BC Hydro
Power smart

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November 6, 2019

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

Dear Mr. Wruck:

RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Transmission Service Market Reference-Priced Rates Application

BC Hydro writes to file corrections to its Transmission Service Market Reference-Priced Rates Application (**Application**), filed on October 31, 2019. BC Hydro discovered a typographic error as well as data that had inadvertently not been updated in the Application. These corrections are enclosed as Errata No. 1.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,

(for) Fred James
Chief Regulatory Officer

jc/rh

Enclosure

Copy to: Interveners that attended the October and November 2018 Workshops.

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Transmission Service Market Reference Priced Rates Application

ERRATA – November 6, 2019

REMOVE	INSERT	NOTE
Application - Page 67	Page 67 – Revision 1 – November 6, 2019	1
Application - Page 78	Page 78 – Revision 1 – November 6, 2019	2
Application - Page 79	Page 79 – Revision 1 – November 6, 2019	3

Notes:

1. Figure 17 provides an illustrative example of the baseline determination for Rate Schedule 1893. The referenced period is April 1, 2018 – March 31, 2018 but should indicate the period of April 1, 2018 – March 31, 2019, which is the period provided in the monthly breakdown.
2. Table 10 provides the expected incremental load and expected incremental load net revenue results for Option 2B, a shaped adder that averages $7.00 per MWh. The incorrect results had been provided in the Application and are now updated with the correct results.
3. Table 13 provides a summary of the expected incremental net revenue for the six adder options, but transposed the adder amounts. Options 1A and 1B should be an adder of $8.00 per MWh instead of $6.00 per MWh (as shown in the analysis results provided in Tables 7 and 8). Options 3A and 3B should be an adder of $6.00 per MWh instead of $8.00 per MWh (as shown in the analysis results provided in Tables 11 and 12). The summary results provided in Table 13 properly show the analysis for each option.

service for any event of forced or planned generator outage. The Customer must wait until March 1 before being eligible to re-enrol in the Incremental Energy Rate Pilot.

RS 1893 Baseline Determination

For a Customer with at least two years of consumption history, the default period for determining HLH and LLH Baselines and Monthly Reference Demand will be the 365 days of BC Hydro's fiscal 2019.[40] A unique HLH and LLH Baseline and Monthly Reference Demand will be determined for each Billing Period of Fiscal 2019. This will result in 36 unique baselines (one HLH Baseline, one LLH Baseline and one Monthly Reference Demand for each of the 12 Billing Periods). An illustrative example of the baselines that will be determined for a Customer is provided in Figure 17 below.

Figure 17 Illustrative Monthly RS 1893 Energy and Demand Baselines

BC Hydro - RS 1893 Baselines for Incremental Energy Rate

Customer: **ABC Pulp & Paper**

Site: ABC Pulp & Paper

Account(s): 12345

Period: **April 1, 2018 - March 31, ~~2018~~ 2019**

RS 1893 Energy and Demand Baselines

RS 1893- Monthly HLH & LLH Baselines | RS1893 Reference Demand

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Month	Sum of hourly HLH interval data (kWh)	# of HLH Hours	Sum of hourly LLH interval data (kWh)	# of LLH Hours	Total Billed RS1823 Energy (kWh)	HLH Energy Baselines *(kWh/hr)* = (A/B)	LLH energy Baselines *(kWh/hr)* = (C/D)	Monthly Reference Demand *(kVA) = actual billed demand*
Apr-18	22,820,352	384	19,172,008	336	41,992,360	**59,428**	**57,060**	66,158
May-18	18,632,155	416	15,232,399	328	33,864,554	**44,789**	**46,440**	53,198
Jun-18	18,255,455	416	14,776,179	304	33,031,634	**43,883**	**48,606**	53,198
Jul-18	18,100,122	400	16,536,045	344	34,636,167	**45,250**	**48,070**	53,198
Aug-18	24,442,880	416	20,384,090	328	44,826,970	**58,757**	**62,147**	65,630
Sep-18	24,088,453	400	19,586,980	320	43,675,433	**60,221**	**61,209**	64,072
Oct-18	19,793,080	400	16,166,932	344	35,960,012	**49,483**	**46,997**	64,336
Nov-18	24,937,651	400	20,832,295	321	45,769,946	**62,344**	**64,898**	65,973
Dec-18	24,750,890	400	21,105,322	344	45,856,212	**61,877**	**61,353**	64,416
Jan-19	24,309,628	416	20,810,284	328	45,119,912	**58,437**	**63,446**	66,158
Feb-19	19,342,677	368	17,418,004	304	36,760,681	**52,562**	**57,296**	63,967
Mar-19	22,576,143	416	18,810,399	327	41,386,542	**54,270**	**57,524**	65,419

40 Fiscal 2019 is the most recent fiscal year for which customers have a final Energy CBL that has been filed with and approved by the BCUC. This will ensure alignment of RS 1893 energy baselines with the customer's annual Energy CBL determined in accordance with TS 74.

Table 10 Option 2B – Shaped Adder in Non-freshet months that averages $7/MWh

RESULTS (all values on a per year basis):		
Expected Incremental Load Net Revenue	~~1445~~ 1293	kCAD
10th Percentile Net Revenue	~~-85~~ -275	kCAD
50th Percentile Net Revenue	~~1436~~ 1281	kCAD
90th Percentile Net Revenue	~~2986~~ 2847	kCAD
Expected Incremental Load	~~263~~ 265	GWh
10th Percentile Incremental Load	~~239~~ 243	GWh
50th Percentile Incremental Load	~~268~~ 272	GWh
90th Percentile Incremental Load	~~280~~ 281	GWh

Table 11 Option 3A – Flat $6/MWh Adder in Non-freshet months

RESULTS (all values on a per year basis):

Expected Incremental Load Net Revenue	1150	kCAD
10th Percentile Net Revenue	-460	kCAD
50th Percentile Net Revenue	1122	kCAD
90th Percentile Net Revenue	2719	kCAD
Expected Incremental Load	268	GWh
10th Percentile Incremental Load	246	GWh
50th Percentile Incremental Load	274	GWh
90th Percentile Incremental Load	283	GWh

Table 12 Option 3B – Shaped Adder in Non-freshet months that averages $6/MWh

RESULTS (all values on a per year basis):		
Expected Incremental Load Net Revenue	1131	kCAD
10th Percentile Net Revenue	-465	kCAD
50th Percentile Net Revenue	1110	kCAD
90th Percentile Net Revenue	2696	kCAD
Expected Incremental Load	267	GWh
10th Percentile Incremental Load	246	GWh
50th Percentile Incremental Load	273	GWh
90th Percentile Incremental Load	283	GWh

5.5.4 BC Hydro's Energy Charge Adder Proposal

In general, based on the initial modeling of ratepayer impact, BC Hydro is financially indifferent on an annualized expected revenue basis as between the flat and shaped adder pricing alternative for each option (i.e., as between Option A and Option B). That is, the forecast net revenue is similar in either case. Further, the forecast revenue differences between Options 1, 2 and 3 are not substantial, as shown in Table 13 below.

Table 13 Summary of Expected Net Revenue by Adder Option

ENERGY CHARGE ADDER ALTERNATIVES	ADDER ($/MWh)	Expected Incremental Load (GWh)	Expected Incremental Net Revenue ($M)
Option 1A - Flat	~~$6.00~~ 8.00	264	$ 1.47
Option 1B - Shaped		263	$ 1.45
Option 2A - Flat	$ 7.00	266	$ 1.32
Option 2B - Shaped		265	$ 1.29
Option 3A - Flat	~~$8.00~~ 6.00	268	$ 1.12
Option 3B - Shaped		267	$ 1.13

BC Hydro's proposal in this application is to proceed with Option 2A, which uses a flat energy charge adder of $7/MWh in non-freshet months and a flat $3/MWh energy charge adder of $3/MWh in freshet months. This option reflects AMPC's proposal and is generally consistent with customer feedback requesting simplicity in adder pricing.

Based on the assumptions provided, for energy charge adder Option 2A:

- Expected incremental RS 1893 energy sales are 266 GWh per year and expected net revenue to BC Hydro is approximately $1.3 million per year;
- At the 10th percentile, there is a 10 per cent chance that BC Hydro would see a forecast annual net revenue loss of approximately ($0.3 million) or more for approximately 243 GWh of incremental energy sales; and