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March 27, 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)
2023 Network Economy Annual Report**

BC Hydro writes in compliance with BCUC Order No. G-127-06 in connection with the British Columbia Transmission Corporation Application for Network Economy and Open Access Transmission Tariff (**OATT**) (October 19, 2006). Section 10 of the Settlement Agreement, attached to Order No. G-127-06 as Appendix 1, requires that BC Hydro prepare an annual report for each calendar year which will provide the annual domestic volumes allocated under the Transfer Pricing Agreement and the net amount imported using the Network Economy Service that has passed the Economic Test set out in paragraph 2 of Attachment Q-2 to the OATT.

Attached is the Annual Report for the 2023 calendar year containing the required information as noted above. BC Hydro will be posting this letter and the attached report on its website at <https://www.bchydro.com/energy-in-bc/operations/transmission/transmission-scheduling/transaction-data/network-economy-reports.html>.

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

2023 Network Economy Annual Report

(January 1, 2023 – December 31, 2023)

Total Domestic Volumes¹ allocated under the Transfer Pricing Agreement for the 2023 calendar year were net imports of 50,400 MWh.

In the period ending December 31, 2023, 0 MWh² were imported using Network Economy Service that passed the Economic Test,^{3,4} as set out in paragraph 2 of Attachment Q-2 to the Open Access Transmission Tariff.

Time Period	Transfer Pricing Agreement Volumes (MWh)	Net Amount Imported Using Network Economy Service that has passed the Economic Test (MWh)
January – December 2023	50,400	0

¹ Total Domestic Volumes, as reported here, refer to Designated Imports (only) under the Transfer Pricing Agreement.

² The total amount imported using Network Economy Service over the B.C.-U.S. Intertie and the B.C.-AB Intertie was 15,006,156 MWh. These imports were subject to the economic test per Tariff Supplement 80 but did not pass so had the same priority as Non-Firm Point-To-Point (**PTP**) Transmission Service. The net amount imported using Network Economy Service on unconstrained internal B.C. paths was a further 1,456,078 MWh, however these imports were not on the interties and were not subject to the economic test per Tariff Supplement 80.

³ Pursuant to BUC Order No. G-158-15, effective April 1, 2016, the Threshold Purchase Price (**TPP**) is the Trigger Price for the Network Economy Economic Test under Tariff Supplement 80 at all times of the year.

⁴ As of April 1, 2020, the TPP is no longer derived from the Transfer Pricing Agreement for Electricity and Gas between BC Hydro and Powerex Corp (**TPA**). The Network Economy Economic Test continues to use a Trigger Price of -\$999/MWh, which is the last TPP established under previous TPA. As a result, the Network Economy Economic Test cannot pass and network imports always have the same priority as Non-Firm PTP.