



ORDER NUMBER
G-231-22

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

and

British Columbia Hydro and Power Authority
Electricity Purchase Agreement Renewal for the Island Generation Facility

BEFORE:

B. A. Magnan, Panel Chair
W. M. Everett, QC, Commissioner

on August 17, 2022

ORDER

WHEREAS:

- A. On July 8, 2022, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC), pursuant to section 71 of the *Utilities Commission Act* (UCA), a short-term Electricity Purchase Agreement (EPA) renewal for a four-and-a-half year term with V.I. Power Limited Partnership, a wholly-owned subsidiary of Capital Power Corporation (Capital Power), for the 275 MW natural gas-fired (combined cycle) Island Generation facility (Island Generation) in Campbell River, BC on Vancouver Island (Filing);
- B. On July 12, 2022, the BCUC issued Letter L-30-22, granting BC Hydro's extension request to provide further information for the Filing. On July 29, 2022, BC Hydro filed further information for the Filing;
- C. In September 1998, Island Generation was awarded a 20-year EPA. The plant reached commercial operation on April 1, 2002, and since 2010, Island Generation has been used by BC Hydro as a peaking facility, primarily to meet winter peak loads. The 20-year EPA expired on April 12, 2022;
- D. In July 2021, BC Hydro became aware of damage to the 500 kV transmission circuits between the Lower Mainland and Vancouver Island, introducing a reliability risk to Vancouver Island;
- E. The Island Generation EPA renewal, effective May 1, 2022, is intended to mitigate the reliability risk and provide insurance against the risk of customers on Vancouver Island being without electricity service for an extended period of time, particularly should a forced outage occur on one of the 500 kV transmission circuits while the other 500 kV transmission circuit is out of service for planned inspections and repairs;
- F. By Order G-61-12 dated May 17, 2012, the BCUC approved the Rules for Energy Supply Contracts for Electricity (Rules). The Rules, set out in Appendix A to Order G-61-12, are intended to facilitate the BCUC's review of energy supply contracts for electricity, filed pursuant to section 71 of the UCA;

- G. BC Hydro seeks an order that the un-redacted version of the Filing, including the Island Generation EPA renewal, be held confidential as it contains commercially sensitive information; and
- H. The BCUC determines the establishment of a written comment process and regulatory timetable for review of the Filing is warranted.

NOW THEREFORE pursuant to section 71 of the UCA and the Rules, the BCUC orders the following:

1. A public hearing is established for the review of the Filing, as set out in the Regulatory Timetable attached as Appendix A to this order.
2. BC Hydro is directed, as soon as reasonably possible, but no later than September 2, 2022, to notify, electronically where possible, registered interveners of BC Hydro's Fiscal 2023 to 2025 Revenue Requirements Application and all First Nations within the consultative boundaries of the Island Generation facility, of the Filing, this order, and the Regulatory Timetable set out in Appendix A to this order.
3. Parties wishing to provide comments on the Filing are invited to submit letters of comment by the deadline date established in the Regulatory Timetable and in accordance with the BCUC's Rules attached to Order G-178-22. Letters of comment must be in the Letter of Comment Form available on the BCUC's website at <https://www.b cuc.com/Forms/LetterOfComment>, and submitted by email to commission.secretary@bcuc.com.
4. The BCUC will hold the un-redacted version of the Filing confidential, as it contains commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of August 2022.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner

Attachment

British Columbia Hydro and Power Authority
Electricity Purchase Agreement Renewal for the Island Generation Facility

REGULATORY TIMETABLE

Action	Date (2022)
BC Hydro to provide Public Notice	Thursday, September 1
BC Hydro to provide a list of all parties notified	Friday, September 2
BCUC Information Request (IR) No. 1 to BC Hydro	Thursday, September 15
BC Hydro responses to BCUC IR No. 1	Thursday, October 13
Written Letters of Comment on the Island Generation EPA	Thursday, October 27
BC Hydro response to Letters of Comment and submission on further process	Thursday, November 3
Further process	To be determined