



ORDER NUMBER
G-25-22

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 February 3, 2022

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 (BC Reg. 26/2017), 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;
- I. By Order G-333-21 dated November 15, 2021, the BCUC established a regulatory timetable for review of the Application, which included PREI to provide notice of the Application, PREI to provide to the BCUC a list of all parties notified of the Application, one round of BCUC Information Requests (IR), a letter of comment deadline, PREI responses to letters of comment, and further process to be determined;
- J. By Orders G-351-21 dated December 2, 2021, G-364-21 dated December 9, 2021, G-390-21, dated December 22, 2021, and G-8-22, dated January 12, 2022, the BCUC granted a one-week, two-week, three-week and three-week extension, respectively, to the regulatory timetable to allow more time for PREI to review and respond to the directive in Order G-333-21 with respect to providing notice of the Application to certain parties;
- K. Ministerial Order M5, deposited January 12, 2022 (BC Reg. 3/2022), repealed the exemption from certain sections of the UCA provided to PREI previously by BC Reg. 26/2017;
- L. By letter dated January 31, 2022, PREI requested a further three-week extension to the regulatory timetable to allow more time to review and respond to the directive in Order G-333-21 with respect to providing notice of the Application to certain parties (Extension Request); and
- M. The Panel has reviewed the Extension Request and determines that an amendment to the regulatory timetable is warranted.

NOW THEREFORE the BCUC orders the regulatory timetable established by Order G-8-22 is amended as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of February 2022.

BY ORDER

Original signed by:

C. M. Brewer
Commissioner

Attachment

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REGULATORY TIMETABLE

Action	Date (2022)
PREI to provide notice of Application	Tuesday, February 22
PREI to provide to the BCUC a list of all parties notified of the Application	Wednesday, February 23
BCUC Information Request (IR) No. 1 to PREI	Thursday, February 24
PREI Responses to BCUC IR No. 1	Thursday, March 10
Deadline to submit letters of comment	Thursday, March 17
PREI response to letters of comment	Thursday, March 24
Further process	To be determined