



**ORDER NUMBER**

**G-40-26**

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority  
Optional Transmission Service Time-Varying Rates

**BEFORE:**

T. A. Loski, Panel Chair  
M. Jaccard, Commissioner

on March 5, 2026

**ORDER**

**WHEREAS:**

- A. On December 19, 2025, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) the Optional Transmission Service Time-Varying Rates Application (Application) seeking approval of the following rates (together, the Optional Transmission Rates):
- Rate Schedule (RS) 2801 – Transmission Service Time-of-Use;
  - RS 2802 – Transmission Service Time-of-Use with Modified Winter Demand;
  - RS 2821 – Transmission Service Critical Peak Pricing; and
  - RS 2822 – Transmission Service Critical Peak Pricing with Time-of-Use;
- B. As part of the Application, BC Hydro requests that the BCUC approve the Optional Transmission Rates, effective April 1, 2026, on an interim and non-refundable basis. BC Hydro proposes that the Optional Transmission Rates be approved on a non-refundable basis because customers will be making operating decisions based on the interim rates and they require certainty that the rate will not be changed retroactively;
- C. BC Hydro also requests the approval of amendments to the following rates (together, the Related Amendments), effective April 1, 2026:
- RS 1880 – Standby and Maintenance Supply, to make the rate available to customers taking service under the Optional Transmission Rates and preclude them from taking service under RS 1880 during on-peak periods and critical peak pricing events;

- Tariff Supplement 89, to clarify that customers with a billing formula pursuant to an electricity purchase agreement with a contracted generator baseline can participate in the Optional Transmission Rates; and
  - RS 1892 – Freshet Energy, so that customers taking service under the Optional Transmission Rates are eligible to concurrently participate in RS 1892;
- D. BC Hydro requests that, upon completion of the regulatory process for the Application, the BCUC approve the Optional Transmission Rates on a final basis, as a four-year pilot effective from April 1, 2026 to March 31, 2030. BC Hydro proposes that any changes from the interim approved rates become effective April 1, 2027;
- E. BC Hydro requests that Exhibit B-3-1, which contains the Excel-based models in support of the Application, be kept confidential on the basis that they contain commercially sensitive customer information;
- F. By Order G-1-26 dated January 9, 2026, the BCUC established a regulatory timetable to review the Application. With respect to BC Hydro’s requests for interim rates and the Related Amendments, the timetable included intervener registration, one round of BCUC Information Requests (IRs), intervener submissions and BC Hydro’s reply, and a deadline for the BCUC to issue a decision on these matters;
- G. Four interveners filed submissions on the interim approval request and the Related Amendments and BC Hydro replied to these submissions; and
- H. The BCUC has reviewed the interim approval request, responses to IRs and submissions regarding the interim approval request and the Related Amendments and finds the following determinations are warranted.

**NOW THEREFORE** pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act* and for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

1. RS 2801, RS 2802, RS 2821, and RS 2822, as shown in Appendix B of the Application, are approved on an interim and refundable/recoverable basis, effective April 1, 2026, until further order of the BCUC. Any variance between the interim and permanent rates will not be solely refundable to, or solely recoverable from, customers under RS 2801, RS 2802, RS 2821, or RS 2822.
2. RS 1880, RS 1892, and Tariff Supplement 89, as shown in Appendix B of the Application, are approved on a permanent basis, effective April 1, 2026.
3. BC Hydro is directed to file updated tariff sheets with the BCUC reflecting the interim approval of RS 2801, RS 2802, RS 2821, and RS 2822, and reflecting the permanent approval of RS 1880, RS 1892, and Tariff Supplement 89, within 15 business days of the date of this order for acceptance.
4. Exhibit B-3-1 will be held confidential unless the BCUC determines otherwise.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 5th day of March 2026.  
BY ORDER

*Electronically signed by Tom Loski*

T. A. Loski  
Commissioner

British Columbia Hydro and Power Authority  
Optional Transmission Service Time-Varying Rates

**DECISION**

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## **1.0 Introduction**

On December 19, 2025, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) the Optional Transmission Service Time-Varying Rates Application (Application) seeking approval of the following new rates (together, the Optional Transmission Rates) as a four-year pilot effective April 1, 2026:<sup>1</sup>

- Rate Schedule (RS) 2801: Transmission Service Time-of-Use;
- RS 2802: Transmission Service Time-of-Use with Modified Winter Demand;
- RS 2821: Transmission Service Critical Peak Pricing; and
- RS 2822: Transmission Service Critical Peak Pricing with Time-of-Use.

To allow implementation of these rates effective April 1, 2026, BC Hydro requests approval from the BCUC by March 5, 2026, to offer the Optional Transmission Rates on an interim and non-refundable basis for a one-year period from April 1, 2026, to March 31, 2027, while the BCUC reviews the Application.<sup>2</sup> BC Hydro explains the requested effective date of April 1, 2026 is in response to feedback from transmission service customers, as many of those customers are transitioning from RS 1823 to RS 1830 by April 1, 2026, and the Optional Transmission Rates will provide them with options to manage their energy costs.<sup>3</sup>

In addition, BC Hydro requests final approval of the following amendments to existing rate schedules (together, the Related Amendments), effective April 1, 2026:<sup>4</sup>

- Update RS 1880 – Transmission Service – Standby and Maintenance Supply to preclude customers on the Optional Transmission Rates from taking service under RS 1880 during On-Peak periods and Critical Peak Pricing events.
- Amend the availability of RS 1892 – Transmission Service – Freshet Energy to allow customers taking service under the Optional Transmission Rates to concurrently participate in RS 1892.
- Update Tariff Supplement 89 to clarify that customers with a billing formula pursuant to an Electricity Purchase Agreement with a contracted generator baseline can participate in the Optional Transmission Rates.

By Order G-1-26, the BCUC established a regulatory timetable to review the Application. With respect to BC Hydro's requests for interim rates and the Related Amendments noted above, this timetable included intervenor registration, one round of BCUC information requests (IRs), intervenor submissions and reply, and a deadline for the BCUC to issue a decision on these matters. The timetable includes further process for the review of the remaining approvals sought in the Application.

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<sup>1</sup> Exhibit B-1, pp. 1–2.

<sup>2</sup> Exhibit B-1, pp. 2–3.

<sup>3</sup> Exhibit B-1, Cover Letter, p. 3.

<sup>4</sup> Exhibit B-1, p. 6, Appendix A.

Six parties registered as interveners in the proceeding. The following four interveners filed submissions on the interim approval request and the Related Amendments:

- Association of Major Power Customers (AMPC);
- BC Sustainable Energy Association (BCSEA);
- Commercial Energy Consumers Association of BC (the CEC); and
- Residential Consumer Intervener Association (RCIA).

This decision addresses BC Hydro's request for interim approval of the Optional Transmission Rates and the request for final approval of the Related Amendments.

## 2.0 Interim Approval Request

BC Hydro proposes that the interim Optional Transmission Rates in the first year be approved on a non-refundable basis to encourage participation from customers because customers will be making operating decisions based on the interim rates and they require certainty that the rates will not be changed retroactively.<sup>5</sup> BC Hydro considers that alternatively, if the interim rates were approved on a refundable or recoverable basis, it would reduce customer participation and any associated system benefits, given that customers would incur costs to shift or reduce their energy use under the new rates and would only do so if they have certainty on those rates.<sup>6</sup>

If approved on a non-refundable basis as proposed, BC Hydro states that any difference between interim and permanent rates will be recovered from all customers, including those that did not participate in the rates, through its existing Load Variance Regulatory Account. BC Hydro considers this approach appropriate because all customers are expected to receive the system benefits enabled by the Optional Transmission Rates.<sup>7</sup>

Alternatively, if the difference is to be recovered from the transmission rate class only, such as through the establishment of a new deferral account and corresponding rate rider, BC Hydro considers that it would result in a potential mismatch between benefits and costs. In BC Hydro's view, this alternative would also reduce customer understanding and increase rate variability and uncertainty for transmission customers. Further, BC Hydro states that it would be arbitrary to recover the difference from the entire transmission rate class because transmission customers that are not participating in the Optional Transmission Rates are no more the cause of the variances than any other ratepayer group.<sup>8</sup>

### *Positions of Parties*

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<sup>5</sup> Exhibit B-1, p. 2.

<sup>6</sup> Exhibit B-5, BCUC IRs 1.1, 1.2, 1.3.

<sup>7</sup> Exhibit B-5, BCUC IR 1.4.

<sup>8</sup> Exhibit B-5, BCUC IR 1.4; Exhibit B-6, p. 3.

AMPC<sup>9</sup> supports BC Hydro's request for interim, non-refundable rates for the first year, while BCSEA<sup>10</sup> does not oppose it. On the other hand, RCIA<sup>11</sup> and the CEC,<sup>12</sup> while not opposing the approval of interim rates, submit that any difference between the interim and permanent rates should be recovered only from the transmission rate class customers through a new deferral account.

AMPC submits that given the new rates will benefit all customers, recovery from only the transmission class customers would be potentially discriminatory as it would unfairly shift the burden to those who do not participate in the new optional rates while letting other customers receive the benefits without sharing the cost.<sup>13</sup>

In contrast, the CEC considers that it is generally appropriate for each rate class to be responsible for the risks and benefits associated with their rates, and notes that the forecast reduced participation of approving the rates on a refundable or recoverable basis would only occur for one year.<sup>14</sup>

In reply, BC Hydro notes its disagreement with the "CEC's suggestion that other ratepayers would not benefit from the Optional Transmission Rates."<sup>15</sup> BC Hydro submits that it does not support the approach of recovering the difference between interim and permanent rates from only the transmission rate class through a new deferral account, but rather the most appropriate approach is for the difference to be recovered from all customers through its existing Load Variance Regulatory Account. However, if the BCUC does not approve its proposal, then it considers that the next best approach is for the interim approval of the Optional Transmission Rates on a refundable or recoverable basis.<sup>16</sup>

### *Panel Determination*

**The Optional Transmission Rates are approved on an interim and refundable / recoverable basis, effective April 1, 2026, until further order of the BCUC.** The Panel considers it premature to determine whether all ratepayers benefit from the Optional Transmission Rates, and therefore whether any revenue variances between interim and permanent rates should be recovered from all customers. That said, the Panel recognizes that customers signing up for the new rate schedules may need to make operating decisions based on the interim rates and therefore require some rate certainty in deciding whether to sign up for the new rates. Accordingly, **any variance between the interim and permanent rates will not be solely refundable to, or solely recoverable from, customers under RS 2801, RS 2802, RS 2821, or RS 2822.** Subject to this restriction, the Panel will determine under which BC Hydro rate schedules any variance will be refunded or recovered when permanent rates are established. For example, the Panel may still determine that a portion of the variance, if any, should be refunded to or recovered from all customers, or refunded to or recovered from specific BC Hydro rate schedules, as appropriate. In the Panel's view, this treatment of any potential variance provides sufficient certainty to the customers on the Optional Transmission Rates schedules to encourage participation under these rate schedules.

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<sup>9</sup> Exhibit C5-2, p. 1.

<sup>10</sup> Exhibit C3-2, p. 1.

<sup>11</sup> Exhibit C6-2, p. 1.

<sup>12</sup> Exhibit C2-2, p. 5.

<sup>13</sup> Exhibit C5-2, pp. 2, 6.

<sup>14</sup> Exhibit C2-2, p. 5.

<sup>15</sup> Exhibit B-6, p. 2.

<sup>16</sup> Exhibit B-6, p. 3.

### 3.0 Related Amendments

BC Hydro requests approval of the Related Amendments on a final rather than interim basis because approving these amendments on an interim basis could cause confusion for customers taking service under RS 1880, RS 1892, and Tariff Supplement 89. BC Hydro considers that there would be no harm in making these amendments final given they would only have practical effect if the Optional Transmission Rates are in effect. If the BCUC does not approve the Optional Transmission Rates on a final basis, BC Hydro will apply to revert to the previous versions of RS 1880, RS 1892, and Tariff Supplement 89 as a housekeeping matter.<sup>17</sup>

#### *Positions of Parties*

AMPC<sup>18</sup> and the CEC<sup>19</sup> support BC Hydro's request for approval of the Related Amendments on a permanent basis. However, RCIA submits that interim approval of the amendments is appropriate, with the changes made permanent if and when the Optional Transmission Rates are made permanent.<sup>20</sup> BCSEA did not comment on BC Hydro's request for the Related Amendments on a final basis.

In reply, BC Hydro reiterates the confusion that could be caused by approving the Related Amendments on an interim basis and that there would be no harm in making these amendments final.<sup>21</sup>

#### *Panel Determination*

**The Related Amendments, as proposed by BC Hydro, are approved on a permanent basis, effective April 1, 2026.** The Panel is persuaded that the Related Amendments should be approved on a permanent basis to avoid causing confusion for customers on RS 1880, RS 1892, and Tariff Supplement 89. The Panel is satisfied that the amendments would only have a practical effect if the Optional Transmission Rates are in effect and they can be reverted if the Optional Transmission Rates are not approved on a permanent basis following the regulatory process to review the Application.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        5<sup>th</sup>        day of March 2026.

*Electronically signed by Tom Loski*

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T. A. Loski  
Panel Chair/Commissioner

*Electronically signed by Mark Jaccard*

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M. Jaccard  
Commissioner

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<sup>17</sup> Exhibit B-1, Cover Letter, p. 4.

<sup>18</sup> Exhibit C5-2, p. 1.

<sup>19</sup> Exhibit C2-2, p. 5.

<sup>20</sup> Exhibit C6-2, p. 2.

<sup>21</sup> Exhibit B-6, p. 4.

