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October 15, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Electricity Purchase Agreement (EPA) – Sechelt, Brown Lake, Walden
North Renewals - Reconsideration (Reconsideration Application)**

BC Hydro writes to provide its reply on intervener submissions regarding the Reconsideration Application in accordance with BCUC Order No. G-239-20. The only party that registered as an intervener in this proceeding is the Commercial Energy Consumers Association of British Columbia (**CEC**), which filed its submission on October 8, 2020.¹

In its submission, CEC states that, while it does not support all of BC Hydro's submissions, it arrives at a similar summary response to the issues set out by the BCUC in Order No. G-239-20.² CEC is persuaded by the procedural fairness concern raised by BC Hydro regarding how "Directive 3 appears to have effectively changed the BCUC's Rules without consulting impacted parties and without expressly incorporating the changes into the Rules."³ In summary response to both issues set out in Order No. G-239-20, CEC submits that:

...Directive 3 should be suspended and held in abeyance until such time as the Commission has completed a review process of the BCUC Rules and the issue of determining the appropriate materials to be filed by BC Hydro, and other utilities regulated by the Commission, consistent with the appropriate statutory interpretation of section 71 of the UCA, in the context of full submissions on legal and practical considerations as well as in accordance with regulatory effectiveness and efficiency.

¹ Exhibit C1-2.

² Exhibit C1-2 at page 1.

³ Exhibit C1-2 at page 1; Exhibit B-3 at page 6.

BC Hydro is not in agreement with CEC's submission that Directive 3 should be suspended and held in abeyance for the following reasons.

First, no stand-alone process has been established to review the BCUC's Rules. As BC Hydro has stated in our previous submissions, our position is that if the BCUC considers that changes to the BCUC's Rules may be required, those changes should be considered in a stand-alone process with the participation of other utilities and stakeholders. It is BC Hydro's understanding that the Panel supports this position.⁴ If no stand-alone process is held to review the BCUC's Rules, then there would be no need to suspend and hold Directive 3 in abeyance.

Second, if a stand-alone process is held to review the BCUC's Rules, then BC Hydro would comply with any changes that are made to the BCUC's Rules at the end of that process, and there would be no need to reinstate or vary Directive 3 in any way. Any changes to the BCUC's Rules would presumably address any concerns about the BCUC's Rules regarding contractual developments and agreements related to energy supply contracts.

Third, regardless of whether a stand-alone process to review the BCUC's Rules is held, BC Hydro's position remains that the BCUC made three errors of law in issuing Directive 3, each of which is described in the Reconsideration Application and BC Hydro's earlier submission.⁵ As a result, in BC Hydro's respectful submission, Directive 3 cannot be reinstated and, therefore, should not be suspended or held in abeyance.

Accordingly, BC Hydro maintains its submission that Directive 3 of BCUC Order No. G-148-20 should be rescinded. It should not be varied or suspended and held in abeyance.

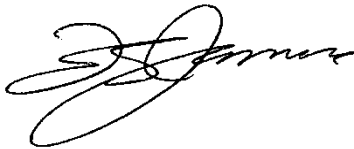
⁴ Exhibit A-3, Appendix B, at page 3: "The Panel is also of the view that a review of the BCUC's Rules requires a stand-alone process and will, therefore, not be part of this proceeding. This ensures that adequate consultation with utilities and other stakeholders is considered in that review. Further, a review of the BCUC's Rules as a stand-alone process ensures that this proceeding focuses solely on the Reconsideration Application at hand."

⁵ See section 4 of the Reconsideration Application (Exhibit B-1) and pages 4 to 6 of BC Hydro's earlier submission (Exhibit B-3).

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For further information, please contact Chris Sandve at 604-974-4641 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



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