no. 2 the response to BCUC IR 2.1, where BC Hydro updated the TOU Rate modelling results to reflect the following:⁵

1. Updated general rate increases and pricing principles;
2. Time-Based Billing Infrastructure project cost;
3. Signposts Update and Updated 2021 Integrated Resource Plan, which includes an updated electric vehicle (EV) stock forecast and updated long run marginal costs; and
4. Corrections to the EV charging load distribution.

MoveUP, RCIA, the CEC, BCSEA-VEVA, and Lipson-Riverside generally agree with BC Hydro's proposed regulatory timetable. BCOAPO and BCUC Staff, however, submit that IR no. 2 should not be limited in scope.⁶

BCOAPO submits that there are IR responses that require further clarification and reconciliation due to inconsistencies between responses, which may not be fully addressed in the IR responses that BC Hydro submits to be in scope for IR no. 2.⁷ Further, BCOAPO submits that the IR responses in the BC Hydro Transmission Service Rate Design Application proceeding regarding BC Hydro's view on considerations that should go into designing default versus optional rates and their adherence to or application of these considerations to the Application should be tested in IR no. 2.⁸

BCUC Staff submits that the scope of IR no. 2 should not be limited considering the errata filed by BC Hydro on August 14, 2023, BC Hydro's new proposal to not have the TOU Rate be subject to the deferral account rate rider (DARR), and BC Hydro's updated modelling results provided in response to BCUC IR 2.1.⁹

In addition, BCOAPO, Lipson-Riverside, and BCUC Staff raised concerns with the timing of IR no. 2 proposed by BC Hydro. BCOAPO submits that due to its expert's vacation schedule and commitments in other regulatory proceedings, it would be difficult to prepare IR no. 2 until the last week of September.¹⁰ Lipson-Riverside

⁴ Exhibit B-8.

⁵ Transcript, p. 59.

⁶ Transcript, pp. 19–20, pp. 26–27.

⁷ Transcript, pp. 19–20, 44.

⁸ Transcript, p. 20.

⁹ Transcript, pp. 26–27.

¹⁰ Transcript, p. 20.

requests consideration of extending the filing of IR no. 2 by one week to September 13, 2023 given that BC Hydro's response to BCUC IR 38.5 specifically addresses net metering participation concerns that Lipson-Riverside had raised.¹¹ BCUC Staff submits a filing deadline for IR no. 2 to the end of September if the IRs are not limited in scope.¹²

BCSEA-VEVA emphasizes the importance of a timely BCUC decision to allow for implementation of the optional residential TOU rate by April 1, 2024, stating that they are "very concerned that the Commission issue a decision in time for Hydro to implement the Optional Residential Time-of-Use Rate if it is approved on April 1st."¹³

BCSEA-VEVA also noted that the Application was filed on March 3, 2023 and stated:

it hasn't been suggested that anybody's final argument or the content of their final argument hinges on getting these clarifications or additional responses in a second round of Information Requests.¹⁴

it would be very disappointing for the Commission to allow clarifications that are not tied to substantive issues on whether a rate or decision -- the content of a decision to further extend the review and the implementation of action. The time for action on these climate change issues is now, and there is urgency involved.¹⁵

BCOAPO responded to BCSEA-VEVA comments:

[Mr. Andrews] said, you know, "We need to just barrel ahead," and, you know, "Perfection is not possible or desirable in this particular case because, you know, the world is burning," and, you know, whatever else. That's not what we're asking for. We're not asking for perfection. What we are is -- we're asking for a second round of IRs in order to address significant concerns.

MoveUP responded:

this is significant, and if it's a matter of fine-tuning the calibration of the BC Hydro 2023 Time-of-Use Rate Application. I will put it a little differently than my friend, Mr. Andrews, though I agree with many of his comments. Getting it right is a different thing from getting it perfect, and getting it perfect is an impossibility given the subject. There's no such thing as a perfect rate, but getting a rate that will function to achieve what's intended to achieve in a fair, reasonable way in compliance with the Act -- that's what this is about,¹⁶

With respect to the length of the regulatory process, the CEC comments:

We think the concerns that are raised about the urgency of environmental issues need to be put in the context for the Commission of the degree to which the environment will be impacted by a couple of months with regard to a rate here for a worldwide issue. It is really infinitesimal, and the

¹¹ Transcript, pp. 25–26.

¹² Transcript, p. 27.

¹³ Transcript, pp. 24–25.

¹⁴ Transcript, p. 31.

¹⁵ Transcript, p. 31.

¹⁶ Transcript, pp. 48–49.

regulatory issues that the Commission is dealing with should be more conditioned with getting a rate implemented and a rate that is right and fair.

With regard to the length of the Commission's processes, they take the time they take, and the Commission is regularly dealing with the requirements and the efficiencies as we go along, and you're discussing them today. We think that the Commission's length of processes are the necessary regulatory requirements to get the work of the Commission done and to enable the interveners to have a fair role in the process.¹⁷

BC Hydro concluded its arguments at the procedural conference by saying:

I heard from both BCUC Staff and the BCOAPO is their further inquiry that they want to make is more technical reconciliation of numbers, clarification of numbers, and we do question the value of that towards a Commission decision,¹⁸

for all of the reasons discussed earlier, BC Hydro's preference is not to the extend the schedule out too much.¹⁹

The Panel raised two items in relation to the timing of the BCUC decision on the Application, specifically the potential for interim rates and an oral process.

Interim Rates

During the procedural conference, the Panel requested the parties to comment on the potential for an interim, optional residential TOU rate ahead of a final BCUC decision. BC Hydro submitted that it would be impractical to implement an interim rate prior to April 1, 2024, given the technology requirements and issues around encouraging customers to take up an optional rate based on a set of assumptions which may change.²⁰ Several parties, including BCUC Staff, Lipson-Riverside, BCSEA-VEVA, RCIA, and the CEC raised similar concerns related to the practical implementation of the optional residential TOU rate on an interim basis. Further, BCSEA-VEVA noted that an interim rate does not shorten the duration of the overall BCUC review of the Application.

Oral Process

The Panel also asked parties at the procedural conference to comment on the efficiency of holding an oral process to address outstanding issues. BC Hydro stated that while it does not have a principled objection to an oral process, it has some practical concerns. Specifically, that the items flagged by both BCUC Staff and BCOAPO for further IRs are not conducive to an oral process. Further, there are several other ongoing, regulatory processes for other BCUC proceedings that may result in timing issues.²¹ BCUC Staff, the CEC, and BCSEA-VEVA expressed similar concerns, while MoveUP suggested a potential workshop to address outstanding issues.²²

¹⁷ Transcript, p. 53.

¹⁸ Transcript, p. 57.

¹⁹ Transcript, p. 58.

²⁰ Transcript, p. 34.

²¹ Transcript, p. 51.

²² Transcript, p. 47.

Panel Determination

The Panel determines that a second round of written information requests with a limited scope is warranted. The scope of IR No. 2 is limited to the following topics:

- BC Hydro's supplementary responses to BCUC IRs 17.2 and 38.5 and the updated modelling results provided in response to BCUC IR 2.1;
- Any changes to the Application included in the errata filed as Exhibit B-1-1;
- BC Hydro's new proposal to not apply the DARR to the credits and charges in the TOU Rate;
- The applicable time periods for the TOU Rate (e.g. the Overnight period, the On-Peak period, and Off-Peak period); and
- The alternative of using a 6-cent credit or charge instead of 5-cents.

The Panel views that a second round of written information requests will improve the evidentiary record for a better understanding of those issues listed in the scope determination above.

With respect to the timing of IR No. 2, the Panel notes that most interveners did not raise concerns with BC Hydro's IR deadline of September 6, 2023 in its draft regulatory timetable. However, this draft timetable included IRs on BC Hydro's supplementary responses to certain IRs only, as opposed to the expanded scope included in the scope determination above.

With consideration to the submissions made by the parties at the procedural conference regarding timing constraints, the Panel considers that an IR deadline of September 13, 2023 for BCUC and Intervenors, except for BCOAPO, is appropriate. Further, an IR deadline for BCOAPO IRs of September 27, 2023 will accommodate its stated timing constraints.

The Panel has considered the need to maintain procedural fairness for each party in the proceeding. A staged IR No. 2 process will provide more time for BC Hydro to respond by receiving the first set of IRs early, while allowing BCOAPO more time to prepare and submit its IR No. 2 later. The Panel acknowledges the risk of perceived favoritism if certain interveners were allowed additional time to prepare IR No. 2. Based on this, the Panel invites any parties that require additional time to file IR No. 2 to seek Panel approval to do so by Wednesday, September 6, 2023. Any further extensions granted to interveners to file IR No. 2 may require the Panel to re-examine the remainder of the regulatory timetable, including the deadline for BC Hydro to file its responses, and the written final and reply argument dates.

The Panel acknowledges Mr. Andrew's concerns about the length of the proceeding. However, timelines are currently not entirely within the BCUC's control, as evidenced by various interveners' submissions during the procedural conference citing constraints on their respective availability and resources. As indicated in the BCUC's letter dated August 11, 2023, the BCUC informed stakeholders of the launch of an initiative to improve regulatory efficiency in the BCUC's processes, including changes to rules and guidelines. We will be inviting comments from stakeholders this fall and we urge BCSEA-VEVA and others to participate in that process.

That said, we must balance BC Hydro's request for an April 1, 2024 implementation date against the need to gather sufficient information for the Panel to make an informed decision. We do not accept Mr. Andrews' argument that the parties must provide more direct evidence on how the answers to additional questions will better inform their final argument. We accept Ms. Worth's comment that "We would not come to this Panel and

ask for a second round of IRs to explore issues that did not actually potentially go to our ability to file a final submission in this [proceeding]’.”²³

²³ Transcript, p. 40.