

Summary Notes

BC Hydro Transmission Service Rate Design Workshop

November 19, 2018

Vancouver – BCUC Office

Type of Meeting	Transmission Service Rate Design Workshop – Customers and Interveners	
Agenda	<p>Welcome and Opening Remarks</p> <ol style="list-style-type: none"> 1. Recap and Summary of October Workshops – David Keir, Manager, Large Customer Rate Operations 2. Market Reference-Priced Rates – David Keir, Manager, Large Customer Rate Operations 3. Load Attraction Rate and Load Retention Rate – Anthea Jubb, Manager, Tariffs; Allan Chung, Regulatory Specialist <p>Closing and Next Steps The workshop session was facilitated by David Keir.</p>	
Abbreviations	<p>BCH BC Hydro</p> <p>BCUC BC Utilities Commission</p> <p>BPA Bonneville Power Administration</p> <p>CEA Clean Energy Act</p> <p>F2020 Fiscal 2020</p> <p>GHG Greenhouse Gas</p> <p>GWh Gigawatt Hour</p> <p>HQ Hydro Quebec</p>	<p>IPPs Independent Power Producers</p> <p>IRP Integrated Resource Plan</p> <p>LGS Large General Service</p> <p>LRMC Long Run Marginal Cost</p> <p>RS Rate Schedule</p> <p>RTP Real Time Pricing</p> <p>TS Tariff Supplement</p>

Meeting Minutes

Welcome and Opening Remarks – David Keir

David provided a welcome to participants and introduced the agenda and objectives for the session. He noted that BC Hydro is moving towards an energy surplus on a planning basis and provided an overview of the rates to be discussed.

1. Agenda Item 1 Recap and Summary of October Workshops

David Keir provided an overview of the workshops that took place in October 2018 in Vancouver, Prince George, Kamloops and Calgary. He noted that 47 written feedback forms had been received by BCH and verbal feedback had been captured and summarized from all sessions. Participants have been or will be provided an opportunity to review the summary notes to ensure BCH accurately captured participant feedback. David encouraged participants to provide their feedback to BCH on the proposed rate designs as feedback is important to the design and regulatory process. He presented the proposed regulatory timeline to participants.

2. Agenda Item 2 Market Reference-Priced Rates

David Keir provided an overview of the market reference-priced rates– the Freshet Rate and the Incremental Energy Rate – and some of the feedback received through the October 2018 engagement process. He provided an overview of the proposed amendments to the Freshet Rate including: the interaction with RS 1880 as well as the proposed Incremental Energy Rate; interruption and curtailment provisions; price ceiling and floors; wheeling rate; and the timing of the freshet period. He also reviewed feedback received on the strawman design of the Incremental Energy Rate and BCH’s proposal for the filing of both non-firm rates with the BCUC.

	Feedback	BC Hydro Response
1.	<p>Jackie Ashley, BCUC Staff</p> <p>Question - Mid-C is proxy for market price in BC. Would it still be a proxy in the July period? Or would there be transmission constraints that would make Mid-C no longer be a proxy for market prices?</p>	<p>Mid-C is used to provide transparency of the price index. It's provided on a day-ahead basis and is a reasonable estimate of what's happening in the Pacific Northwest. It is generally representative in a clear, open and transparent way. But it's not necessarily a clear representation of cost or opportunity on a given day.</p>
2.	<p>Michael Filippelli, ERCO Worldwide</p> <p>Question – Is it worth considering the freshet period to be mid-April to mid-July? The last two weeks of July are the high cost period.</p>	<p>May, June and the first 2 weeks of July are when hydrology supports the rate.</p> <p>Our expectation is that customers turn down when prices are high – i.e., respond to the price. If customers make production commitments based on an expectation of price, then they take the risk of having to run through high price periods.</p> <p>Baselines are set and managed on a monthly basis and difficult to do and manage accurately on a mid-period (i.e., mid-month) basis. Using partial months for the freshet period is not practical.</p>
3.	<p>David Austin, Clean Energy Association</p> <p>Question - In last 3 years, what has been the variance in hydrology during the Freshet period?</p>	<p>The final evaluation report (Appendix D) to be filed for the Freshet Rate will provide information on hydrology.</p>
4.	<p>Jim Weimer, Clean Energy Association</p> <p>Comment – It is an over simplification to say the freshet period is just related to hydrology. It is a discrepancy between load and non-discretionary generation, so you need to consider the load in July as well. We would like to see the load analysis as well, between the load and must-take generation.</p>	<p>Acknowledged. The evaluation report for the Freshet Rate will consider these issues.</p>

	Feedback	BC Hydro Response
5.	<p>David Austin, Clean Energy Association</p> <p>Question - How did you set the \$6 CDN adder for transmission charges?</p> <p>Question - Can you split out the BPA wheeling fee from Mid-C? That seems high.</p> <p>Question - Why treat transmission as firm?</p>	<p>The \$3 adder in the Freshet Rate is roughly 50% of the BPA wheeling fee (adjusted for the exchange rate) to move energy from the BC market to the US border. It is a proxy for transmission but is designed to mitigate risk.</p> <p>On an annual basis, the full \$6 is more appropriate to reflect the fees BCH may pay if we have to buy energy from the market.</p> <p>The BPA wheeling is a published rate and does not vary hourly or seasonally.</p> <p>BCH committed to provide more information regarding BPA rates and notes the following: <i>The BPA firm and non-firm Point to Point (PTP) hourly wheeling rate are the same. The same is true for the Scheduling, System control and Dispatch Service short-term hourly rate, which has the same value for both firm and non-firm PTP.</i></p> <p><i>The total wheeling rate consists of Point to Point hourly rate of US\$4.23/MWh (Schedule PTP-18) plus the Scheduling, System control and Dispatch Service short-term hourly rate of US\$0.93/MWh which equals US\$5.15/MWh (effective October 1, 2017).</i></p>
6.	<p>Jim Weimer, Clean Energy Association</p> <p>Question – You are trying to average out when you are buying and when you are selling. Does it average?</p>	<p>In our Freshet Rate evaluation reports, we looked at each day we had a net freshet volume and considered the transmission conditions that day. We considered if we would have been importing or exporting. We looked at the actual conditions, which are published in our reports. We have consistently taken \$4M of gross sales and turned it into \$2M of net sales.</p>
7.	<p>Jackie Ashley, BCUC Staff</p> <p>Question – Going back to the Bonbright principles – you should cover variable costs and contribute to overhead. Could the \$6 adder be said to be doing that?</p> <p>Question – Are there insurance products to hedge against price spikes?</p>	<p>Yes, it's a risk adder and contribution to overhead.</p> <p>We are not proposing a hedging component to this rate nor do we buy on a hedge to sell to customers. Customers may be able to buy financial products elsewhere as part of their</p>

	Feedback	BC Hydro Response
		energy management program.
	Comment - In New Zealand, the banks would offer these hedging products, not the utilities.	Acknowledged. BCH provided a chart showing an overview of projected 3-year forward-looking market prices for the information of participants.
8.	<p>Albert Wong, ERCO Worldwide</p> <p>Comment - Other jurisdictions have price protection products for hedging against market prices.</p> <p>Question - How many hours in the year do the market prices exceed the RS 1823 rates?</p>	<p>Acknowledged.</p> <p>We don't know offhand but we will take that away and do some analysis. The high prices in July of the third year were for 7 or 8 days.</p>
9.	<p>Linda Dong, Zone II Ratepayers Group</p> <p>Question – Slide 26 - Where did the 2.6% escalation come from?</p>	It is from BCH's most recent 10 year rates plan. It's just used for illustrative purposes.
10.	<p>Michael Filippelli, ERCO Worldwide</p> <p>Question – You have the freshet period as being 3 months and the non-freshet as being 9 months. But you also said no dual participation – so wouldn't the annual product be 12 months?</p>	Yes, the annual product would be all year. This was an over simplification for illustrative purposes. We're just showing the annual rate option as 9 months plus 3 months for the Freshet Rate.
11.	<p>Marvin Shaffer, MoveUP (COPE 378)</p> <p>Web Question – If a customer can opt out at any time does BCH have to include the chance of switching to firm service in its system planning?</p>	A Freshet or Incremental Energy Rate customer must already be taking firm service from BCH under RS 1823. If a customer is taking RS 1823 firm service, and they expect to be able to use more electricity than baseline, they would be able to purchase incremental non-firm energy under the proposed Incremental Energy Rate. We are proposing that a customer would nominate their participation in the rate in advance of the one year term. The customer would be able to opt out of the Incremental Energy Rate at any time during the term. Any incremental use after opt out would be charged at the firm service rate, RS 1823.
12.	<p>Jouni Martiskainen, Catalyst Paper</p> <p>Comment - Regarding the no harm principle – in the freshet period, there is a potential for participants to lose money with the \$0 price floor and no price ceiling. All of the risk is borne by participating customers and most of the benefit is provided to BCH and non-participating customers.</p>	Acknowledged.

	Feedback	BC Hydro Response
13.	<p>Jim Quail, MoveUP (COPE 378)</p> <p>Comment – There’s a lot of mechanism to realize less than \$3M for ratepayers. This should weigh in to any discussion of price risk shift to customers.</p>	Acknowledged.
14.	<p>Jackie Ashley, BCUC Staff</p> <p>Question – Have you also looked at potential missed opportunities that could be mitigated if more refinements are done in order to maximize opportunities for ratepayers?</p>	BCH has taken a conservative view of expected participation in the rate. We have explored, and will continue to explore, the options for refinements and opportunities for participation through our engagement with customers and other stakeholders and incorporate such feedback into our design.
15.	<p>Michael Filippelli, ERCO Worldwide</p> <p>Comment - As people are noting, there are risks that come with opportunity. In other jurisdictions in which we operate, utilities have numerous rates to provide options to customers. BCH has limited rates so these rates put customers in a better position to operate and stay in business.</p>	Acknowledged.
16.	<p>Bill Andrews, BC Sustainable Energy Association</p> <p>Question – Can you refresh my memory on the mechanisms in the Freshet Rate that cause customers to be exposed to price spikes? What makes them unable to simply stop using at that time or plan in advance not to use then?</p>	<p>Customers are exposed to the price spikes because of the seasonal baseline and how the net to gross ratios are used in the Freshet Rate</p> <p>In each hour, you use more or less than an established baseline. At the end of the settlement period (seasonally), we reconcile overages and underages. A customer may reduce consumption in a high priced period such as late July, but by doing so they may dilute the benefits they received earlier from lower prices. This dilution occurs because the net to gross ratio is seasonal.</p>
17.	<p>David Craig, Commercial Energy Consumers Association</p> <p>Question – Can you tell us if BCH is able to sell all of its freshet energy in July?</p> <p>Comment - If you can’t then there are different economics for selling to customers.</p>	<p>We don’t know offhand. We will review and consider this.</p> <p>Acknowledged.</p>

	Feedback	BC Hydro Response
	Question – I understand interruption due to cold temperatures and adverse hydrology. What about a right to interrupt for loss of transmission?	Yes, that would be inherent in this service (and all interruptible rates), but we can look to make that more explicit in the rate.
18.	Michael Filippelli, ERCO Worldwide Question - If you were able to buy energy from Mid-C and the customer was willing to pay, plus the \$6 adder, would it still be in everyone's best interest to provide suspension notice under the Incremental Energy Rate?	Yes, for BCH suspension may still be appropriate as the actual delivered cost would still be higher than the market price plus the \$6 adder.

3. Agenda Item 3 Load Attraction Rate and Load Retention Rate

Anthea provided an overview of the proposed Load Attraction and Load Retention Rates. She described how BCH's transmission service rate load has been declining, and how BCH is in an electricity surplus for the foreseeable future. She noted that many utilities, including BCH, have or do offer Load Attraction and Retention Rates in response to such circumstances. She acknowledged feedback from the October workshops regarding the need for BCH to focus on keeping rates low for all customers, and described how the proposed Load Attraction and Load Retention Rates have been designed to reduce rates for all customers.

	Feedback	BC Hydro Response
1.	Jackie Ashley, BCUC Staff Comment - When rate designs are evaluated, the objectives on slide 37 (GDP, GHG, jobs, etc.) would be considered to determine if the rate is in the public interest and whether it would provide social benefits relevant to the BC economy. You might consider providing qualitative information in the application itself as this information would be useful – e.g., anything that supports BC energy objectives. Comment - Regarding not opening the rate to customers who compete with existing transmission rate customers - it will be useful if you explain what would happen if you did not have this principle and how it will affect the public interest review. The discrimination issue should be discussed in the application.	BCH is not proposing to justify the Load Attraction or Load Retention Rates on the basis of jobs, GDP or other social benefits. We were planning to evaluate these impacts to the extent practical in our evaluations planned for the end of the pilots. Based on your feedback we will consider if we can also acknowledge and perhaps estimate these social impacts in our Application to the BCUC for the Load Attraction and Load Retention Rates. Acknowledged. The criteria around not undermining a customer's competitiveness was proposed by BCH and approved by the BCUC in our Real Time Pricing Rates application in the 1990s.
2.	David Austin, Clean Energy Association Question - Are GHG reductions part of the evaluation? If not, why not?	The purpose of these proposed rates is to attract and retain load. They are not specifically targeting GHG reductions. To the extent there are associated GHG reductions, we plan to acknowledge these in the final evaluation of the pilots, which we propose to file towards the end of the pilot period.

	Feedback	BC Hydro Response
	<p>Question – The CEA sets out GHG reduction as a priority. Why would BCH not target that?</p>	<p>These rates are focused on reducing rates for all ratepayers. We recognize that GHG reduction is an important goal, but it is not the focus of this rate application.</p>
3.	<p>Penny Cochrane</p> <p>Question - What is the difference between the economic assessment for this rate and the freshet evaluation?</p>	<p>Because this is a firm service offer, our costs include generation capacity and transmission costs. Freshet does not include generation capacity or transmission costs because it is non-firm.</p>
	<p>Question - This assumes that the applicants ask for firm service?</p> <p>Question - You said the utility and customers will remain whole if a customer leaves after the period. What if there is a system extension?</p>	<p>Yes. We had indications that customers wanted firm service. If customers want non-firm, we could consider that.</p> <p>Customers who apply for the Load Attraction Rate will still go through the normal interconnection process.</p>
4.	<p>David Craig, Commercial Energy Consumers Association</p> <p>Question – Can you comment on the issue of discriminatory rates for the benefit of transmission customers and why it's not being offered to others? Would it be appropriate to make this offer to general service customers?</p>	<p>The Bonbright principle we are referring to was presented in workshop #1, and indicates that some forms of price discrimination can be socially valuable in that they can lead to an overall reduction in the average price charged to consumers.</p> <p>In the case of the Load Attraction and Load Retention Rates, all customers will be better off due to lower rates, and that is the principle we are operating under.</p> <p>We are offering this on a pilot basis to transmission service rate customers. We may find that it is warranted to expand the offer to general service customers.</p>
5.	<p>Bill Andrews, BC Sustainable Energy Association</p> <p>Question - With respect to the Bonbright principles, it acknowledges that rates can be different for different customers and not be unduly discriminatory if there are socio-economic benefits to justify it. Are you not going to be making the argument that these rates are not unduly discriminatory because of socio-economic benefits?</p>	<p>In justifying the proposed Load Attraction and Load Retention Rates, we have focused on the impacts to ratepayers, not broader socio-economic benefits.</p>

	Feedback	BC Hydro Response
6.	<p>Geoff Morrison, Canadian Association of Petroleum Producers</p> <p>Question - GHG reductions are not considered, but, in the case of fuel switching, would you consider the value of the offsets in the analysis?</p>	<p>We have not forecasted or attempted to consider the value of carbon offsets, but we might consider this in the final evaluation of the pilot.</p>
7.	<p>Jim Quail, MoveUP (COPE 378)</p> <p>Question - As I understand it, you are projecting a 5 year period over which a customer would be entitled to the rate. Also, this is a 3 year pilot. So does this mean that customers can enroll for 3 years but they participate for 5 years? So it's really an 8 year program?</p> <p>Comment - It is impossible to project BCH's surplus, so there is a risk for BCH, its workforce and its ratepayers, particularly in the later years.</p>	<p>Yes, that is correct. Time may also be needed to interconnect and build facilities.</p> <p>We have done analyses on pricing to assess such a risk. The results look promising even for a 10 year period. However, in light of the potential risks to BCH and the fact this is the first time since the 1990s we have offered such rates, we are proposing participation caps on the rates to mitigate such risks.</p>
8.	<p>Bill Andrews, BC Sustainable Energy Association</p> <p>Question - As a follow up to Jim's question – when does the application occur? Do they go through interconnection studies first or once they are through that process? The pilot may be up before the interconnection studies are done.</p> <p>Comment - You may want to do further analysis to ensure the current analysis is robust.</p>	<p>BCH is still considering this.</p> <p>HQ allows an approved applicant up to 3 years to complete the process of interconnecting and building their facility. BC Hydro has not yet determined if we will also allow 3 years or some other time frame.</p> <p>Acknowledged. We will include this analysis in our Application.</p>
9.	<p>David Craig, Commercial Energy Consumers Association</p> <p>Question - If someone is building a new plant and interconnecting, will BCH be doing system upgrading?</p> <p>Question - When looking at marginal costs, were you looking at market prices or were you considering IPPs?</p>	<p>TS 6 would still apply to interconnections. If the interconnection triggers a need for an upgrade, BCH would still do that.</p> <p>For energy marginal costs we have used a market energy price forecast going out 15 years under a range of sensitivities.</p>
10.	<p>Richard Stout, Ronin Consulting</p> <p>Question - Looking at the financial analysis, it seems to assume that the loads attracted and/or retained would not have come forward under BCH's general rates. Correct?</p>	<p>Yes.</p>

	Feedback	BC Hydro Response
	Question - What screening mechanisms are you proposing ensure these assumptions are realized?	We will need to screen for free ridership and will discuss the proposed criteria for doing so later in the presentation.
11.	Susanna Quail, MoveUP (COPE 378) Question - Going back to the timing: there will be a 3 year period to apply, a 3 year period to get built, and then 5 years for the discount to apply. So the rate may be in effect 11 years after it is approved? If that is true, the horizon to be considered is really 11 years?	This analysis we presented today did not include a 3 year period for interconnection and building. We will consider the interconnection process and time needed to build the facilities further and we will address them in our application.
12.	Albert Wong, ERCO Worldwide Question - What is the discount rate you are using? Comment - You need to use a higher discount rate or else you may not have value because of 11 year horizon.	We are using 6% nominal rate to bring it back to net present value (4% real). Acknowledged. We are looking at sensitivities analysis on the discount rate.
13.	Micah Smith, Blockchain Infrastructure Question - What is the proposed cap for these rates?	Load attraction – 1,000 GWh. Load retention – 500 GWh.
14.	Susanna Quail, MoveUP (COPE 378) Question - Given the horizon over 11 years, was there any consideration for technology changes? Will this be considered in predicting surplus?	As there are a number of unknowns, we have proposed load caps to mitigate this risk, but technology advances may need to be considered as well.
15.	Robert Thew, Canfor Pulp Webcast Question – Could load attraction be utilized by existing customers? For example if a production line was expanded at a site would this be eligible? If a totally new product line were added at the same site, would this be eligible?	We have some examples to illustrate this scenario and will address this later in the presentation.
16.	Marvin Shaffer, MoveUP (COPE 378) Webcast Question - What assumptions are you making about the LRMC for customers who stay beyond the surplus period?	This analysis assumes market price forecast. We will consider and include longer horizons in our application.
17.	David Austin, Clean Energy Association Question - This is a firm rate, if a customer came and said they would install battery storage equivalent to its load, would BCH consider an interruptible rate?	We have not considered this.

	Feedback	BC Hydro Response
18.	<p>Geoff Morrison, Canadian Association of Petroleum Producers</p> <p>Comment – My initial observation about these criteria is that the geographic location is wrong. The question is really if you have a choice to be on the grid or off the grid. Even if you are geographically dependent, if you can locate off the grid, which should be the criteria.</p>	Acknowledged.
19.	<p>Richard Stout, Ronin Consulting</p> <p>Question – Slide 46 - On number 5 [criteria list], would a copper mine be screened out? Or where a compression gas plant exists?</p>	As shown in the example presented on slide 47, we do not anticipate that a proposed new copper mine or natural gas extraction facility would be eligible for the Load Attraction Rate.
20.	<p>Ed De Palezieux, Conoco Phillips</p> <p>Web Question – Does “relocate” include the ability to connect to a generator and not connect to the grid?</p>	<p>The proposed eligibility criteria for the Load Attraction Rate are that the load has the ability to relocate geographically. This does not refer to the ability to connect to a generator and not connect to the grid.</p> <p>However, we note this comment mirrors a previous question that we will take away to consider.</p>
21.	<p>David Austin, Clean Energy Association</p> <p>Question - To clarify, are you saying if a gas processing facility was not connected to the grid, it might be eligible for this rate? How far from the grid would it have to be to be eligible? For example, in the North Montney, there’s no infrastructure to connect to. Who would pay for interconnection to get service?</p>	The standard interconnection process would apply. This rate is offered independent from the interconnection process. This proposed Load Attraction Rate is not an interconnection offer in anyway.
22.	<p>Hashim Mitha, BC Crypto Hosting</p> <p>Question – Would this rate apply to customers connecting indirectly, under RS 1823?</p>	Yes, if they otherwise qualify for service under RS 1823.
23.	<p>Kellen Foreman, Encana</p> <p>Comment - The electricity price in other jurisdictions has nothing to do with decision to be in BC. GHGs should be included in the analysis – it is a good outcome for everyone. If we’re scared of free-riders, we won’t be electrifying and we’ll probably go gas.</p>	Acknowledged.
24.	<p>Jackie Ashley, BCUC Staff</p> <p>Comment - BCH still has the option to negotiate</p>	Conceptually, yes, this is possible. However, the

	Feedback	BC Hydro Response
	unique bypass rates, so if these offers are not appropriate, presumably you could still negotiate a separate service rate.	Load Attraction and Load Retention Rate proposals were developed to be transparent and provide the same discount to all eligible customers.
25.	<p>Ed De Palezieux, Conoco Phillips</p> <p>Web Question – The eligibility criteria excluding natural gas extraction seems to ignore the fact that these customers compete in North America or a world market.</p> <p>Web Question – Why is it fair to existing customers to not approve these natural gas customers when the existing customers will receive a net benefit and if not receiving the rate means that the new customer connects a generator and does not connect to the grid?</p>	<p>Acknowledged.</p> <p>Net benefits to all ratepayers will be gained if we can screen out free riders.</p>
26.	<p>Micah Smith, Blockchain Infrastructure</p> <p>Question - How do you tell if someone is directly competing? We are in crypto currency mining.</p>	<p>We'd look to see if we have similar customers in BC – e.g., if they are producing a commodity and if the commodity is priced on an index. If it is a differentiated product or a service, it won't be as black and white.</p>
27.	<p>Bill Andrews, BC Sustainable Energy Association</p> <p>Question - What about directly competing with a LGS customer? Do you consider that? Or is it only a RS 1823 customer?</p> <p>Comment - It may be relevant to the crypto situation where there may be more LGS customers.</p>	<p>The rate structures and costs are very different for LGS customers versus transmission service rate customers, so we do not expect to consider competition with existing general service customers.</p> <p>Acknowledged.</p>
28.	<p>Jackie Ashley, BCUC Staff</p> <p>Comment - Please consider why treating a new customer differently from existing customers is fair and explain that in your application.</p>	<p>Acknowledged.</p>
29.	<p>David Craig, Commercial Energy Consumers Association</p> <p>Comment – I'm not sure why you give 20% to a new customer and only 10% to an existing customer, especially since the existing customer already has infrastructure and incentive to stay.</p>	<p>To clarify, it's a discount of 15% for load attraction and 10% for load retention. The example of a 20% discount for the Load Attraction Rate would apply to energy only (not demand).</p> <p>The proposed discounts are different because the ability to screen for free riders, and the risk with</p>

	Feedback	BC Hydro Response
		that, is different. Also, existing customers are more likely to pay for energy at an average rate closer to the RS 1823 Tier 1 rate, whereas a new customer would be paying for energy at the RS 1823 energy charge A. Because the discounts would apply to the otherwise applicable rates, the difference in average energy rate between existing and new customers makes a difference to the economics for all ratepayers.
30.	<p>Jim Quail, MoveUP (COPE 378)</p> <p>Question - What regulatory process are you proposing?</p> <p>Comment - There may be significant legal issues in these filings and so you may be optimistic on the timing. Particularly in the load attraction and retention rates. The proceeding is likely to be complex.</p>	<p>For the Freshet Rate application, we will be proposing a minimal process, possibly letters of comment. For all other proposed rates, we anticipate a written process including IRs.</p> <p>Acknowledged. We are hoping to offer the Freshet Rate in May and the Incremental Energy Rate in August but this of course is subject to BCUC approval.</p>
31.	<p>David Craig, Commercial Energy Consumers Association</p> <p>Comment - You could apply for an interim rate.</p>	<p>Acknowledged.</p>
32.	<p>Lok Chao Liu, Yotta Technologies</p> <p>Question – The load attraction rate would be effective in Q4 next year?</p> <p>Comment - The general problem for natural gas is that we don't have free trading carbon credits in BC unlike other provinces. So having a free market for trading carbon offsets would be useful.</p> <p>Comment - I assume there is no perfect fairness – with Site C coming online, there is benefit to being a little imperfect in screening to use up extra capacity. 100% fairness may prevent new economy from coming to BC and that hurts everyone in the long run.</p>	<p>Hopefully the Load Attraction Rate will be approved by mid-2019 and offered to customers shortly after that.</p> <p>Acknowledged.</p> <p>Acknowledged.</p>
33.	<p>Penny Cochrane</p> <p>Question – My concern is that excess capacity is being offered to transmission customers. However, others in the Province may be more interested in electrification, but those loads are below transmission. So these customers should have meaningful input. Also, when will we see the resource plan?</p>	<p>Acknowledged.</p> <p>The next Integrated Resource Plan will not be completed before these rates applications are filed, so it will not be part of this rate application.</p>

	Feedback	BC Hydro Response
34.	Bill Andrews, BC Sustainable Energy Association Comment – I would like to emphasise that GHG reductions are extremely important on the gas side and in a variety of other ways. They fit with BCH's other priorities.	Acknowledged.
35.	David Austin, Clean Energy Association Question - 1000 GWh is not a lot of electricity in the context of BCH's demand, so why go through all of this for the small quantity?	We agree the caps are small in the context of our overall electricity demand, but the goal of these rates is to optimize surplus and so we considered the caps relative to the magnitude of the surplus, not the magnitude of total demand. We want the caps to be well below surplus until we test the rate pilots.
36.	David Craig, Commercial Energy Consumers Association Comment - You are making an assumption that your surplus is fixed. However, you have a new policy to not renew IPPs and so those hours are flexible and could be used. Apply flexibility to the range.	Acknowledged.
37.	David Austin, Clean Energy Association Comment - I understood the surplus is 5,000 GWh, not including Site C. So this is a very small amount.	Acknowledged.

Closing and Next Steps

Anthea and David thanked the group for participating and reviewed the following next steps.

- Deadline for submission of feedback forms is November 30, 2018.
- Planned BCUC filing date for our Application for the Freshet Rate and Application for the Incremental Energy Rate is December 14, 2018.
- Planned BCUC filing date for our Application for the Load Attraction and Retention Rates is January 31, 2019