



**ORDER NUMBER
G-266-24**

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

and

British Columbia Hydro and Power Authority
Non-Integrated Areas Planning Regulatory Framework

BEFORE:

M. Jaccard, Panel Chair
A. K. Fung, KC, Commissioner

on October 22, 2024

ORDER

WHEREAS:

- A. On August 12, 2022, by Order G-227-22 with Reasons, the British Columbia Utilities Commission (BCUC) determined that non-integrated areas (NIAs) were not within the scope of the British Columbia Hydro and Power Authority (BC Hydro) 2021 Integrated Resource Plan proceeding and recommended a separate regulatory process to address resource planning for BC Hydro's NIAs;
- B. In Directive 85 of BCUC Decision and Order G-91-23 dated April 21, 2023, in BC Hydro's Fiscal 2023 to 2025 Revenue Requirements proceeding, the BCUC directed BC Hydro to file its long-term resource plan (LTRP) for the NIAs by March 31, 2024, and to include as part of that plan details of its NIA Diesel Reduction Strategy including proposed performance metrics for review and approval by the BCUC;
- C. By Order G-262-23 dated October 5, 2023, BC Hydro was granted permission to file an application for reconsideration of Directive 85 after 60 days of the issuance of Decision and Order G-91-23; and was directed to either file, by December 15, 2023, an application for reconsideration or confirm it does not intend to file such an application;
- D. On December 15, 2023, BC Hydro filed an application for reconsideration of Directive 85 of BCUC Decision and Order G-91-23 (Application). The Application includes BC Hydro's proposals for a modified regulatory framework for reviewing long-term resource planning in non-integrated areas;
- E. BC Hydro requests the BCUC to:
 - a) rescind Directive 85 and issue a direction that BC Hydro is not required to file LTRPs for the NIAs; and
 - b) direct BC Hydro to file Community Context Reports (CCRs) when filing applications for a Certificate of Public Convenience and Necessity (CPCN) for projects in the NIAs, pursuant to section 45 of the UCA;

- F. By Order G-23-24 dated January 25, 2024, the BCUC determined that the request for reconsideration should proceed to a hearing and stayed Directive 85 pending the outcome of the BCUC's review of the Application. The order also established a regulatory timetable for the review of the Application, which included public notice, intervener registration, the filing of supplementary information by BC Hydro, one round of information requests, letters of comment, and BC Hydro reply to letters of comment. The regulatory timetable was subsequently amended by the following orders: G-80-24 dated March 20, 2024; G-142-24 dated May 17, 2024; and G-178-24 dated July 3, 2024;
- G. By letter dated February 9, 2024, BC Hydro submitted an evidentiary update and confirmation of compliance with the public notice directive;
- H. Gitga'at First Nation, Nuxalk Nation, Heiltsuk Nation, Yu Ka Whu'ten Forestry, Zone II Ratepayers Group, and the BC Sustainable Energy Association registered as interveners in this proceeding;
- I. All of the interveners, except for Yu Ka Whu'ten Forestry, filed letters of comment, along with TII Yahda Energy and the Pembina Institute; and
- J. The BCUC has considered the Application, evidence and submissions in this proceeding and finds that the following determinations are warranted.

NOW THEREFORE for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

- 1. Directive 85 in BCUC Decision and Order G-91-23, requiring BC Hydro to file its long-term resource plan for the NIAs by March 31, 2024, and to include as part of that plan details of its NIA Diesel Reduction Strategy including proposed performance metrics for review and approval by the BCUC, is rescinded in its entirety.
- 2. BC Hydro is directed to file CCRs when filing applications for CPCNs for projects in the NIAs, pursuant to sections 45 and 46 of the UCA.
- 3. BC Hydro is directed to file an annual report documenting BC Hydro's progress in the development of CCRs in NIAs, including the status of its consultation and public engagement.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of October 2024.

BY ORDER

Original signed by:

M. Jaccard
Commissioner

British Columbia Hydro and Power Authority
Non-Integrated Areas Planning Regulatory Framework

DECISION

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Executive Summary

On December 15, 2023, British Columbia Hydro and Power Authority (BC Hydro) filed an application for reconsideration of Directive 85 of BCUC Decision and Order G-91-23 issued April 21, 2023 (Application). Directive 85 requires BC Hydro to file its long-term resource plan (LTRP) for Non-Integrated Areas (NIAs) by March 31, 2024, and to include details of BC Hydro's NIA Diesel Reduction Strategy, including proposed performance metrics for review and approval by the British Columbia Utilities Commission (BCUC).

As part of the Application, BC Hydro proposes a modified planning regulatory framework in which, rather than BC Hydro filing an LTRP for the NIAs pursuant to section 44.1 of the *Utilities Commission Act* (UCA), it will include planning-related information that is specific to each NIA, included as a Community Context Report (CCR), when filing future applications with the BCUC.

On June 10, 2024, the provincial government issued an amendment to the Greenhouse Gas Reduction (Clean Energy) Regulation¹ which deemed that energy purchase agreements (EPAs) for the provision of clean or renewable energy in NIAs to be prescribed undertakings. For EPAs that are prescribed undertakings the BCUC must set rates that allow the utility to recover its costs for these agreements and must not prevent a public utility from carrying out the prescribed undertaking. As a result of this amendment, BC Hydro modified its proposal for the NIAs.

BC Hydro's reconsideration Application requests: a) the rescission of Directive 85 and a BCUC direction that BC Hydro is not required to file LTRPs for NIAs pursuant to section 44.1 of the UCA; and b) a BCUC direction that BC Hydro file CCRs when filing applications for certificates of public convenience and necessity (CPCN) for projects in the NIAs, pursuant to section 45 of the UCA. BC Hydro also commits to: a) developing CCRs for the 14 NIA communities it serves; b) including a CCR in NIA EPA filings pursuant to section 71 of the UCA, if requested by the First Nation and for the BCUC's awareness; and c) submitting BC Hydro's NIA Strategy including performance metrics (in lieu of BC Hydro's Diesel Reduction Strategy and performance metrics) with BC Hydro's next revenue requirements application (RRA).

While BC Hydro explained its rationale for filing a reconsideration of Directive 85, neither BC Hydro nor the interveners discussed whether there were grounds for reconsideration. For practical purposes, the Panel determined that the opportunity to identify more productive and efficient approaches to regulatory reviews of BC Hydro's advance planning in NIAs provides sufficient grounds for reconsideration of Directive 85 for just cause, pursuant to Rule 26.05 (f) of the BCUC's Rules of Practice and Procedure.²

After reviewing the Application, evidence and submissions in this proceeding, the Panel makes the following determinations and directives:

- Directive 85 of BCUC Decision and Order G-91-23 is rescinded in its entirety.
- BC Hydro is directed to file CCRs when filing applications for CPCNs for projects in the NIAs, pursuant to sections 45 and 46 of the UCA.
- BC Hydro is directed to file an annual compliance report documenting BC Hydro's progress in the development of CCRs, including the status of its consultation and public engagement in NIAs.

¹ [Order in Council 301/2024](#) issued June 10, 2024.

² [BCUC Rules of Practice and Procedure attached to the BCUC Order G-72-23](#) dated April 3, 2023.

The Panel views that CCRs represent an incremental improvement on the current situation in the NIAs where there is no comprehensive LTRP. The Panel finds that the preparation of CCRs by BC Hydro in consultation with First Nations, with additional reporting requirements as directed by the Panel, is better suited for planning in NIAs, to advance diesel reduction in shorter timeframes, and to provide flexibility that accommodates the characteristics of each of the NIAs, as well as opportunities for close collaboration between BC Hydro and the NIA communities.

The Panel acknowledges BC Hydro's commitment to file its NIA Strategy and associated performance metrics as part of its next RRA. Since BC Hydro has not filed its NIA Strategy in this proceeding, this Panel has not had the opportunity to review it. Rather, it will be up to the BCUC panel assigned to review BC Hydro's next RRA to determine whether that document needs to undergo BCUC review and approval, whether as part of the RRA or in a separate proceeding.

1.0 Introduction

On December 15, 2023, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) an application for reconsideration of Directive 85 of BCUC Decision and Order G-91-23 (Application). The Application, as subsequently updated, includes BC Hydro's proposal for a modified regulatory framework (Modified Proposal) for reviewing long-term resource planning in non-integrated areas (NIAs).

In December 2021, BC Hydro filed its 2021 Integrated Resource Plan (2021 IRP) with the BCUC for review pursuant to section 44.1 of the *Utilities Commission Act* (UCA). In that proceeding, BC Hydro stated that NIAs were not within the scope of the 2021 IRP and explained that while the construct of section 44.1 is well-suited to large vertically integrated electric systems, it is ill-suited to small, isolated energy systems like the NIAs. BC Hydro suggested it could propose instead a modified regulatory framework for the review of long-term resource planning in the NIAs. As part of that proceeding, the BCUC determined that NIAs were not within the scope of the 2021 IRP proceeding and recommended a separate regulatory process to address resource planning for BC Hydro's NIAs.³

In April 2023, BCUC issued its decision on the BC Hydro Fiscal 2023 to Fiscal 2025 Revenue Requirement Application (RRA).⁴ Directive 85 requires BC Hydro to file its long-term resource plan (LTRP) for the NIA by March 31, 2024, and to include details of its NIA Diesel Reduction Strategy, including proposed performance metrics for review and approval by the BCUC.

Subsequently, BC Hydro sought, and was granted, an extension to file an application for the reconsideration of Directive 85 by December 15, 2023.⁵ This Decision reviews the merits of BC Hydro's reconsideration Application.

1.1 Legislative and Regulatory Framework

Section 99 of the UCA provides that the BCUC, on application or on its own motion, may reconsider a decision, an order, a rule or a regulation of the BCUC and may confirm, vary or rescind the decision, order, rule or regulation.

Rule 26.05 of the BCUC's Rules of Practice and Procedure (Rules) states that an application for reconsideration must contain a concise statement of the grounds for the reconsideration, which must include one or more of the following:

- b) the BCUC has made an error of fact, law, or jurisdiction which has a material bearing on the decision;
- c) facts material to the decision that existed prior to the issuance of the decision were not placed in evidence in the original proceeding and could not have been discovered by reasonable diligence at the time of the original proceeding;
- d) new fact(s) have arisen since the issuance of the decision which have material bearing on the decision;
- e) a change in circumstances material to the decision has occurred since the issuance of the decision; or
- f) where there is otherwise just cause.

³ BCUC Order G-227-22 with Reasons issued August 12, 2022.

⁴ BCUC Decision and Order G-91-23 issued April 21, 2023.

⁵ BCUC Decision and Order G-262-23 issued October 5, 2023.

Section 44.1(2) of the UCA states that a public utility must file an LTRP with the BCUC in the form and at the times the BCUC requires and sets out the information that must be included in an LTRP. Additionally, the BCUC Resource Planning Guidelines outline additional information to be filed as part of LTRPs.

On June 10, 2024, the Province of BC amended the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR). This amendment (GGRR Amendment)⁶ adds a new section 3.1 to the GGRR, which includes the following as another category of prescribed undertakings:

- (a) the public utility, on or before December 31, 2029, enters into a contract to purchase electricity;
- (b) the electricity referred to in paragraph (a) is
 - (i) produced, at a facility that begins operating on or after January 1, 2024, using a clean or renewable resource as defined in the [*Clean Energy Act* (CEA)], and
 - (ii) used to provide service to a non-integrated area;
- (c) if the public utility reasonably expects that upgrades are necessary to enable distribution of the electricity referred to in paragraph (a) in a microgrid, the public utility constructs and operates those upgrades.

As a result of the GGRR Amendment, electricity purchase agreements (EPAs) for NIAs that meet the definition above are deemed to be prescribed undertakings. Pursuant to section 18(1) of the CEA, a prescribed undertaking is “a project, program, contract or expenditure that is in a class of projects, programs, contracts or expenditures prescribed for the purpose of reducing greenhouse gas emissions in British Columbia.” Section 18(2) of the CEA provides that “the commission must set rates that allow the public utility to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the prescribed undertaking.” Section 18(3) provides that the BCUC “must not exercise a power under the [UCA] in a way that would directly or indirectly prevent a public utility referred to in subsection (2) from carrying out a prescribed undertaking.” BC Hydro filed an update to its Application including its Modified Proposal following the GGRR Amendment.

1.2 Regulatory Process

As part of this reconsideration proceeding, the BCUC stayed the application of Directive 85 in BCUC Decision and Order G-91-23 pending the outcome of its review of the Application, and established regulatory timetables⁷ which included one round of information requests (IRs), letters of comment on BC Hydro’s Application, and the additional letters of comment on the GGRR Amendment and BC Hydro’s Modified Proposal.

The following parties registered as interveners:

- Gitga’at First Nation (GFN);
- Nuxalk Nation;
- Heiltsuk Nation;
- Yu Ka Whu’ten Forestry;
- Zone II Ratepayers Group (Zone II RPG); and
- BC Sustainable Energy Association (BCSEA).

All of the interveners, except for Yu Ka Whu’ten Forestry, filed letters of comment on the Application, along with TII Yahda Energy and the Pembina Institute.

⁶ Order in Council 301/2024 issued June 10, 2024.

⁷ Orders G-23-24, G-80-24 and G-178-24.

1.3 Overview of the Decision

The remainder of the Decision is structured as follows:

- Section 2 describes BC Hydro’s reconsideration request and the Panel’s assessment of the sufficiency of any grounds for reconsideration of Directive 85;
- Section 3 addresses planning in NIAs;
- Section 4 presents BC Hydro’s proposals for a planning regulatory framework in NIAs, the role of the NIA Strategy, and the consultation process that led to the development of BC Hydro’s final proposal; and
- Section 5 summarizes the Panel’s determinations.

2.0 BC Hydro Reconsideration Request and Grounds for Reconsideration

2.1 BC Hydro Reconsideration Request and Proposed Commitments

BC Hydro seeks the following relief:⁸

- rescission of Directive 85 and a direction that BC Hydro is not required to file LTRPs for NIAs pursuant to section 44.1 of the UCA; and
- a direction that BC Hydro file Community Context Reports (CCRs) when filing applications for a Certificate of Public Convenience and Necessity (CPCN) for projects in the NIAs, pursuant to section 45 of the UCA.

BC Hydro also commits to the following:⁹

- the development of CCRs for all the 14 NIA communities served by BC Hydro through close collaboration with the individual NIA First Nations;
- if requested by a First Nation, inclusion of a CCR as part of an NIA EPA filing pursuant to section 71 of the UCA, for the BCUC’s awareness; and
- submission of BC Hydro’s NIA Strategy including performance metrics (in lieu of BC Hydro’s Diesel Reduction Strategy) with BC Hydro’s next RRA. BC Hydro expects to file its next RRA in February 2025.¹⁰

2.2 Grounds for Reconsideration

Neither BC Hydro nor any of the other parties to this proceeding explicitly addressed the issue of which, if any, of the grounds for reconsideration set out in Rule 26.05 are engaged by the proposed reconsideration of Directive 85. Instead, all parties appeared to proceed on the basis that there are sufficient grounds for reconsideration of Directive 85 which warrant consideration by the BCUC of the reconsideration Application on its merits.

BC Hydro states that when Directive 85 was issued, it was actively engaging with NIA First Nation communities on the development of a proposal for a modified planning regulatory framework in NIAs and was targeting a December 2023 filing, with a regulatory proceeding to follow in 2024. BC Hydro states it understood at the time that it would likely be unable to comply with Directive 85 as written, but was unsure whether rescission or

⁸ Exhibit B-9, pp. 1-2.

⁹ Ibid., pp. 1-2, Exhibit B-8, p. 21.

¹⁰ Exhibit B-5, Zone II RPG IR 1.6.5.

variance of Directive 85 would be more appropriate. BC Hydro submits that, on this basis, it requested permission to postpone the filing of a reconsideration application until December 15, 2023.¹¹

BC Hydro argues that it originally intended to propose a modified framework for the development and review of BC Hydro's LTRPs for the NIAs pursuant to section 44.1(2) of the UCA. However, while developing this modified framework, it became clear to BC Hydro that targeted departures from section 44.1 of the UCA and the BCUC's Resource Planning Guidelines would not properly account for the unique characteristics and challenges regarding resource planning in the NIA communities.¹² BC Hydro adds that the GGRR Amendment further diminishes the applicability of any determinations the BCUC may make as a result of a NIA LTRP filed pursuant to section 44.1 of the UCA.¹³

BC Hydro further submits that by tailoring the regulatory review of resource planning in the NIAs to be commensurate with the relative size of the microgrids compared to the integrated system, the Application aligns with the BCUC Regulatory Efficiency Initiative.¹⁴

Panel Discussion

The Panel acknowledges that BC Hydro did not specify the grounds for reconsideration on which it relied, contrary to the requirements of Rule 26.04(d). Other parties also did not specifically address the grounds for reconsideration. The Panel considers, however, that the record in this proceeding is sufficient for it to determine whether any of the grounds for reconsideration set out in Rule 26.05 have been met. Specifically, the Panel notes that BC Hydro and other parties made extensive submissions regarding whether there is justification for BC Hydro's proposed deviation from Directive 85. In future reconsideration applications, however, the Panel expects that BC Hydro will specify the grounds for reconsideration as required by the Rules.

Notwithstanding the omission referenced above, and in the interest of regulatory efficiency, we consider it appropriate to examine whether, on the basis of the evidence in this proceeding, BC Hydro has established sufficient grounds for reconsideration pursuant to Rule 26.05 as part of our determinations in this decision. In any event, we note that all parties appeared to have proceeded on the basis that BC Hydro has met the requisite threshold for a review of its reconsideration Application on its merits. On this basis, it would be churlish for us to decline to review the Application in its entirety.

3.0 Non-Integrated Areas Planning

BC Hydro operates 14 NIA generation facilities, which serve 28 communities and 12 First Nations. Each NIA is on its own isolated microgrid which is comprised of one or more sources of electricity supply and a distribution grid. Each NIA is planned and managed separately from each other and from BC Hydro's integrated system. BC Hydro states that it is not currently pursuing connecting any of these NIAs to its integrated system.¹⁵

BC Hydro summarizes the purpose of an LTRP, as described in previous BCUC decisions, as the inclusion of a longer-term view; enabling effective examination of subsequent applications (such as CPCNs and energy supply contracts-EPAs); and consideration of strategic and public policy issues. BC Hydro further describes LTRPs for the integrated system, such as its recent 2021 IRP, as comprehensive plans designed to meet customers' evolving

¹¹ Exhibit B-1, pp. 5-6.

¹² Ibid., p. 6.

¹³ Exhibit B-9, p. 5.

¹⁴ Exhibit B-1, p. 6.

¹⁵ Ibid., pp. 7-9.

needs over a 20-year timeframe, that consider a broad range of available resource options (including demand side measures (DSM)) to serve millions of diverse customers.¹⁶

Section 44.1(2) of the UCA outlines the required components of an LTRP, which include: an estimate of the demand that does not include DSM; a DSM plan; an estimate of the demand net of DSM (net load forecast); a description of new resources planned to address the net load forecast, including resources to be constructed, extended or energy purchases; an explanation of the reasons why the demand for energy served by new resources are not planned to be replaced by DSM; and any other information that the BCUC requires.¹⁷ Additionally, the BCUC Resource Planning Guidelines outline additional information to be filed as part of LTRPs. BC Hydro submits these frameworks are not suitable for the NIAs as explained further below.

BC Hydro submits that planning needs in non-integrated systems are different than those in its integrated system because non-integrated systems are significantly smaller in terms of the number of customers they serve, the system energy demand, the installed capacity and the available resource options, which are usually limited and unique to each remote microgrid.¹⁸ BC Hydro outlines those differences in Table 1 below.

Table 1: Comparison of the Integrated System and NIA Microgrids¹⁹

	Integrated System	NIAs (per community)
Number of Customers	~ 2 million	18 – 1700
Total Energy Served Annually	> 60,000 GWh	0.2 – 28.4 GWh
Total Installed Capacity	> 12,000 MW	0.4 – 10.3 MW
Diversity of Resources	Broad and available across the province (8,000 resources province-wide)	Limited and unique to each remote microgrid

Resource planning in NIAs starts at the community level and activities in the community can have a proportionately large impact on the resource plans compared to resource plans for the integrated system. BC Hydro explains that, for example, some NIA communities identify the renewable energy project and the DSM they wish to pursue, others develop Community Energy Plans, which are primarily funded by the provincial and federal governments, and in some cases, BC Hydro works with the communities to provide technical support and guidance.²⁰

BC Hydro submits that NIAs require a flexible approach to load forecasting, which is a major input upon which LTRPs are typically based. BC Hydro states a single reference load forecast, updated when needed, is likely to be efficient, effective, and sufficient as BC Hydro has the ability to prepare NIA load forecasts in a relatively short period of time, approximately two months, and to respond quickly to any changes in load. BC Hydro adds that multiple simultaneous forecasts, as would be required in integrated areas, are not useful or practical in NIAs.²¹

With respect to DSM, BC Hydro notes that there are different goals and considerations for DSM for planning purposes in the integrated and non-integrated systems. In the integrated system LTRP, DSM is a resource option which is traded off against supply-side options. In NIAs the primary driver for pursuing DSM is not to displace

¹⁶ Exhibit B-1, pp. 10-12.

¹⁷ Ibid., pp. 11-12.

¹⁸ Ibid., p. 12.

¹⁹ Ibid.

²⁰ Ibid., p. 13.

²¹ Ibid., p. 15.

new supply-side resource options, but rather to reduce energy costs and reliance on diesel, improve home comfort and safety for customers, and provide capacity building for NIA First Nations. BC Hydro expects the scale of DSM in NIA communities to be small relative to other resource options being considered to meet load. As a result, BC Hydro submits that resource planning analysis does not typically determine the appropriate level of DSM in each NIA; instead, the community chooses how much DSM to pursue in line with its needs and priorities.²²

BC Hydro also differentiates the approaches used in the integrated and non-integrated systems in terms of resource assessments and portfolio analysis. The analysis in the integrated system, such as the one performed in the 2021 IRP, includes broad assessments, portfolio analysis, the development of numerous scenarios and it can take many months to develop. BC Hydro states that in NIAs, decisions on advancing new capacity resources are driven by load growth and its need to serve the anticipated peak demand in each NIA. Decisions on advancing new energy resources are not typically driven by load growth, but by the objective to reduce reliance on diesel generation in initiatives typically led by communities and not by BC Hydro. In each NIA, the available resources that are technically and financially viable to supply capacity and/or energy are typically limited to one or a few. Accordingly, in these cases BC Hydro does not undertake broad resource assessments and does not develop multiple portfolio scenarios to select capacity or energy resource options.²³

BC Hydro has not filed LTRPs for NIAs in the past, and it points out that LTRPs for isolated service areas in Canada are generally not filed with utility regulators.²⁴

4.0 BC Hydro's Proposals for a Planning Regulatory Framework in the NIAs

In the Application, BC Hydro's original proposal (Original Proposal) introduced the concept of CCRs, intended to contain NIA planning-related information which will vary, recognizing the unique nature of each NIA community. BC Hydro explains the CCRs are expected to include the following: a) planning context including community values and strategic and public policy objectives; b) a long-term reference load forecast; c) a description of the existing system and how load growth will be addressed over the long-term, if required; d) a description of activities that are planned to reduce diesel generation; and e) consideration of DSM, as appropriate.²⁵

BC Hydro submits that the subsequent GGRR Amendment effectively limits the BCUC's ability to exercise regulatory oversight pursuant to section 71 of the UCA. It further submits that although the GGRR Amendment does not directly impact the BCUC's jurisdiction and ability to exercise regulatory oversight pursuant to section 44.1 of the UCA, it does have a meaningful indirect impact, to the extent that consequential long-term planning decisions in a NIA LTRP concern the timing, volume and characteristics of NIA EPAs.²⁶

At the time of filing of the Application, BC Hydro anticipated filing nine applications for new renewable energy projects developed by third parties pursuant to section 71 of the UCA in 2024 and 2025 in the following NIAs: Masset, Anahim Lake, Tsay Keh Dene, Bella Coola, Good Hope Lake, Kwadacha, Ehtlateese, Hartley Bay and Sandspit.²⁷ BC Hydro did not anticipate any filings for CPCNs in the NIAs within that period.

²² Exhibit B-1, pp. 15-16.

²³ Ibid., pp. 16-17.

²⁴ Ibid., p. 3.

²⁵ Ibid., p. 20.

²⁶ Exhibit B-8, p. 9.

²⁷ Exhibit B-1, p. 19.

On June 28, 2024, BC Hydro filed a Modified Proposal in light of the issuance of the GGRR Amendment, its assessment of that amendment's impact on the BCUC's jurisdiction to exercise regulatory oversight of planning in NIAs, and the letters of comment that had been received up to that date.²⁸ The Original and Modified Proposals are described below.

BC Hydro's Original Proposal included the following:²⁹

- a) Directive 85 should be rescinded and the BCUC should direct that BC Hydro is not required to file LTRPs for NIAs pursuant to section 44.1 of the UCA;
- b) the BCUC should direct BC Hydro to file CCRs when seeking BCUC acceptance of energy supply contracts for new or expanded energy projects in NIAs pursuant to section 71 of the UCA, or when filing applications for CPCNs for projects in the NIAs, pursuant to section 45 of the UCA; and
- c) with regards to the Diesel Reduction Strategy, which BC Hydro now refers to as its NIA Strategy, BC Hydro proposes to include the NIA Strategy in its next RRA. BC Hydro considers that neither the NIA Strategy nor its performance metrics require BCUC review and approval³⁰.

BC Hydro's Modified Proposal includes the following points:³¹

- a) Directive 85 should be rescinded and the BCUC should direct that BC Hydro is not required to file LTRPs for NIAs pursuant to section 44.1 of the UCA. This is the same as in the Original Proposal;
- b) BC Hydro will develop CCRs for all 14 NIA communities. This is different from the Original Proposal;
- c) the BCUC should direct BC Hydro to file CCRs when seeking BCUC acceptance for CPCNs for projects in the NIAs, pursuant to section 45 of the UCA. This is the same as in the Original Proposal;
- d) BC Hydro will include a CCR as part of an NIA EPA filing pursuant to section 71 of the UCA if the First Nation requests BC Hydro to do so, for the BCUC's awareness. This is different from the Original Proposal; and
- e) with regards to the Diesel Reduction Strategy, which BC Hydro is now referring to as its NIA Strategy, BC Hydro proposes to include the NIA Strategy in its next RRA. As with the Original Proposal, BC Hydro considers that neither the NIA Strategy nor its performance metrics require BCUC review and approval.

BC Hydro states that the Modified Proposal addresses the following key objectives that led to the development of the Original Proposal:³²

- maintain regulatory oversight while supporting regulatory efficiency by combining the BCUC's review of a CCR with the filing of a new or expanded EPA or CPCN application;
- allow flexibility to tailor the contents of a CCR to reflect the unique nature of each community so that information can be scaled for regulatory efficiency;
- allow BC Hydro and community resources to focus on their shared top priority in the NIAs, which is to reduce reliance on diesel generation; and
- allow space for a CCR to be developed through close collaboration between BC Hydro and the community without being required to follow the form and structure of section 44.1 of the UCA and the 2003 Resource Planning Guidelines.

²⁸ Exhibit B-8, p. 11.

²⁹ Exhibit B-1, pp. 6-7.

³⁰ Exhibit B-5, Zone II RPG IR 1.6.5.

³¹ Exhibit B-8, p. 12.

³² Ibid., p. 11.

BC Hydro explains that if a community has concerns regarding electricity service, the community can raise those concerns directly with the BCUC through the complaint process pursuant to section 83 of the UCA.³³

BC Hydro submits it considered diverse approaches for regulatory review options in NIAs, including some pursuant to section 44.1 of the UCA, and compared these alternatives to BC Hydro’s Original Proposal.³⁴ BC Hydro provided the following pros and cons and estimates of the incremental costs of filing LTRPs for NIAs pursuant to section 44.1 of the UCA compared to filing CCRs when seeking acceptance of EPAs for new or expanded energy projects in the NIAs or approval of CPCNs:

Table 2: Pros and Cons of Alternative Approaches to Planning Regulatory Frameworks in NIAs³⁵

Option	Pros	Cons
a) Filing CCRs when seeking acceptance of EPAs or CPCNs in the NIAs (Original Proposal)	<ul style="list-style-type: none">• Provides flexibility to tailor planning information to unique considerations of individual microgrids;• Aligns development of the CCR with the advancement of community energy projects which are typically the catalyst for resource planning engagement and decisions in the NIAs by BC Hydro;• Saves time and effort ;• Reduces number of regulatory filings; and• Recognizes that the advancement of community energy projects is typically the catalyst for resource planning engagement and decisions in the NIAs and allows planning activities to proceed in parallel.	<ul style="list-style-type: none">• Changes from existing legal framework for the review and acceptance of an LTRP by the BCUC and thus less familiar to the parties involved; and• Does not allow for long-term planning decisions to be reviewed ahead of subsequent section 45 or 71 applications.

³³ Exhibit B-5, Heiltsuk Nation IR 1.9.1.1

³⁴ Exhibit B-4, BCUC IR 1.4.1; Exhibit B-5, Gitga’at First Nation IR 1.3.2.

³⁵ Table prepared by BCUC Staff based on Exhibit B-4, BCUC IR 1.4.1.

Option	Pros	Cons
b) Filing 14 LTRPs pursuant to section 44.1 of the UCA.	<ul style="list-style-type: none"> • Works within the existing legal framework, which is more familiar to the parties involved; and • Allows for long-term planning decisions to be reviewed ahead of subsequent section 45 or 71 applications. 	<ul style="list-style-type: none"> • Conforms to section 44.1 requirements, which are not necessary or practical for the NIAs; • Increases number of regulatory proceedings; • Given the small and isolated nature of NIAs, developments in the community can have a proportionately large impact on the resource plans. This creates a high likelihood that BC Hydro and communities will need to spend additional effort after an LTRP is filed to update or rework planning information to support subsequent section 71 or 45 filings; • Will result in more costs, time and effort to support preparation, submission and review of LTRPs; and • Will take resources away from, and potentially delay, the activities required to advance community renewable energy projects.
c) Filing a single NIA LTRP for all NIAs pursuant to section 44.1 of the UCA.	<ul style="list-style-type: none"> • Pros of option (b); and • Is a single submission to the BCUC. 	<ul style="list-style-type: none"> • Cons of (b) plus; • Higher complexities and additional resource requirements to conduct simultaneous engagement across all 14 NIAs; and • Does not allow flexibility to work with NIA communities on their desired timelines.
d) Filing 14 individual LTRPs under a modified framework with targeted departures from section 44.1 of the UCA and the BCUC's Resource Planning Guidelines.	<ul style="list-style-type: none"> • Pros of (b); and • Allows for some tailoring of information to recognize that planning in the NIAs differs from the integrated system. 	<ul style="list-style-type: none"> • Cons of (b); and • Some reduction in the incremental effort and cost to support preparation and review of LTRP applications.
e) Hybrid of options a) to d)	<ul style="list-style-type: none"> • Pros and cons depend on the approach used for individual NIAs. 	

Table 3: Incremental Cost of Alternative Approaches to Planning Regulatory Frameworks in NIAs³⁶

Option	Estimated Incremental Cost
a) Filing CCRs when seeking acceptance of EPAs or CPCNs in the NIAs (Original Proposal).	N/A – largely supported within existing resources and budgets
b) Filing 14 individual LTRPs pursuant to section 44.1 of the UCA.	\$1.0 to \$1.5 million annually
c) Filing a single NIA LTRP for all NIAs pursuant to section 44.1 of the UCA.	\$4.5 to \$5.5 million if filing every five years
d) Filing 14 individual LTRPs under a modified framework with targeted departures from section 44.1 of the UCA and the BCUC’s Resource Planning Guidelines.	\$750,000 to \$1.0 million annually

Positions of the Parties

The majority of parties³⁷ expressed varying degrees of opposition to BC Hydro’s proposal. Parties that opposed the Original Proposal remain opposed to the Modified Proposal. Their primary concerns center around the lack of accountability, transparency, community engagement, and oversight in BC Hydro’s planning and decision-making processes for energy projects in First Nations’ territories.

Several parties, including Nuxalk Nation,³⁸ Heiltsuk Nation,³⁹ GFN,⁴⁰ and the Pembina Institute,⁴¹ argue that CCRs lack sufficient detail, transparency, oversight, and clarity compared to LTRPs, which undermines BC Hydro’s accountability. In addition, GFN emphasizes that planning and the associated regulated proceedings should precede the resource choice application, rather than accompany it.

There is a common desire from many First Nations, including Heiltsuk Nation,⁴² Nuxalk Nation,⁴³ and Zone II RPG,⁴⁴ for greater involvement in energy planning. They advocate for a co-management model and argue that First Nations should play a key role in developing renewable energy projects within their communities, emphasizing energy autonomy.

³⁶ Table prepared by BCUC Staff based on Exhibit B-5, Gitga’at First Nation IR 1.3.2.

³⁷ Nuxalk Nation, Heiltsuk Nation, GFN, Zone II RPG, the Pembina Institute, Tli Yahda Energy.

³⁸ Exhibit C3-3, pdf p. 6.

³⁹ Exhibit C4-3, pdf pp. 1-2, 5.

⁴⁰ Exhibit C2-4, pp. 2, 4.

⁴¹ Exhibit D1-1, pdf pp. 2-3. The Pembina Institute’s concerns focus on the absence of clear timelines, resources for co-development, and dispute resolution mechanisms.

⁴² Exhibit C4-3, pdf p. 6.

⁴³ Exhibit C3-3, pdf p. 9.

⁴⁴ Exhibit C6-3, p. 1.

Nuxalk Nation,⁴⁵ GFN,⁴⁶ and Tli Yahda Energy⁴⁷ emphasize the need for a clear and proactive long-term vision for NIAs, including modernizing the electricity system, decarbonization, and enhancing reliability.

In contrast, BCSEA endorses the BC Hydro's Modified Proposal as a practical, fair, and efficient alternative to full LTRPs under section 44.1 of the UCA. According to BCSEA, it aligns with recent GGRR Amendment and supports community-driven renewable energy projects to reduce greenhouse gas emissions. BCSEA believes this approach will provide better oversight and serve NIA communities more effectively than detailed LTRPs.⁴⁸

BC Hydro responds to parties opposed to its Modified Proposal by arguing that LTRPs are impractical due to NIAs' unique planning needs and limited resources. Instead, BC Hydro submits it supports a flexible, community-driven approach through CCRs, which can be developed in parallel with projects. BC Hydro disagrees with the need for broad regulatory oversight, citing the GGRR Amendment that limits the BCUC's jurisdiction over NIA planning.⁴⁹ BC Hydro specifically disagrees with the GFN's suggestion that planning should precede applications for resource choices. It argues that because NIAs usually have limited viable resource options, and the advancement of community energy projects to displace diesel generation is typically led by the communities and not by BC Hydro, CCRs are more appropriately developed in parallel with projects.⁵⁰

In response to concerns from Heiltsuk Nation and the Pembina Institute about the content, timing, and transparency of CCRs, BC Hydro explains that each CCR will vary based on community needs and will be updated through ongoing consultations.⁵¹ BC Hydro emphasizes its commitment to collaborating with all 14 NIA First Nations to create tailored CCRs that meet each community's specific needs and highlights the flexibility of the Modified Proposal, which allows for customized planning instead of standardized LTRPs.⁵² BC Hydro further submits that the Modified Proposal aims to balance climate goals, reconciliation, and economic opportunities for First Nations while ensuring their energy autonomy and decision-making are respected.⁵³

Panel Determination

The Panel considers that the evaluation of an appropriate planning regulatory framework for NIAs must balance factors such as the need for oversight of public utilities, whether the regulatory process supports or may slow down relevant policy goals, such as diesel reduction in NIAs, and the regulatory cost and burden of filing LTRPs.

The Panel agrees with previous BCUC determinations that the purpose of resource planning is to enable a longer-term view, facilitate the efficient and effective review of subsequent applications that seek to implement actions that flow out of that plan, such as CPCNs and EPAs, and the consideration of strategic and public policy issues.

Except for prescribed undertakings, subsequent applications are still generally required to justify the need for a utility's proposed project or EPA after the acceptance of an LTRP. The BCUC's review is ultimately based on whether applications are in the public interest, regardless of whether these projects or EPAs are included in

⁴⁵ Exhibit C3-3, pdf p. 7.

⁴⁶ Exhibit C2-4, p. 4. GFN asserts that if the CCRs are comprehensive and meet community needs, extensive regulatory review may not be necessary. However, if disagreements arise between BC Hydro and First Nations, a review process under BCUC's oversight could help resolve these issues, ensuring alignment between BC Hydro's plans and community expectations.

⁴⁷ Exhibit D2-1, pp. 2-4.

⁴⁸ Exhibit C1-4, pp. 3-4.

⁴⁹ Exhibit B-9, pp. 4-6.

⁵⁰ Ibid., pp. 4-5.

⁵¹ Ibid., pp. 6-7.

⁵² Ibid., pp. 5-6.

⁵³ Ibid., pp. 7-8.

earlier resource plans, in the recognition that planning circumstances can change. In the case of EPAs in NIAs which currently are prescribed undertakings under the GGRR, however, the BCUC review is not based on an independent assessment of the public interest, but on whether the application meets the stipulated GGRR requirements for a prescribed undertaking.

The Panel notes that at least until 2025, all of BC Hydro's anticipated applications in NIAs are for EPAs pursuant to section 71 of the UCA. In this context, the Panel agrees with BC Hydro that the GGRR Amendment constrains the BCUC's decisions on planning in NIAs. In practice, the prior review of an LTRP would not facilitate a more efficient and effective examination of an application for approval of an EPA under section 71 of the UCA that falls within the category of prescribed undertakings. Further, the review of an LTRP could slow the progress of EPAs for clean energy projects in the NIAs if resources are diverted to an LTRP regulatory review process.

The Panel further notes that the BCUC's review of regulatory applications, including LTRPs, incurs additional costs and time commitments for all parties involved in a proceeding: the utility, the BCUC, and interveners. As indicated by BC Hydro, the introduction of individual LTRPs for the NIAs would increase the regulatory burden compared to today, and the Panel is mindful that there must be a clear benefit to justify any additional regulatory burden.

Additionally, the Panel acknowledges that the BCUC's powers to review LTRPs under section 44.1 of the UCA are limited, regardless of any indirect impacts of the GGRR Amendment. While the BCUC's jurisdiction includes the ability to assess resource plans filed by public utilities, the BCUC does not direct public utilities to undertake specific projects or agreements as part of its review of LTRPs. Similarly, the BCUC does not have jurisdiction to provide direction on the management of the utility. More specifically, the BCUC's jurisdiction under section 44.1 is limited to accepting an LTRP if it is deemed to be in the public interest, or rejecting the LTRP in whole or in part. The BCUC may specify information that must be filed in future LTRPs, but cannot prescribe how the utility develops that plan or its desired outcomes.

That said, the Panel also acknowledges that CCRs may not be a perfect substitute for LTRPs as contemplated under section 44.1. However, the Panel views that CCRs represent an incremental improvement on the current situation in the NIAs where there is no comprehensive LTRP. The Panel recognizes that concerns remain among First Nations around the content of CCRs, dispute resolution mechanisms, and lack of BCUC oversight. To alleviate these concerns and to ensure the BCUC remain informed on the progress of the development of the CCRs in NIAs, **the Panel considers that there is merit in directing BC Hydro to file an annual compliance report detailing its progress in developing CCRs in the NIAs for review by the BCUC, and the Panel so directs.**

The Panel determines that BC Hydro is not required to file LTRPs pursuant to section 44.1 of the UCA for its NIAs. The Panel finds that the preparation of CCRs in consultation with First Nations, with additional reporting requirements as directed by the Panel, is better suited for planning in NIAs, to advance diesel reduction in shorter timeframes, and to provide flexibility that accommodates to the characteristics of each of the NIAs, as well as opportunities for close collaboration between BC Hydro and the NIA communities. The reporting requirement will enable the BCUC to monitor BC Hydro's progress in implementation of its commitments in the Application and assess whether BC Hydro's Modified Proposal effectively contributes to efficient planning in NIAs.

Additionally, while BC Hydro is not currently contemplating filing any CPCNs in NIAs, the Panel believes the inclusion of CCRs in CPCN applications would support a more effective review of such applications, should they be filed in future. **Accordingly, the Panel directs that CCRs be included in future CPCN applications for capital projects in the NIAs.**

4.1 NIA Strategy

BC Hydro plans to include its Diesel Reduction Strategy, now referred to as the NIA Strategy, in its upcoming RRA. BC Hydro states that “this will provide the Commission with the necessary context for costs associated with implementation of the NIA Strategy and accommodate the request from NIA First Nations for deeper collaboration on the document before it is submitted to the Commission.”⁵⁴

BC Hydro explains that the NIA Strategy is designed to support BC Hydro's business and budget planning processes. Since it is a strategic document rather than a detailed work plan, it is not expected to include specific community activities, such as a list of projects to reduce diesel generation, nor will it serve as a long-term resource plan for NIA. BC Hydro plans to submit the NIA Strategy as part of the next RRA, anticipated to be filed in February 2025. This will provide context for and support the justification of expenditures during the test period covered by that RRA.⁵⁵

BC Hydro clarifies that it neither requires nor intends to seek BCUC approval of the NIA Strategy itself or its performance metrics. However, by setting rates for the test period covered by the RRA, the BCUC will have the opportunity to review the costs associated with implementing the NIA Strategy.⁵⁶

Positions of the Parties

Both Zone II RPG⁵⁷ and TII Yahda Energy⁵⁸ point out that BC Hydro's NIA Strategy lacks proper regulatory oversight, bypassing established long-term planning processes. They argue that the NIA Strategy lacks the same 20-year planning scope present in other plans, that BC Hydro has delayed the development of a comprehensive diesel reduction strategy for NIAs, and that this delay has persisted through multiple RRAs, further highlighting the need for proper oversight.

Zone II RPG⁵⁹ and TII Yahda Energy⁶⁰ also express concerns about BC Hydro's lack of clear diesel reduction targets, performance metrics, and transparency in budgeting. They argue that the NIA Strategy is insufficient for addressing the necessary transitions in energy sources for NIAs, as it lacks a concrete strategy for reducing diesel reliance and improving power quality in these areas.

In its reply, BC Hydro clarifies that the NIA Strategy is not intended to replace an LTRP required under section 44.1 of the UCA. Instead, it is designed to support BC Hydro's business and budget planning, similar to its Electrification Plan and 5-Year Plan from the Fiscal 2023 to 2025 RRA. BC Hydro argues that including the NIA Strategy with its next RRA is reasonable and consistent with its approach to strategic planning. BC Hydro adds that the BCUC's role, as stated in previous BCUC decisions, is to review strategies within the context of rate approvals and capital expenditure assessments rather than overseeing strategic planning directly.⁶¹

Panel Discussion

As the Panel has determined BC Hydro will not be required to file LTRPs for the NIAs at this time, the BCUC will not be reviewing the NIA Strategy and associated performance metrics as part of an LTRP. BC Hydro is expected to submit the NIA Strategy as part of its upcoming RRA. Once this submission is made, the panel overseeing that

⁵⁴ Exhibit B-1, p. 7.

⁵⁵ Exhibit B-5, Zone II RPG IR 1.6.5.

⁵⁶ Ibid.

⁵⁷ Exhibit C6-3, pp. 2-3

⁵⁸ Exhibit D2-1, pp. 3-5.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Exhibit B-8, pp. 20-21.

proceeding may evaluate how, if at all, the NIA Strategy should be reviewed and potentially approved as part of the same or a separate regulatory process. This evaluation will depend on the specific contents of the strategy and how it aligns with BC Hydro's broader objectives and regulatory requirements.

BC Hydro has stated in this proceeding it does not believe the BCUC should approve performance metrics for the NIA Strategy. To the extent that remains the case, BC Hydro is expected to provide further justification for its position in the next RRA for the BCUC's determination at that time based on input from all participants in that proceeding. It would be premature for this Panel to opine on this matter now, in the absence of knowledge of the specific contents of that strategy.

Nonetheless, the Panel strongly encourages BC Hydro to ensure that the NIA Strategy include key information that reflects the outcomes of its consultations with First Nations. These consultations are crucial, as they provide valuable insights and help ensure that the strategy is inclusive, addresses the needs of the communities involved, and aligns with broader social and environmental goals. By incorporating this input, BC Hydro can enhance the strategy's effectiveness and ensure that it support meaningful collaboration with First Nations. The Panel recommends that BC Hydro include a summary of its consultation activities on the NIA Strategy as part of its future RRA filing.

4.2 Consultation and Co-Development

BC Hydro states its Modified Proposal reflects the input received during consultation with NIA First Nations, is focused on diesel reduction in NIAs and efficient regulatory oversight to advance renewable projects in a timely manner, and is mindful of community constraints on participation in regulatory processes by proposing a framework that is flexible and scalable. BC Hydro adds that NIA First Nations have a strong desire to be deeply involved in the resource planning for the microgrids in their communities.⁶²

BC Hydro presented its Original Proposal to NIA First Nations during its December 11, 2023 monthly engagement session. BC Hydro states that no immediate feedback or concerns were raised at that session regarding the proposal's adequacy, transparency, or effectiveness. BC Hydro states it encouraged First Nations representatives to review the final Application and participate in the public proceeding to ensure their views were considered.⁶³ BC Hydro clarified that the feedback summarized in Appendix A of the Application reflects discussions from June to October 2023, which do not include feedback on the Original Proposal, as described in the Application, which was shared with NIA First Nations on December 11, 2023.⁶⁴

BC Hydro emphasized that its proposal incorporates certain principles enshrined in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and outlined its ongoing UNDRIP Implementation Plan. BC Hydro submits that the development of CCRs under the proposal will involve collaboration between BC Hydro and NIA communities, with each community deciding its level of participation. CCRs will reflect the unique context, values, objectives, and strategic priorities of each NIA community, with broader community involvement through meetings and interviews.⁶⁵

⁶² Exhibit B-1, p. 10.

⁶³ Exhibit B-4, BCUC IR 1.6.1.

⁶⁴ Exhibit B-5, Heiltsuk Nation IR 1.11.1.

⁶⁵ Ibid., Heiltsuk Nation IR 1.12.1.

Positions of the Parties

Pembina Institute⁶⁶ and GFN⁶⁷ raise concerns with BC Hydro's failure to involve First Nations in the co-development of the regulatory proposal and BC Hydro's depiction of the engagement process. GFN considers this is inconsistent with the *Declaration on the Rights of Indigenous Peoples Act* and BC Hydro's UNDRIP Action Plan.⁶⁸

GFN,⁶⁹ Pembina Institute,⁷⁰ and TII Yahda Energy⁷¹ argue that BCUC oversight is essential to ensure that First Nations' concerns, such as self-determination, reconciliation, and energy sovereignty, are respected. These parties view BC Hydro's actions as prioritizing control over the energy system in NIAs without sufficient collaboration or accountability.

In its reply, BC Hydro acknowledges shortcomings in its engagement during the development of the Original Proposal, attributing them to time and resource constraints and the simultaneous focus on the NIA Strategy. BC Hydro recognizes there are areas for improvement with respect to the engagement process.⁷² While First Nations expressed frustration over the denial of a co-development model, BC Hydro clarifies that it did not commit to such a model due to its sole accountability to the BCUC and the impracticality of achieving consensus with the NIA First Nations within the given timeline.⁷³

BC Hydro submits that the Modified Proposal allows NIA First Nations to decide how they want to be involved in developing the CCR for their community and focuses resources on advancing EPAs for community renewable projects to support a reduction in the reliance on diesel generation.⁷⁴ As mentioned before, BC Hydro disagrees with the need for broad regulatory oversight and notes that a recent amendment to the GGRR limits the BCUC's jurisdiction over NIA planning.⁷⁵

In response to concerns about aligning the CCR approach with UNDRIP principles, BC Hydro emphasizes its proposed tailored approach to developing CCRs, aimed at working closely with each NIA community, allowing them to shape their own CCRs based on their values, objectives, and strategic priorities, ensuring a process that meet individual community needs and involvement levels.⁷⁶

Panel Discussion

The Panel recognizes some parties' concerns surrounding BC Hydro's engagement with NIA First Nations in preparing its proposal, and BC Hydro has acknowledged that there were shortcomings in the engagement process and that there are opportunities for improvement.

As noted above, we encourage BC Hydro to include in its next RRA information reflecting the outcomes of its consultations with First Nations on the NIA Strategy, and anticipate this would include evidence to indicate that BC Hydro has made improvements to its engagement process.

⁶⁶ Exhibit D-1, p. 3. Pembina Institute states that despite ongoing engagement throughout 2023, BC Hydro unilaterally submitted its proposal without prior communication with First Nations, giving them only four days' notice.

⁶⁷ Exhibit C2-3, p. 2.

⁶⁸ Ibid.

⁶⁹ Ibid, p. 3.

⁷⁰ Exhibit D-1, p. 3.

⁷¹ Exhibit D2-1, pp. 2-3.

⁷² Exhibit B-8, p. 18.

⁷³ Ibid., p. 24.

⁷⁴ Ibid., p. 15.

⁷⁵ Exhibit B-9, pp. 4-6.

As for the desire on the part of some First Nations for co-development of the proposal with BC Hydro, the Panel emphasizes that the BCUC jurisdiction involves review of specific utility applications. Our purview does not and should not extend to directing public utilities how to manage their organizations or carry out their business. The Panel observes that the BCUC's regulation of public utilities does not preclude the utility's co-development of projects, ventures, or agreements with third parties should it wish to do so; however, the BCUC's jurisdiction and powers only extend to the regulation of public utilities.

5.0 Overall Panel Determinations

The evidence in this proceeding demonstrates that an alternative approach to a planning regulatory framework is better suited to NIAs. In particular, the Panel is satisfied that BC Hydro's Modified Proposal provides an alternative to the filing of LTRPs for NIAs that is expected to reduce cost and regulatory burden, help advance diesel reduction in shorter timeframes, and give flexibility to tailor planning information to each of the NIAs, while still allowing for effective regulatory oversight. **As such, the Panel finds that there is just cause to reconsider Directive 85 of BCUC Decision and Order G-91-23 pursuant to Rule 26.05 (f).**

For the reasons articulated in this decision, the Panel issues the following directives:

- **Directive 85 of BCUC Decision and Order G-91-23 is rescinded in its entirety.**
- **BC Hydro is directed to file CCRs when filing applications for CPCNs for projects in the NIAs, pursuant to sections 45 and 46 of the UCA.**
- **BC Hydro is directed to include as part of its Annual Report filing to the BCUC a report documenting BC Hydro's progress in the development of CCRs, including the status of its consultation and public engagement in NIAs.**

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of October 2024.

Original signed by:

M. Jaccard
Panel Chair/Commissioner

Original signed by:

A. K. Fung, KC
Commissioner

British Columbia Hydro and Power Authority
Non-Integrated Areas Planning Regulatory Framework

LIST OF ACRONYMS

Acronym	Description
2021 IRP	2021 Integrated Resource Plan
Application	Application for reconsideration of Directive 85 of BCUC Decision and Order G-91-23
BC Hydro	British Columbia Hydro and Power Authority
BCSEA	BC Sustainable Energy Association
BCUC	British Columbia Utilities Commission
CCR	Community Context Report
CEA	<i>Clean Energy Act</i>
CPCN	Certificate of Public Convenience and Necessity
DSM	Demand Side Measures
EPAs	Energy Purchase Agreements
GFN	Gitga'at First Nation
GGRR	Greenhouse Gas Reduction (Clean Energy) Regulation
LTRP	Long-Term Resource Plan
NIAs	Non-Integrated Areas
RRA	Revenue Requirements Application
Rules	BCUC's Rules of Practice and Procedure
UCA	<i>Utilities Commission Act</i>
UNDRIP	UN Declaration on the Rights of Indigenous Peoples
Zone II RPG	Zone II Ratepayers Group

British Columbia Hydro and Power Authority
Non-Integrated Areas Planning Regulatory Framework

EXHIBIT LIST

Exhibit No.	Description
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COMMISSION DOCUMENTS

A-1	Letter dated January 15, 2024 – Appointing the Panel for the review of the BC Hydro Non-Integrated Areas Planning Regulatory Framework
A-2	Letter dated January 25, 2024 – BCUC Order G-23-24 establishing a regulatory timetable
A-3	Letter dated February 29, 2024 – BCUC Information Request No. 1 to BC Hydro
A-4	Letter dated March 20, 2024 – BCUC Order G-80-24 amending the regulatory timetable
A-5	Letter dated May 3, 2024 – Panel Request for Letters of Comment
A-6	Letter dated May 17, 2024 – BCUC Order G-142-24 amending the regulatory timetable
A-7	Letter dated June 7, 2024 – BCUC response to BC Hydro extension request
A-8	Letter dated July 3, 2024 – BCUC Order G-178-24 establishing a further regulatory timetable

APPLICANT DOCUMENTS

B-1	BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (BC HYDRO) – Non-Integrated Areas Planning Regulatory Framework Application dated December 15, 2023
B-2	PUBLIC - Letter dated February 9, 2024 – BC Hydro submitting evidentiary update and compliance with public notice directive
B-2-1	CONFIDENTIAL - Letter dated February 9, 2024 – BC Hydro submitting evidentiary update and compliance with public notice directive
B-3	Letter dated March 18, 2024 – BC Hydro submitting extension request for responses to BCUC and Intervener Information Requests No. 1
B-4	Letter dated April 26, 2024 – BC Hydro submitting responses to BCUC Information Request No. 1
B-5	Letter dated April 26, 2024 – BC Hydro submitting responses to Interveners Information Requests No. 1

B-6	Letter dated May 17, 2024 – BC Hydro submitting response regarding TII Yahda Letter of Comment extension request
B-7	Letter dated June 6, 2024 – BC Hydro submitting extension request to reply to Letters of Comment
B-8	Letter dated June 28, 2024 – BC Hydro submitting reply to Letters of Comment
B-9	Letter dated August 9, 2024 – BC Hydro submitting reply to updated Letters of Comment

INTERVENER DOCUMENTS

C1-1	BC SUSTAINABLE ENERGY ASSOCIATION (BCSEA) – Letter dated February 16, 2024 Request to Intervene by Thomas Hackney
C1-2	Letter dated March 8, 2024 – BCSEA submitting Information Request No. 1 to BC Hydro
C1-3	Letter dated May 15, 2024 – BCSEA submitting Letter of Comment
C1-4	Letter dated July 23, 2024 – BCSEA submitting an additional Letter of Comment
C2-1	GITGA'AT FIRST NATION (GFN) – Letter dated February 19, 2024 Request to Intervene by David Benton
C2-2	Letter dated March 6, 2024 – GFN submitting Information Request No. 1 to BC Hydro
C2-3	Letter dated May 10, 2024 – GFN submitting Letter of Comment
C2-4	Letter dated July 9, 2024 – GFN submitting Letter of Comment regarding the GGRR Amendment and the BC Hydro modified proposal
C3-1	NUXALK NATION – Letter dated February 20, 2024 Request to Intervene by Terry Webber
C3-2	Letter dated March 8, 2024 – Nuxalk Nation submitting Information Request No. 1 to BC Hydro
C3-3	Letter dated May 16, 2024 – Nuxalk Nation submitting Letter of Comment
C4-1	HEILTSUK NATION – Letter dated February 21, 2024 Request to Intervene by Medric (Bo) Reid
C4-2	Letter dated March 8, 2024 – Heiltsuk Nation submitting Information Request No. 1 to BC Hydro
C4-3	Letter dated July 26, 2024 – Heiltsuk Nation submitting Letter of Comment regarding the GGRR Amendment and the BC Hydro modified proposal

C5-1	YU KA WHU'TEN FORESTRY – Letter dated February 21, 2024 Request to Intervene by Stephen James
C6-1	ZONE II RATEPAYERS GROUP (ZONE II RPG) – Letter dated February 21, 2024 request to intervene by Sebastian Ennis, Iris Legal Law Corporation representing together Kwadacha Nation and Tsay Keh Dene Nation
C6-2	Letter dated March 8, 2024 – Zone II RPG submitting Information Request No. 1 to BC Hydro
C6-3	Letter dated May 16, 2024 – Zone II RPG submitting Letter of Comment
C6-4	Letter dated July 26, 2024 – Zone II RPG submitting Letter of Comment regarding the GGRR Amendment and the BC Hydro modified proposal

LETTERS OF COMMENT

D-1	Pembina Institute (Pembina) – Letter of Comment dated May 3, 2024
D-1-1	Pembina – Letter of Comment dated July 23, 2024
D-2	TII Yahda Energy (TII Yahda) – Letter of Comment extension request dated May 15, 2024
D-2-1	TII Yahda – Letter of Comment dated May 28, 2024