

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, B.C. V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-29-07

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Applications by British Columbia Hydro and Power Authority ("BC Hydro")
for the Review of the 2006 Integrated Electricity Plan ("2006 IEP")
and the Approval of the 2006 Long-Term Acquisition Plan ("LTAP")**

BEFORE: R.H. Hobbs, Chair
N.F. Nicholls, Commissioner
A.J. Pullman, Commissioner
March 15, 2007

O R D E R

WHEREAS:

- A. By Commission Order No. G-103-05 dated October 5, 2005, the Commission approved a Negotiated Settlement in the Resource Expenditure Acquisition Plan ("REAP") proceeding. In the REAP Negotiated Settlement, BC Hydro committed to seek, pursuant to Section 45 (6.2) of the Utilities Commission Act (the "Act", "UCA"), regulatory approval of the LTAP, to be included with the 2006 IEP; and
- B. On March 29, 2006, BC Hydro filed, pursuant to Section 45 (6.1) of the Act, the 2006 IEP and the LTAP with the Commission for review; and
- C. On August 31, 2006, BC Hydro filed an amended LTAP (Exhibit B1-E) which included new information affecting the LTAP load-resource balance and the Orders sought. The amended LTAP forms Chapter 8 of the 2006 IEP; and
- D. BC Hydro seeks an Order which: (i) states that the 2006 LTAP meets the requirements of Section 45 (6.1) of the UCA; (ii) makes specific determinations under subsection 45 (6.2)(b) of the UCA with respect to certain planned expenditures; and (iii) approves the transmission LTAP plan and contingency plans for inclusion in the Utility's Network Integrated Transmission Service application; and
- E. The 2006 IEP is a long-term plan that describes how BC Hydro could meet customers' electricity needs over a 20-year planning horizon and the resource options available to meet those needs under a variety of assumptions and risks; and
- F. The LTAP is an action plan that is supported by the 2006 IEP. It itemizes the actions BC Hydro intends to take in the next ten years to meet customers' electricity needs as part of BC Hydro's overall planning and resource acquisition process; and

- G. Opening Oral Submissions took place on November 14, 2006 and the submissions on the BC Hydro Consolidation of the Hearing Issues List took place on November 16, 2006; and
- H. The Consolidated Hearing Issues List was issued on November 20, 2006 (Exhibit A-33) and the Public Hearing commenced on November 22, 2006 in Vancouver; and
- I. Subject to the filing of certain outstanding information requests, the evidentiary phase of the proceeding closed on January 12, 2007. The Chair established a schedule for final argument which provided that BC Hydro file its Final Argument on February 2, 2007, the Intervenor on February 16, 2007 and BC Hydro file its Reply Argument on February 23 2007. An Oral Phase of Argument, if required, was scheduled for March 14, 2007; and
- J. On February 13, 2007, the Provincial Government delivered the Throne Speech which contained pronouncements relating to a new energy policy. In order to allow participants to comment on matters arising from the Throne Speech, by letter of the same date (Exhibit A-42), the Commission Panel proposed certain amendments to the schedule for final argument. The proposal contemplated an extension in the date for filing of Intervenor Final Argument to February 19, 2007 with Reply Argument by BC Hydro on February 26, 2007. All participants were invited to comment on this proposal by February 14, 2007; and
- K. Following the receipt of responses from participants, by letter dated February 13, 2007 (Exhibit A-44), the Commission accepted that the Throne Speech as Exhibit A2-26. The date for filing of Intervenor Final Argument was extended to February 23, 2007, and the date for the filing of BC Hydro Reply Argument to March 5, 2007; and
- L. On February 27, 2007 the Provincial Government released its update to the 2002 Energy Plan. By letter of the same date (Exhibit A-45), the Commission Panel invited comments from all participants on the relevance and procedural changes that would arise from the 2007 Energy Plan or ("Energy Plan II"). The Commission Panel proposed that Intervenor address any matters arising from Energy Plan II in supplemental submissions that would be due on March 2, 2007 and that BC Hydro identify and incorporate changes to the Application in its Final Argument if any such changes arise from Energy Plan II. All participants were invited to comment on this request by February 28, 2007; and
- M. By letter dated February 28, 2007 (Exhibit B-151), BC Hydro submitted that the process and timelines proposed by the BCUC to address the implications of Energy Plan II on the 2006 IEP and LTAP did not realistically afford either BC Hydro or Intervenor the opportunity to address Energy Plan II matters. BC Hydro requested an extension to March 7, 2007 for the filing of its Reply Argument and to confirm its proposal to file the Revelstoke Unit 5 Certificate of Public Necessity and Convenience ("CPCN") in advance of receipt of the 2006 IEP/LTAP decision. BC Hydro also submitted that the March 14, 2007 date for Oral Argument should proceed; and

- N. By Letter No. L-12-07 dated February 28, 2007 (Exhibit A-46) the Commission Panel determined that Energy Plan II should not form part of the 2006 IEP/LTAP proceeding or record, and extended the date for the filing of BC Hydro's Reply Argument to March 7, 2007. The Commission Panel did not comment on the BC Hydro's proposal to file a CPCN for Revelstoke Unit 5 and deferred its determination as to whether to proceed with the Oral Phase of Argument until the receipt and perusal of BC Hydro's Reply Argument; and
- O. By letter dated March 8, 2007 (Exhibit A-47), the Commission Panel determined that an Oral Phase of Argument was not required. The Commission Panel also decided that participants who wished to make further comments on matters relating to the Throne Speech addressed by BC Hydro in its Reply Argument could do so on or before March 12, 2007 and that BC Hydro would have the opportunity to respond on or before March 13, 2007; and
- P. The Written Argument phase of the proceeding was completed upon receipt of a letter from BC Hydro dated March 13, 2007 (Exhibit B-152). The letter objected to two letters, both dated March 12, 2007, on the basis that they addressed subject matters that clearly did not relate to the Throne Speech. The letters were from the Sierra Club of Canada *et al.* (Exhibit C25-25) and Vanport Sterilizers Inc. (Exhibit C39-5); and
- Q. The Commission Panel considers that there is enough information on the record to allow the Panel to make the specific determinations that BC Hydro is seeking, as set out on page 8 of BC Hydro's Final Argument prior to a Final Order on the remaining orders and comments sought in the Applications. Accordingly, the Commission Panel determines that the specific determinations set out on page 8 of the BC Hydro Final Argument should be accepted pursuant to subsection 45(6.2)(b) of the Act. The reasons for decision for the determination will be included in the Reasons for Decision with respect to the remaining orders and comments sought by BC Hydro, which Reasons will be issued concurrently with the Final Order for the 2006 LTAP. Those Reasons for Decision and the Final Order will be issued in due course.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-29-07

NOW THEREFORE pursuant to subsection 45 (6.2)(b) of the Act the Commission orders as follows:

The following expenditures are determined to be in the interests of persons within British Columbia who receive, or who may receive, service from BC Hydro:

- (i) \$1,700,000 required to undertake and complete the Definition phase work of Energy Efficiency (EE) 3, 4 and 5, including completion of an updated Conservation Potential Review (CPR);
- (ii) \$800,000 for the electricity savings associated with the Greater Vancouver Water District micro-hydro Load Displacement (LD) 2 project;
- (iii) \$2,875,000 to undertake and complete the Identification, Definition and Implementation phase work for the 2007 Call;
- (iv) \$520,000 required to undertake and complete the Identification phase work for the 2009 Call;
- (v) A total of \$12,500,000 required to complete the Definition phase of Revelstoke Unit 5 in the years F2007 and F2008; and
- (vi) A total of \$3,000,000, \$1,000,000 in F2007 and \$2,000,000 in F2008, required to complete the Identification and Definition phase work for the next Revelstoke or Mica unit.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of March 2007.

BY ORDER

Original signed by:

Robert H. Hobbs
Chair