

Welcome to BC Hydro's

2024 Rate Design Applications (RDA) Workshop

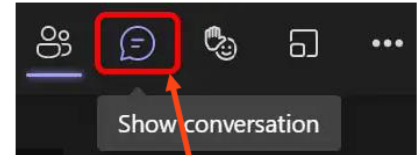
We'll be getting started shortly

How to participate

- Let us know you're here. **Please enter your first name, last name, and organization in the chat.**
- Video and microphone have been turned off to save bandwidth and eliminate background noise
- The chat function is available for questions and comments
- A copy of this presentation will be made available following this session

Technical issues?

- Send an email to bchydroregulatoryfeedback@bchydro.com



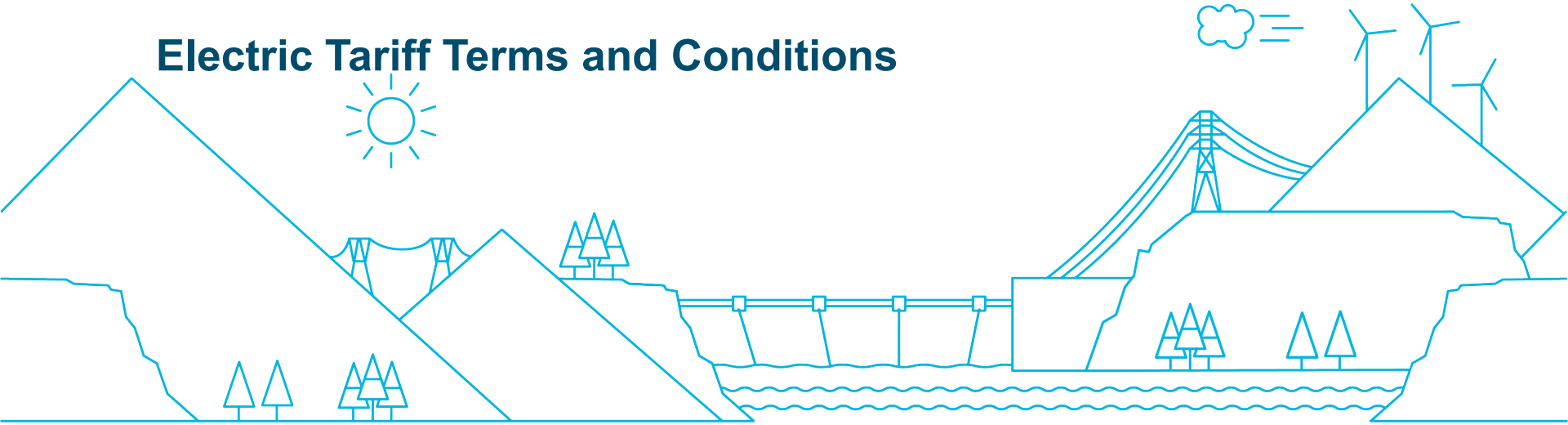
Click on this icon
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BC Hydro 2024

Rate Design Applications

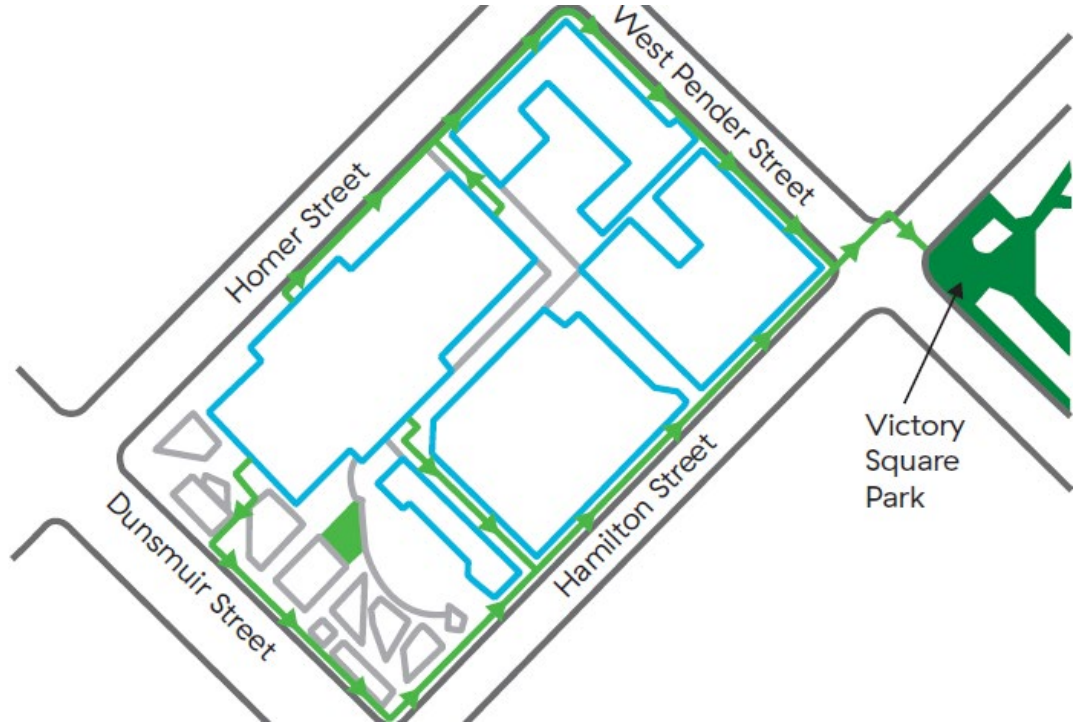
Workshop 1 – Session 3

Electric Tariff Terms and Conditions



November 27th and 29th, 2023

Safety – Muster Location: Victory Square



***We are grateful to be meeting today
on the unceded traditional territory of the
Musqueam, Squamish and Tsleil-Waututh First Nations***

Agenda

Time	Topic	Presenter
8:30 – 8:45	Background and Context	Chris Sandve, Chief Regulatory Officer
8:45 – 10:00	Terms & Conditions (T&C) Updates Being Considered <ul style="list-style-type: none">• Multi-Occupancy Residential Metering and Resale of Electricity Services• Equal Payment Plan (EPP)• Back-billing• Standard Charges• Transformation on Private Property• Voltage Conversion• Other Amendments	Daren Sanders, Director of Customer Operations & Experience Rob Chin, Distribution Policy Manager
10:00 – 10:15	Wrap Up & Next Steps	Chris Sandve, Chief Regulatory Officer

Background and Context

Chris Sandve

Chief Regulatory Officer

Ongoing Rate Design Proceedings

	Transmission Service Rate	Optional Residential TOU Rate	Public Electric Vehicle Charging Rates
Status	<p>Update the current two-step default Transmission rate to a flat rate.</p> <p>Awaiting BCUC Decision</p>	<p>Offer Residential customers bill savings opportunities by shifting their consumption.</p> <p>Awaiting BCUC Decision</p>	<p>Update our public electric vehicle charging rates to recover our costs.</p> <p>Streamlined Review Process in December</p>
Target Launch	April 1, 2024	June 1, 2024	Early 2024

Upcoming – 2024 Applications

Residential Rates

- Update RIB Rate
- Introduce 1-2 more optional rates
- Other updates

Net Metering Rate

- Update Net Metering rate
- Optional Net Metering TOU Rate
- Other updates

Non-Integrated Area Rates

- Residential rates
- Commercial rates
- Distribution extension charges

Tariffs Terms & Conditions

- Tariffs terms and conditions
- Standard charges
- Meter Choices Program charges

Distribution Extension Policy

- Update distribution extension charges
- Standard connection charges

Target Filing Date: June 28, 2024

Stakeholder Workshop 1 – Session 3

	Day 1 November 27	Day 2 November 29
AM	Residential Service Rates Non-Integrated Areas Rates	Electric Tariff Terms & Conditions Distribution Extension Policy
PM	Net Metering Service Rate	

Objectives for this Morning's Session

- Provide context for our upcoming rate design activities
- Review the Terms & Conditions that we are considering amendments to
- Review next steps

Terms and Conditions

Daren Sanders

Director, Customer Operations and Experience

Robert Chin

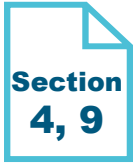
Distribution Policy Manager

Electric Tariff Terms and Conditions

BC Hydro periodically considers updates to our Electric Tariff Terms and Conditions (Terms & Conditions) in response to business changes and customer experience. We have identified a number of areas in our Terms & Conditions for improvement for inclusion in the upcoming rate design application.

**Amendments
with
customer
impacts**

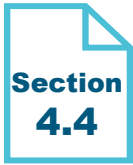
**Housekeeping
amendments**



Multi-Occupancy Residential Metering and Resale of Electricity Service

Topics for engagement

1. Master-metering option for multi-unit residential buildings (MURBs) (Section 4.4)
2. Resale of Electricity Service (Section 9.1)



Master-metering option for multi-unit residential buildings (MURBs)

Background

- There are currently situations where multi-unit residential buildings (MURBs) have only one electric meter but multiple residential units.
- In these situations, our customer is the building owner who either charges their tenants for electricity and can decide how much to charge them or includes the electricity in the rent.

The Challenge:

Tenants of MURBs that have a single master-meter are not directly metered by BC Hydro, nor do they hold individual accounts with BC Hydro.

1. Lack of individual accounts makes it difficult for tenants to participate in conservation programs and rebates.
2. Lack of utility metering for tenants does not 'future proof' these premises to allow them to participate in energy markets. E.g., retail competition, new technologies.
3. BC Hydro and the BCUC have limited ability to resolve disputes or enforce the terms and conditions of the Electric Tariff e.g., resale provisions.
4. Lack of utility metering for tenants does not 'future proof' these premises to allow them to participate in energy markets. E.g., retail competition, new technologies.

UPDATED

See next slide

The Challenge:

Tenants of MURBs that have a single master-meter are not directly metered by BC Hydro, nor do they hold individual accounts with BC Hydro.

1. Lack of individual accounts makes it difficult for tenants to participate in conservation programs and rebates, as well as in assistance programs such as the Customer Crisis Fund.
2. Lack of utility metering for tenants prevents them from participating in optional rates (e.g., residential time-of-use) and direct control programs (e.g., Peak Rewards).
3. BC Hydro and the BCUC have limited ability to resolve disputes or enforce the terms and conditions of the Electric Tariff e.g., resale provisions.
4. Lack of utility metering for tenants does not ‘future proof’ these premises to allow them to participate in energy markets. E.g., retail competition, new technologies.

We are considering...

Remove the option for master-metering in new MURBs, such that metering for all new MURB construction will enable the electricity consumers to be direct customers of BC Hydro.

BC Hydro is not considering changes to the metering requirements of commercial multi-occupancy buildings as there are scenarios where it is more practical for building owners to manage the metering and billing of individual tenants.



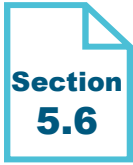
Resale Of Electricity

Background

- There are currently MURBs and commercial properties that are operating with a single master-meter and resell the electricity to the tenants on a metered basis.
- In some cases, tenants could end up paying more for their electricity charges than if they had an account with BC Hydro as they are not covered under the rules of the electric tariff.

The Challenge:

- The decision to master-meter a multi-occupancy building is typically made by the developer when constructing the building.
- It is impractical to expect these customers to retrofit their buildings to comply with the elimination of master-metering, so changes to the electric tariff are required to ensure that tenants do not pay more than they would if they had an account directly with BC Hydro.
- The changes would ensure that the amount paid for electricity service inclusive of all BC Hydro's billing charges, e.g., basic charge, energy charge, demand charge and power factor surcharge.



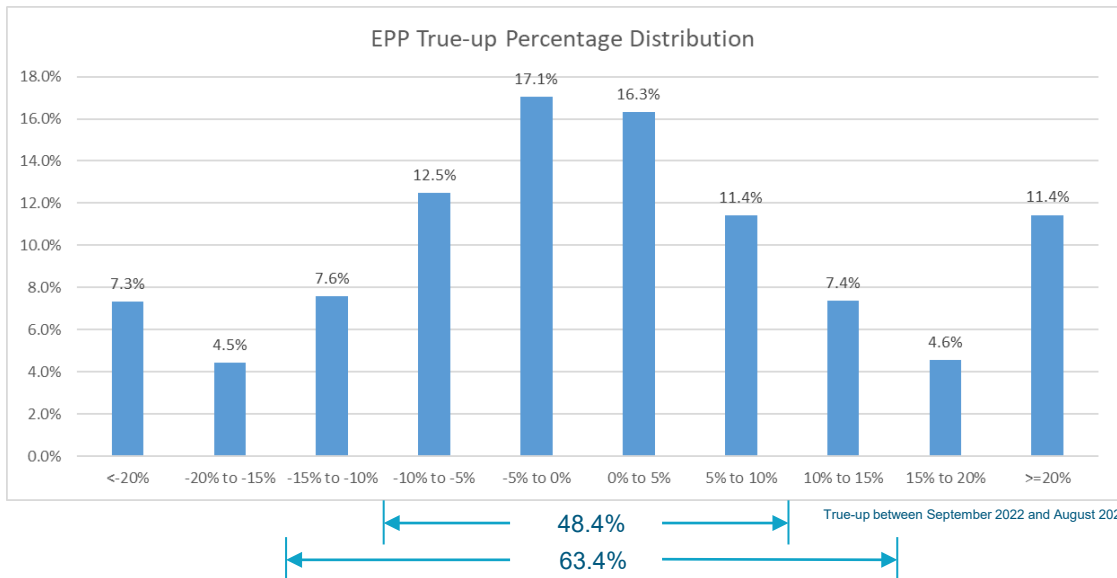
Equal Payment Plan (EPP)

Background

- Voluntary program for customers to even out their payments over the year.
- Payments are determined based on the previous 12 months of electricity use at the premises.
 - Payments may be adjusted during the year by the customer or through automated review processes
- On each invoice, customers can see how much they are billed compared with their actual consumption
- On the anniversary date of their EPP, customers experience a “true-up” equal to the difference between actual consumption and the amounts customers have paid on their EPP.
 - Customers that have paid for more energy than consumed receive a credit
 - Customers with actual consumption higher than electricity paid for receive an additional charge

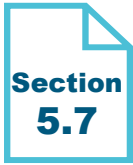
The Challenge:

- The end-of-year bill adjustment can result in significant additional charges for some customers.



The Opportunity:

- BC Hydro would like to explore a **Fixed Price EPP program** without an adjustment at year end.
- There would be a fee charged for this optional program to maintain revenue-neutrality for the portfolio of participants.
- The program would provide payment certainty and avoid unexpected financial hardship for some customers.
- The program could include a “plus” concept to incorporate energy management program(s).



Back-billing

1. Section 5.7 defines rules for billing adjustments as a result of factors such as meter failure, switched meter or incorrect rate.
2. If over-billed, the customer is credited, with interest at BC Hydro's weighted average cost of debt (WACD), for the over-billed amount to when over-billing started.
3. If under-billed, the customer is billed the additional charge to a limit of:
 - 6 months for Residential, Small General Service and Irrigation rates
 - 12 months for all other rates (i.e., Medium and Large General Service; Street Lighting)

Back-billing of unmetered services

Background

- While most services are metered, BC Hydro allows for unmetered services in situations where (1) metering is difficult or costly relative to consumption and (2) consumption is predictable. Examples are:
 - Customer-owned street lights served under RS 1702
 - Telecommunications equipment served under Small General Service
- Customers with unmetered services estimate consumption when the account is started and are required to provide BC Hydro with timely notice of changes in consumption so that billing can be adjusted.

The Challenge:

Section 5.7 doesn't provide an incentive to keep unmetered lighting or equipment records current.

- If a customer reports that unmetered equipment was removed at some point in the past or has consumed less electricity than initially estimated they are fully credited to the time over-billing started, with interest.
- If a customer reports that additional unmetered equipment had been installed at some point in the past, they are back-billed for only 6-12 months of consumption.
 - Consumption prior to 6-12 month is essentially 'free'
- The revenue impact and administrative costs are borne by all customers.

We are proposing....

BC Hydro is proposing to introduce different back-billing rules for unmetered services:

- Require customers to report consumption changes in a timely manner
- Apply different back-billing time limits than metered services
- Apply different interest treatments than metered services

BC Hydro is not proposing changes to back-billing rules when the under- or over-billing is the result of a BC Hydro action or error.

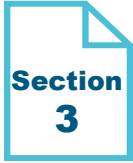
Other General Housekeeping

BC Hydro is also proposing to make housekeeping amendments that include:

- Confirming that unmetered services are subject to section 5.7
- Improving the clarity of terms relating to under-billing vs. over-billing
- Clarifying that the “interest” to be applied in cases of theft is the Late Payment Charge

Standard charges

- Standard charges are intended to recover costs from those customers who incur these costs for BC Hydro.
- Our standard charges were developed in consultation with customers and other stakeholders and are based on a cost recovery model and were last reviewed in the 2015 Rate Design Application.
- We plan to update standard charges to reflect current costs.
- For example: Account charge, meter choice program charges, minimum reconnection Charges.



Transformation on Private Property and Voltage Conversion

Topics for engagement

1. Transformation on private property (Section 3.12)
2. Voltage conversion (Section 3)

Transformation on Private Property

Background

Customers currently have the option for BC Hydro to supply transformers on customer owned primary lines (private lines). This section also provides a customer the option to rent transformers from BC Hydro. This provision has been in the Tariff since 1975.

- It's estimated there are over 5,000 BC Hydro transformers currently installed on private lines (~2% of overhead transformers)
- BC Hydro also has approximately 400 transformers located in electrical rooms inside customer buildings.



The Challenge:

BC Hydro transformers installed on private lines and in customer buildings has many operational and maintenance challenges.

- Requires cooperation and coordination from customers.
- Condition of BC Hydro's equipment is dependent on the health of the customer owned pole.
- Private line construction standards are different from BC Hydro standards and causes a conflict in standards and jurisdiction responsibilities.

Section
3.12

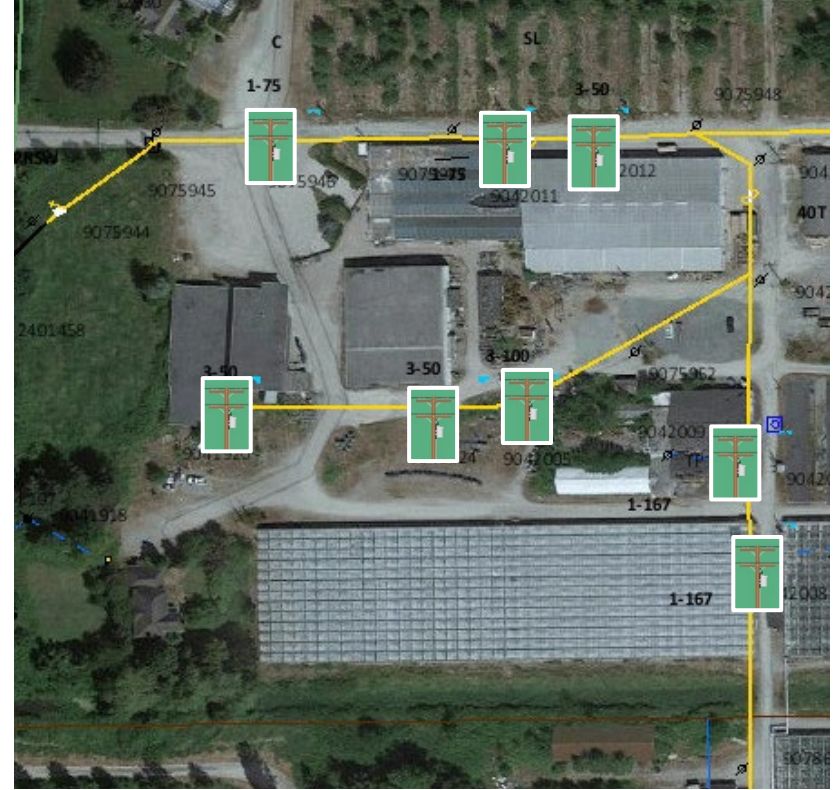
Transformation on private property

The Challenge:

Example 1:



Example 2:



Transformation on private property

We are considering...

- **Removing the customer option** for BC Hydro to supply or rent transformers on private lines.
- Existing customers will be grandfathered until equipment is due for replacement.

Voltage conversion

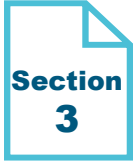


Background

We are accelerating the voltage conversion of BC Hydro's distribution system from 12 kV to 25 kV in older areas to more easily meet our customers' growing electricity needs.

- Since 2010, all new customers are required to install equipment capable of operation at 25 kV
- In some areas, mainly Vancouver and Burnaby, a voltage conversion of an area may require the replacement of customer electrical equipment to be able to be serviced at the new voltage.
- BC Hydro may pay for reasonable expenses to replace customer equipment with new equipment capable of operating at the new voltage.

More information: <https://app.bchydro.com/accounts-billing/electrical-connections/multi-residential-commercial-connections/voltage-conversion.html>



Voltage conversion

The Challenge:

Project timelines are highly dependent on customer cooperation.

- Most customers are cooperative; however, a single customer with challenges can cause significant delays to our voltage conversion projects.
- We want to fairly compensate customers who are required to replace their equipment while not unduly burdening other ratepayers.



Housekeeping Amendments

We are also taking the opportunity to update the language for the Terms & Conditions to align with current business practices and add clarity for our customers.

Our intent in making these updates is not to substantively affect the meaning of any provision, but rather to correct errors, inconsistencies, and generally improve readability and clarity for customers.



Housekeeping Amendments

Examples:

1. Amalgamation of Property Owner and Tenant Sections.
2. Clarification of language to align to business practice and the residential tenancy regulations.
3. Add definition of Tenant to list of Definitions.
4. Commercial and Residential units in a mixed-use building should be metered separately given that they are used differently by the Customer.
5. Clarify what may trigger an extension for premises previously connected.
6. Clarify BC Hydro's obligation to serve a parcel of land.

Wrap Up and Next Steps

Chris Sandve

Chief Regulatory Officer

Next Steps







BC Hydro

Power smart