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Utilities Commission

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ORDER NUMBER
G-248-21

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority
Request to Establish the Low Carbon Fuel Credits Variance Regulatory Account

BEFORE:
D. M. Morton, Commissioner

on August 19, 2021

ORDER

WHEREAS:

A. On December 22, 2020, British Columbia Hydro and Power Authority (BC Hydro) filed its Fiscal 2022 Revenue Requirements Application (F2022 RRA) with the British Columbia Utilities Commission (BCUC) pursuant to sections 58 to 61 and 89 of the *Utilities Commission Act*;

B. On June 17, 2021, the BCUC issued Order G-187-21 and the accompanying decision in the matter of the F2022 RRA (RRA Decision). In the RRA Decision, the BCUC issued, among other things, Directive 26, which directs BC Hydro "to increase its F2022 forecast revenue by the estimated value of the low carbon fuel credits that it plans to transfer to other parties, if any, during F2022" and "to record in all future RRAs, the forecast revenue based on an estimate of the value of the low carbon fuel credits that it plans to transfer to other parties";

C. On July 16, 2021, BC Hydro filed its compliance filing to Order G-187-21, in which BC Hydro applied for the establishment of the Low Carbon Fuel Credits Variance Regulatory Account to capture, on an ongoing basis, the difference between planned and actual miscellaneous revenues from low carbon fuel credits in a given year, to apply interest on the balance of the account based on BC Hydro's current weighted average cost of debt and to amortize the balance of the account into rates through the Deferral Account Rate Rider; and

D. The BCUC has reviewed BC Hydro's request for the establishment of the Low Carbon Fuel Credits Variance Regulatory Account and finds that establishment of the account is warranted.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act*, the BCUC orders the following:

1. The Low Carbon Fuel Credits Variance Regulatory Account is approved to capture, on an ongoing basis, the difference between forecast and actual miscellaneous revenue from low carbon fuel credits. BC Hydro is to apply interest on the balance of this regulatory account based on BC Hydro's current weighted average cost of debt.

2. BC Hydro is directed to include in its F2023 RRA for review by the BCUC, a discussion of the Low Carbon Fuel Credits Variance Regulatory Account balance and a request for an amortization method for the account balance.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of August 2021.

BY ORDER

Original signed by:

D. M. Morton
Commissioner