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April 30, 2024

Patrick Wruck Commission Secretary and Manager Regulatory Services British Columbia Utilities Commission Suite 410, 900 Howe Street Vancouver, BC V6Z 2N3

Dear Patrick Wruck:

RE: British Columbia Utilities Commission (BCUC or Commission)

British Columbia Hydro and Power Authority (BC Hydro)

2020 Street Light Rates Application (the Project)

Compliance with BCUC Order No. G-312-21 Directive 7 Annual Rate Schedule 1755 Report No. 2 – April 30, 2024

BC Hydro writes in compliance with Commission Order No. G-312-21, to provide Annual Rate Schedule 1755 Progress Report No. 2 for the Project.

For further information, please contact Shiau-Ching Chou at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

Chris Sandve

Chief Regulatory Officer

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Enclosure



BC Hydro 2020 Street Light Rates Application

Annual Rate Schedule 1755 Report No. 2

April 30, 2024



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1 Background

On November 12, 2020, the British Columbia Power and Hydro Authority (**BC Hydro**) filed with the British Columbia Utilities Commission (**BCUC** or **Commission**) its 2020 Street Light Rates Application pursuant to sections 58 to 61 and section 63 of the *Utilities Commission Act* (**Application**), which included, among other things, BC Hydro's application to rescind Rate Schedule (**RS**) 1755 – Private Outdoor Lighting.

Through its Decision and Order No. G-312-21 dated November 1, 2021 (**Order**), the Commission approved the rescindment of RS 1755. This rescindment requires customers who were taking illumination service under RS 1755 to migrate their service onto an appropriate rate schedule or discontinue service.

BC Hydro developed a transition plan (**Transition Plan**) to enable customers to continue to receive adequate outdoor illumination on private property at affordable rates and this Transition Plan was approved in the Order. BC Hydro has prepared this RS 1755 Compliance Report No. 2 in accordance with Directive 7 and reporting requirement No. 4 of the Order. Reporting requirement No. 4 directs BC Hydro to file two compliance reports regarding its actions to address customer unfamiliarity with the private outdoor lighting market and help reduce the financial barriers associated with the installation of new replacement lighting that result from the rescindment of RS 1755; including:

- General Status and Implementation;
- Customer Uptake;
- Participating Vendors:
 - Overview of Lighting Products, Pricing and Services;
 - Overview of Financing Options; and



Challenges and Issues.

2 General Status and Implementation

As of March 31, 2024, 4745 out of 4849 (97.8%) streetlights served under RS 1755 have either been removed or converted to Light-Emitting Diodes (**LED**) streetlights.

RS 1755 streetlights are categorized into three groups as follows:

- Group 1: Where the light is mounted on a pole (on private property) that was
 installed by the customer, or by BC Hydro at the customer's expense (As
 discussed in the Application, BC Hydro interprets this to mean that the
 Customer legally owns and is responsible for the pole on which the light is
 mounted);
- 2. **Group 2**: Where the light is mounted on a BC Hydro-owned pole that is on public property, or an easement, and is part of BC Hydro's distribution system; and
- 3. Group 3: Where a light is mounted on a pole that was installed on the customer's private property by BC Hydro, at BC Hydro's expense, solely for the purpose of supporting the light (As discussed in the Application, BC Hydro interprets this to mean that the that BC Hydro legally owns and is responsible for the pole on which the light is mounted).

Group 2 customers can be migrated by BC Hydro to RS 1701 – Overhead Street Lighting, provided that the pole on which the light is mounted is within BC Hydro's distribution system and meets the RS 1701 availability criteria. Group 1 and Group 3 customers are responsible for all equipment and installation costs associated with migrating their service to an appropriate rate schedule.



Under the Transition Plan:

- Where feasible, BC Hydro will allow Group 2 lights to be transitioned to RS 1701 and replaced with LED technology;
- When no longer needed or suitable for continued use, BC Hydro will remove Group 1 (customer-owned) poles at the request of the customer at no cost to the customer:
- 3. BC Hydro will remove all Group 3 lights and poles.
- 4. BC Hydro will waive the Service Connection fees that would be incurred should a new, metered electrical service be required to continue illuminating private property;
- 5. BC Hydro will recruit qualified outdoor lighting contractors from its Alliance of Energy Professionals network, to simplify and assist customers with the search and installation of appropriate new lighting solutions;
- 6. BC Hydro will work with Procurement Services BC to offer tools, resources, and competitive pricing for LED solutions for government customers; and
- 7. With program partners, BC Hydro will develop financial solutions to provide support with initial upfront costs.

<u>Table 1</u> provides a status breakdown by Group:



Table 1 RS 1755 Removal/ Conversion Status to March 31, 2024

| | Light Does Not Exist in the Field (data issue) | Light/Pole Removed | Pending Light/Pole Removal | LED Installed | Pending LED Streetlight Installation | Total |
|------------------|---|-----------------------|----------------------------------|------------------|---|-------|
| Group 1 | 870 | 1379 | 53 | N/A | N/A | 2302 |
| Group 2 | 105 | 624 | 7 | 948 | 39 | 1723 |
| Group 3 | 231 | 561 | 13 | N/A | N/A | 805 |
| TOTAL | 1206 | 2564 | 73 | 948 | 39 | 4830 |
| Revised Count | 0 | 2564 | 73 | 948 | 39 | 3624 |

As shown in <u>Table 1</u> above, BC Hydro has determined that 3624 poles and/or lights require removal or conversion to LED streetlights. In addition, BC Hydro identified 132 unmetered streetlights through field inspections that were not included in original scope of work. <u>Table 2</u> provides a breakdown of these streetlights:

Table 2 Additional Unmetered Street Lights Identified - RS 1755

| Unmetered Streetlights | Group 1 | Group 2 | Group 3 |
|---------------------------|---------|---------|---------|
| Count | 1 | 116 | 15 |

As Group 2 customers are eligible for LED conversion, BC Hydro provided them suggestions to switch to standard RS 1701 metered connection. BC Hydro received 13 agreements as of date of this report. All streetlights/poles that received no agreement will be removed as per regular RS 1755 program. BC Hydro remains on track to complete remaining RS 1755 related work, as planned, by the end of fiscal 2025.

BC Hydro is continuing to engage and support customers impacted by the rescindment of RS 1755 – Private Outdoor Lighting service and to refer customers to qualified outdoor lighting contractors as required.



3 Customer Uptake

3.1 LED Replacement and Migration to RS 1701

Of the 3756 lights that required removal or conversion to LEDs, 1000 lights have been, or will be, converted to LEDs and 2756 lights poles and/or streetlights have been, or will be, removed.

3.1.1 Migration to RS 1701

BC Hydro has replaced 948 High-Pressure Sodium (**HPS**) or Mercury Vapour (**MV**) streetlights with LED streetlights for 941 Group 2 customers that decided to migrate their service to RS 1701 and expects to replace approximately 52 more streetlights by the end of fiscal 2025.

3.1.2 Private Pole Removals

BC Hydro removed 80 private poles for 57 Group 1 customers and expects one more private pole to be removed by the end of fiscal 2025.

3.1.3 Waiver of Service Connection Fees

BC Hydro supplies an informational brochure to all customers interested in new metered connection. To date, approximately 10 customers have elected to install new lighting using this option.

3.2 Financing Options

BC Hydro worked with participating vendors to support customers who must install their own lighting to replace a streetlight served under RS 1755. <u>Table 3</u> summarizes the numbers of customer inquiries received up to March 31, 2024, as well as financing option inquiries and utilization, based on data provided by participating vendors. BC Hydro notes that no additional customer inquiries have been received since previously reported in Annual Rate Schedule 1755 Report No. 1.



| Table 3 | Customer Inquiries and Financing |
|---------|----------------------------------|
|---------|----------------------------------|

| Customer inquiries (Approx.) | Customers inquiring about financing | Customers utilizing financing |
|------------------------------|-------------------------------------|-------------------------------|
| 42 | 2 | 0 |

3.2.1 Participating Vendors

Three vendors have been identified, two of which could provide financing options to impacted customers and support them with installing their own streetlights: EB Horsman & Sons, Narramata; IES Ventures, Richmond; and Lumisave, Prince George. Customers are referred to these vendors by BC Hydro as appropriate.

3.2.1.1 Overview of Lighting Products, Pricing and Services

BC Hydro has worked with and confirmed that the three vendors noted above have products and services available that would support impacted RS 1755 customers with installing their own lighting.

3.2.1.2 Overview of Financing Options by Vendor

Financing is available for customers with the vendors. One vendor offers financing for low-income customers (IES Ventures). <u>Table 4</u> summarizes the financing options available to customers.

Table 4 Financing Options by Vendor

| Vendor | General Market | Low Income |
|--------------|----------------------------|----------------------------|
| EB Horseman | No financing option | No financing option |
| IES Ventures | Financing option available | Financing option available |
| Lumisave | Financing option available | No specific option |

As discussed above, BC Hydro also offers financial assistance through the waiving the metered Service Connection fee as per the Transition Plan. All customers requiring additional financing to install new streetlighting through their own lighting distributor may also receive financing offered by that lighting distributor; however, BC Hydro has no specific information on such arrangements. These financing



programs typically include costs of the installation labour and materials for streetlighting and poles.

3.3 LED Solutions for Government Customers

BC Hydro partnered with Procurement Services BC to provide tools, resources and pricing on LED streetlighting to eligible government customers. BC Hydro has no information on the number of government customers who leveraged the services offered via Procurement Services BC since these services are administered by another party.

4 Challenges and Issues

BC Hydro has not identified any significant challenges or issues that would hinder its ability to complete the work required for the termination of the RS 1755 service as planned. To date, the largest challenges have been:

- For lights on private property, BC Hydro's practice is to try to obtain customer consent for access to the poles/lights and there have been some instances where this has proven difficult¹; and
- Some of the requested removal of private poles cannot be undertaken by BC Hydro because the poles contain third-party telecom equipment, and the customer must make other arrangements.

Where BC Hydro is unable to obtain customer consent, the customer receives disconnection notice and will be disconnected unless access is provided. So far, BC Hydro has been able to arranged access and no RS 1755 customer has been disconnected due to refused access.