REQUESTOR NAME: **Clean Energy BC**
INFORMATION REQUEST ROUND NO: **1**
TO: BRITISH COLUMBIA HYDRO & POWER AUTHORITY
DATE: **May 2, 2022**
PROJECT NO: **N/A**
APPLICATION NAME: **BC Hydro 2021 Integrated Resource Plan**

1.0 Reference: Exhibit B-1, Page 2-10

The Clean BC Roadmap to 2030 was released on October 25, 2021. BC Hydro states that it will "assess the implications" of the Province's CleanBC Roadmap to 2030 on future electricity demand and supply, and will "watch for developments" in corresponding legislation, regulations, programs, and funding intended to implement the CleanBC Roadmap to 2030.

1.1 With the benefit of nearly six months since the CleanBC Roadmap to 2030 was released, please describe what implications BC Hydro has assessed will arise from the CleanBC Roadmap to 2030 in respect of electricity demand and supply, and itemize how those implications affect the IRP as filed.

1.2 Has BC Hydro identified any developments in legislation, regulation, programs, or funding arising from the CleanBC Roadmap to 2030 that it was not aware of when the IRP was filed? If so, please itemize these and describe BC Hydro's assessment of their implications for the IRP.

2.0 Reference: Exhibit B-1, Pages 1-1 and 3-9

BC Hydro states that it is seeking an Order from the Commission "accepting the 2021 IRP".

BC Hydro also states that the test for the Commission accepting the plan is established in section 44.1(6) of the Utilities Commission Act.

Section 44.1(9) of the Utilities Commission Act allows that, in accepting a plan or part of one, the Commission may exempt certain utility plant or system, or extensions, from future CPCN requirements. The Commission may also establish that an IRP, or elements of it, are "conclusively determined" and require no further process in respect of the Commission's powers under the Utilities Commission Act.

BC Hydro also states that the determination under section 44.1(6) "does not necessarily amount to approval to implement all the elements of the plan", and states further that CPCN, rate, or other applications "may still be required."

2.1 Please confirm that BC Hydro is not seeking any determinations from the Commission pursuant to section 44.1(9) of the Utilities Commission Act.

2.2 If the Commission does not identify specific approvals under section 44.1(9) of the Utilities Commission Act in its Order accepting all or part of BC Hydro's IRP, does BC Hydro agree that it cannot later argue that it has secured any relief from the Commission's jurisdiction in respect of elements of the IRP? If not, please explain why not.

3.0 Reference: Exhibit B-1, page 3-12

BC Hydro states that the 2021 IRP aligns with the self-sufficiency obligations in the Clean Energy Act.

3.1 Please provide the calculations or other analysis that supports this assertion for both the Base Resource Plan and the various Accelerated Electrification scenarios.

4.0 Reference: Exhibit B-1, Page 3-12

BC Hydro identifies that the Clean Energy Act contained an objective that the utility should reduce its expected increase in demand for electricity by the year 2020 by at least two-thirds.

4.1 Please provide the level of expected increase in demand for electricity by the year 2020 that BC Hydro avoided through demand side measures and show the supporting calculations.

5.0 Reference: Exhibit B-1, Pages 2-5 and 3-14

BC Hydro notes that a Clean Energy Act objective is "to reduce BC greenhouse gas emissions by specified targets for specified years." BC Hydro states that its 2021 IRP aligns with this objective.

BC Hydro states that its IRP contains an Accelerated Electrification scenario, and that it is this scenario that achieves BC's legislated greenhouse gas emission reduction targets for 2025, 2030, and 2040.

5.1 Does BC Hydro believe that its Base Resource Plan is inconsistent with BC achieving a level of electrification that is required to meet the legislated 2025, 2030, and 2040 targets?

5.2 If so, please explain why it believes an IRP that fails to achieve the legislated GHG emission targets aligns with the Clean Energy Act objective to meet these targets.

5.3 If not, please explain why the Base Resource Plan aligns with Clean Energy Act objective to meet these targets.

6.0 Reference: Exhibit B-1, Page 3-16

BC Hydro states that "at the highest level, BC Hydro's decision-making objectives for the 2021 IRP include supporting the growth of the BC economy."

6.1 Please identify those specific elements of the IRP where this decision-making objective led to an element of the IRP that is different from the decision that would have been taken in the absence of this objective.

7.0 Reference: Exhibit B-1, Page 3-17

BC Hydro identifies that one of the Clean Energy Act objectives is to be a net-exporter of clean and renewable electricity, while protecting the interests of domestic customers.

BC Hydro then claims that this objective is not applicable to its IRP, because section 44.1 of the Utilities Commission Act specifies that IRPs are only plans for serving the needs of domestic customers.

7.1 In reference to the language of section 44.1 of the Utilities Commission Act, please explain how BC Hydro concludes that a long-term resource plan (IRP) is only about meeting the needs of domestic customers.

7.2 If BC Hydro were to plan to acquire resources for export or as security against the sudden on-set of the various Accelerated Electrification scenarios and, in so-doing, it enhanced the public interest, could the Commission accept such a plan?

7.3 If the Commission were to conclude that objective (n) of the Clean Energy Act is an applicable energy objective pursuant to section 44.1(8), or if the Commission sought information on this topic pursuant to section 44.1(2)(g), would BC Hydro agree that such a conclusion or action is within the Commission's jurisdiction? If not, why not?

8.0 Reference: Exhibit B-1, Page 5-8

In Section 5.2.5, BC Hydro lists four "uncertainties" that are captured within the "uncertainty bands".

8.1 If BC Hydro were preparing its uncertainty bands today, with the uncertainties surrounding the supply of natural gas from Russia which have largely arisen since BC Hydro filed its 2021 IRP, would BC Hydro's uncertainty bands reflect a greater demand for electricity, for example from new or expanding LNG plants in BC?

8.2 If so, please provide a description of how constraints on Russian natural gas supply affects the 2021 IRP.

8.3 If not, please explain why the Russian gas supply constraints do not affect BC Hydro's IRP.

9.0 Reference: Exhibit B-1, Page 5-10

BC Hydro describes the Electrification Plan under the heading of the Accelerated Electrification scenario.

9.1 Please explain the how the Electrification Plan interacts with this IRP.

10.0 Reference: Exhibit B-1, Page 5-10 to 5-11

BC Hydro states that Navius Research undertook an analysis to assess the extent to which BC's electrification would have to increase to meet BC's legislated GHG emission reductions. This work preceded the CleanBC Roadmap to 2030, and showed that achieving the 2030 targets would require 8,000 GWh per year in excess of the resources shown in the Base Resource Plan.

10.1 Has Navius or BC Hydro re-evaluated the 8,000 GWh deficiency in light of the CleanBC Roadmap to 2030?

10.2 If so, what did this re-evaluation conclude?

10.3 If not, why not?

11.0 Reference: Exhibit B-1, Page 5-23

Table 5-5 shows the effective load carrying capability of existing IPPs.

11.1 What is the collective dollar value of the IPP capacity contribution on BC Hydro's system, based on BC Hydro's marginal cost of new capacity?

11.2 Please show how this figure is determined.

12.0 Reference: Exhibit B-1, Pages 5-26 and 5-27

Figure 5-4 shows BC Hydro's capacity load resource balance before planned resources. BC Hydro states that "the year that a gap begins between the orange line and the blue bar is the year we first need additional resources."

12.1 Please explain what one can determine about the timing of the need for new capacity resources by comparing the load (orange line) and resource (blue bar) gap at the system level?

12.2 Is it fair to say that, when viewing capacity resources, only the regional load-resource balances are instructive about the timing of the need for new resources? If not, please explain why not.

12.3 BC Hydro is currently promoting the adoption and use of heat pumps. Please describe the capacity planning implications that the expected adoption of heat pumps will have on the South Coast system when considering extreme cold temperatures and low-temperature durations that can occur from time to time during winter.

13.0 Reference: Exhibit B-1, Page 6-2

BC Hydro states that its market price forecast is central to the portfolio modelling that BC Hydro relied on to develop its 2021 IRP.

BC Hydro states that it uses the market price to characterize the cost of electricity purchase agreement renewals that are part of the resource options considered in developing the 2021 IRP.

BC Hydro then states that only the Commission is permitted to see its price forecast, offering only a hint that BC Hydro's forecast lies between two public forecasts, which appear to reflect a differential between them of more than 100 per cent by 2030.

13.1 Does BC Hydro agree that its price forecast is central to the Commission's evaluation of the whether to accept the IRP. If not, please explain why not.

13.2 If the price forecast is central to the evaluation of this IRP, does BC Hydro agree that hiding it from intervenors is a material impediment to intervenors' involvement in this IRP process, and to intervenors understanding and accepting the conclusions of the Commission in respect of this IRP?

13.3 Did BC Hydro understand that its terms of use precluded it from making the Hitachi Forecast public when it chose to use that forecast for this IRP?

13.4 Please provide a table showing how BC Hydro's Base Resource Plan and its various Accelerated Electrification scenarios would be different if BC Hydro were directed to use (1) the Avista and (2) the Pacificorp forecasts.

14.0 Reference: Exhibit B-1, Pages 6-4, 6-5, 7-1, and 7-2

BC Hydro states that the prices of day ahead electricity is generally set by the variable cost of the marginal operating generation unit needed to meet demand for that hour. BC Hydro states, further, that this means that forecast market prices tend to be "significantly" below the cost of new generation.

14.1 Does BC Hydro agree that, as the Mid-C market is designed, the profit maximizing strategy for any given generator is to bid in any hour its short-run marginal cost? If not, please explain why not.

14.2 Does BC Hydro agree that as more wind and solar is added to the western interconnection over time, this will tend to push the market clearing price lower, all else equal? If not, please explain why not.

14.3 Does BC Hydro agree that IPPs selling on these terms means that sellers should expect to see little contribution to meeting their fixed costs, including capital servicing, except in periods of material supply shortfalls, during which price spikes may occur for short periods of time? If not, please explain why not.

14.4 BC Hydro's current offer to 19 re-contracting projects with contracts expiring before April 1, 2026, which it promotes in this IRP and in its 2023 to 2025 Revenue Requirements filing, is for the Mid-C hourly price, reduced by transmission costs and losses, with caps that prevent IPPs from capturing temporary price excursions. Does BC Hydro agree that, to the extent that an IPP has ongoing capital servicing obligations, accommodation payments (or similar) to First Nations, or new investment requirements during the term of the proposed re-contracting, that the IPP is unlikely to recover its long-run operating costs? If not, please explain the basis on which BC Hydro believes its proposed offer is viable for IPPs with fixed cost obligations.

14.5 Please clarify when, and pursuant to what regulatory processes, BC Hydro intends to confirm the terms of renewal for the 19 IPPs with contracts expiring before April 1, 2026. In particular, please explain: (1) whether BC Hydro is seeking any "blanket" approvals related to its re-contracting program, or if it is only seeking individual approvals for energy supply contracts under section 71 of the Utilities Commission Act; and (2) the regulatory process and timing of various approvals to be sought in relation to the expected timing of a Commission decision in this IRP proceeding.

14.6 Is BC Hydro seeking from the Commission in this IRP proceeding any determinations or orders in respect of its proposed “market-price-based renewals”? In particular, if the Commission accepts the Base Resource Plan being advanced by BC Hydro, how will this impact the review by the Commission of contracts under section 71 of the Utilities Commission Act?

15.0 Reference: Exhibit B-1, Page 6-30

BC Hydro states that it “assumes” that private sector developers “generally have access to similar costs of equity and debt as BC Hydro.”

15.1 Please provide any research, studies, or evaluation that BC Hydro has relied on to make this assumption.

15.2 Does BC Hydro agree that, in general, governments have lower capital attraction costs than does the private sector?

16.0 Reference: Exhibit B-1, Page 7-14

BC Hydro states that it treated market price uncertainty in this IRP, in part, by transferring the risk to other parties.

16.1 Please identify all cases in this IRP where BC Hydro has treated market price forecast uncertainty by transferring the risk to other parties.

16.2 Does BC Hydro agree that in an efficient market, a firm seeking to avoid risk by transferring it to another party would generally expect to pay to effect that transfer?

16.3 If BC Hydro does not agree with this proposition, or does not agree that it is applicable here, please explain why not.

17.0 Reference: Exhibit B-1, Page 7-14 and 7-15

BC Hydro acknowledges that its approach to treating key uncertainties as set out in Table 7-2 focusses uncertainty assessments on demand-side measures. BC Hydro states that this “does not indicate that demand-side measures are riskier than other ways of meeting system needs.”

17.1 Does BC Hydro believe that DSM resource options are equally or less risky than supply-side options at the volumes and type of DSM that BC Hydro is contemplating in its Base Resource Plan?

17.2 If so, please explain why BC Hydro holds this view, and provide evidence supporting this conclusion.

18.0 Reference: Exhibit B-1, Page 7-33

BC Hydro states that specific pricing details for IPP contract renewals have not yet been determined. BC Hydro also states that it is “not excluding” bilateral negotiations for some projects.

18.1 Please file for the record all presentations, terms sheets, or similar that have been provided to IPPs whose contracts are expiring before April 1, 2026.

18.2 Please explain BC Hydro’s current understanding of: (1) whether the same standard form contract will be offered to all IPPs whose contracts expire before April 1, 2026; (2) how BC Hydro will determine which IPPs may be offered a bilateral negotiation opportunity; and (3) if the standard form contract will be offered on a “take-it-or-leave-it” basis to most or all projects.

19.0 Reference: Exhibit B-1, Appendix B, Page 32 of 124

Figure 7-6 shows a very minimal capacity surplus in the South Coast until transmission projects in the Base Resource Plan can be completed in 2033.

19.1 Please provide a detailed description of BC Hydro’s basis for determining the 10-year lead time for the various “steps” in the transmission upgrades to the South Coast.

19.2 Please describe the elements of that 10-year estimate that are subject to material schedule risks, and an estimate of the possible extent of these delays.

20.0 Reference: Exhibit B-1, Appendix B, Page 33 of 124

Table 7-2 lists “cost risk from transmission schedule uncertainty” as line items for assessing various planning objective measures. This is elaborated with an explanatory footnote.

20.1 Why is the “cost risk” from transmission schedule uncertainty not shown as either (1) the annual cost (or present value of these costs) of meeting the capacity needs in the event the transmission project has schedule delays, or (2) the value of lost service if capacity shortfalls result in service limitations? That is, why is this line not the “assessment of financial risk” contemplated in the footnote?

20.2 Please provide BC Hydro’s assessment of the financial risks of transmission schedule uncertainty.

20.3 Is it true that if the cost (or service loss) consequence of a capacity shortfall in the South Coast were relatively large, then this would inform not only the choice between DSM portfolios, but also other elements of the Base Resource Plan?

20.4 If not, please explain why not.

20.5 If so, please elaborate on BC Hydro’s thinking in this respect.

21.0 Reference: Exhibit B-1, Appendix B, Page 34 of 124

BC Hydro states that the consequence table (Table 7-2) “shows that pursuing higher levels of energy efficiency comes with increased under-delivery risk.

21.1 What is the financial cost of the 130 MW risk from under-delivery of DSM shown the third row and the blue column of Table 7-2?

21.2 Please explain how this cost is calculated.

21.3 Please describe whether this delivery risk creates any risk that BC Hydro will not be able to serve load. If it does not, how has BC Hydro determined that service limitations are not a risk arising from the planned reliance on DSM?

22.0 Reference: Exhibit B-1, Appendix B, Page 36 of 124

BC Hydro is planning to introduce forms of voluntary time-varying rates and demand response programs.

22.1 What is the financial cost of the 270 MW risk from under-delivery of DSM shown the third row and blue column of Table 7-3?

22.2 Please explain how this cost is calculated.

22.3 Please describe whether this delivery risk creates any risk that BC Hydro will not be able to serve load. If it does not, how has BC Hydro determined that service limitations are not a risk arising from the planned reliance on time-varying rates and demand response programs?

22.4 In the past, BC Hydro has held that time-varying rates and demand-response programs where BC Hydro does not have direct control over the customer’s behaviour (i.e., the direct and physical right to curtail) are not a reliable source of capacity. Does BC Hydro continue to hold that view for planning purposes? If not, why not?

22.5 Please describe the rate-design basis (e.g., difference between on- and-off peak pricing) that BC Hydro used to estimate the impact of its proposed time-varying rates.

22.6 Please describe how the rate design basis contemplated by BC Hydro relates to BC Hydro’s on- and off-peak cost of service. For example, is BC Hydro relying on market-trading opportunity, deferral of new capital investment, or some other cost basis to set its price differentials for the purposes of establishing the estimates in this IRP?

23.0 Reference: Exhibit B-1, Appendix B, Page 39 of 124

BC Hydro is planning to introduce a voluntary time-of-use option for electric vehicles.

23.1 What is the financial cost of the 390 MW risk from under-delivery of DSM shown the third row and blue column of Table 7-3?

23.2 Please explain how this cost is calculated.

23.3 Please describe whether this delivery risk creates any risk that BC Hydro will not be able to serve load. If it does not, how has BC Hydro determined that service limitations are not a risk arising from the planned reliance on adoption of off-peak charging by half of all electric vehicle owners?

24.0 Reference: Exhibit B-1, Appendix B, Pages 41 to 44 of 124

BC Hydro states that there is a $190 million benefit to it from achieving renewal of all 19 IPPs with contracts expiring before April 1, 2026, assuming the Reference Load forecast and mid-market price forecast. This benefit survives in some form under all scenario except the Low Load scenario. BC Hydro acknowledges that some of the benefit may not be achievable because some IPP may choose not to renew at the so-called market-based prices being offered.

24.1 Please provide the derivation of this $190 million figure.

24.2 Does BC Hydro agree that if a particular IPP is not able or willing to recontract at BC Hydro's definition of market price, BC Hydro could potentially improve the overall value available to it and to ratepayers by negotiating more favourable terms with the IPP – in other words, it could engage in certain rent optimizing behaviors common to entities which enjoy market power?

24.3 Does BC Hydro agree that such a "rent optimizing" re-contracting strategy would be the approach expected of an entity which enjoyed a monopsonistic position in the market?

24.4 Why is BC Hydro not adopting that approach?

24.5 If the reason is administrative ease, please provide BC Hydro's assessment of (1) the opportunity cost to ratepayers; (2) the land and water impacts of stranded generation assets; and (3) the First Nations and rural economic development losses arising from this re-contracting expediency.

25.0 Reference: Exhibit B-1, Appendix B, Page 54 of 124, Appendix J, Page 38

BC Hydro states that under the Accelerated Electrification and DSM Under Delivery scenario it will rely, for energy, on 2,000 GWh per year of market purchases for six years. For capacity, it will rely on "utility-scale" batteries, requiring up to 800 MW of additional capacity by 2032. BC Hydro states further that "a non-exhaustive list of potential sites in the South Coast…has been identified," and that the "total potential for distributed battery resources in BC is 250 MW if limited to sites with the fence of existing distribution infrastructure."

25.1 What is the largest application of battery capacity currently in use by a load-serving utility worldwide?

25.2 What is the installed cost per MW of batteries at the scale proposed by BC Hydro?

25.3 What volume of battery installation has BC Hydro identified sites for in the South Coast, over which the Utility has existing site control?

25.4 Please provide copies of all studies relied on by BC Hydro to establish that batteries represent a technically and economically feasible capacity solution under this scenario.

25.5 Will BC Hydro require government to amend BC Hydro's self-sufficiency obligations, as was contemplated by the withdrawn Bill 17, to accommodate the Accelerated Electrification and enhanced Electrification with DSM Under Delivery scenarios? If not, please explain why not.

25.6 If self-sufficiency amendments are required to facilitate the market-purchase elements under that scenario and those amendments cannot be secured through the legislature, what is BC Hydro's plan for energy service under this scenario?

26.0 Reference: Exhibit B-1, Appendix J, Pages 45 and 46

BC Hydro states that for Option 1 and 2 renewal pricing, BC Hydro used the higher of IPPs' opportunity cost and the IPP cost of service. BC Hydro states further that it believes that the IPP opportunity cost is the BC border sell price, adjusted for transmission and other factors. BC Hydro then determined that for wind and hydro, the Option 1 renewal "assumption" is "levelized market".

26.1 Does it follow from this assessment that BC Hydro is assuming that for Option 1 renewals, the IPP's cost of service is always below the "market price" as BC Hydro has defined it? If not, why is this not the correct interpretation?

26.2 If that is the correct interpretation, please describe in detail how BC Hydro reached this conclusion? In particular, please describe any direct discussions BC Hydro had with the relevant IPPs to determine their costs of service.

27.0 Reference: Exhibit B-1, Appendix J, Page 40

BC Hydro states that "in the absence of an electricity purchase agreement renewal with BC Hydro, an independent power producer may be able to sell energy to another third party or it may choose to decommission or mothball its facility." BC Hydro then summarizes potential "third party" buyers for IPP power as FortisBC, a co-located industrial facility, or the export market.

27.1 Please describe in detail the transmission reservation process and costs that an IPP located on BC Hydro's system faces if it wished to sell its output to a BC-based utility, or to the US or Alberta.

27.2 In BC Hydro's opinion, for approximately how many IPPs now contracted to BC Hydro does this represent a practical commercial alternative?

27.3 Please describe BC Hydro's assessment of the financial, social, and environmental costs associated with "mothballing" or decommissioning an IPP and replacing it with a new source of supply.

27.4 As a Crown utility operating, for example, within the construct of the CleanBC Roadmap to 2030 and BC's various reconciliation policies, does BC Hydro believe it has a role in actively seeking to ensure that existing clean power projects remain used and useful, and are not "mothballed" or decommissioned?

27.5 If so, please describe in detail how BC Hydro perceives the nature of that responsibility?

27.6 If not, please explain why it does not have that responsibility.

28.0 Reference: Exhibit B-20, BC Hydro F2023 to F2025 Revenue Requirements Proceeding

28.1 BC Hydro declined to answer a large number of CEBC's questions in the referenced proceeding, notwithstanding those issues being raised in that proceeding, stating that the issues raised are properly addressed within this IRP Proceeding. In that regard, please respond to the following questions from the referenced Exhibit B-20: 2.1.1; 2.1.2; 2.3.2; 2.3.3; 2.3.4; 2.3.5; 2.4.5; 2.7.1; 2.9.1; 2.14.1; 2.14.2; 2.14.3; 2.14.4; 2.16.1; 2.16.4; 2.16.5.

28.2 Please explain BC Hydro's understanding of the need for each of the referenced proceeding and this proceeding to have complete and distinct records from one another. For example, does BC Hydro believe that intervenors may rely on the record of the revenue requirements proceeding to raise arguments in the IRP proceeding, and vice versa?

28.3 If the records are to be distinct, please explain BC Hydro's basis for allocating responses in one proceeding where an issue is raised to another proceeding where the issue may also be raised.

28.4 Does BC Hydro's 2023 to 2025 Revenue Requirements filing rely for its context on an assumption that the context is, for practical purposes, the same context that underpins the Base Resource Plan and Near-Term Actions in the IRP?

28.5 Does BC Hydro agree that its F2023 to F2025 Revenue Requirement Application would be different if, prior to filling, it had understood that the Commission would only accept an IRP that was effectively the Enhanced Electrification and DSM Under-Delivery scenario?

28.6 If not, please explain why that understanding would not impact the Revenue Requirement Application.

28.7 Does BC Hydro agree that its Revenue Requirement Application is likely to receive a decision from the Commission prior to the conclusion of the IRP process?

28.8 If the Revenue Requirements Application does rely for context on the not-yet-accepted IRP, why is it not necessary for intervenors to explore the validity of the IRP scenarios in the Revenue Requirements process in order to establish the correct context for that filing?

29.0 Reference: Exhibit B-20, BC Hydro F2023 to F2025 Revenue Requirements Proceeding

In its Question 17 of the referenced proceeding, CEBC cites BC Hydro stating in the record of its Revenue Requirements filing that it expects “market energy imports delivered to BC Hydro’s customers in compliance with pending legislation would be required to be supplied from clean resources.”

CEBC then asks BC Hydro to describe the resource technology mix of the energy that BC Hydro will be importing.

BC Hydro’s answer comprises two parts. The first argues that the question is irrelevant, because BC Hydro is not importing electricity in the test period of BC Hydro’s Revenue Requirements filing. The second part also suggests that the question is irrelevant, because BC Hydro does not even import energy, but rather Powerex does that for it.

29.1 Bearing in mind that this IRP proceeding does contemplate scenarios where, in the relevant period, BC Hydro is without question importing electricity in excess of its domestic supply capabilities, please respond to CEBC’s Question 2.17.1 in the referenced Exhibit B-20 concerning the resource technology mix of the electricity that Powerex is importing in furtherance of BC Hydro’s service to domestic customers.

29.2 In its response to CEBC IR 2.17.1 BC Hydro seems to propose that the pending legislative requirements will act on BC Hydro (not Powerex), requiring it (not Powerex) to purchase compliant energy, and that BC Hydro will purchase the compliant energy from Powerex. Please confirm if this is the correct interpretation of BC Hydro’s response.

29.3 Under the scenario posited by BC Hydro where it (rather than Powerex) has to comply with pending legislation and it (rather than Powerex) has to ensure the compliance of the energy it sells, how will BC Hydro know, when Powerex imports electricity from the relevant markets, that this energy comes from the clean, and not the unclean, elements of the market’s resource technology mix?

29.4 At CEBC Question 2.17.3 in the referenced Exhibit B-20, CEBC asks BC Hydro how it intends to rely on imports (with a clean and dirty resource mix) to supply its customers, while at the same time complying with the legislation it is expecting. BC Hydro’s response is that it will “purchase energy from Powerex, consistent with any legislated requirements relating to clean resources.” Please provide BC Hydro’s basis for believing, including supporting evidence, that Powerex will have the ability to source in the relevant markets the energy BC Hydro will need to be compliant with the legislation it believes to be pending.

29.5 If, when BC Hydro sees the pending legislation, BC Hydro concludes that it cannot purchase compliant energy from Powerex, how would that conclusion (assuming, for example, the legislation were to take effect in the coming year) affect the this IRP.