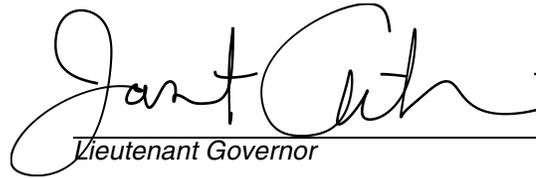


PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 355

, Approved and Ordered June 27, 2022



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the attached Direction to the British Columbia Utilities Commission Respecting Load Attraction and Low-Carbon Electrification is made.



Minister of Energy, Mines and Low Carbon Innovation



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Utilities Commission Act, R.S.B.C. 1996, c. 473, s. 3

Other: _____

R10604417

DIRECTION TO THE BRITISH COLUMBIA UTILITIES COMMISSION RESPECTING LOAD ATTRACTION AND LOW-CARBON ELECTRIFICATION

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Definitions

1 In this direction:

“**Act**” means the *Utilities Commission Act*;

“**DSM regulatory account**” means the regulatory account of the authority established under commission order G-55-95;

“**fiscal year**” means the fiscal year of the authority;

“**load-attraction program**” means the programs described in the following sections of Attachment 3 to Appendix U to the specified application:

(a) section 4;

(b) section 5, as it relates to load attraction;

“**low-carbon electrification program**” means the programs described in the following sections of Attachment 3 to Appendix U to the specified application:

(a) section 1;

(b) section 2, as it relates to commercial fleet and mobile diesel electrification;

(c) section 3;

(d) section 5, as it relates to low-carbon electrification;

“**specified application**” means the BC Hydro Fiscal 2023 to Fiscal 2025 Revenue Requirements Application dated August 31, 2021 and submitted to the commission;

“**specified rate schedules**” means the rate schedules in the Electric Tariff of the authority, other than rate schedules that are not subject to adjustment based on changes in the revenue requirements of the authority.

Application

2 This direction is issued to the commission under section 3 of the Act.

Direction respecting load attraction

3 (1) The commission must allow the authority to establish a load-attraction costs regulatory account.

- (2) The commission must allow the authority to defer to the load-attraction costs regulatory account
 - (a) up to \$52 million in costs incurred by the authority during the period beginning April 1, 2022 and ending March 31, 2027 to provide the load-attraction program, and
 - (b) interest on the balance in the account.
- (3) The commission must allow the authority to amortize from the load-attraction costs regulatory account for each fiscal year the forecast
 - (a) interest on the balance in the account, and
 - (b) annual load-attraction amortization amount, calculated on the assumption that the costs to provide the load-attraction program for the fiscal year will be amortized over a period of 20 years.
- (4) In setting rates for the authority for a fiscal year, the commission must not disallow for any reason the recovery in rates from persons who receive or may receive service under the specified rate schedules of the forecast amounts amortized under subsection (3) (a) and (b) for the fiscal year.
- (5) In setting rates for the authority for a test period, the commission must not disallow for any reason
 - (a) the recovery in rates from persons who receive or may receive service under the specified rate schedules of the amount, if any, by which actual amounts described in subsection (3) (a) and (b) for the previous test period exceed the forecast amounts under that subsection for that period, or
 - (b) the refunding in rates to persons who receive or may receive service under the specified rate schedules of the amount, if any, by which the actual amounts described in subsection (3) (a) and (b) for the previous test period are less than the forecast amounts under that subsection for that period.
- (6) For the purposes of this section, interest is to be calculated for each fiscal year at the rate equal to the authority's weighted average cost of debt for the fiscal year.
- (7) Except on application by the authority, the commission must not order the authority to close the load-attraction costs regulatory account.

Direction respecting low-carbon electrification

- 4** (1) The commission must allow the authority to defer to the DSM regulatory account up to \$193.7 million in costs incurred by the authority during the period beginning April 1, 2021 and ending March 31, 2027 to provide the low-carbon electrification program.
- (2) The commission must allow the authority to amortize from the DSM regulatory account each fiscal year the forecast annual low-carbon electrification amortization amount, calculated on the assumption that the costs to provide the low-carbon electrification program for the fiscal year will be amortized over a period of 15 years.

- (3) In setting rates for the authority for a fiscal year, the commission must not disallow for any reason the recovery in rates from persons who receive or may receive service under the specified rate schedules of the forecast annual low-carbon electrification amortization amount.
- (4) Except on application by the authority, the commission must not order the authority to close the DSM regulatory account.
- (5) For certainty, this direction applies despite
 - (a) section 18 (2) and (3) of the *Clean Energy Act*, and
 - (b) the Direction to the British Columbia Utilities Commission Respecting Undertaking Costs.

Direction respecting capital costs

- 5 The commission must not disallow for any reason the recovery in rates from persons who receive or may receive service under the specified rate schedules, over a period determined by the authority, of the capital costs incurred by the authority to provide service to persons who receive incentives or other funding, or are otherwise encouraged to apply for service, under the load-attraction program or the low-carbon electrification program.

Direction respecting apportionment of rates and refunds

- 6 For the purposes of sections 3 (4) and (5), 4 (3) and 5, the commission must allow the apportionment of the amounts to be recovered or refunded in either of the following ways:
 - (a) so that the charges under the specified rate schedules are all increased or decreased, as the case may be, by the same percentage;
 - (b) so that, for each specified rate schedule, the increase or decrease in charges under the schedule will generate substantially the same revenue under the schedule as the apportionment described in paragraph (a).

Direction respecting incentives and other funding

- 7 The commission must consent under section 63 of the Act to a request, made by the authority for the purposes of providing an incentive or other funding under the load-attraction program or low-carbon electrification program, to charge, demand, collect or receive compensation for a service that is less than or other than that specified in the subsisting schedules of the authority applicable to that service and filed under the Act.