

Fred James

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March 3, 2021

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

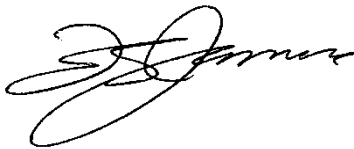
Dear Mr. Wruck:

RE: Project No. 1599164
British Columbia Utilities Commission (BCUC or Commission)
British Columbia Hydro and Power Authority (BC Hydro)
Fiscal 2022 Revenue Requirements Application (the Application)

BC Hydro writes to provide a copy of the slides that speakers will be referring to during our opening presentation at tomorrow's Review Session.

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

Yours sincerely,



Fred James
Chief Regulatory Officer

cs/rh

Enclosure

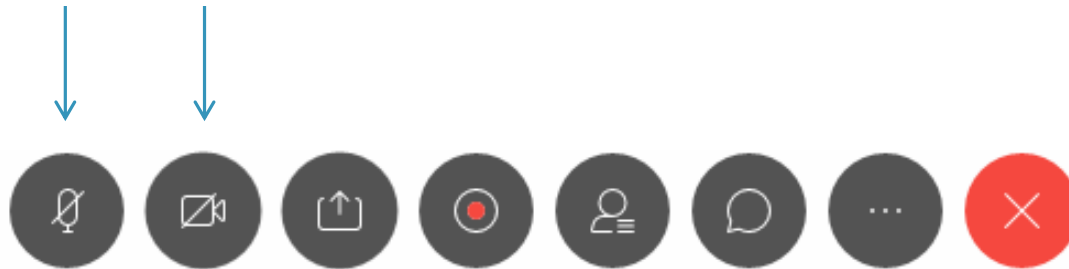


Fiscal 2022 Revenue Requirements Application

MARCH 4, 2021 REVIEW SESSION

Cisco WebEx Logistics

Mute/unmute your mic
& turn your video on/off



To reach the moderator
Use chat function

Audio connection trouble?
See the alternative options here

BC Hydro Representatives



- Chris O'Riley
President and Chief Executive Officer
- David Wong
Executive Vice President, Finance, Technology, Supply Chain and Chief Financial Officer
- Maureen Daschuk
Senior Vice President, Integrated Planning
- Kirsten Peck
Senior Vice President, Safety and Compliance and Chief Compliance Officer
- Ryan Layton
Chief Accounting Officer
- Kip Morison
Chief Information Officer
- Ajay Kumar
Director, Line Asset Planning
- Kees Jansen
Director, Compliance
- Keith Anderson
Vice President, Customer Service
- Stephen Hobson
Director, Conservation and Energy Management
- John Rich
Senior Manager, Load Forecasting

Agenda

- 9:00 am - Opening Remarks and Logistics
- BC Hydro Presentation
- Questions and Answers
- Break (10:30 am – 10:45 am)
- Questions and Answers (continued)
- Lunch (12:15 pm – 1:00 pm)
- Questions and Answers (continued)
- Break (2:30 pm – 2:45 pm)
- Questions and Answers (continued)
- 4:30 pm – Start of in-camera session

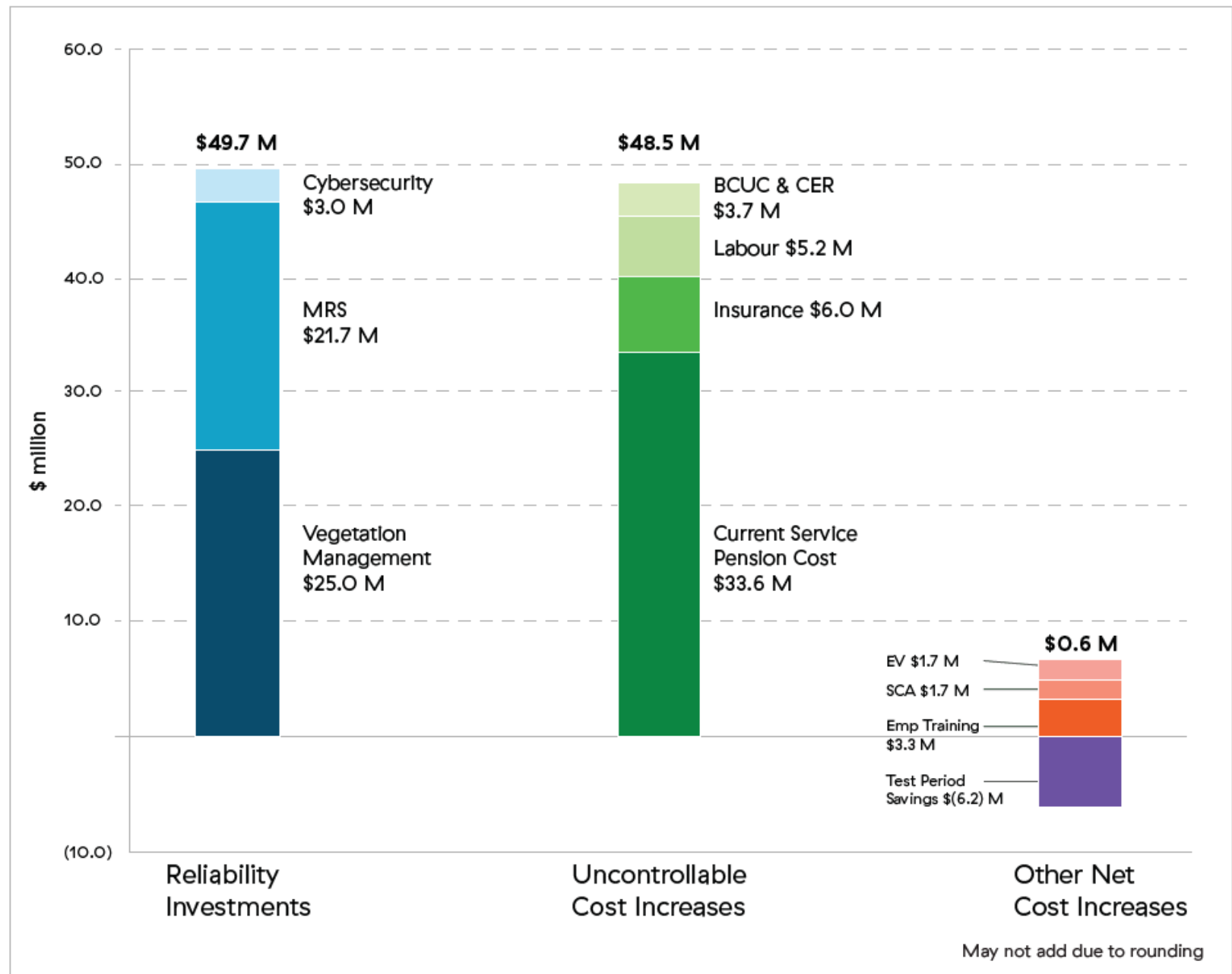
Keeping Rates Low While Making Important Investments

- 1.16% rate increase
 - Includes increased funding for MRS, vegetation management, cybersecurity
- Open Access Transmission Tariff Rates
- Return to Deferral Account Rate Rider Table Mechanism
 - Results in 0% DARR for fiscal 2022
- DSM Expenditure schedule
- Limited other requests

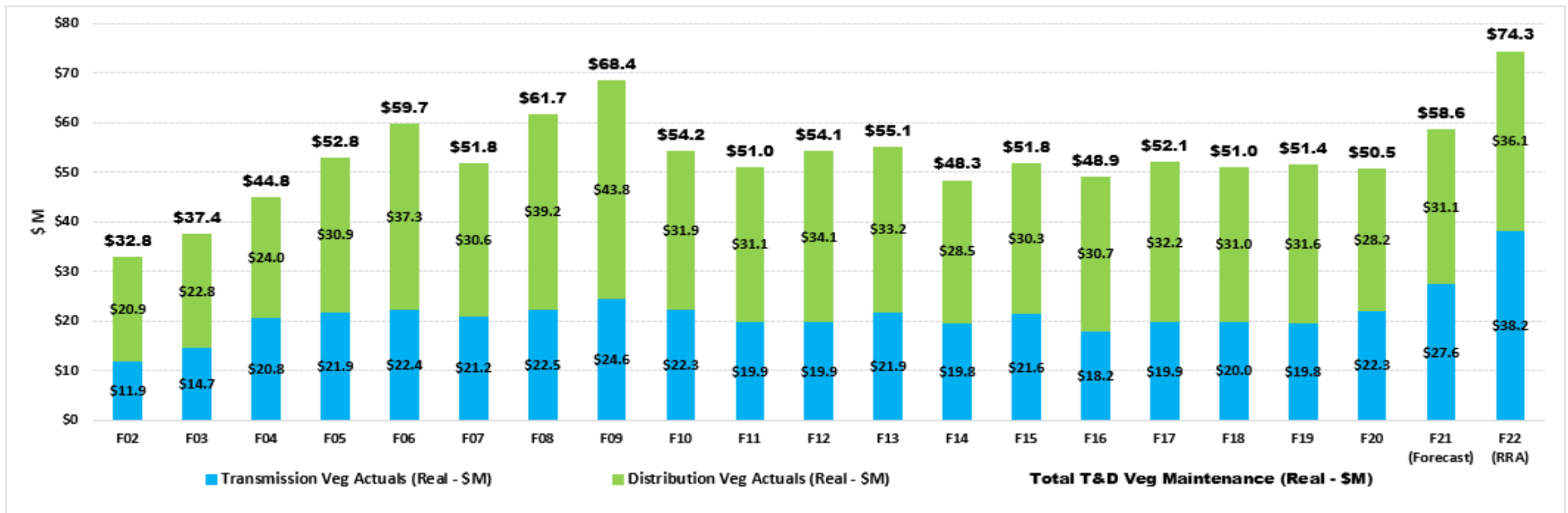
Net Income Amount Is A Placeholder

- Application based on placeholder net income of \$712 million
- Currently expect to file an application, informed by any government policy guidance, toward the end of this calendar year
 - Comprehensive Review Phase One Report – BC Hydro’s Net Income
 - “Government may provide policy guidance to the BCUC and/or participate in regulatory proceedings to inform this process”
- Propose regulatory account to capture variance between \$712 million and amount determined through cost of capital proceeding (if lower)
- Allows Application to be resolved efficiently

Operating Cost Increases Reflect Reliability Investments and Uncontrollable Costs



Increased Investment in Vegetation Management is Required

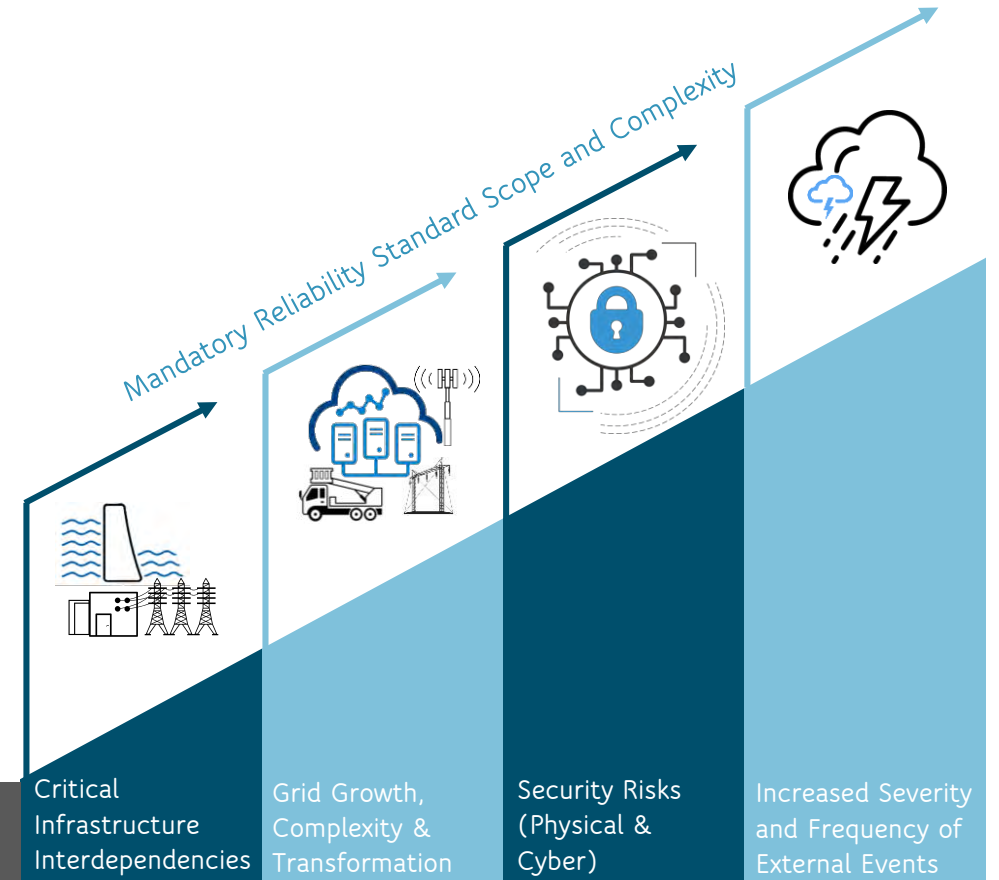


From Reliability to Resilience

- Mandatory Reliability Standards establish consistent reliability performance criteria across North America
 - Operating & Planning
 - Physical Security
 - Cyber Security



Asset Standards, Maintenance and Replacement Strategies



Time →

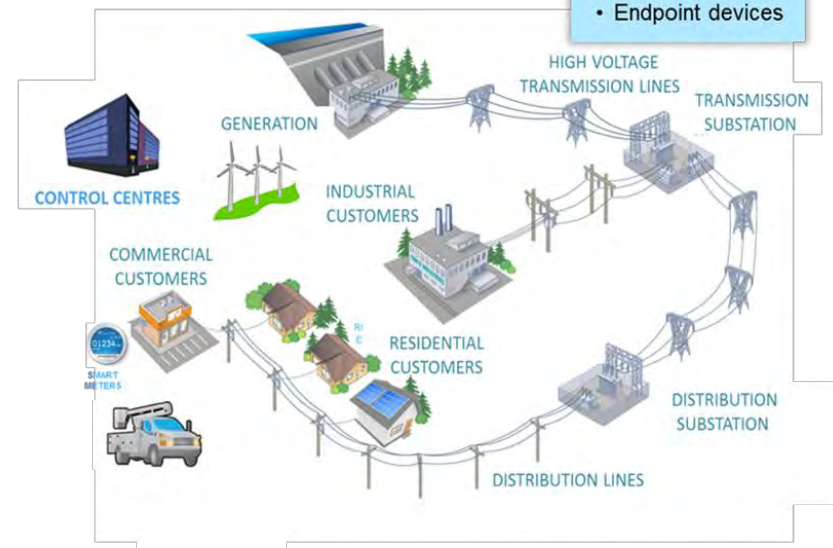
Cybersecurity Landscape is Growing and Becoming More Sophisticated

Information Technology (IT)
systems for commercial decision making, planning, business processes management and resource allocation.

- Data
- Applications
- Infrastructure
- Telecom
- Endpoint devices

Operational Technology (OT)
systems that provide operational monitoring and/or control of assets in the electric system

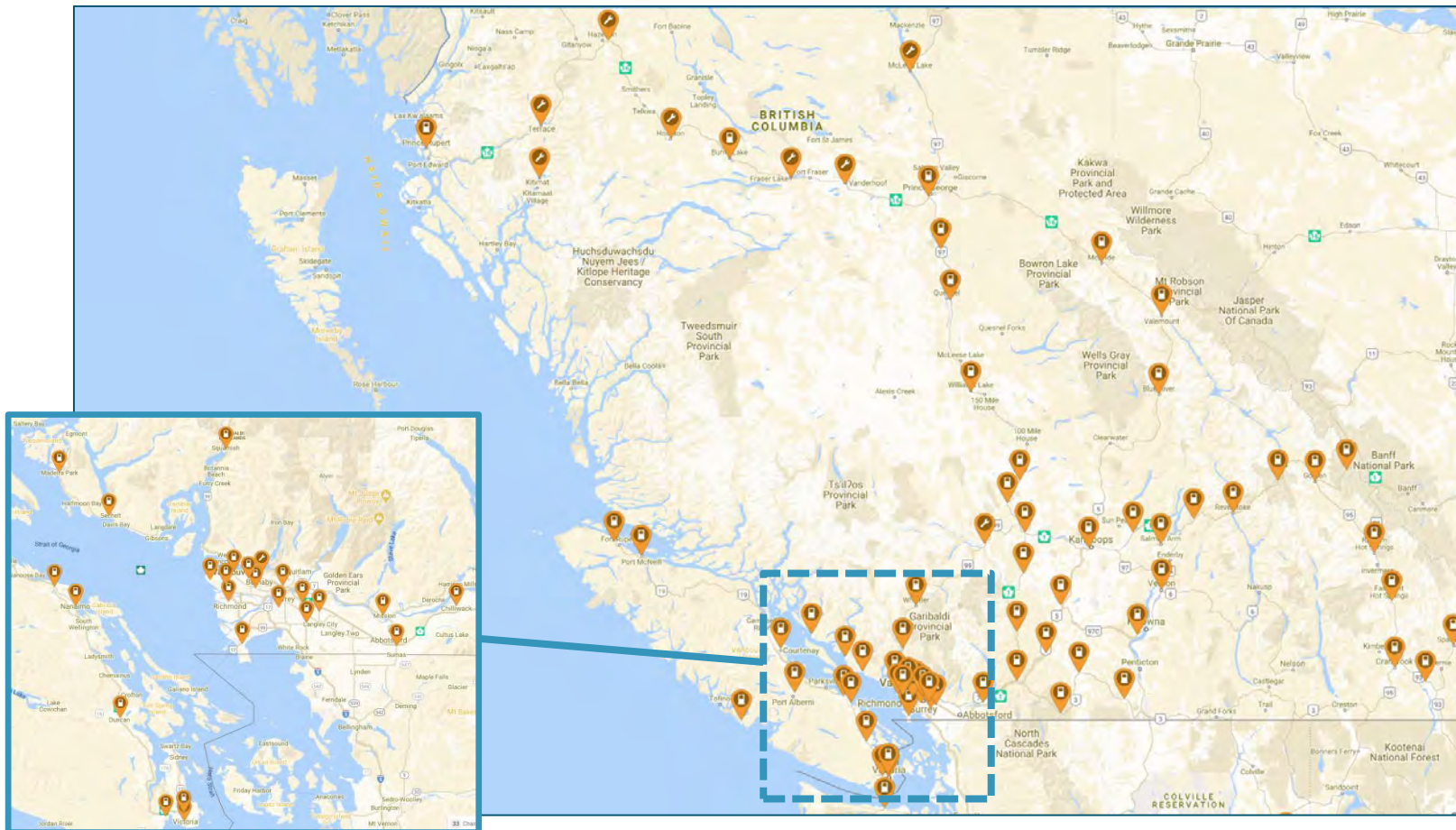
- Data
- Applications
- Infrastructure
- Telecom
- Endpoint devices




Strong Cybersecurity Capabilities are Needed



Building a Reliable Fast Charging Network Across BC



 71 current sites
94 charging stations

 Downtown Victoria nearing completion. Construction at 2 additional sites expected to begin within weeks.



Order of Questions

- BCSEA
- AMPC
- RCIA
- BCOAPO
- CEC
- MOVEUP
- CEABC
- ZONE II RPG
- BCUC Staff
- BCUC Panel