BC Hydro Rate Design - Module 2
Stakeholder Meeting

Summary | 8 November 2016 | 10:00am to 11:15am | BC Hydro - Dunsmuir

TYPE OF MEETING	Stakeholder Meeting
FACILITATOR	Gordon Doyle
PARTICIPANTS	Commercial Energy Consumers – David Craig
BC HYDRO ATTENDEES	Gordon Doyle, Manager, Regulatory, Daren Sanders, Manager, Customer Service. Kathy Lee, Manager, Energy Planning and Allan Chung, Specialist, Regulatory
AGENDA	1. Discuss BC Hydro Slide Presentation on CEC Interruptible Rate Proposal 2. Next Steps

MEETING MINUTES	
ABBREVIATIONS	BCH…. BC Hydro BCUC…BC Utilities Commission CEC…. Commercial Energy Consumers' Association of BC TOU... Time of Use RS…… Rate Schedule SCGT. Simple Cycle Gas Turbine

1. Slide presentation discussion

CEC Interruptible Rate Proposal

BC Hydro provided background and summary of CEC Interruptible Rate proposal. CEC confirmed that firm portion of customer load would be billed the default firm rate and the non-firm portion would be billed the interruptible rate. Regarding possibility of non-firm load returning to firm service, CEC agreed that transition rules would be needed and a customer would not be able to switch back unless there is capacity available or if the customer pays for any required system reinforcement.

Revenue Impact

BC Hydro expressed its concern that if the demand charge is discounted by excluding generation capacity and bulk transmission costs, then there is a risk of revenue loss if firm load is migrated to non-firm load. The demand charge is to recover the fixed costs and if there is less firm load there will be less revenue resulting in rates increasing for all customers.

CEC indicated that there may be additional revenue from greenhouse grower lighting load if they increase non-firm lighting load, since the demand charge would be discounted. Presently, the demand charge is a disincentive for these customers to use their lighting load overnight.

BC Hydro indicated that options for new load could be considered, but did not support providing customers with an option to convert firm load to non-firm load. None of BC Hydro's current non-firm rates (e.g., RS 1880 and shore power) provide customers with this option.

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BC Hydro System Needs and Curtailment Pilot

BC Hydro described its system needs and characteristics. The next generation capacity need would be Revelstoke unit 6 or a SCGT equivalent. In order to defer this, BC Hydro operationally would need the flexibility to call on these 36 days of interruptions (up to 16 hours /day) anytime October through April. These parameters define one of the options for the current transmission service load curtailment program pilot.

BC Hydro explained current generation capacity resource stack where Peace Canyon dam and Coastal provide capacity to serve evening peak. As future load increases, the gap in capacity supply becomes a 16 hour block. CEC indicated that BC Hydro could instead operate Peace Canyon for base load and which would create a future capacity need over a shorter period during the evening peak and which may match customers' ability to curtail better.

BC Hydro indicated that the current resource stack is based on economics and alternatives are being considered to help the existing stack. An interruptible program based on the system peak (e.g., November - February, 5 hour evening peak) may still have some limited value, as indicated in the slide deck.

CEC indicated that its customers could consider 16, 8 or 4 hour blocks and which may have value to BC Hydro. For example, greenhouse growers could respond with short notice and if events were called on a cloudy day, it could have value to them. Another example would be ski hills wanting to make snow overnight and thus would be able to load shift. CEC mentioned the forestry sector where during the coldest days they are most flexible because production is not as valuable to them.

BC Hydro also mentioned the potential administrative and operational challenges if it needed to interrupt 300 customers.

Wrap-up

CEC indicated that BC Hydro should still consider interruptible options even with limits. The other option for BC Hydro to consider is where a customer can increase load and where BC Hydro is able to accommodate this.

CEC agreed that BC Hydro also consider a broader list of options including TOU and demand charge options.

2. Next Steps

BC Hydro and CEC agreed to meet monthly to further discuss rate options for general service customers.

For the next meeting in December, BC Hydro will present more detail around feasible rate options including a curtailment program (16, 8 and 4 hour) and voluntary TOU rate.