

Rate Schedule 1823 Restructuring Feedback

Start of Block: Introduction

Q1 Thank-you for attending the Rate Schedule 1823 Restructuring workshop held on February 09, 2021 from 9:30 to noon on WebEx. We spent time reviewing scenarios for changes to the Rate Schedule (RS) 1823, the default rate for many of our Transmission voltage customers. We provided an overview of work underway, rate methodology and looked at various rate restructure scenarios and their potential customer bill impacts. RS 1823 also impacts other rates and these relationships were described.

Your feedback and engagement during the workshop is appreciated. Through this survey, we encourage you to provide feedback, including any ideas, comments, questions and observations that you might have on this rate application. Your feedback is important and will be considered by BC Hydro. We will treat feedback as being provided on behalf of the organization you are representing, rather than your personal opinion.

It's important to note that your feedback, including the organization you are representing, will be used by BC Hydro and included in the application. It will become part of the public record resulting from a regulatory proceeding. Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns.

Page Break

End of Block: Introduction

Start of Block: Block 1

Q2 Your Business Contact Information:

☐ Name (1) _____

☐ Title (2) _____

☐ Company (4) _____

☐ Representing (if different from Company) (5)

☐ Business Contact Email (3)

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Q3 Please tell us what type of customer you are:

- ☐ Existing Customer (1)
- ☐ Prospective / New Customer (2)
- ☐ Association (3)
- ☐ Other (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*) (4)

Page Break

Display This Question:

If Please tell us what type of customer you are: = Existing Customer

Q4a Please indicate the industry you represent:

- ☐ Cement (1)
- ☐ Chemicals (5)
- ☐ Mining (4)
- ☐ Oil and Gas (6)
- ☐ Pulp and Paper (2)
- ☐ Solid Wood (3)
- ☐ Utility/Exempt (7)
- ☐ Other: *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)* (8)

Page Break

Display This Question:

If Please tell us what type of customer you are: = Prospective / New Customer

Q4b Please indicate the industry you represent:

- ☐ Cryptocurrency (2)
 - ☐ Data Centre (1)
 - ☐ Hydrogen / Low Carbon Fuel Producer (3)
 - ☐ Manufacturing (6)
 - ☐ Mining (5)
 - ☐ Natural Gas Processing (4)
 - ☐ Other: *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)* (7)
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Page Break

End of Block: Block 1

Start of Block: Block 2

Q Pricing Principles Application and Default Rate Restructuring: Apply to maintain existing RS 1823 pricing principles for F2022 in February 2021. Develop a new default rate for firm electricity service to customers served at transmission voltage.

Q5 Please indicate your support for BC Hydro to apply for approval for existing RS 1823 pricing principles, set to expire on March 31, 2021, to continue effective April 1, 2021 and ending March 31, 2022.

- ☐ Yes, I support applying existing RS 1823 pricing principles to remain in place for Fiscal 2022 (status quo) (1)
 - ☐ No, I do not support applying existing RS pricing principles to remain in place for Fiscal 2022 (2)
 - ☐ Unsure (4)
-

RS 1823 Pricing Principles Application

- Current RS 1823 pricing principles expire March 31, 2021.
- Current pricing principles apply the F20 and F21 RRA increase/decrease uniformly to Tier 1 and Tier 2 energy rate
- This is a “status quo” application and maintains existing RS 1823 rate structure
- Re-price RS 1823 to reflect F22 interim rate increase of 1.16%, energy and demand rates will be escalated uniformly
- Apply to maintain existing pricing principles effective April 1, 2021 and ending March 31, 2022
 - Allows sufficient time to develop RS 1823 Rate Restructuring Application
 - Update BCUC on RS 1823 rate restructuring progress and plan

Q6 Please indicate your support to develop a new default rate for firm transmission voltage electricity service. This rate would replace existing default rates for firm service such as RS 1823 (Stepped Rate) and RS 1827 (Exempt Rate) and may require the redesign of other rate schedules with pricing linked to RS 1823.

- ☐ Yes, I support development of a new default rate for firm electricity service for transmission service rate customer class. (1)
- ☐ No, I do not support development of a new default rate for firm electricity service for transmission service rate customer class. (2)
- ☐ Unsure (3)
-

Q6a

Work Underway

- Throughout 2021, conduct analysis and engagement on potential rate restructuring options for RS 1823
- Consider new default rate options for firm electricity service to transmission service customer class
 - Replace existing Transmission Service - Stepped Rate (RS 1823) and Transmission Service - Rate for Exempt Customers (RS 1827)
- Consider other related rate schedules and tariff supplements, e.g.
 - Transmission Service - Time of Use (RS 1825), Transmission Service – Modified Demand (RS 1852), Transmission Service - Standby and Maintenance (RS 1880), Transmission Service Shore Power Service (RS 1891), and Tariff Supplement 74 – CBL Determination Guidelines
- By the end of February 2021, apply to the BCUC to maintain existing RS 1823 pricing principles while the above work is undertaken
- By the end of March 2021 Report to the BCUC on our progress and plans for rate design
- Work towards a RS 1823 Rate Restructuring Application in fall 2021

Q7 Please explain your reasoning: *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)*

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Q8 RS 1823 Introduction and Pricing Concept Scenarios: Pricing scenarios were reviewed along with illustrative bill impacts.

For each of the three rate scenarios presented by BC Hydro, do you understand how the energy and demand charges were determined?

- ☐ Yes (1)
- ☐ No (2)
- ☐ Unsure (3)
-

Q8a

RS 1823 Pricing Scenarios

SCENARIO 1: Set Demand Charge at RS 1823 Demand Charge

Set the Demand Charge at RS 1823 Demand Charge and, calculate new Flat Energy Charge to achieve target revenue.

SCENARIO 2: Set Energy Charge at RS 1823 Tier 1 Energy Charge

Set the Flat Energy Charge at RS 1823 Tier 1 Energy Charge and, calculate new Demand Charge to achieve target revenue.

SCENARIO 3: Set Demand Charge at 100% Cost-based Demand Charge

Set Demand Charge to recover 100% of allocated demand costs and, calculate new Flat Energy Charge to achieve target revenue.

Forecast Revenue Neutrality is maintained in all pricing scenarios.

This refers to calculating the energy and demand rates so that the target revenue from the rate class is achieved, and results in no impact to other rate classes.

Target revenue is calculated by the forecast load multiplied by the previous year's rates and the RRA increase.

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Q9 RS 1823 Pricing Scenarios

This section will seek your feedback on the three pricing scenarios presented by BC Hydro.

Please indicate your support for the three scenarios described below assigning points to each of the options set out below so that the total number of points add up to 100.

SCENARIO 1: Set the Demand Charge at RS 1823 Demand Charge and, calculate new Energy Charge to achieve target revenue. : _____ (1)

SCENARIO 2: Set the Energy Charge at RS 1823 Tier 1 Energy Charge, and calculate new Demand Charge to achieve target revenue. : _____ (8)

SCENARIO 3: Set Demand Charge to recover 100% of allocated demand costs, and calculate new Energy Charge to achieve target revenue. : _____ (6)

None of these : _____ (15)

Total : _____

Q9a

RS 1823 Pricing Scenarios

F22 Rates	Status Quo	Pricing Scenario 1	Pricing Scenario 2	Pricing Scenario 3
Energy and Customer Cost Recovery	115%	119%	108%	96%
Demand Cost Recovery	62%	62%	80.3%	100%
Demand Charge \$/kVA	8.655	8.655	11.246	14.004
Tier 1 Rate (c/kWh)	4.514			
Tier 2 Rate (c/kWh)	10.111			
Flat Rate RS 1823 (c/kWh)				
Flat Rate RS 1823A and RS 1827 (c/kWh)	5.073	4.989	4.514	4.009



Q10 RS 1823 Pricing Scenarios. Please provide comments on your selection(s) so we can better understand your reasoning. *(Please do not identify third-party individuals or account*

specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)

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Q11 Illustrative Bill Impacts: Please describe your level of agreement regarding the reasonableness of illustrative bill impacts for the RS 1823 re-structuring scenarios shown below:

- ☐ Strongly agree that illustrative bill impacts seem reasonable (13)
 - ☐ Somewhat agree that illustrative bill impacts seem reasonable (14)
 - ☐ Neither agree nor disagree that illustrative bill impacts seem reasonable (15)
 - ☐ Somewhat disagree that illustrative bill impacts seem reasonable (16)
 - ☐ Strongly disagree that illustrative bill impacts seem reasonable (17)
 - ☐ Unsure (18)
-

Q11a

Illustrative Bill Impacts

Bill impacts by rate scenario assuming 80% Load Factor and 95% Power Factor

	No CBL or 100% CBL	95% CBL	90% CBL
SCENARIO 1: CURRENT RS 1823 DEMAND CHARGE			
Bill Impact %	-1.3%	3.1%	7.8%
SCENARIO 2: CURRENT RS 1823 TIER 1 CHARGE			
Bill Impact %	-1.4%	2.9%	7.7%
SCENARIO 3: 100% COST-BASED DEMAND CHARGE			
Bill Impact %	-1.5%	2.8%	7.6%

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Q12 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

Page Break

Q13 Approaches to Mitigate Bill Impacts: Do you have any comments or suggested strategies that may help to mitigate bill impacts from RS 1823 rate restructuring? Please explain. *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)*

Q13a

Potential Approaches to mitigate bill impacts

- BC Hydro recognizes bill impacts will be a concern to customers and will be covering possible bill mitigation approaches in a future workshop.
- We are also seeking customer feedback on alternative pricing and bill mitigation approaches
- Standard regulatory approach would be to transition to restructured rates over a period of time if bill impacts are a concern
- Transition could be delayed by maintaining individual average flat rate for existing customers for a period of time
- Please consider any other ideas and provide feedback

Page Break

Q14 Feedback on Potential Other Rate Designs: Are there any other rate design alternatives or approaches that you think BC Hydro should consider? Please explain. *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)*

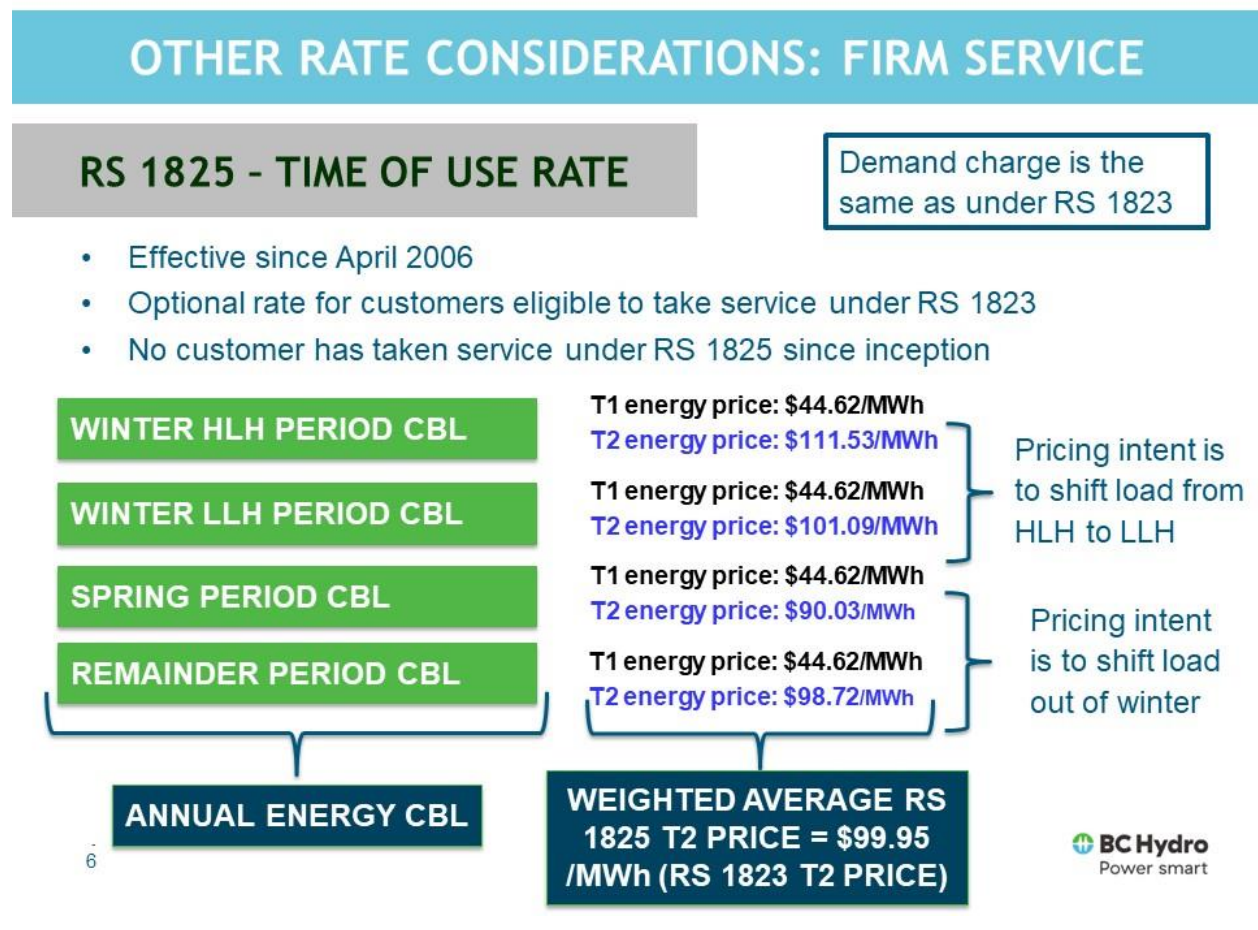
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Q15 OTHER RATE CONSIDERATIONS: Firm Transmission Service. Restructuring RS 1823 impacts on other firm transmission rates were reviewed.

Should BC Hydro develop a new optional time of use rate to replace RS 1825?

- ☐ Yes, BC Hydro should develop a new optional time of use rate to replace RS 1825 (1)
- ☐ No, BC Hydro should not develop a new time of use rate to replace RS 1825 (2)
- ☐ Unsure (3)

Q15a



Q16 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q17 Do you agree that it is reasonable to defer review of RS 1852 (Modified Demand) until a later time?

- ☐ Yes, it is reasonable to defer a review of RS 1825 (Modified Demand) until a later time (1)
- ☐ No, it not reasonable to defer a review of RS 1825 (Modified Demand) until a later time (2)
- ☐ Unsure (3)

Q17

OTHER RATE CONSIDERATIONS: FIRM SERVICE

RS 1852 - MODIFIED DEMAND

- Effective since 2000 / Overlay for customers taking service under RS 1823
- Annual Subscription period of September 1st to October 31st
- Customer must sign a Modified Demand Agreement (TS 54) with BC Hydro

Standard Definition of HLH and LLH under RS 1823

vs

Revised Definition of HLH and LLH under RS 1852



kVA demand charge during HLH only

- HLH and LLH periods re-defined to reflect locational attributes
- Allow BC Hydro to curtail load to alleviate local or regional transmission constraint or take advantage of market opportunity
- Customer benefit is kVA demand charge reduction if they curtail load during modified HLH periods

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Q18 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q19 OTHER RATE CONSIDERATIONS: Non-firm Transmission Service. Restructuring RS 1823 impacts on other non-firm transmission rates were reviewed.

Do you think that RS 1880 (Standby and Maintenance) for customers with self-generation should be reviewed?

- ☐ Yes, RS 1880 (Standby and Maintenance Rate) for customers with self-generation should be reviewed. (1)
- ☐ No, RS 1880 (Standby and Maintenance Rate) for customers with self-generation should not be reviewed. (2)
- ☐ Unsure (3)

Q19a

OTHER RATE CONSIDERATIONS: NON-FIRM SERVICE

RS 1880 - STANDBY AND MAINTENANCE

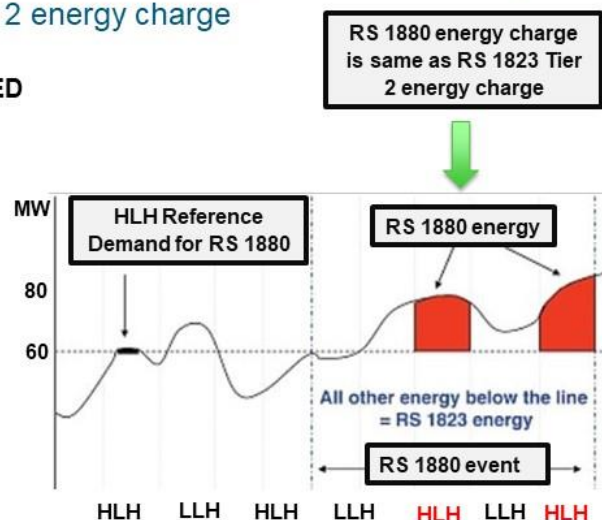


- Provides standby service on “as available” basis when some, or all, of a customer’s self-generation plant is curtailed (forced or planned outages)
- RS 1880 Pricing revised in 2006: HLH energy charge only / no demand charge
- Energy charge aligned to RS 1823 Tier 2 energy charge

SELF-GEN OPERATING



SELF-GEN CURTAILED



Q20 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q21 Do you think that RS 1891 for shore power customers should be reviewed?

- ☐ Yes, RS 1891 (Shore Power) should be reviewed (1)
- ☐ No, RS 1891 (Shore Power) should not be reviewed (2)
- ☐ Unsure (3)

Q21a

OTHER RATE CONSIDERATIONS: NON-FIRM SERVICE

RS 1891 - SHORE POWER

- Shore Power Rate originally designed for Canada Place in 2008
- Rate concept expanded to transmission class as part of 2015 RDA
- Service provided under Shore Power Service Agreement (TS 86)
- Energy charge only (all hours) / no demand charge

Pricing concept was set to be consistent with RS 1880 (i.e., for provision of shore power service when vessel self-generation is curtailed)



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RS 1891 energy charge = RS 1880 energy charge = RS 1823 Tier 2 energy charge

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Q22 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q23 In future, should we reconsider RS 1892 (Freshet Rate) availability to reflect any changes to RS 1823 rate structure?

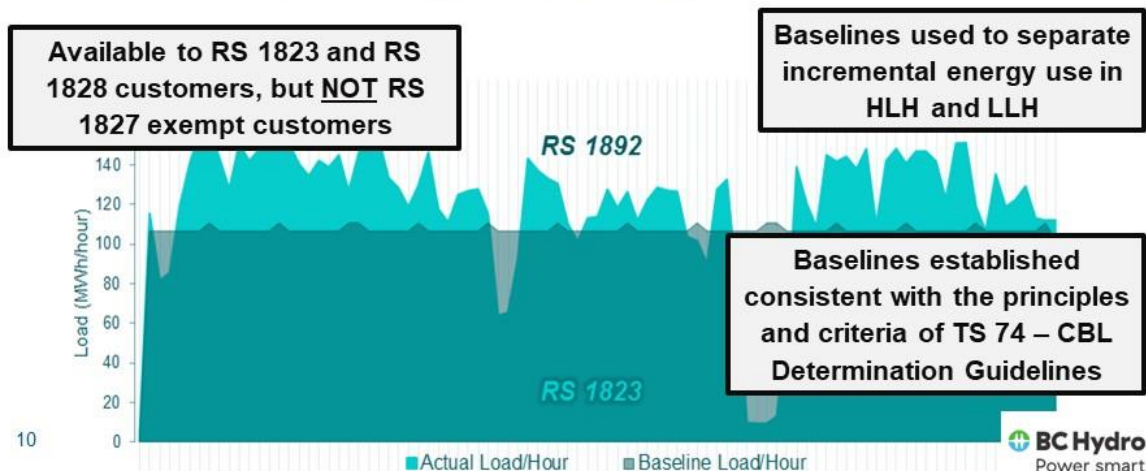
- ☐ Yes, reconsider RS 1892 (Freshet Rate) availability to reflect any changes to RS 1823 rate structure (1)
- ☐ No, do not reconsider RS 1892 (Freshet Rate) availability to reflect changes to RS 1823 rate structure (2)
- ☐ Unsure (3)

Q23a

OTHER RATE CONSIDERATIONS: NON-FIRM SERVICE

RS 1892 - FRESHET RATE

- Initially offered on a 4yr pilot basis, commencing in February, 2016
- Rate made permanent in May 2020
- Encourage incremental energy use during May – July freshet period
- Market reference-priced energy charge (Mid-C) plus \$3/MWh adder / no demand



Q24 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q25 If RS 1823 is re-structured, should Tariff Supplement 74 (CBL Determination Guidelines) be revised or replaced so that the provisions are specific to baseline determination and adjustment for RS 1892 and RS 1893 customers?

- ☐ Yes, if RS 1823 is re-structured, Tariff Supplement 74 (CBL Determination Guidelines) should be revised or replaced. (1)
- ☐ No, if RS 1823 is re-structured, Tariff Supplement 74 (CBL Determination Guidelines) should not be revised or replaced. (2)
- ☐ Unsure (3)

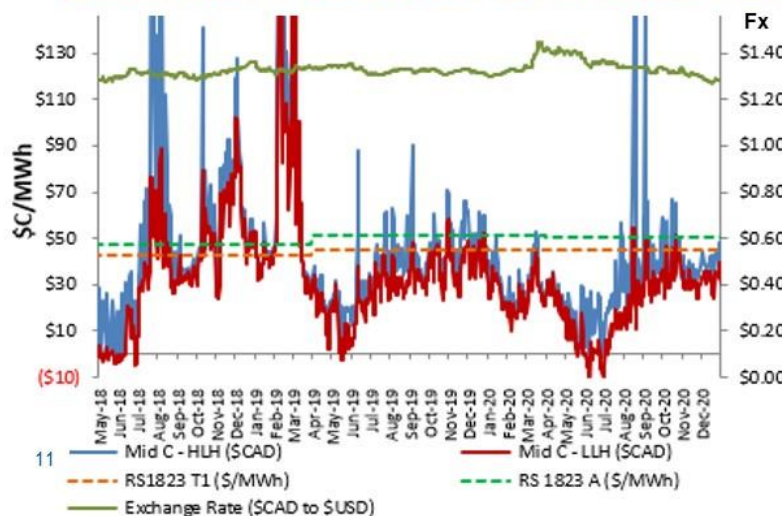
Q25a

OTHER RATE CONSIDERATIONS: NON-FIRM SERVICE

RS 1893 - INCREMENTAL ENERGY RATE



- Offered on a 51-month pilot basis (January 2020 – March 31, 2024)
- Encourage incremental energy use all year round
- Market reference-priced energy charge (Mid-C) in HLH and LLH / no demand
- \$3/MWh adder in freshet months / \$7/MWh adder in all other months



Monthly baselines used to separate incremental energy use

Available to RS 1823 and RS 1828 customers, but **NOT** RS 1827 exempt customers

Baselines established consistent with principles and criteria of TS 74 – CBL Determination Guidelines

Q26 Please explain your answer (*Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns*)

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Q27 Please list any additional questions or comments you may have regarding OTHER TRANSMISSION RATE CONSIDERATIONS. *(Please do not identify third-party individuals or account specific information in your comments. Comments bearing references to identifiable individuals will not be included as part of the public records due to privacy concerns)*

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Q28 Are you interested in a follow up webinar to discuss the RS 1823 Rate Restructuring matters in further detail?

☐ Yes (1)

☐ No (2)

Page Break

Q29 Do you have any other comments, feedback or input that has not already been captured?
(Please do not identify third-party individuals or account specific information in your comments.
Comments bearing references to identifiable individuals will not be included as part of the public
records due to privacy concerns)

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Q That's all for now - thank you for taking the time to complete the survey.

End of Block: Block 2
