

Fred James

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March 20, 2020

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: Project No. 1598990
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC Hydro writes to provide its responses to the following undertakings resulting from the Oral Hearing of February 24 to March 4, 2020:

Exhibit B-58	Responses to Undertaking Nos. 44, 54 and 62 (Public Version)
Exhibit B-58-1	Responses to Undertaking Nos. 44 and 54 (Confidential Version)

BC Hydro also writes to provide supplemental responses to the following undertakings resulting from clarification requests from the Association of Major Power Customers (**AMPC**).¹

Exhibit B-50-1	Supplemental Response to Undertaking No. 37
Exhibit B-51-2	Supplemental Response to Undertaking No. 39
Exhibit B-53-1	Supplemental Response to Undertaking No. 35
Exhibit B-57-2	Supplemental Response to Undertaking No. 58

¹ As discussed further in Transcript Volume 15, page 2903, line 26 to page 2905, line 5.

March 20, 2020
Mr. Patrick Wruck
Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

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

Yours sincerely,



(for) Fred James
Chief Regulatory Officer

cs/rh

Enclosure

BC Hydro Fiscal 2020 to Fiscal 2021 Revenue Requirements Application

BC HYDRO SUPPLEMENTAL UNDERTAKING NO. 58

HEARING DATE: March 3, 2020

REQUESTOR: AMPC, Mr. Baer

TRANSCRIPT REFERENCE: Volume 14, Page 2677, line 9 to Page 2679, line 13

TRANSCRIPT EXCERPT:

MR. BAER: Q So, I will ask a few further questions. I understand that some of the details might be confidential, so to the extent that that is the case, perhaps you might be able to arrange to file undertakings confidentially depending on how things proceed?

So, to start, can you confirm whether the load curtailment for this particular program at the Hope Substation was limited to blocks of a particular time, say 16 hour blocks, or four hour blocks, anything like that?

MR. HOBSON: A Yeah, I won't know the specific details, but I can tell you it may have looked different than what we would have done for broader load curtailment with industrial customers, because we are looking at a very specific opportunity within a substation, relative to what we would look at in terms of a capacity constraint within a system. And beyond that I don't know the details of this specific arrangement, but it would not surprise me if it was different than what we would have done previously.

MR. BAER: Q So you don't know the details today, but would you be able to look into those?

MR. HOBSON: A We could look into those, and I'm sure we could undertake to provide you with some of the details. And like I say, we might border on some confidentiality that we would have to be aware of.

MR. BAER: Q Understood.

MR. BYSTROM: I just rise to note that if it is customer confidentiality, we will be providing those only to the Commission panel and not to intervenors, and so that may -- I'm not sure if you still want to pursue that or not, if that would be useful to you, but that would be terms under which we would provide it.

MR. BAER: Q Thank you. I will proceed, but that is understood.

So I will add a few more details that we'd appreciate on this particular substation, and perhaps we can wrap those into the same undertaking as well. So, in addition, we are interested in whether the program is limited to the winter period, and if so for which months. How many times the industrial customer's load has been curtailed. And what the length of time for the curtailments was. Whether the price offered to the industrial customer was based on the cost of other capacity options available to BC Hydro or based on lost production time of the customer? And whether there was

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any competition for pricing between potential participants in the load curtailment program, for example through a bidding process? And if I could ask if you might be able to provide the same information for the Pineview and Kent Substations, that were described by Mr. Kumar as well, subject to the same caveats?

ORIGINAL QUESTION:

With respect to BC Hydro's load curtailment arrangement at Hope Substation, Pineview Substation and Kent Substation:

- (a) Is it limited to specific time blocks or other timing conditions?
- (b) Is it limited to the winter period, and if so, for which months?
- (c) Is it limited to how many times the industrial customer has had its load curtailed?
- (d) Is the curtailment price offered to the industrial customer based on the cost of other capacity options available to BC Hydro, or, based on lost production time of the industrial customer?
- (e) Was there a competitive process to qualify for the program?

ORIGINAL RESPONSE:

In each of the substations a number of capacity-focused DSM activities were investigated and acted upon. Load curtailment for industrial customers was one such activity that was utilized at the Hope and Pineview substations. Load curtailment has not been utilized at the Kent Substation.

A limited number of industrial customers would be candidates for the localized DSM pilots, due to the number and size of the industrial customers served by each substation.

- (a) Customers participating in the pilot at the Hope and Pineview substations were curtailed in four-hour blocks based on expected peak days from the localized substation load forecast;**
- (b) Load curtailment events are limited to the winter period, specifically from November through March;**
- (c) There was a limit to the number of times a customer could be called in the winter period. It ranged from five times to 20 times, depending on the customer, substation and year;**
- (d) The price offered to industrial customers was not based on the cost of other capacity options available to BC Hydro, nor on the lost production time of the industrial customer. An offer price was selected based on a level that BC Hydro felt would be required to secure the customer's participation; and**

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- (e) A competitive process was not used for the localized DSM pilots. Customers had to be of a certain size and each customer that was within the required size was contacted as to whether they wished to participate. BC Hydro was more interested in understanding customer acceptance and response, especially with respect to small and medium business as part of the overall goals of the pilot.

SUPPLEMENTAL RESPONSE:

In response to a request from AMPC, BC Hydro provides the following additional information:

The localized DSM pilot was a voluntary curtailment model specific to the related substation. If a customer decided not to respond to a curtailment request, they did not receive an incentive payment, but there was no penalty for not responding.

The following outlines how many times, and for how long, the load was curtailed at each substation:

Pineview Substation:

- Fiscal 2019: Three curtailments
- Fiscal 2020: Eight curtailments

Hope Substation:

- Fiscal 2019: Three curtailments
- Fiscal 2020: Two curtailments

Curtailments were for four-hours, either between 8 a.m. and 12 p.m. or 5 p.m. to 9 p.m.

The curtailments were a simulation. The purpose was to test customers' responses to requests to curtail, and to assess the results that could be achieved.