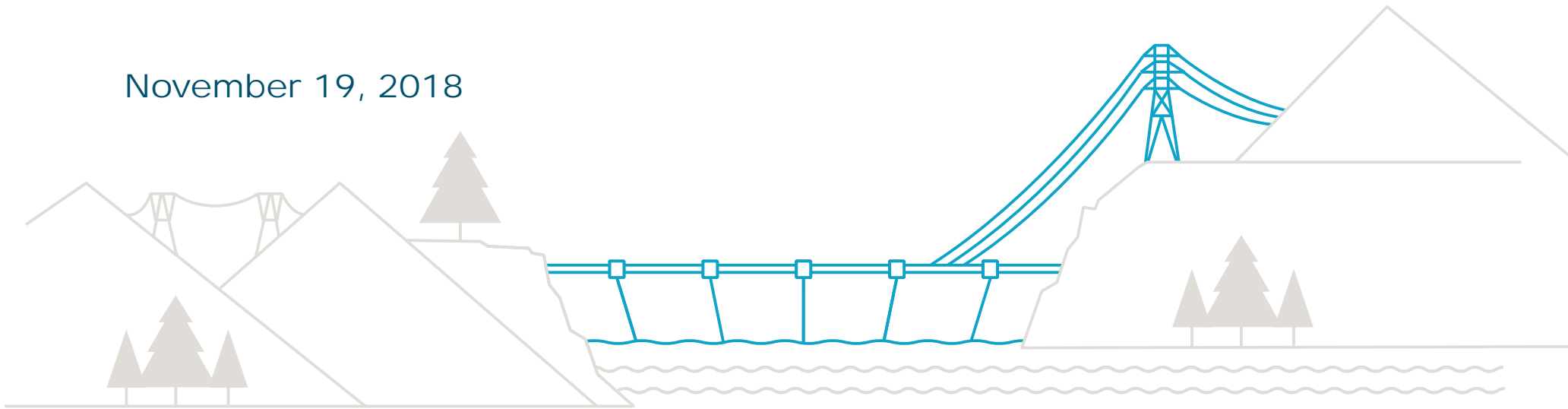


Transmission Service Rate Design Follow-Up Workshop

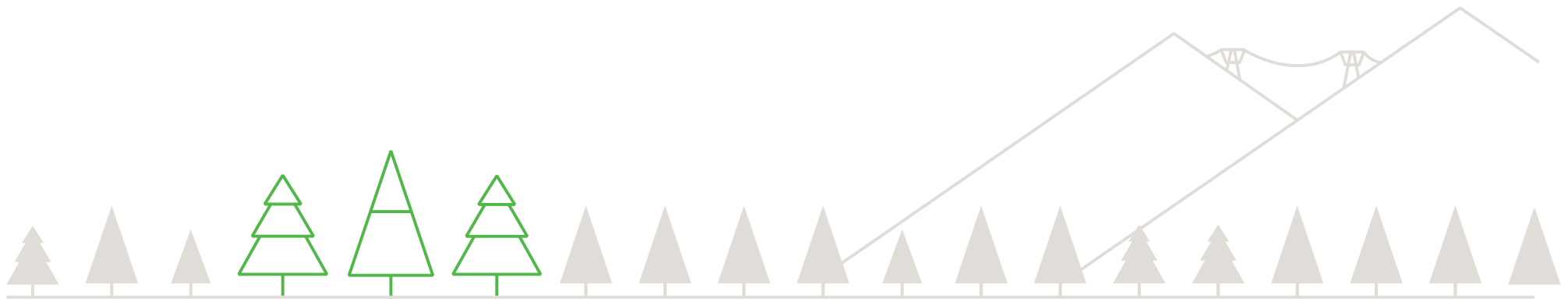
November 19, 2018



Agenda

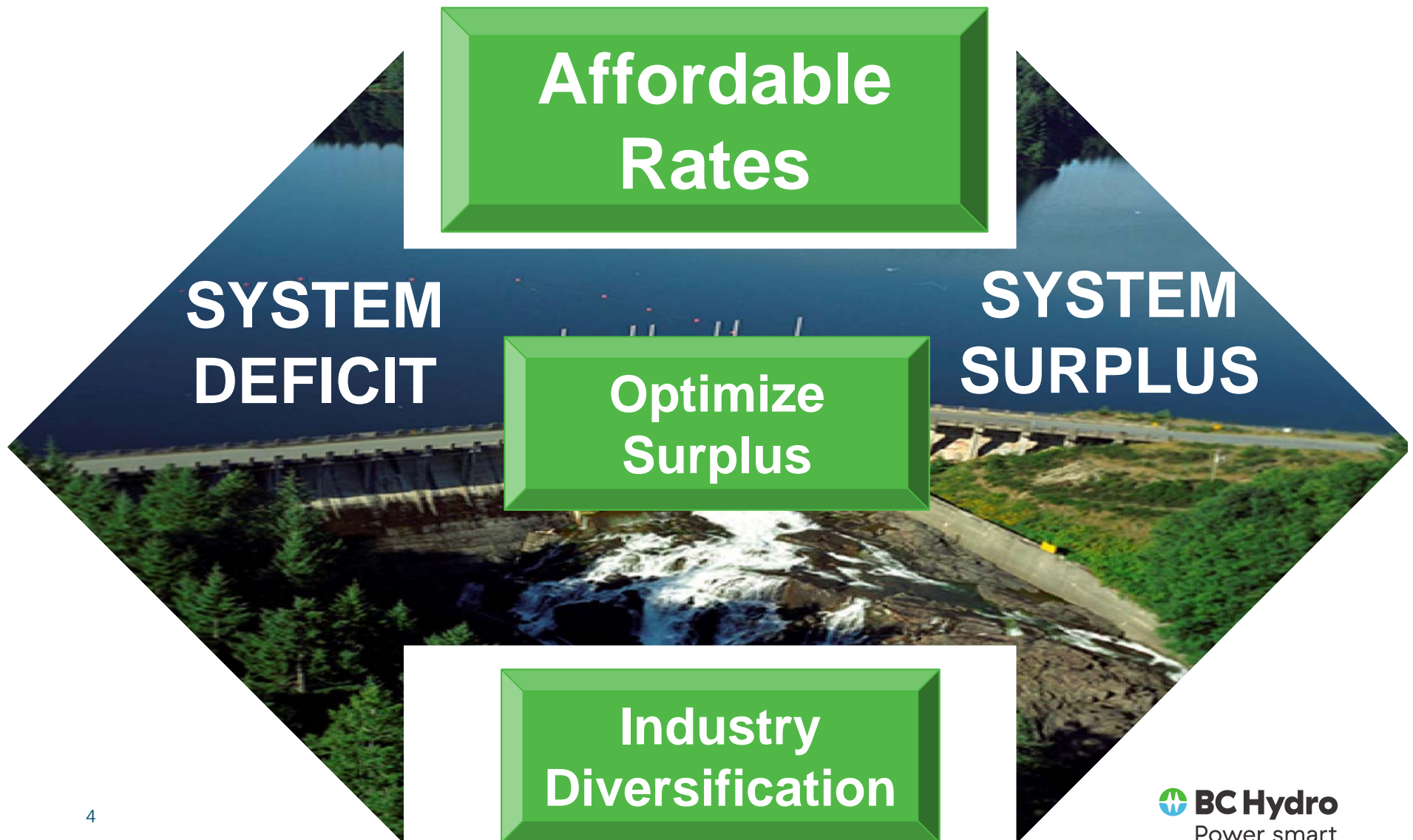
Time	Item	Speakers
8:45 am	Welcome and Opening Remarks	David Keir, Manager Large Customer Rate Operations
	Recap and Summary of October Workshops	David Keir, Manager Large Customer Rate Operations
9:15	Market Reference-Priced Rates	David Keir, Manager Large Customer Rate Operations
10:15	Break	
10:30	Load Attraction Rate and Load Retention Rate	Anthea Jubb, Manager Tariffs Allan Chung, Regulatory Specialist
noon	Closing and Next Steps	Anthea Jubb, Manager Tariffs David Keir, Manager Large Customer Rate Operations

Recap and Summary of October Workshops



November 19, 2018

Recap: Strategic focus



Recap: TSR toolbox

Rates for Non-firm Service

1. Freshet Rate
2. Incremental Energy Rate

Rates for Firm Service

1. RS 1823 Stepped Rate
2. Load Attraction Rate
3. Load Retention Rate



Serve incremental and new load

Recap: Guiding principles

1. **No Harm** Ratepayers are no worse, or better off (*participants and non-participants*)
2. **No Undue Discrimination** (*rates are fair, cost reflective, free from controversy*)
3. **Rates are practical to implement and accepted by customers** (*simple, pragmatic, match customer needs*)

Rates are subject to review and approval by the BCUC

Recap: October 2018 Workshops

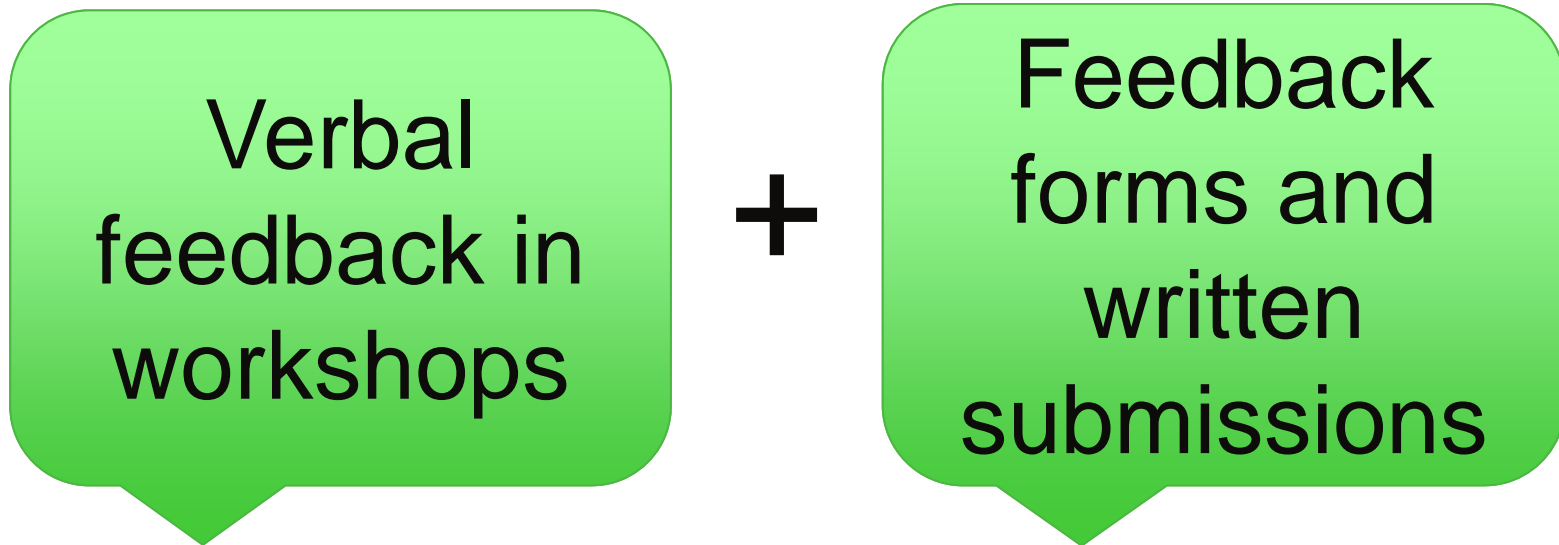
Engagement

- 4 workshops (Vancouver, PG, Kamloops, Calgary)
- Total 105 participants (in person and webcast)
- Existing customers, new customers, interveners

WORKSHOP LOCATION	NO. OF ATTENDEES	Feedback Forms Received
Vancouver (in person)	49	31 (in-person and webcast)
Vancouver (webcast))	27	
Prince George	13	8
Kamloops	10	6
Calgary	6	2
TOTAL	105	47

We sought feedback on our proposals for transmission service rates and new optional rates for load attraction and retention

Feedback Obtained

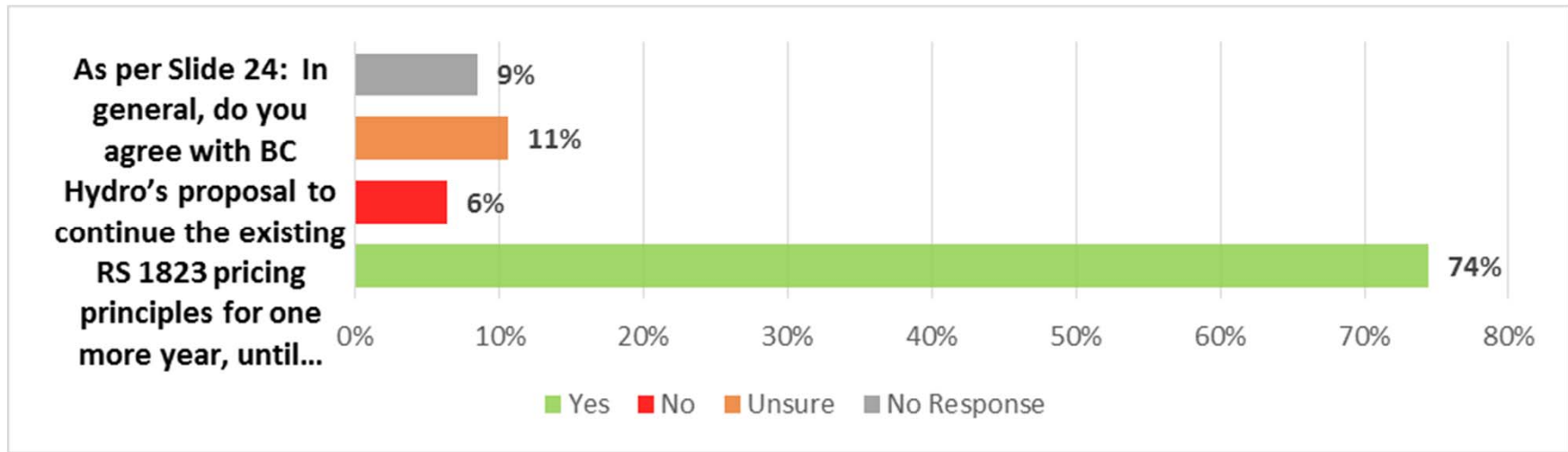


Summary Notes (Minutes)

Summary Report

Inform rate design criteria and options for further analysis

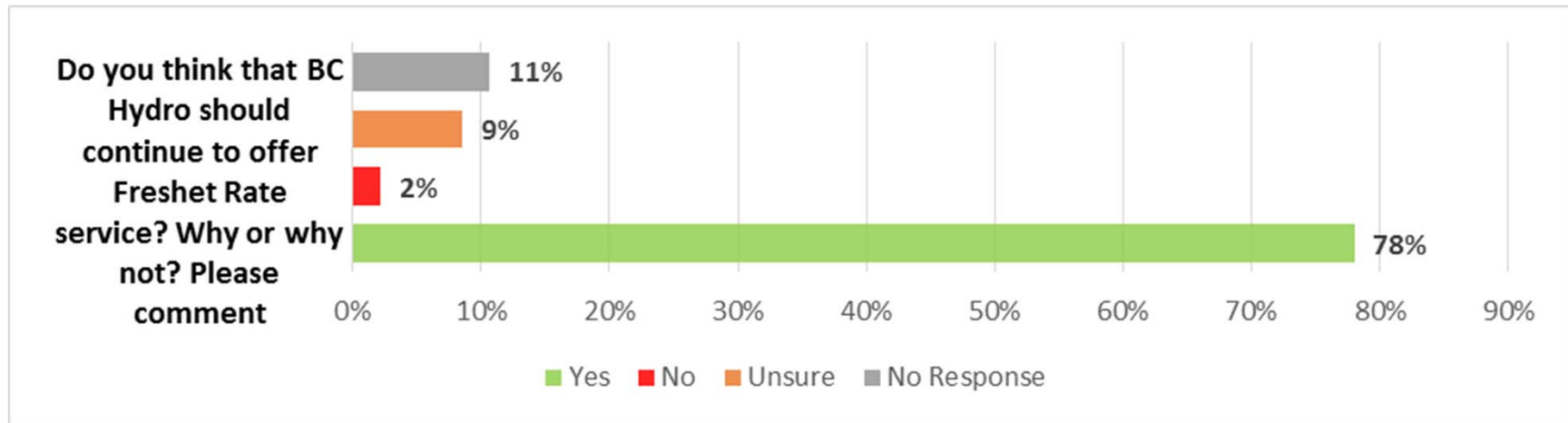
1) RS1823 Pricing Principles:



THEMES

- ❖ Clear support for status quo (i.e., increase all rate components uniformly by F2020 RRA)
- ❖ Concerns re: bill impacts from tiered energy re-pricing
- ❖ Rate certainty and stability is paramount

2) RS1892 Freshet Rate



THEMES

- ❖ Clear support for rate continuance (but no clear preference for pilot vs perm.)
- ❖ Mixed support for status quo ...
- ❖ Concerns related to July Mid-C pricing / seasonal vs monthly settlement

2) RS1892 Freshet Rate

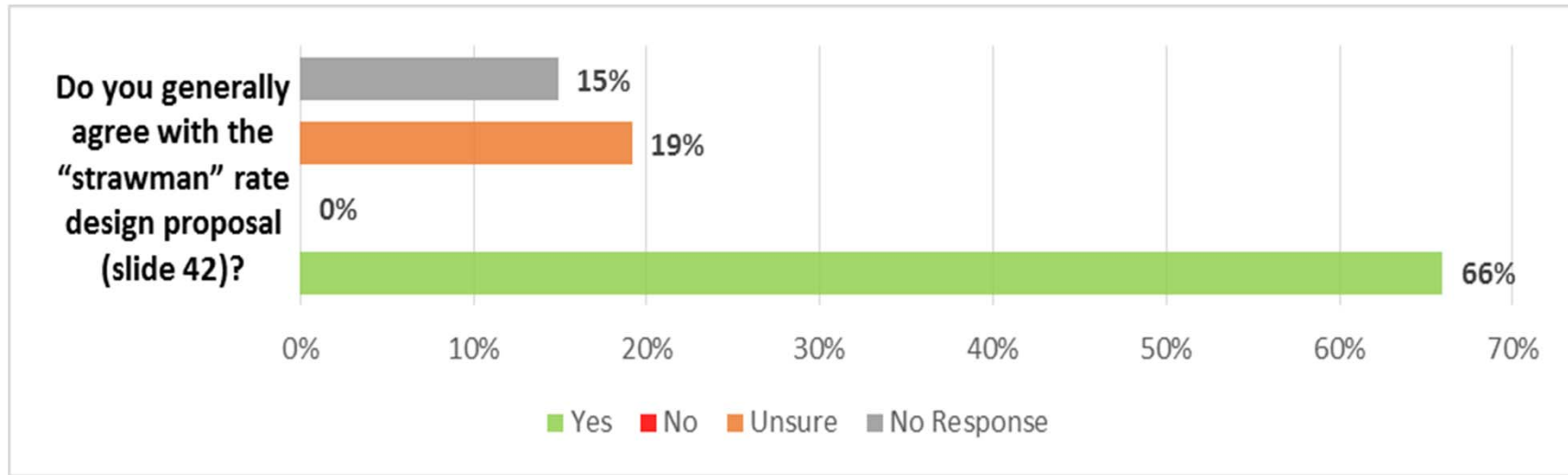
“ ... rate is win / win with
increased revenue to BC Hydro
and availability of low cost
power to customers

... provides mutual benefits
to BC Hydro and customers
while adding GDP

... only once it is permanent can we
start looking at investments to
optimize our operations with the rate

... it makes sense,
although my organization
does not benefit”

3) Incremental Energy Rate



THEMES

- ❖ Clear support for annual rate option with monthly settlement
- ❖ Rate choice provides incentive to use incremental energy and lower costs
- ❖ Customers seeking market price caps to share risks and benefits with BC Hydro

3) Incremental Energy Rate

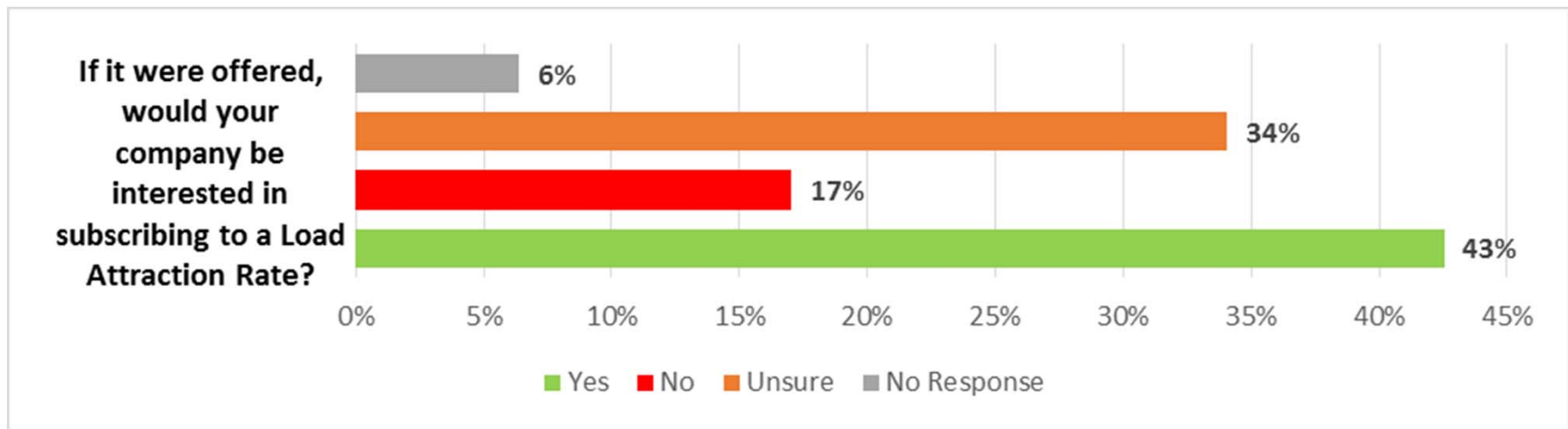
“ ... rate may encourage customers to increase productivity when they might otherwise have not ... more choice is good

... there is exposure to risk of energy price increases for the incremental load

... likely only to attract existing idle capital as new capital would require rate certainty

... interaction with RS 1823 will need to be carefully considered ”

4) Load Attraction Rate



THEMES

- ❖ General support for rate concept, availability criteria, evaluation approach
- ❖ Existing industry has competing views on fairness for new entrants / restarts
- ❖ Long-term rate stability (rather than short-term discount) is important to drive capital projects and investment

4) Load Attraction Rate

“ ... a larger initial discount will provide incentive to consider BC, but the term will have to be long enough to provide confidence that capital will be recovered

... large expansions on existing facilities should be eligible

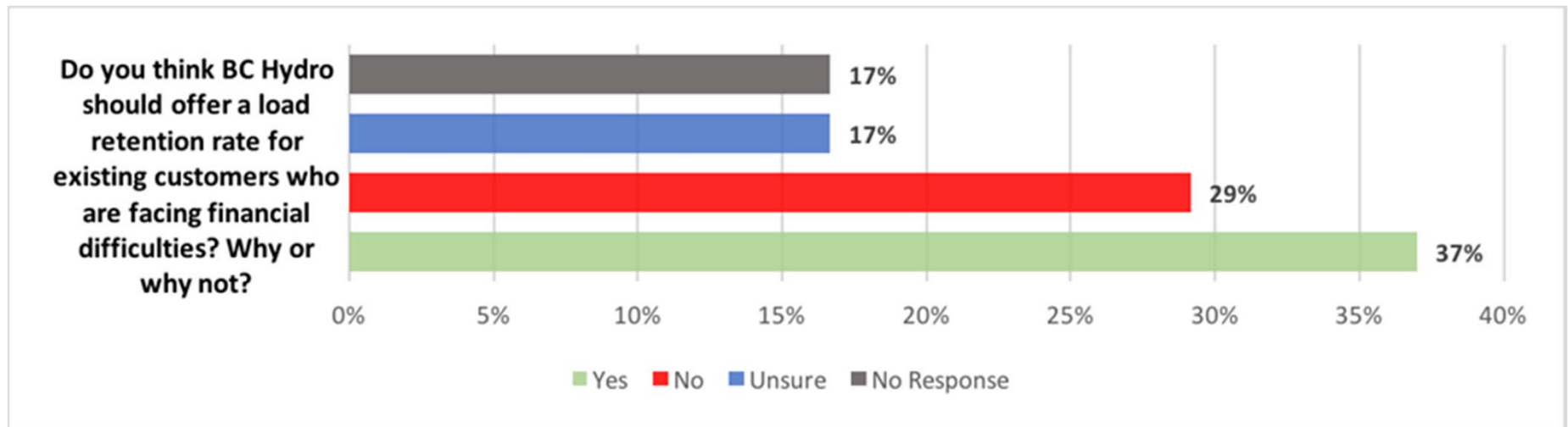
... the rate should last as long as we are in surplus

... some customers may join for the short term discount period only, then close shop and move elsewhere

... the best way to attract industrial load is to have competitive rates for all industrial customers

”

5) Load Retention Rate



THEMES

- ❖ Sensitive subject - no clear view - has potential to create winners and losers
- ❖ Determination of 'financial distress' criteria is hard / open to manipulation
- ❖ Consider alternatives such as mining repayment plan (TS90) for fairness

5) Load Retention Rate

“

... we need to address competitiveness in BC ... the meteoric rise in rates is the reason that many customers need a load retention rate

... let the failing customer fail!

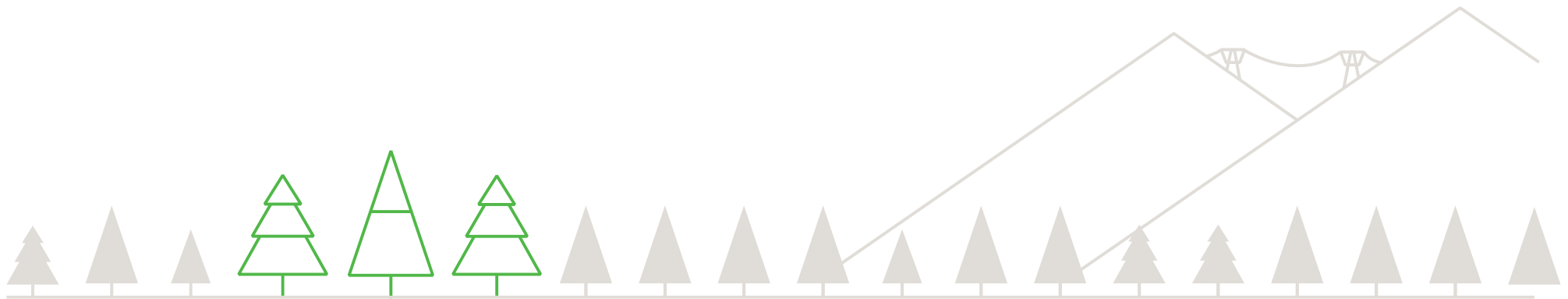
... Don't subsidize operations if their competitors are profitable

... if you lose a big customer, all ratepayers are worse off

”

... if we mess with market forces the wrong economics survive

Market Reference- Priced Rates



November 19, 2018

Proposed filing to BCUC

Market Reference-Priced Rates Application (non-firm service) – target filing date is 14 Dec 2018

- File Freshet Rate and Incremental Energy Rate together
- Attach Freshet Rate Final Evaluation Report (must file this irrespective)
- Same service (non-firm, interruptible) and Mid-C pricing for incremental use
- Similar rate design criteria, terms and conditions
- Propose 3yr pilot term for both rates

Key Considerations

1. Minor vs. substantive changes to Freshet Rate
 - Seasonal vs monthly settlement
 - Freshet Period – system conditions vs market prices for July
2. Interaction with other non-firm services (i.e., RS 1880)
3. Interruption / suspension provisions

RS 1892 Freshet Rate

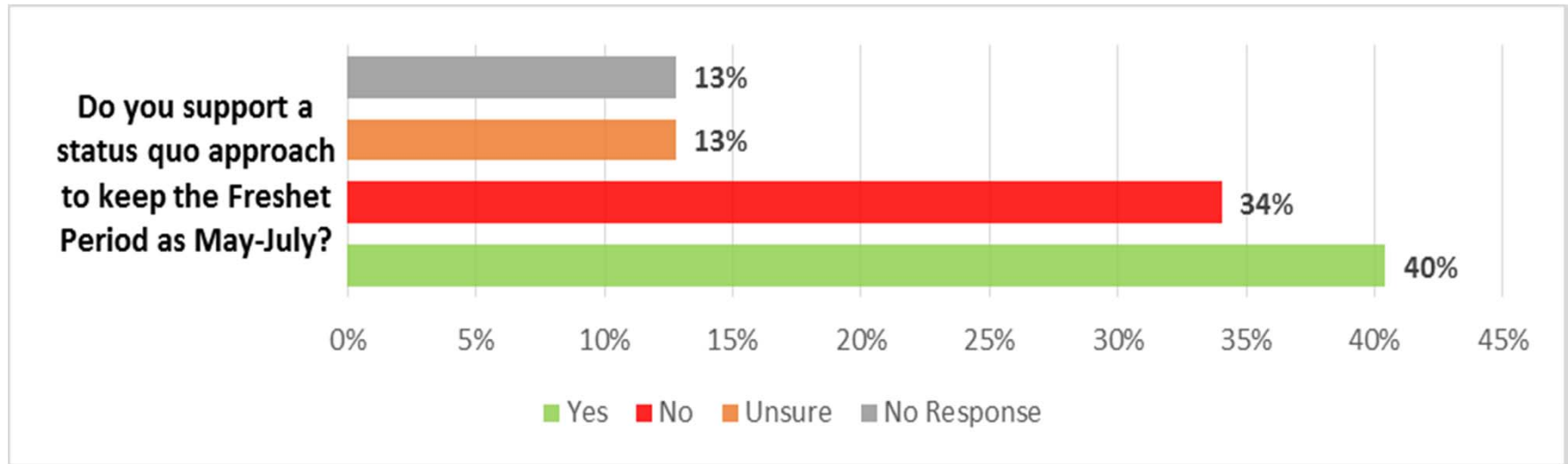
- **Application will include Freshet Rate Final Evaluation Report**
 - ❖ Year 3 results
 - ❖ Analysis of Year 2 load shifting / RS 1880 service alternative

RATE DESIGN CONSIDERATIONS



- a) Period to which the rate applies (status quo: May – July period)
- b) Price floor (status quo: \$0/MWh)
- c) Wheeling rate (status quo: \$3/MWh)
- d) Billing methodology (status quo: seasonal vs monthly settlement)
- e) Baseline adjustment provisions (add language for clarity)
- f) Baseline determination for new customers (housekeeping)

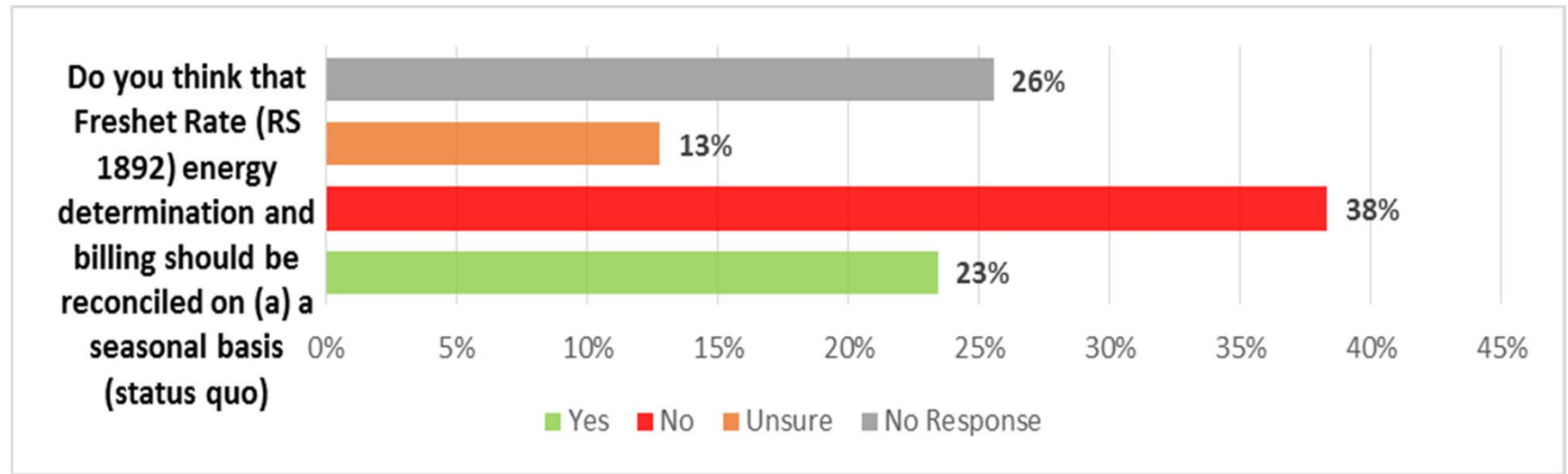
RS1892 Freshet Rate



“Inclusion of July, with its high-risk exposure to high prices is a significant disincentive for customer participation. April-June makes more sense...”

“The Freshet Period should be determined according to the hydrology data...”

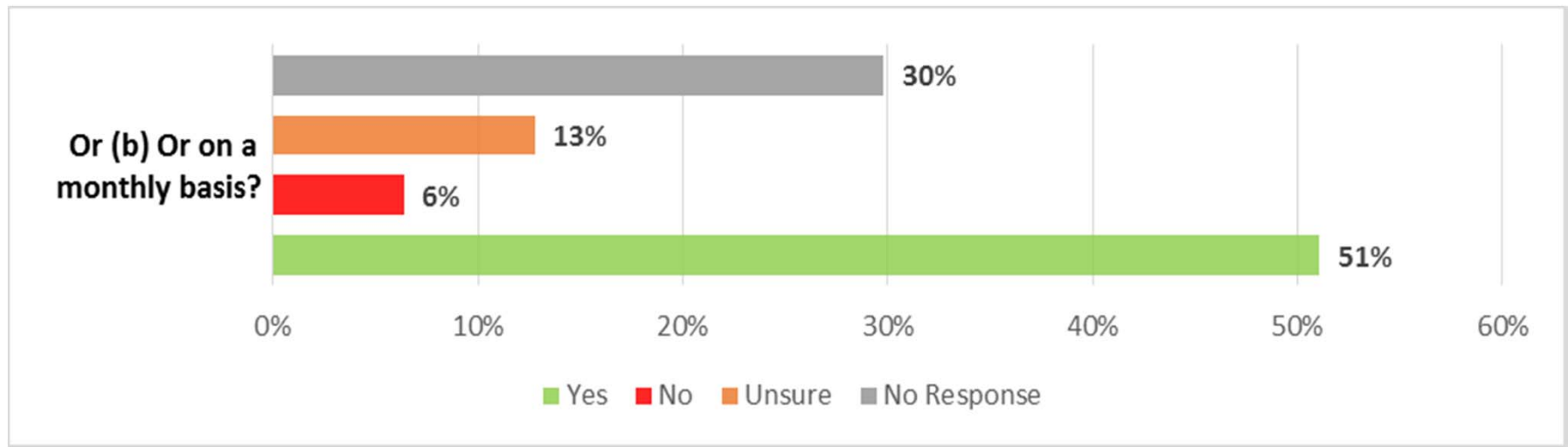
RS1892 Freshet Rate



“The risk and complexity of the seasonal mechanism makes production decisions difficult to make and can retroactively destroy any benefits realized early in the season...”

“Allow loads to optimize based on their seasonal constraints and market pricing, particularly if the season is maintained as status quo...”

RS1892 Freshet Rate



“Simpler for financial reporting...”

“This would improve customer participation...”

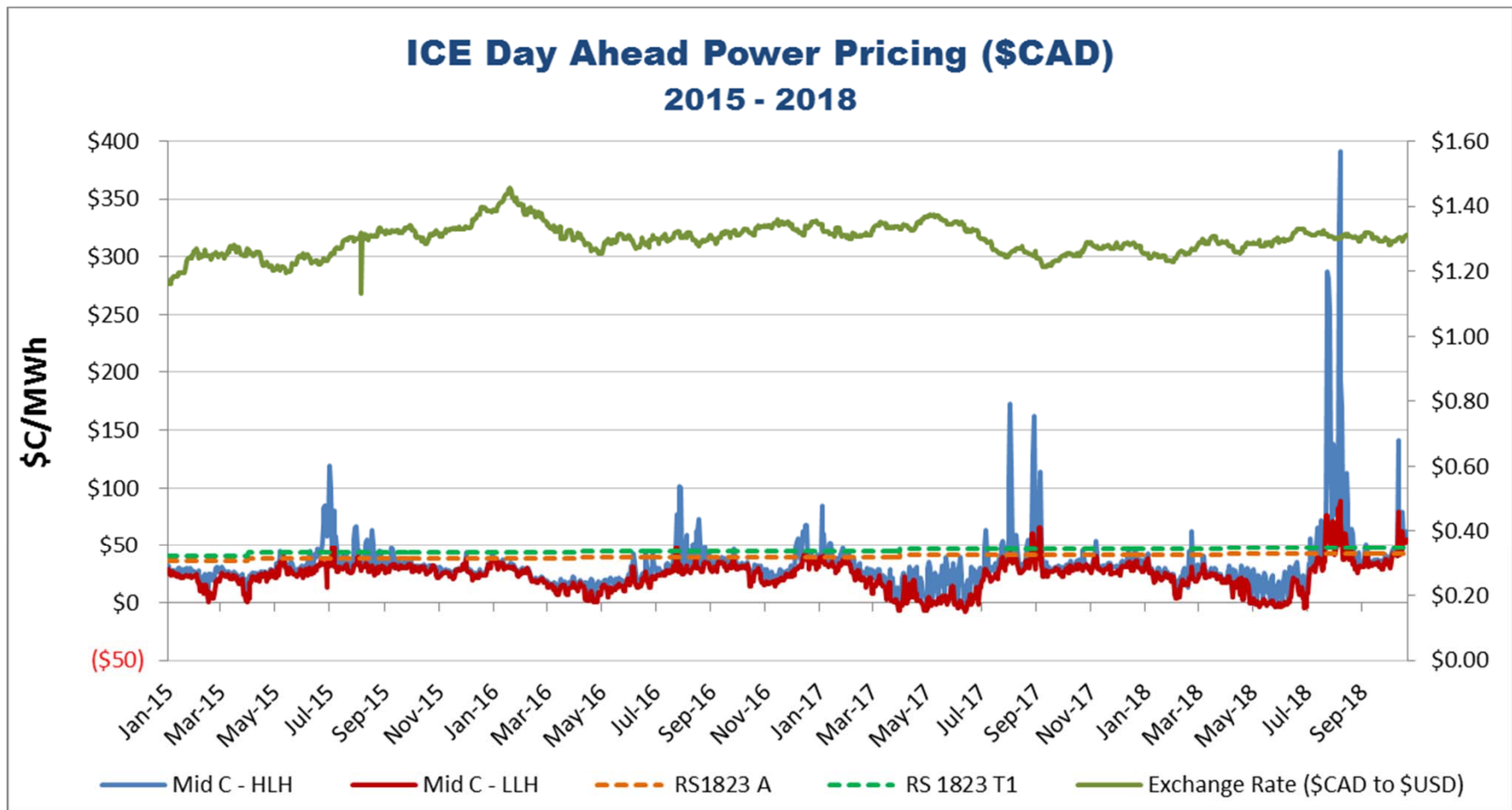
“The mechanisms in TS 74 already provide protection against load shifting in the form of the CBL reset risk...”

“Better transparency due to monthly ratio...”

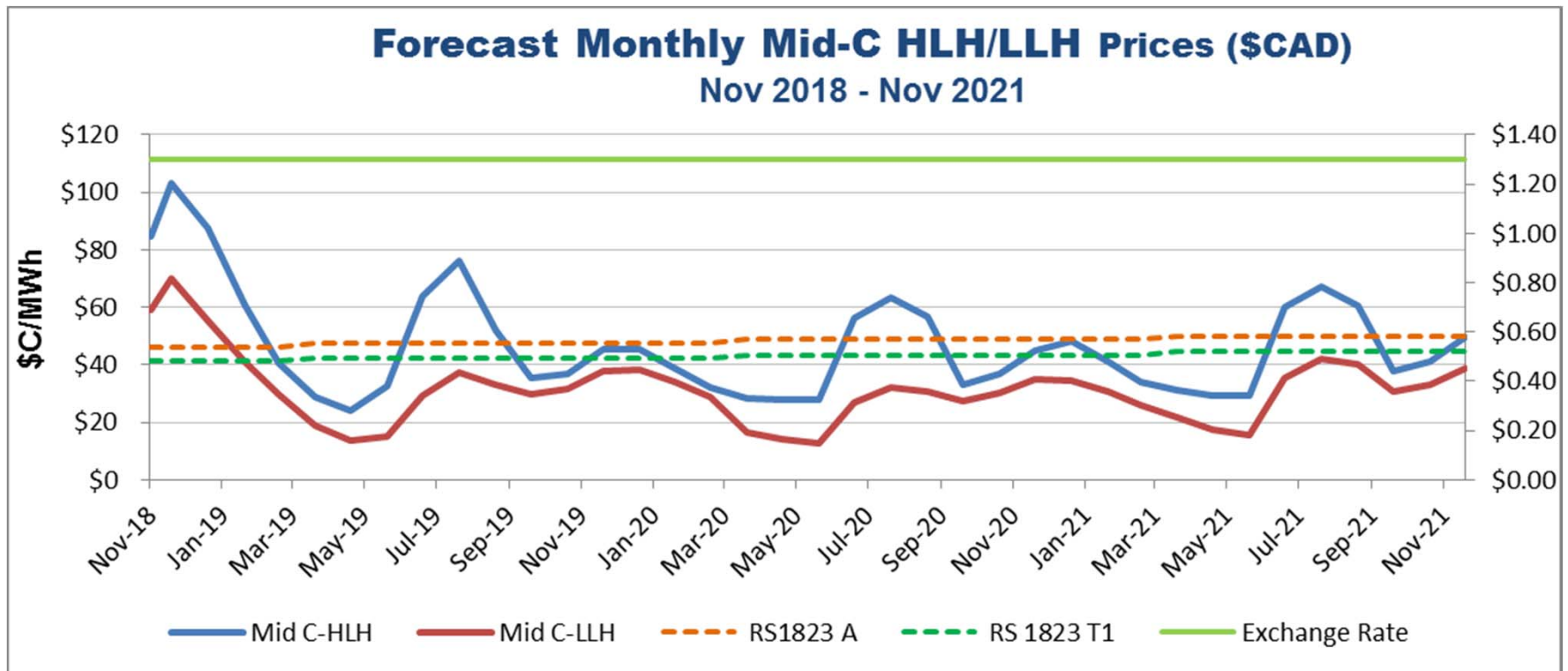
'Strawman' rate design proposal for Incremental Energy Rate

Criteria	Incremental Energy Rate
Service type:	Non-firm, interruptible (to extent BCH has available energy and capacity)
Eligibility:	Existing RS 1823 customers
Size:	5 MW minimum ESA Contract Demand
Contract Term:	1 year, effective April 1st
Notice:	Written notice of intent to participate by 01 March
Baselines:	Energy CBL (HLH and LLH) and Reference Demand, by calendar month
Baseline Determination:	Most recent annual period (365 days of historical RS 1823 electricity use)
Baseline Adjustment:	Per TS 74 criteria, with Commission approval
Energy Pricing:	ICE Index: Day ahead Mid-C for On-Peak (HLH) and Off-Peak (LLH)
Demand Charge:	No demand charge for load above Monthly Reference Demand
Risk Adjustment Factor:	\$/MWh monthly adder based on BPA wheel fee (with seasonal adjustments)
Rate Structure underlay	RS1823 pricing = lesser of baseline or actual electricity use (calculated hourly)
Rate Structure overlay	RSxxxx pricing = daily net incremental energy x daily Mid-C price (HLH and LLH)
Interruptibility + Notice:	Reduce load to baseline with 2hr minimum notice requirement
Penalty for Non-compliance:	150% x daily market price for energy > baseline during Interruption Period
Special Condition 1:	No dual participation in Freshet Rate and Incremental Energy Rate
Special Condition 2:	Opt-out at any time; no re-bill for completed Billing Periods; no in/out privileges

Market reference-priced rates: actuals



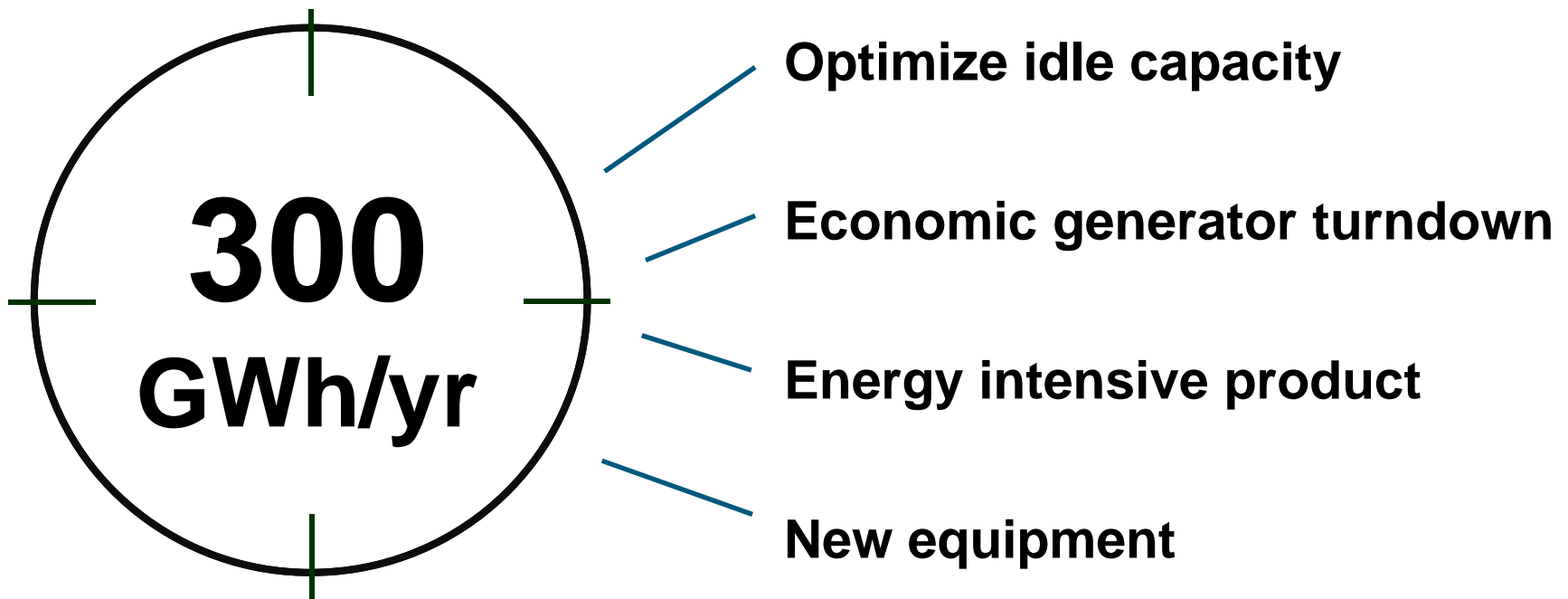
Market reference-priced rates: forecast



Notes:

- Market price forecast is projection only, subject to change
- Mid-C prices converted to \$CAD using average US/CAD Fx of \$1.30
- No adders applied for wheeling/risk
- RS 1823A and Tier 1 reference prices include 2.6% escalation/yr

Preliminary estimate of incremental load



Preliminary Economics *(illustrative)*

Description	Volume	Est. Ave. Price	Revenue
	MWh	\$/MWh	\$
Freshet Period (3 months)	150,000	\$ 25.00	\$ 3,750,000
Non-Freshet Period (9 months)	150,000	\$ 35.00	\$ 5,250,000
subtotal	300,000		\$ 9,000,000
Freshet Period risk adder @ C\$3/MWh	150,000	\$ 3.00	\$ 450,000
Non-Freshet Period risk adder: energy volume @ C\$6/MWh	150,000	\$ 6.00	\$ 900,000
Rate rider @ 5%			\$ 517,500
total gross revenue			\$ 10,867,500
Less cost of sales (assume ~ 50% of gross revenue per Freshet)			\$ (5,433,750)
Less RS 1880 price differential for service alternative	30,000	\$ 60.00	\$ (1,800,000)
Less 10% free-rider assumption (load shift from RS 1823 Tier 1)	30,000	\$ 20.00	\$ (600,000)
Less incremental customer service costs			\$ (300,000)
Estimated ratepayer impact			\$ 2,733,750

Key Assumptions:

- C\$25/MWh average price of incremental energy sales during future Freshet Period
- C\$35/MWh average price of incremental energy sales during future Non-Freshet Period
- C\$3/MWh adder (Freshet months) and C\$6/MWh adder (Non-Freshet months) on volumes
- 'Cost of sales' estimate based on typical Freshet Rate economics (Evaluation Reports)

Considerations

Baseline determination and RS 1823 interaction

- Default baseline determination period (F2018)
- RS 1823 energy only (*adjust to remove RS 1880 and RS 1892 energy volumes*)
- Baseline adjustment considerations (automatic vs customer request)
 - **Customer-funded DSM Duration Expiry (automatic)**
 - **BC Hydro-funded DSM (automatic)**
 - **New Customer-funded DSM (customer request)**
 - **Plant Capacity increase (customer request)**
 - **Annual verification (automatic, forward-looking only)**
- **Customer bears risk of RS 1823 CBL reset (for load shift)**

**Put this
criteria in
rate
schedule
?**

Baseline Adjustment

Baseline Adjustment Example

Customer-funded DSM Duration Expiry		
Annual energy savings (kWh)	25,000,000	
Average hourly energy (kWh/hr)	2,854	
Duration Expiry Date	10-Aug	<i>assume 12am</i>
Balance of hours in month after expiry	528	<i>22 days x 24hrs</i>
Total monthly hours - August	744	
August pro-rate factor	71%	<i>528hrs / 744 hrs</i>
Pro-rated hourly baseline adjustment	2,025	

Baseline Adjustment

Total RS 1823
energy / # of hours



Month	Category	Hours	Unadjusted baseline	Adjustment	Adjusted baseline
April-17	HLH	384	52,176		
April-17	LLH	337	50,935		
May-17	HLH	416	40,823		
May-17	LLH	328	41,351		
June-17	HLH	416	39,553		
June-17	LLH	304	41,920		
July-17	HLH	400	41,986		
July-17	LLH	344	42,632		
August-17	HLH	416	53,796	(2,025)	51,770
August-17	LLH	328	56,540	(2,025)	54,515
September-17	HLH	400	54,580	(2,854)	51,726
September-17	LLH	320	56,053	(2,854)	53,200
October-17	HLH	400	42,872	(2,854)	40,018
October-17	LLH	344	42,755	(2,854)	39,901
November-17	HLH	400	55,839	(2,854)	52,985
November-17	LLH	320	56,903	(2,854)	54,049
December-17	HLH	400	53,971	(2,854)	51,117
December-17	LLH	344	55,980	(2,854)	53,126
January-18	HLH	416	53,264	(2,854)	50,410
January-18	LLH	328	55,751	(2,854)	52,897
Februray 2018	HLH	368	48,427	(2,854)	45,573
Februray 2018	LLH	304	50,977	(2,854)	48,123
March-18	HLH	416	49,435	(2,854)	46,581
March-18	LLH	327	50,592	(2,854)	47,738
		8760			

**Adjustment applied
equally to HLH and
LLH – no shaping**



Interruption provisions

Proposed Special Conditions:

- Service is provided only where BC Hydro has available energy and capacity
- Provide customers with more certainty about conditions that increase likelihood of interruption
- Mitigate risk of adverse system conditions that impact availability of energy and capacity
- ❖ **Service can be interrupted (with 2hr min notice) when temperature at YVR is at, or forecast to be below, 0 degrees Celsius**
- ❖ **Service can be suspended with 30-day notice based on adverse hydrology – suspension will apply for balance of fiscal year**

Proposed Load Attraction and Load Retention Rates

Anthea Jubb, Regulatory Manager Tariffs
Allan Chung, Regulatory Specialist

November 19, 2018



Outline

1. Overview
2. Economic Assessment Framework
3. Proposed Rate Designs
4. Proposed Eligibility Criteria and Illustrative Examples
5. For Reference: Additional Feedback from the October Workshops

Overview

- BC Hydro has a forecast energy surplus and our transmission service rate load has been declining
- Several utilities offer competitive electricity prices to attract new loads and retain existing loads
- Retaining existing load and attracting new load can reduce pressure on electricity rates for all ratepayers
- In the October workshops we discussed load attraction and retention rate concepts
- Today we will review proposed rate designs and proposed eligibility criteria

October Workshops Feedback Themes

Your feedback:

- **BC Hydro's priority should be to reduce rate increases for all ratepayers**
- **The load attraction rate should not weaken the competitive position of existing customers**

BC Hydro response:

- **The proposed load attraction rates, terms and conditions will reduce electricity rate increases for all customers**
- **The proposed load attraction rate will not be open to applicants who would directly compete with existing transmission service rate customers**

Economic Assessment Framework

- Estimates the impacts on electricity rates for all ratepayers
- Uses an industry standard economic assessment framework
- Positive economic assessment outcome means we can offer:
 - a. **Postage stamp rate**, i.e. not location or customer specific
 - b. **Firm service**, i.e. not interruptible
 - c. **Duration neutral**, i.e. applicants would not need to provide additional security or assurance of load longevity

Your feedback : Social benefits such as jobs, GDP, greenhouse gas emissions, are also relevant

BC Hydro response: We cannot use these benefits to justify our rate design proposals, but plan to assess them in future rate evaluations

Economic Assessment Framework

Estimates the impact on electricity rates for all ratepayers due to marginal changes in utility revenues and costs

Benefit	Cost
Increase in utility revenue	Marginal cost of energy
	Marginal cost of generation capacity
	Marginal cost of transmission
	Incremental BC Hydro administrative cost

Load Attraction Rate Design

Your feedback:

- A fixed discount for a set period of time is preferable to a discount that diminishes over time
- No clear consensus on whether the discount should apply to energy and demand, or to energy only

Proposed load attraction rate design

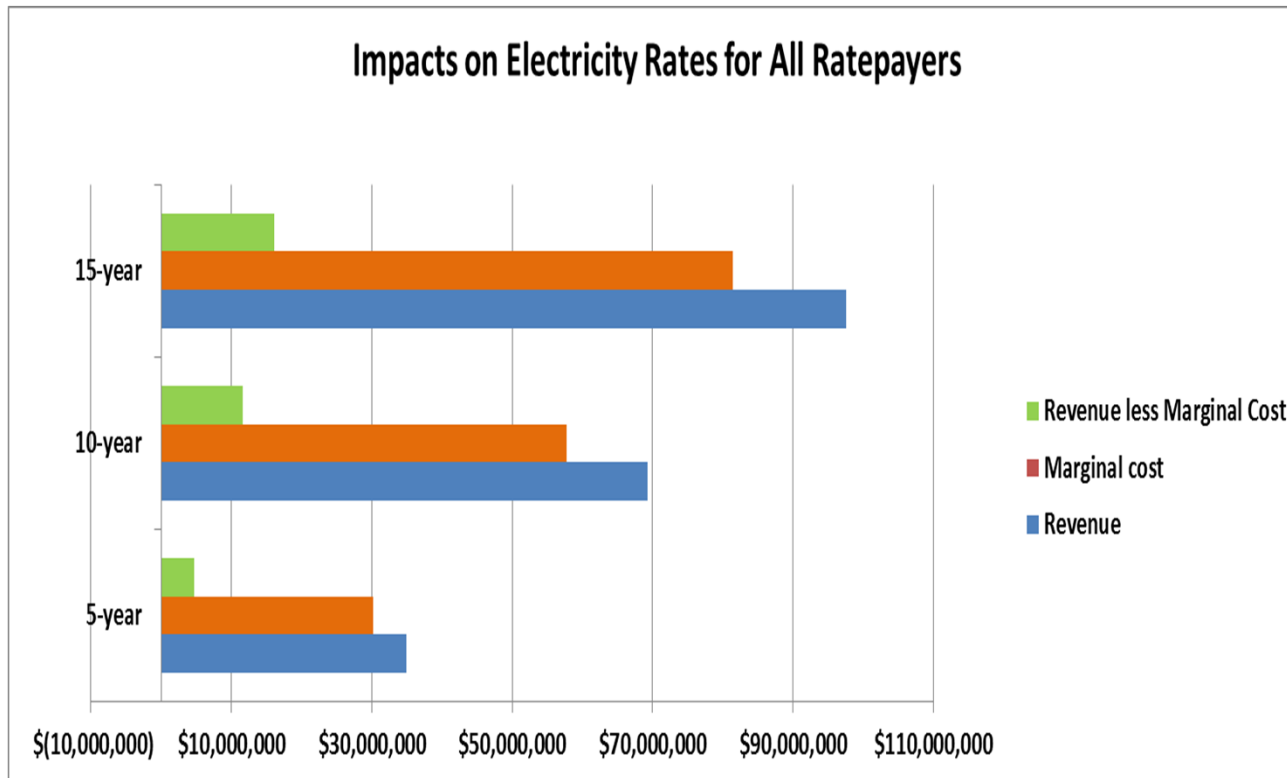
1. Fixed 15% discount to RS 1823 energy and demand rate for a 5 year term; or
2. Fixed 20% discount to RS 1823 energy rate only for a 5 year term.

Modelling Assumptions

- 20 MW new load starting F2020
- 85% load factor
- After the discount period the load is charged under RS1823

Preliminary Load Attraction Rate Economic Assessment Results

Fixed 15% discount from RS 1823 demand and energy charges for five years

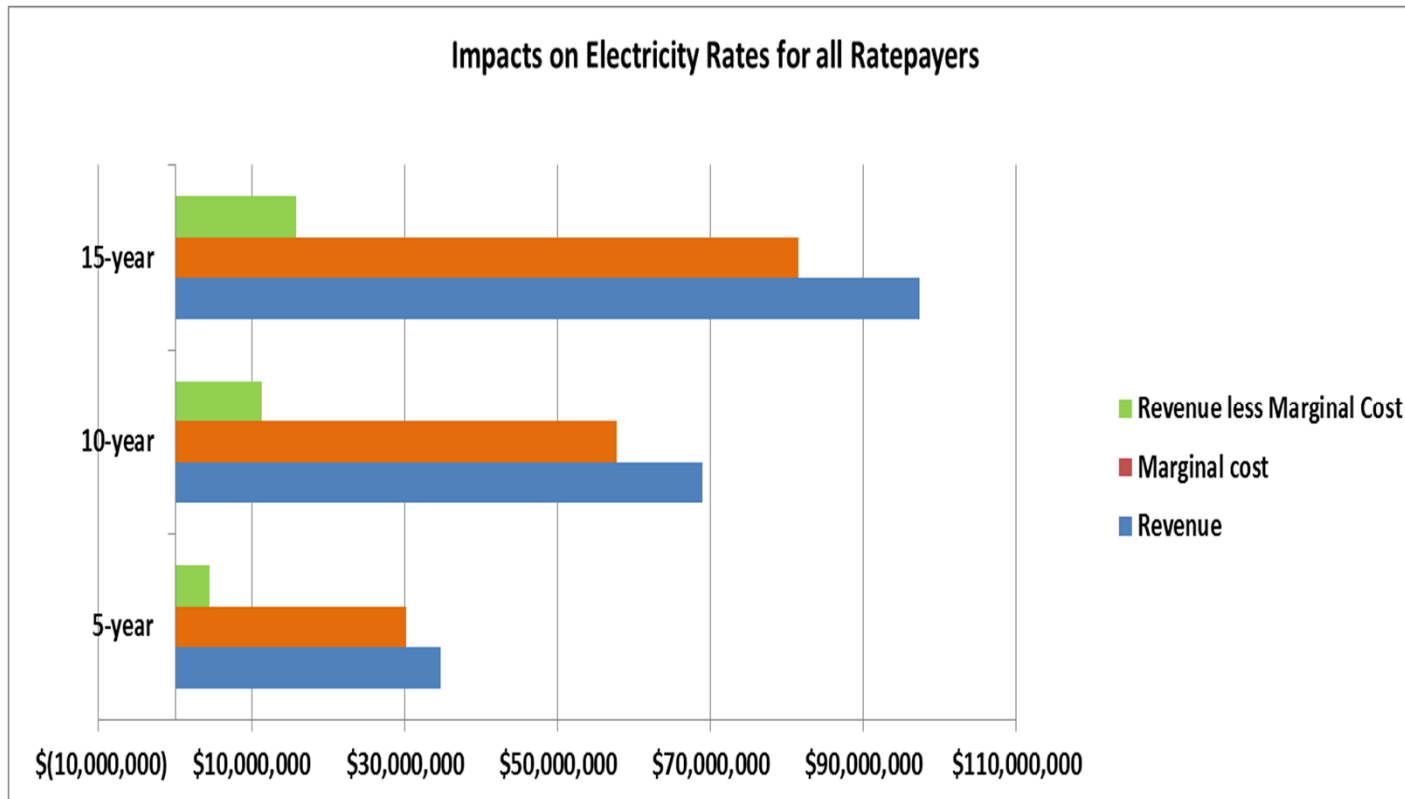


- All ratepayers are better off whether the load stays for 5, 10 or 15 years – *no need to require additional security or screen for longevity*
- All ratepayers are better off after accounting for marginal costs – *can offer a firm service, postage stamp rate*

Period	Participant NPV	Ratepayer NPV	Ratepayer B/C Ratio
5-year	\$ 6,167,306	\$4,744,934	1.16
10-year	6,167,306	\$11,567,737	1.20
15-year	6,167,306	\$16,166,059	1.20

Preliminary Load Attraction Rate Economic Assessment Results

Fixed 20% discount from RS1823 energy charge for five years



- Ratepayer impacts of offering a 20% discount on energy only are similar to impacts of offering a 15% discount on energy and demand

Period	Participant NPV	Ratepayer NPV	Ratepayer B/C Ratio
5-year	\$ 6,449,832	\$4,462,408	1.15
10-year	6,449,832	\$11,285,212	1.20
15-year	6,449,832	\$15,883,533	1.20

Load Retention Rate Design

Proposed load retention rate design

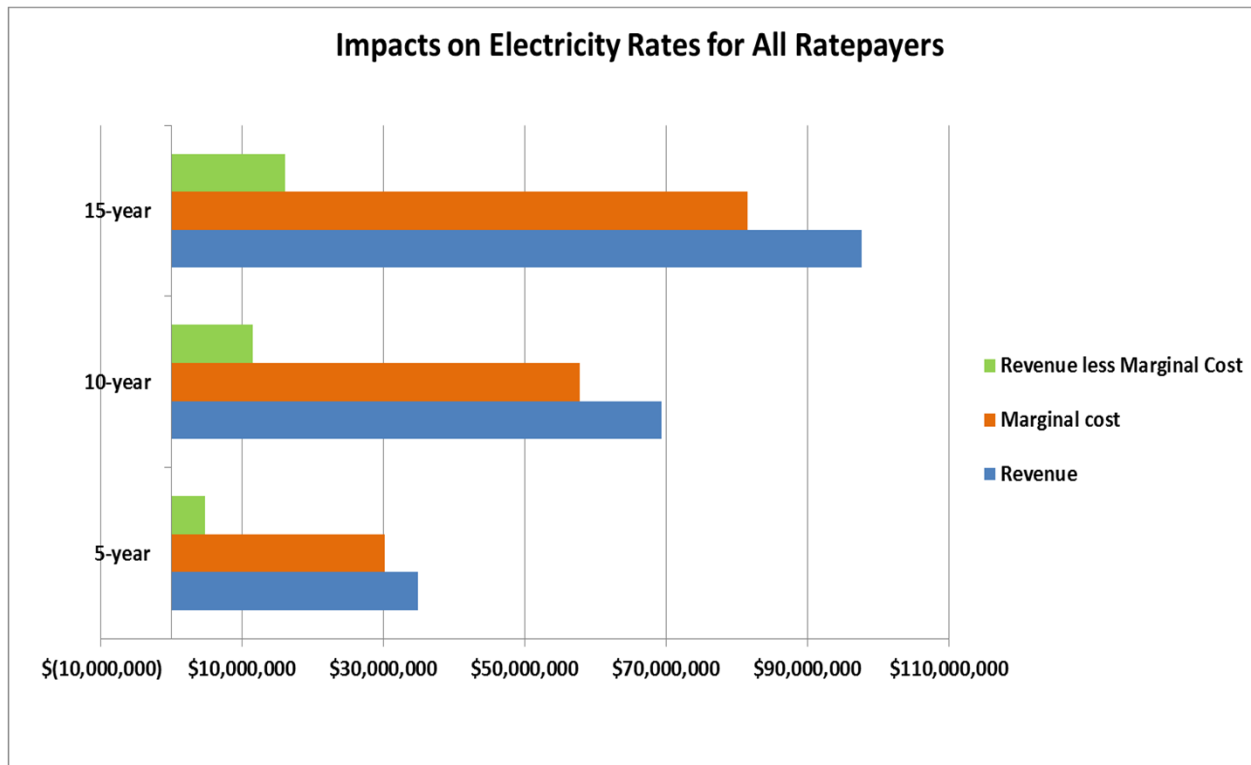
1. Firm service with a fixed 10% discount from RS1823 energy and demand charges for one year, renewable annually for up to three years.

Modelling Assumptions

- 20 MW of load retention starting F2020
- 85% load factor
- The discount applies for the maximum period (3 years)
- After the discount period the load is charged under RS1823

Preliminary Load Retention Rate Economic Assessment Results

Fixed 10% discount from RS1823 energy and demand charge for three years



- All ratepayers are better off whether the load stays for 5, 10 or 15 years – *no need to require additional security or screen for longevity*
- All ratepayers are better off after accounting for marginal costs – *can offer postage stamp rate, not location or customer specific, on a firm service basis*

Period	Participant NPV	Ratepayer NPV	Ratepayer B/C Ratio
5-year	\$ 2,326,209	\$5,023,821	1.17
10-year	2,326,209	\$8,871,765	1.15
15-year	2,326,209	\$11,015,728	1.14

Preliminary Sensitivity Analysis

Your feedback: be transparent about the impacts on ratepayers

We have modelled a range of sensitivities regarding the following assumptions:

- Size of discount
- Free ridership
- Load factor
- Marginal cost
- Duration of surplus

Load Attraction Rate Competitive Assessment

Large Industrial Customer Competitive Rate Comparison	F2019 Average Electricity Rate (\$/MWh)
Hydro Quebec Rate L with Economic Development Rate (20% Discount)	\$38.12
Hydro Manitoba Tariff No. 2017-62	\$46.01
Hydro Quebec Rate L	\$47.65
BC Hydro 15% Discount RS 1823 Energy Charge A and Demand	\$55.07
BC Hydro RS 1823 Energy Charge A and Demand	\$64.79
SaskPower GS E-25 (Supply Voltage: 230kV)	\$75.60
Puget Sound Energy Schedule 49 - High Voltage General Service	\$80.94
Alberta Independent Marketer Direct Flow Through	\$82.63
EPCOR Default Supply Flow Through	\$98.56
Nova Scotia Power Rate Code 23 - Firm	\$102.09
Enmax Default Rate	\$102.30

Proposed Load Attraction Rate Eligibility Criteria

Your feedback: Ability to relocate is an important criteria

Screen for free ridership:

1. Electricity costs are at least 10% of operating costs
2. Attestation by Officer of the Company that the rate was a determining factor in decision to locate facility in BC Hydro service territory
3. Has the ability to relocate based on competitive electricity price options in other jurisdictions
4. BC Hydro approval of eligibility for the load attraction rate predates commitment to locate load in BC Hydro service territory

Avoid undermining the competitiveness of existing RS1823 customers:

5. Will not directly compete with existing RS 1823 customers

Load Attraction Eligibility Criteria Examples

Your feedback: It is important to provide examples of the types of applicants that would and would not qualify

Customer	Eligible?	Considerations
1. Proposed new copper mine, natural gas extraction or processing facility	Unlikely to be eligible	<ul style="list-style-type: none">• May directly compete with existing RS1823 customers• May not have the ability to relocate based on competitive electricity price options in other jurisdictions
2. Proposed new manufacturing, or value added materials processing facility	Likely to be eligible	<ul style="list-style-type: none">• May not directly compete with existing RS1823 customers• May be able to relocate based on competitive electricity price options• May or may not have electricity costs > 10% of operating costs

Load Attraction Eligibility Criteria Examples

Customer	Eligible?	Considerations
3. Proposed new data processing center	Likely to be eligible	<ul style="list-style-type: none"> • May not directly compete with existing RS1823 customers • May be able to relocate based on competitive electricity price options • May have electricity costs > 10% of operating costs
4. Expansion of existing wood panel or lumber mill	Unlikely to be eligible	<ul style="list-style-type: none"> • May not be able to relocate based on competitive electricity price options • May directly compete with existing BC Hydro RS1823 customers • May not have electricity costs >10% of operating costs
5. Facility that has already committed to locate in BC Hydro service territory	Not eligible	<ul style="list-style-type: none"> • BC Hydro approval of eligibility for the load attraction rate predates decision to locate load in BC Hydro service territory

Proposed Load Retention Rate Eligibility Criteria

1. Only the portion of existing load deemed likely to be lost may be eligible
2. Electricity costs are at least 10% of operating costs
3. Attestation by Officer of the Company that the rate is a determining factor in decision to retain load or remain in operation in BC Hydro service territory

If the potential loss of load is due to financial distress and ceasing operations:

4. Provide detailed financial data and demonstrate financial difficulties that entail cessation of all or part of its operations
5. Demonstrate that similar discounts have been obtained from other suppliers.

If the potential loss of load is due to relocation:

6. Provide financial business case to support the relocation of load due to electricity prices
7. Confirmation of obtaining more competitive electricity prices by relocating

Load Retention Eligibility Criteria Examples

Your feedback: if you lose a big customer, all ratepayers are worse off

Customer	Eligible?	Considerations
1. Existing pulp mill or mine in financial distress can demonstrate that a short term reduction in electricity rate will allow the company to continue to operate	Likely eligible	<ul style="list-style-type: none">• Likely that electricity costs are >10% of operating costs• Likely to have financial data demonstrating risk of closure• Likely to have negotiated discounts or payment deferrals with a range of suppliers
2. Existing RS1823 load planning to relocate in response to lower electricity rates offered elsewhere	Likely eligible	<ul style="list-style-type: none">• Likely to have a business case that supports relocation decision on the basis of electricity prices• Likely to have confirmed the ability to obtain more competitive electricity prices elsewhere
3. A shut down facility considering restart	Not eligible	<ul style="list-style-type: none">• Load retention rate applies to existing load only

Draft Terms and Conditions

Rate Schedule Load Attraction Rate (LAR)

Availability	<p>Supply is at 60 kV or higher. Rate Zone I.</p> <p>Available to qualified facilities locating load in BC Hydro's service territory. Customers taking service on this rate must sign an Agreement for Load Attraction Rate Electric Service.</p>
Eligibility	<p>Eligible customers are those that would take service under RS 1823 with at least 1 MW of new load and are actively pursuing locations outside BC Hydro's service territory for their load.</p> <p>Additional criteria that the customer must demonstrate:</p> <ol style="list-style-type: none">1. Electricity costs are at least 10% of operating costs2. Attestation by Officer of the Company that the rate was a determining factor in decision to locate facility in BC Hydro service territory3. Has the ability to relocate based on competitive electricity price options in other jurisdictions4. The discounted rate does not affect the competitiveness of other existing RS 1823 customers in the same industry sector5. BC Hydro approval of eligibility for the load attraction rate predates commitment to locate load in BC Hydro service territory
Rates	<p>A rate reduction of fifteen (15) percent from RS 1823 Energy Charge and Demand Charge for five years.</p>
Program Expiration	<p>This rate schedule will be open to new participants until the earlier of before the end of the three year pilot period or until enrollment of 1000 GWh of aggregate customer load within BC Hydro's service territory has been reached.</p>
Contract term	<p>Five-year term</p>

Draft Terms and Conditions

Rate Schedule Load Retention Rate (LRR)

Availability	<p>Supply is at 60 kV or higher. Rate Zone I.</p> <p>Available to qualified facilities in BC Hydro's service territory. Customers taking service on this rate must sign an Agreement for Load Retention Rate Electric Service.</p>
Eligibility	<p>Eligible customers are those that are taking service under RS 1823 and are actively pursuing location options outside BC Hydro's service territory for their load or would otherwise cease operations. Only the portion of existing demand deemed likely to relocate or cease operations may qualify for service under the Load Retention Rate and such load must be at least 1 MW.</p> <p>Additional criteria that the customer must demonstrate:</p> <ol style="list-style-type: none"> 1. Electricity costs are at least 10% of operating costs 2. Attestation by Officer of the Company that the rate is a determining factor in decision to retain load or remain in operation in BC Hydro service territory <p>If the potential loss of load is due to financial distress and ceasing operations:</p> <ol style="list-style-type: none"> 3. Provide detailed financial data and demonstrate financial difficulties that entail cessation of all or part of its operations. 4. Demonstrate that similar discounts have been obtained from other suppliers. <p>If the potential loss of load is due to relocation:</p> <ol style="list-style-type: none"> 5. Provide financial business case to support the relocation of load due to electricity prices 6. Confirmation of obtaining more competitive electricity prices by relocating
Rates	A rate reduction of ten (10) percent from RS 1823 Energy Charge and Demand Charge for initial term of one year upon application for a maximum of three (3) years.
Program Expiration	This rate schedule will be open to new participants until the earlier of before the end of the three year pilot period or until enrollment of 500 GWh of aggregate customer load within BC Hydro's service territory has been reached.
Contract term	Initial one year term, renewable annually for another two years (three year maximum)

Next Steps

November 30, 2018: Deadline for receipt of feedback forms

December 14, 2018: Bundled filing to the BC Utilities Commission including

- a) Final Evaluation of the Freshet Rate Pilot
- b) Application for Freshet Rate for F2020 and beyond
- c) Application for Incremental Energy Rate for F2020 and beyond

By January 31, 2019: Application to the BC Utilities Commission for Load Attraction and Load Retention Rates

By April 1, 2019: Request Commission approval of the Freshet Rate by this date

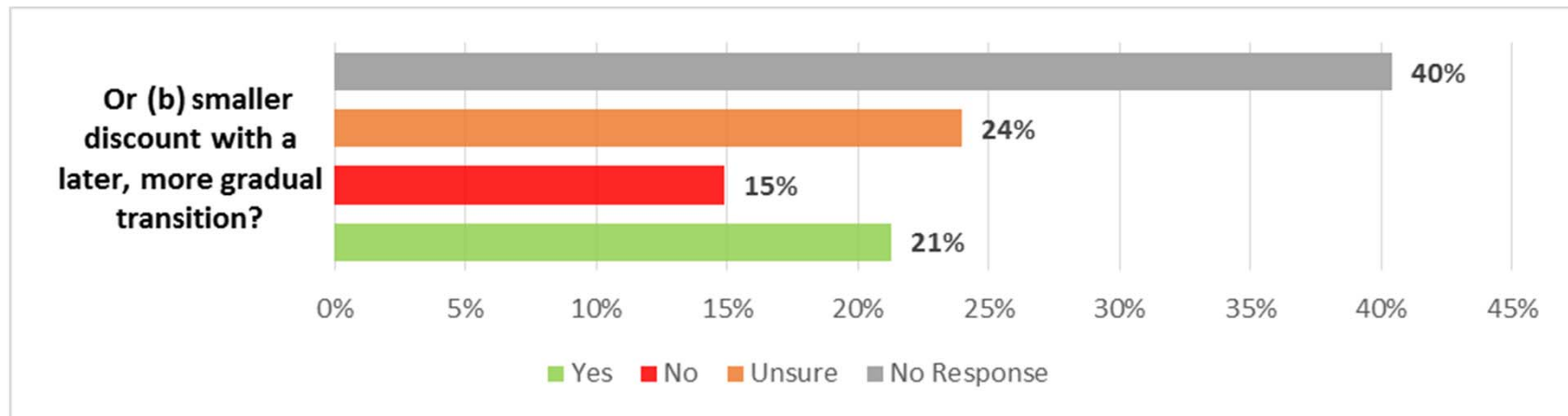
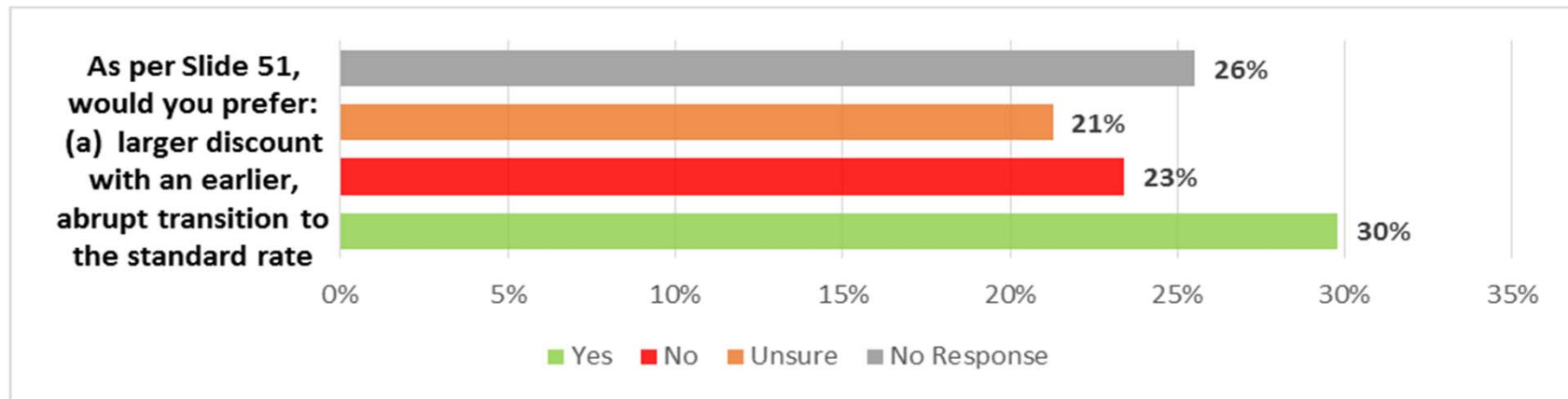
By Mid 2019: Anticipate Commission approval of Incremental Energy, Load Attraction and Load Retention Rates

Questions

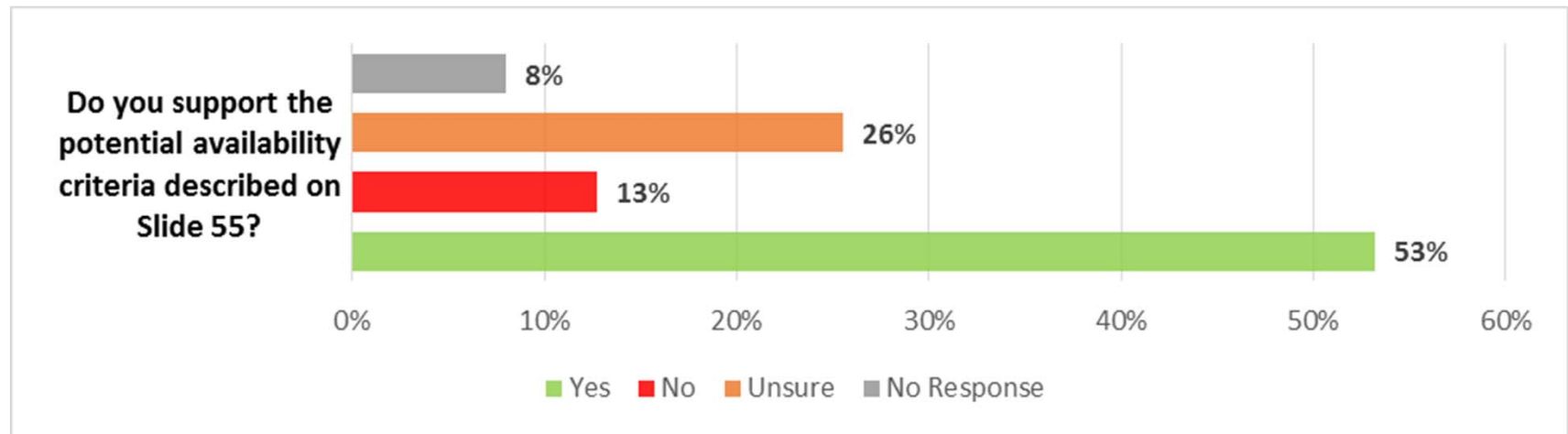
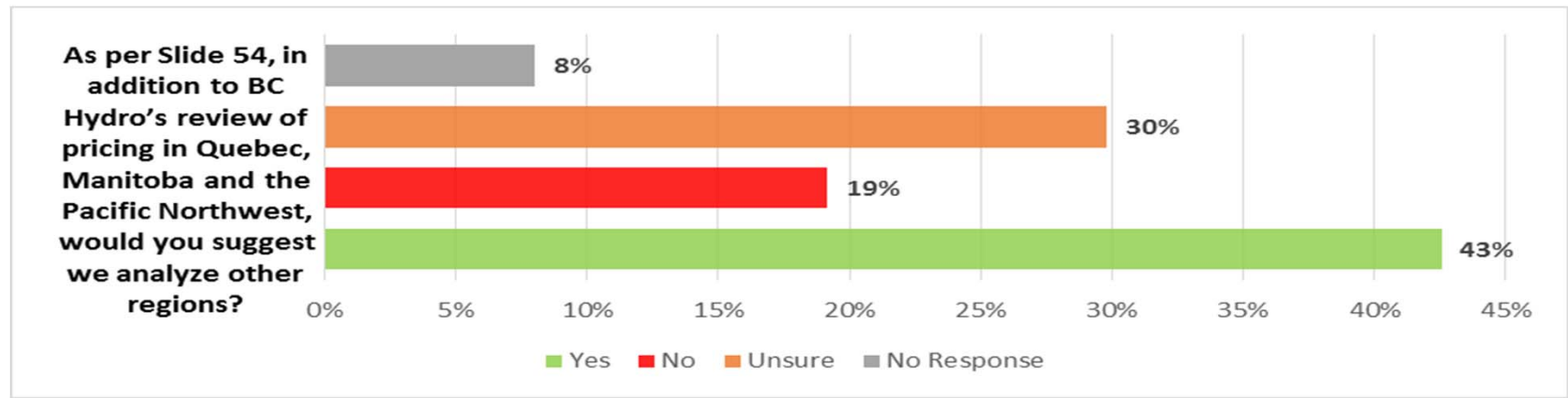


Additional Feedback from the October Workshops on the Load Attraction and Retention Rates

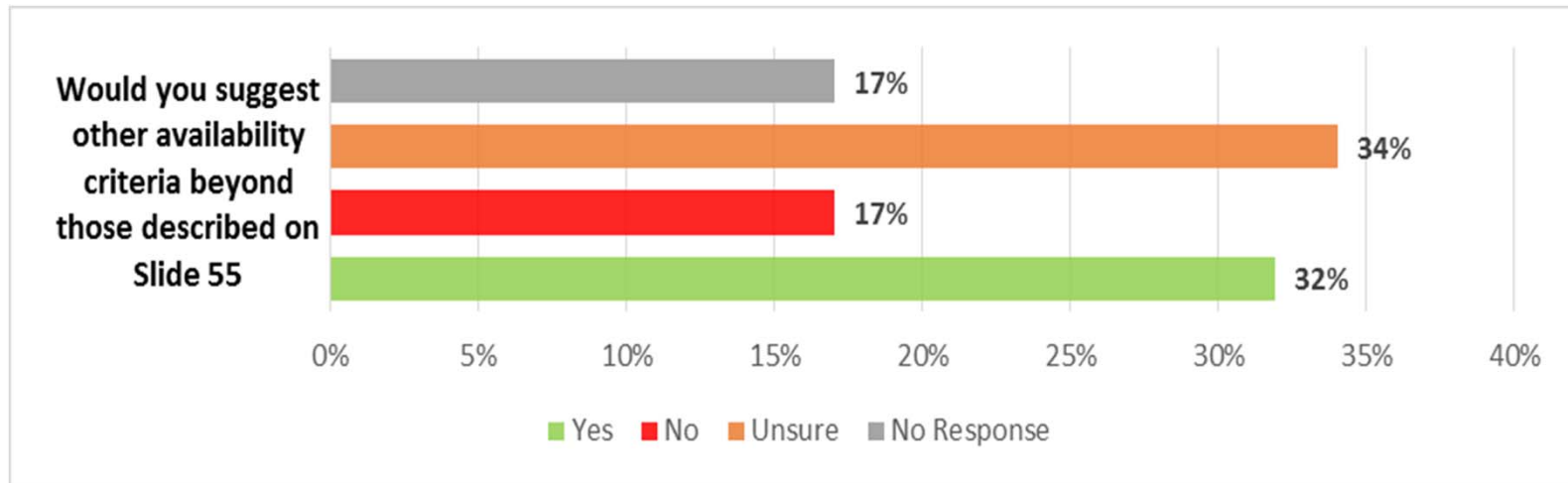
Load Attraction Rate



Load Attraction Rate

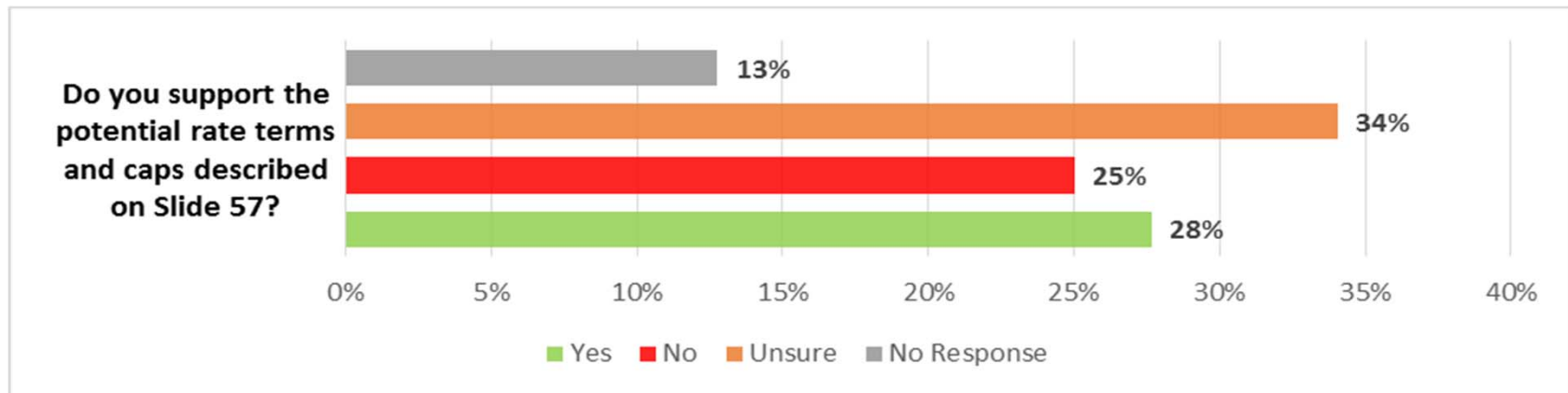
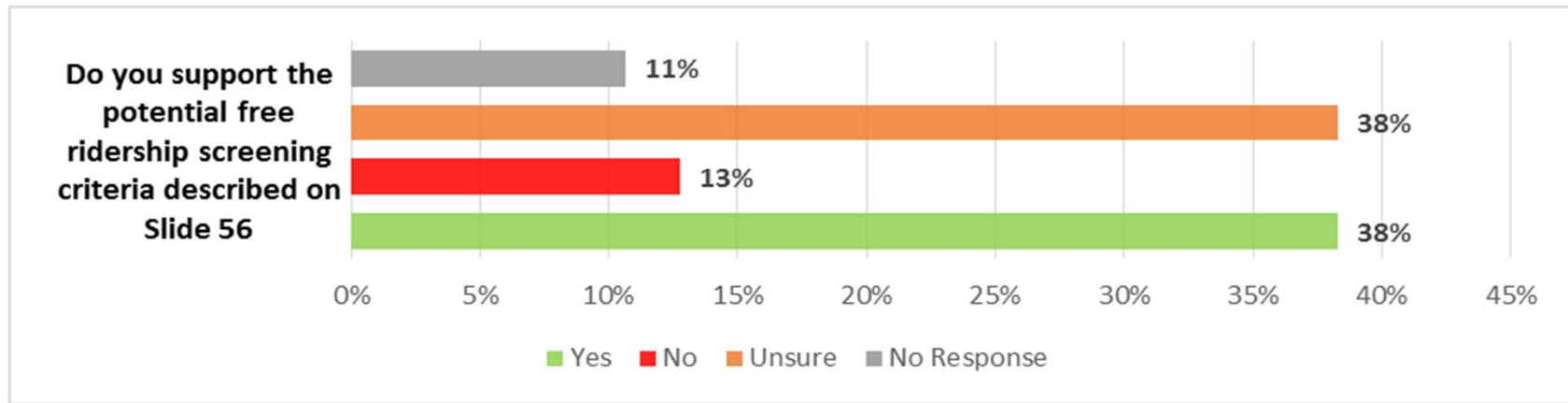


Load Attraction Rate

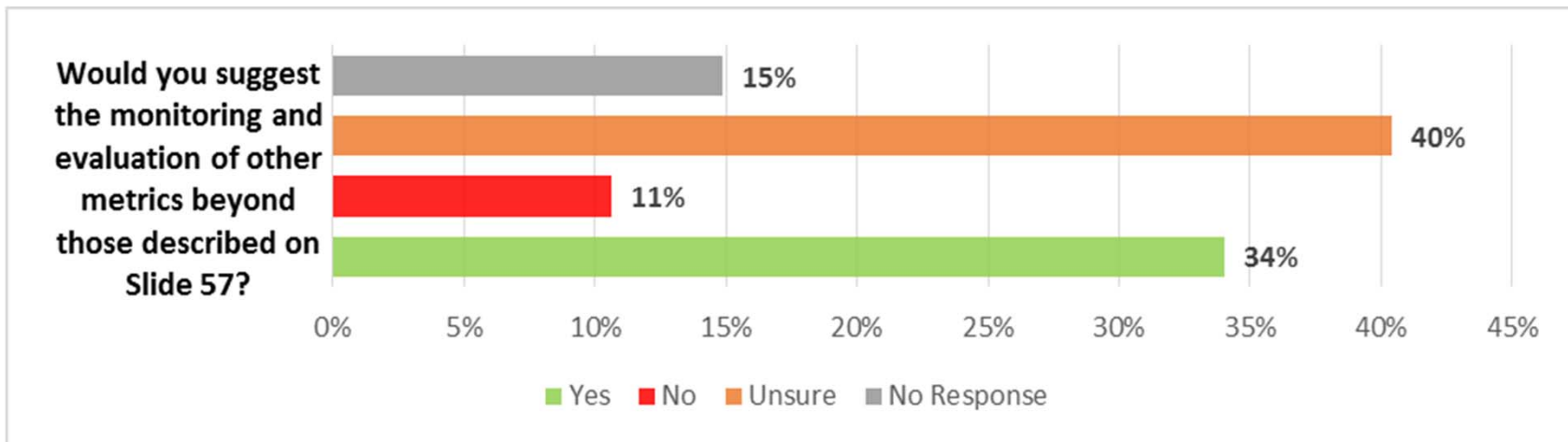
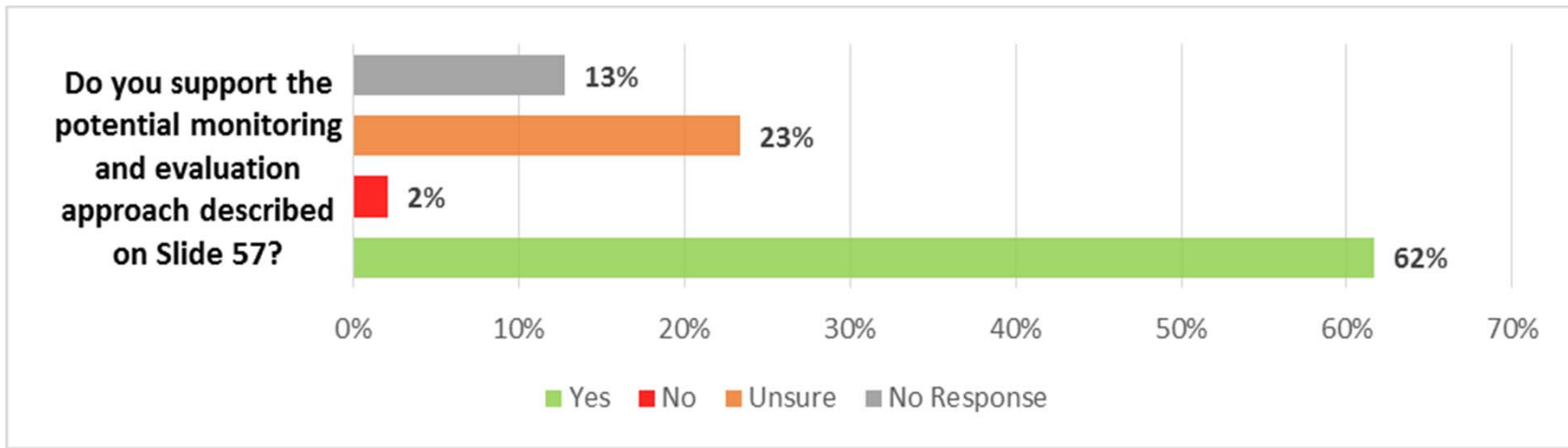


“*Proponents must prove ability to execute projects of a similar scale - if they do not have prior projects of similar scale they must provide proof of financing ...*”

Load Attraction Rate



Load Attraction Rate



Load Retention Rate

