



ORDER NUMBER
G-333-21

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

and

Powell River Energy Inc.
Application for Exemption under Section 88(3) of the *Utilities Commission Act*

BEFORE:

C. M. Brewer, Panel Chair
A. K. Fung, QC, Commissioner
A. Pape-Salmon, Commissioner

on November 15, 2021

ORDER

WHEREAS:

- A. On September 29, 2021, Powell River Energy Inc. (PREI) applied to the British Columbia Utilities Commission (BCUC) pursuant to section 88(3) of the *Utilities Commission Act* (UCA) for exemption from:
1. Part 3, except for sections 25, 38, 42 and 43 of the UCA for PREI and its Powell and Lois Lake hydroelectric dams and all associated structures and equipment owned or operated by PREI for the generation, transmission and distribution of electricity in the vicinity of Powell River, British Columbia (Power Facilities) for the sale of electricity to Powell River Energy Limited Partnership (PRELP) or any other PREI-affiliated person or wholesale customer; and
 2. Section 71 of the UCA for PREI, any PREI-affiliated person and any wholesale customers who purchases electricity from PREI (collectively, the Application).
- B. Ministerial Order M039, deposited on February 7, 2017, provides an exemption to PREI under section 22 of the UCA on certain conditions, from:
1. Part 3, except for sections 25, 38, 42, and 43 of the UCA in respect of the Power Facilities; and
 2. Part 3 and section 71 of the UCA in respect of the power purchase agreement (PPA) between PREI and Catalyst Paper Corporation (Catalyst) and the sale of surplus power to a public utility, PRELP, a qualifying customer or qualified affiliate, as those terms are defined in Ministerial Order M039;
- C. By Order G-17-17 dated February 7, 2017, the BCUC, having been granted advance approval by the Minister responsible for the administration of the *Hydro and Power Authority Act*, provided an exemption from Part 3, except for sections 25, 38, 42, and 43 of the UCA for PREI's Power Facilities and certain persons from section 71 of the UCA pursuant to section 88(3) of the UCA for the duration of Ministerial Order M039;

- D. In the Application, PREI states that effective May 31, 2021, the PPA between PREI and Catalyst was terminated. As a result, PREI states that Ministry of Energy, Mines and Low Carbon Innovation staff have advised of their intent to recommend termination of Ministerial Order M039;
- E. The Application seeks an exemption order from the BCUC in anticipation of termination of both Ministerial Order M039 and BCUC Order G-17-17;
- F. PREI states that under the terms of the PPA with Catalyst, PREI sold all electricity generated at the Power Facilities to Catalyst, subject to certain conditions, and any surplus power was sold to its affiliates for export to the United States;
- G. PREI states that the sale of power to its affiliates occurs at the interconnection point between PREI and BC Hydro facilities. The affiliates wheel the power to the export point on the BC Hydro system under BC Hydro's Open Access Transmission Tariff (OATT), and do not sell any PREI power to end-use (retail) consumers in British Columbia;
- H. PREI states that since the termination of its PPA with Catalyst, PREI is now selling all of its power generated at the Power Facilities to its affiliates for the export market; and
- I. The BCUC has commenced review of the Application and determines that a public hearing process to review the Application and the establishment of a regulatory timetable are warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. A public hearing process is established for the review of the Application in accordance with the regulatory timetable as set out in Appendix A to this order.
- 2. PREI is directed, as soon as reasonably possible, but no later than Tuesday, November 30, 2021, to provide notice of the Application and a copy of this order, electronically where possible, to:
 - a. All affected or potentially affected parties, including the Ministry of Energy, Mines and Low Carbon Innovation, the Ministry of Environment and Climate Change Strategy, BC Hydro, Catalyst, the qathet Regional District, the City of Powell River, the Tla'amin, shíshálh, Klahoose and K'ómoks First Nations and all band offices for First Nations communities located fully or partially within the Powell and Lois Dam reservoir areas and downstream watersheds to salt water; and
 - b. All registered interveners participating in [BC Hydro's OATT Attachment C Amendments Application - Methodology to Assess Available Transfer Capability proceeding](#), application dated September 9, 2021.
- 3. PREI is directed to provide to the BCUC, by Wednesday, December 1, 2021 a list of all parties notified of the Application, as directed in Directive 2 of this order.
- 4. Parties wishing to provide comments on the Application and requested exemptions, are invited to submit letters of comment by the date established in the attached regulatory timetable. Letters of comment must be in the Letter of Comment form available on the BCUC's website at: <https://www.bcuc.com/Forms/LetterOfComment> or by mail to the BCUC, Suite 410, 900 Howe Street, Vancouver, BC, V6Z 2N3.

DATED at the City of Vancouver, in the Province of British Columbia, this 15th day of November 2021.

BY ORDER

Original signed by:

C. M. Brewer
Commissioner

Attachment

Powell River Energy Inc.
Application for Exemption under Section 88(3) of the *Utilities Commission Act*

REGULATORY TIMETABLE

Action		Date (2021)
PREI to provide notice of Application		Tuesday, November 30
PREI to provide to the BCUC a list of all parties notified of the Application		Wednesday, December 1
BCUC Information Request (IR) No. 1 to PREI		Thursday, December 2
PREI Responses to BCUC IR No. 1		Thursday, December 16
Deadline to submit letters of comment		Thursday, December 23
Action		Date (2022)
PREI response to letters of comment		Thursday, January 13
Further process		To be determined