



ORDER NUMBER
G-239-23

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

and

British Columbia Hydro and Power Authority
2021 Integrated Resource Plan

BEFORE:

D. M. Morton, Panel Chair
C. M. Brewer, Commissioner
T. A. Loski, Commissioner
R. I. Mason, Commissioner

on September 12, 2023

ORDER

WHEREAS:

- A. On December 21, 2021, British Columbia Hydro and Power Authority (BC Hydro) filed its 2021 Integrated Resource Plan (IRP) Application with the British Columbia Utilities Commission (BCUC), pursuant to section 44.1 of the *Utilities Commission Act* (UCA) and in accordance with Order G-28-21 dated January 27, 2021;
- B. By Order G-200-23 dated July 25, 2023, the BCUC established an amended regulatory timetable comprising regulatory processes addressing load forecast scenarios, and BC Hydro's near-term planned acquisition of approximately 3,700 GWh of clean and renewable energy (New Energy Acquisition). The regulatory timetable also included submissions from parties on the regulatory processes and timetables;
- C. On August 3, 2023, BC Hydro and interveners filed submissions. On August 10, 2023, BC Hydro and interveners filed reply submissions;
- D. By letter dated August 14, 2023, Capital Power Corporation (Capital Power) submitted that BC Hydro made improper reply submissions;
- E. By letter dated August 16, 2023, the BCUC determined that interveners may file sur-reply submissions with respect to certain aspects of BC Hydro's reply submission;
- F. On August 21, 2023, interveners filed sur-reply submissions. On August 23, 2023, BC Hydro filed its reply to BC Hydro's reply submissions; and
- G. The BCUC considers determinations regarding the scope of the New Energy Acquisition regulatory process are warranted.

NOW THEREFORE for the reasons outlined in Appendix A of this order, in addition to the scope items outlined in Order G-200-23, the following topics are within scope of the New Energy Acquisition regulatory process:

1. The planned 700 GWh per year of energy to be acquired by BC Hydro from existing facilities;
2. Mitigations to ratepayer impacts;
3. Procurement process related to the Call for Power;
4. Whether resources that are not clean or renewable should be eligible for the Call for Power;
5. Timelines associated with the procurement process, including potential risks and uncertainties;
6. How the proposed New Energy Acquisitions consider the longer-term objectives of the 2021 IRP, as well as meeting short-term needs; and
7. Information regarding United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and Reconciliation, subject to the caveat that the extent to which specific details regarding BC Hydro management decisions related to UNDRIP and Reconciliation are in scope is limited by the BCUC's jurisdiction.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of September 2023.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

British Columbia Hydro and Power Authority
2021 Integrated Resource Plan

REASONS FOR DECISION

1.0 Introduction

On December 21, 2021, British Columbia Hydro and Power Authority (BC Hydro) filed its 2021 Integrated Resource Plan (IRP) Application with the British Columbia Utilities Commission (BCUC), pursuant to section 44.1 of the *Utilities Commission Act* (UCA) and in accordance with Order G-28-21 dated January 27, 2021.

By Order G-200-23 dated July 25, 2023, the BCUC established an amended regulatory timetable comprising regulatory processes addressing load forecast scenarios, and BC Hydro's near-term planned acquisition of approximately 3,700 GWh of clean and renewable energy (New Energy Acquisition). With respect to the New Energy Acquisition, the BCUC scheduled a workshop, and outlined that the scope of the workshop will include, but not be limited to:

- the amount of energy and capacity involved;
- the price at which it may be acquired;
- the nature of the generation sources;
- any Certificate of Public Convenience and Necessity (CPCN) requirements that may arise for BC Hydro; and
- the approval process regarding the sale of power to BC Hydro required of successful applicants.

The regulatory timetable in Order G-200-23 also included submissions from parties on the regulatory processes and timetables. On August 3, 2023, BC Hydro and interveners filed submissions. On August 10, 2023, BC Hydro and interveners filed reply submissions.

By letter dated August 14, 2023, Capital Power Corporation (Capital Power) submitted that BC Hydro made improper reply submissions. By letter dated August 16, 2023, the BCUC determined that interveners may file sur-reply submissions with respect to certain aspects of BC Hydro's reply submission. On August 21, 2023, interveners filed sur-reply submissions. On August 23, 2023, BC Hydro filed its reply to sur-reply submissions.

By Order G-220-23 dated August 18, 2023, the BCUC addressed parties submissions regarding the regulatory process and timetable established by Order G-200-23. In its reasons for decision, the BCUC stated:

The Panel notes that by letter dated August 16, 2023 the BCUC granted parties the right to sur-reply on certain aspects of BC Hydro's reply submission related to topic areas that should be in scope for the workshop. At this time, the Panel will be making no determinations on the specific topic areas that will be in or out of scope for the workshop.¹

In these reasons for decision, the Panel summarizes parties submissions with respect to the scope of the New Energy Acquisitions workshop, and outlines its determinations on the scope of the workshop. Finally, the Panel provides additional details regarding the workshop.

¹ Order G-220-23, Reasons for Decision p. 8.

2.0 Submissions on Scope

In their initial submissions regarding the regulatory process and timetable, several interveners provided submissions regarding topics that should be considered in-scope for the New Energy Acquisitions workshop, which are outlined in the table below along with BC Hydro’s response.

Intervener	Recommendation	BC Hydro’s Response ²
FNEMC ³	Reconciliation and the United Nations Declaration on the Rights of Indigenous Peoples should also be included in the scope of the proposed New Energy Acquisition regulatory process	These matters will be addressed through First Nations engagement and engagement on the implementation of the Call for Power outside of the regulatory proceeding.
AMPC ⁴	Expand the scope of the workshop to include: <ul style="list-style-type: none"> • Mitigations to ratepayer impacts; • Identifying what information the BCUC requires to accept a long-term resource plan; • Structuring the workshop to ensure efficient participation; and • Developing an understanding of structuring future reviews in an expedient and meaningful manner. 	BC Hydro agrees that mitigations to ratepayer impacts should be in scope. This topic will be addressed via the Call for Power process in that it will be a competitive acquisition process that is structured to achieve cost-effectiveness. The other issues raised appear to be mostly process-related concerns that BC Hydro submits could either be addressed through argument or in the Commission’s process notice regarding the workshop.
	Discuss procurement related to the Call for Power, including a staged process and the need for procurement through further review of the load forecast and optimization of procurement practices in respect to technology.	BC Hydro agrees that this topic should be in scope.
BCSEA ⁵	Set a deadline for BC Hydro to file a submission on the New Energy Acquisition, ahead of a BC Hydro workshop.	BC Hydro could file a short advance submission the week of November 20, 2023, in advance of a workshop on or after November 27, 2023, as this will allow for the engagement timeline with First Nations, the Independent Power Producer industry, and stakeholders to progress.

² Exhibit B-42, p. 3.

³ Exhibit C14-8, p. 2.

⁴ Exhibit C8-27, p. 2.

⁵ Exhibit C1-17, p. 3.

Intervener	Recommendation	BC Hydro's Response ²
Capital Power ⁶	BC Hydro should identify and weigh all potential energy and capacity resource options available to ensure that its planned acquisitions address those needs reliably, efficiently, and at lowest cost.	BC Hydro has determined that the Call for Power will be for clean or renewable energy resources. BC Hydro agrees that whether resources that are not clean or renewable should be eligible for the Call for Power is an appropriate scope item for the workshop.

Capital Power supports BCSEA-VEVA's suggestion.⁷

Zone II RPG supports FNEMC's submissions noted above.⁸ Zone II RPG also suggests that the Workshop could include discussion of other topics such as accelerating or extending timing of existing near-term actions as discussed in the 2021 IRP Update to facilitate the oral hearing proceeding.⁹

NTC submits it has raised the matters of the United Nations Declaration on the Rights of Indigenous Peoples and reconciliation. The NTC strongly objects to these matters being adequately addressed/conclusively determined on the basis of the hearing record to date.¹⁰

2.1 Sur-Reply Submissions

In its reply submission, BC Hydro stated:

BC Hydro's Plan to Acquire 700 GWh per year from Existing Facilities It is BC Hydro's view that the potential acquisition of 700 GWh per year of new incremental generation from existing facilities should be outside the scope of the workshop. We are currently developing an implementation plan and identifying the options to pursue. However, for this additional electricity to be sold to BC Hydro, new agreements would need to be executed with each IPP [independent power producer]. At this time, we expect new agreements would be via bilateral negotiation since each specific IPP's circumstances may be unique and would need to take into account existing agreements with the IPP. Therefore, there would be very little detail BC Hydro would be able to share at the workshop should the BCUC feel it is in scope.¹¹

By letter August 16, 2023, the BCUC determined that interveners may file sur-reply submissions with respect to the above quoted passage of BC Hydro's reply submission.

Capital Power submits that while it appreciates that BC Hydro would have limits on its ability to share certain information concerning bilateral negotiations, BC Hydro omits any specifics around what it considers itself unable to share and whether this would be on account of the status of its implementation planning, confidentiality concerns or any other reason. Whatever the nature of these limitations, Capital Power submits that it does not follow that BC Hydro's plans to acquire 700 GWh of new incremental generation from existing facilities should be excluded from the Workshop's scope. Capital Power submits most of the Workshop topics

⁶ Exhibit C10-16, p. 1.

⁷ Exhibit C10-17, p. 4.

⁸ Exhibit C6-20, p. 1.

⁹ Exhibit C6-19, p.1.

¹⁰ Exhibit C4-14, p. 5.

¹¹ Exhibit B-42, p. 4.

identified by the BCUC would be no less relevant for IPPs with existing facilities than for prospective developers of greenfield facilities. Excluding existing facilities from such a discussion could also limit interveners and the BCUC from being able to assess whether the updated IRP's proposed split between greenfield and existing supply sources is appropriate. Additionally, Capital Power appreciates that a discussion of pricing would need to respect confidentiality obligations between BC Hydro and IPPs and that existing facilities' specific circumstances would need to be taken into account. Nevertheless, it submits that operators of existing facilities would likewise benefit from a better understanding of framework matters such as the "cost-effectiveness" criteria BC Hydro would apply to the acquisition and any high-level approaches it is considering, for example, to valuing facilities' capacity versus energy contributions within future contracts.¹²

NTC disagrees with BC Hydro's position. Referencing Exhibit A-38, NTC submits there was unity on the review process for Planned New Energy Acquisitions i.e., from existing and greenfield projects, until the BC Hydro position was brought forward. Around twenty percent of the Planned New Energy Acquisitions are now to be separately reviewed in some undetermined way at some undetermined time. NTC submits BC Hydro must have some idea of what the parameters of acquisitions from existing projects might be other than the expected bilateral negotiations and cost-effective pricing for electricity acquired from existing projects.¹³

RCIA submits the potential acquisition of 700 GWh is not insignificant, amounting to approximately fourteen percent of the energy output of Site C. Consequently, it should not be overlooked or excluded, particularly when those supply arrangements have yet to be finalized. RCIA submits the fact they have yet to be negotiated raises questions as to the appropriateness of those arrangements and ultimate costs to ratepayers. RCIA also questions the basis for the suggested exclusion. Specifically, BC Hydro suggests acquiring the additional 700 GWh of energy from existing sources will likely entail new bilateral negotiations. However, it is unclear to what extent that would be applicable and, again, raises questions as to what the parameters would be for such negotiations. Further information should be considered mandatory for BC Hydro to discharge its burden of establishing the reasonableness of its proposed forecasts and associated costs.¹⁴

In its reply to intervener sur-reply submissions, BC Hydro notes that in reasons for decision attached to Order G-220-23 (at page 8), the BCUC provided further clarity on the purpose of the workshop for the New Energy Acquisition Stream. Given the clarification from the BCUC, BC Hydro has no further submissions in reply to intervener sur-replies.¹⁵

Panel Determination

Below, the Panel outlines its determinations regarding scope items for the New Energy Acquisitions workshop. These determinations should be viewed as additional to the scope items outlined in Order G-200-23.

The Panel determines the planned 700 GWh per year of energy to be acquired by BC Hydro from existing facilities to be in scope for the workshop. The Panel sees no compelling reason for this planned acquisition to be excluded, and considers it important to examine the planned acquisition from existing facilities alongside the planned acquisitions from greenfield facilities in order to consider the reasonableness of BC Hydro's overall approach to acquiring new energy.

¹² Exhibit C10-20, pp. 1–3.

¹³ Exhibit C4-15, pp. 1–2.

¹⁴ Exhibit C7-33, pp. 1–2.

¹⁵ Exhibit B-45, p. 1.

The Panel notes that BC Hydro agrees with certain intervener submissions regarding matters that should be considered in scope for the New Energy Acquisitions workshop, namely:

- Mitigations to ratepayer impacts;
- Procurement process related to the Call for Power; and
- Whether resources that are not clean or renewable should be eligible for the Call for Power.

The Panel also agrees, and determines the above topics are in scope for the workshop. With respect to the procurement process, the Panel adds to the scope the **timelines associated with the procurement process, including potential risks and uncertainties. Additionally, how the proposed New Energy Acquisitions consider the longer-term objectives of the 2021 IRP, as well as meeting short-term needs.**

With respect to the submissions of FNEMC and NTC regarding UNDRIP and Reconciliation, the Panel notes that the potential applicability to the IRP is broad and further clarification is warranted. The Panel has previously determined that UNDRIP and Reconciliation are within the scope of the IRP, including the relevance to: the planning context for the IRP, resource considerations, and BC Hydro's consultation on the IRP.¹⁶ To the extent UNDRIP and Reconciliation is directly relevant to such topics, the broader purpose of the New Energy Acquisition workshop, and the overall determination of whether the 2021 IRP should be accepted as being in the public interest, the Panel determines that issues regarding UNDRIP and Reconciliation, subject to the constraints set out below, are within scope for the workshop.

FNEMC's submission states:

FNEMC agrees with BC Hydro that incorporating the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission Calls to Action is broader than the 2021 IRP and that BC Hydro must work with First Nations to find meaningful paths to reconciliation through many areas of its business, the FNEMC disagrees that procurement, employment and specifically Indigenous ownership models should be outside the scope of the 2021 IRP. The IRP is intended to set the path for how to meet evolving electricity needs. In FNEMC's view policy-level considerations about plans for First Nations participation in new electricity projects or renewed electricity contracts is squarely within the scope of matter the Commission must consider in the current proceeding. This is an opportunity for the Commission to evaluate BC Hydro's current approach, and make recommendations for future activities, including the near-term planned acquisitions.¹⁷

The Panel determines that available information regarding the potential terms of the Call for Power is in scope, which may include Indigenous ownership or participation in IPP projects. However, it is outside the jurisdiction of the BCUC to make certain determinations under section 44.1 of the UCA regarding BC Hydro's acquisition of energy, for example, determinations regarding BC Hydro's decisions regarding procurement or employment. Rather, the jurisdiction of the BCUC under section 44.1 is to determine whether to accept or reject a long-term resource plan, in whole or in part, as being in the public interest. Accordingly, the extent to which specific details regarding BC Hydro management decisions related to UNDRIP and Reconciliation are in scope is limited by the BCUC's jurisdiction.

Other details regarding the purpose and format of workshop are addressed in the following section.

¹⁶ Order G-227-22, Reasons for Decision p. 3.

¹⁷ Exhibit C14-8, p. 2.

3.0 Further Workshop Details

Workshop Overview

Event Date	Monday, October 16, 2023
Location	UBC Robson Square Campus 800 Robson Street Hearing Room: C400/420 Vancouver, BC V6Z 2E7
Hours	8:30 a.m. to 5:00 p.m. (all time references are Pacific Time)
Registration Deadline	Friday, October 6, 2023

As outlined in Order G-220-23, the Panel outlined the purpose of the workshop as follows:

The workshop is the first step in a new process within the existing IRP proceeding focusing on New Energy Acquisitions. The workshop will provide BC Hydro an opportunity to present its evidence related to New Energy Acquisitions in more detail than the current evidentiary record, and for participants and the Panel to ask clarifying questions on that evidence. The workshop is not an opportunity for cross-examination of BC Hydro witnesses. There is no intent for parties to make arguments or for the Panel to reach any determinations at the workshop itself; rather, further process will be required following the workshop. The Panel intends to seek input from parties before determining further process in the New Energy Acquisitions stream.¹⁸

The Panel will not require BC Hydro to file a submission ahead of the workshop, but BC Hydro may wish to pre-file information to assist parties' preparations and to improve efficiency on the day.

On the day, the BCUC Panel Chair will make an opening statement and comment on procedural matters for the workshop. BC Hydro will then present its evidence, which at a minimum must provide updated information to address each of the scope items outlined in Order G-200-23 and in these reasons for decision. Ample time must be provided to allow for clarifying questions at regular intervals from interveners, BCUC Staff and the Panel.

Upon conclusion of the workshop, the Panel Chair may make final remarks regarding next steps, including the need for an additional workshop session, as scheduled for December 1, 2023 per Order G-220-23.

Register to Attend

The BCUC will conduct the workshop in-person. BC Hydro and interveners registered as participants of the BC Hydro 2021 IRP proceeding must register to attend the workshop and provide a list of attendees, including each of their contact information by emailing the Commission Secretary at Commission.Secretary@bcuc.com to confirm their attendance at the workshop by Friday, October 6, 2023.

Parties wishing to participate virtually are asked to submit a written request to the BCUC with an explanation supporting such a request, and in confidence, if necessary, by emailing Commission.Secretary@bcuc.com by **Friday, October 6, 2023**. Parties who are participating virtually must have access to Microsoft Teams and a stable internet connection. Once virtual participation requests have been accepted by the BCUC, registered

¹⁸ Order G-220-23, Reasons for Decision p. 8.

virtual participants may be contacted to schedule an audio/video test session in advance of the workshop to test their connection and equipment. Virtual participants will be provided Microsoft Teams meeting link upon registration.

Transcription and Live Broadcast

The workshop will be transcribed and added to the public record of the proceeding. Participants are expected to identify themselves, conduct themselves respectfully, and speak at a reasonable volume and speed (one person speaking at a time) to make transcription possible. Virtual participants will be requested to mute their microphones when they are not speaking.

A link to the live stream audio feed will be available on the BCUC website (bcuc.com) on the day of the workshop and can also be found on the BCUC YouTube channel at: <https://www.youtube.com/@bcuc>.