



11 August 2014

BCUC Review Task Force
Attn: Peter Ostergaard, Chair
by email: bcucreview@gov.bc.ca

Dear Mr. Ostergaard and Members of the Task Force,

Re: Independent Review of the British Columbia Utilities Commission
Comments of the BC Sustainable Energy Association and the Sierra Club of BC

These are the comments of the BC Sustainable Energy Association (BCSEA) and the Sierra Club of BC (SCBC) in response to the Task Force's 15 July and 17 July 2014 emails inviting written submissions on the topics listed in the Minister's 15 July 2014 letter to the Task Force and feedback on other stakeholders' written submissions.

I. Submissions on Minister's 15 July 2014 topics

- ***The potential efficiencies...from BCUC regulation of private sector water utilities***

BCSEA-SCBC have no position on this topic.

- ***Issues raised re the regulatory model in BC, including:***

- ***mechanisms for government to give clear and timely policy direction***

BCSEA-SCBC think the existing mechanisms for government to provide direction to the BCUC are adequate. Some of the comments by other stakeholders appear to conflate the mechanisms and the *content* of the direction provided by government to the BCUC. BCSEA-SCBC see no problem with the existing mechanisms (i.e., regulations, directions, legislated energy objectives, and policies). Clarity and openness remain important.

- ***appropriate application of the energy objectives in the CEA***

BCSEA-SCBC urge the government to stand firm with the existing BC energy objectives to reduce GHG emissions, to take demand-side measures and to conserve energy. Meeting BC's legislated GHG reductions targets is a fundamental goal.

- ***options for clarifying the roles and mandate of the Province and the BCUC with respect to utility regulation***

BCSEA-SCBC believe the roles and mandates of the Province and the BCUC are sufficiently clear.

- ***whether a different regulatory model should apply for Crown corporations should apply as compared to that for investor-owned utilities***

BCSEA-SCBC's view is that no advantage would be gained by trying to create a different regulatory model for Crown corporations as compared to that for investor-owned utilities.

II. Feedback on other stakeholder's written submissions

BCSEA-SCBC strongly disagree with those of the other stakeholders who appear to want the government to back away from GHG and energy efficiency objectives both in general and as it relates to the interface between the government and the BCUC. BCSEA-SCBC's view is that it is appropriate and desirable for the government to establish for the BCUC high-level priorities for GHG emissions reductions and energy conservation and efficiency.

A wholesale reset of the regulatory framework would be counter-productive. Specific problems should be resolved on a case by case basis. For example, in BCSEA-SCBC's view the government should send BC Hydro's cost estimate for the Site C Project to the BCUC for review (which would require an amendment of the *Clean Energy Act*.)

Regarding the government's relationship with BC Hydro, BCSEA-SCBC consider it useful and appropriate for government to give policy directions to BC Hydro. BCSEA-SCBC disagree with the contention by one stakeholder that the government is somehow in a conflict of interest concerning BC Hydro. Again, however, transparency and appropriate process are needed.

Regarding the BC energy objectives established in *Clean Energy Act*, BCSEA-SCBC's view is that it is appropriate for there to be divergence between specific objectives such that balancing or trade-offs are required in specific cases. BCSEA-SCBC disagree with the contention that the CEA energy objectives should be rewritten to eliminate any "internal conflicts" between the objectives.

Some stakeholders apparently want to see general or specific changes to the *Utilities Commission Act*. In BCSEA-SCBC's a general overhaul of the *UCA* is not needed and would be a waste of time. Concerning specific issues, such as thermal energy services, BCSEA-SCBC consider that the Commission has already dealt extensively with alternative energy services and implementation of the outcomes (guidelines, exclusions, etc.) should be allowed to unfold for a reasonable period of time before alterations are considered.

Regarding participant cost awards under the *UCA*, one stakeholder suggested that pre-approval of a PACA award could be modified by claw-back provision. BCSEA-SCBC would be concerned that the existence of a 100% claw-back provision could defeat the purpose of pre-approval. An alternative would be pre-approval of, say, 70-80% of funding, with the balance subject to discretionary after-the-fact approval (as suggested by Treaty 8). In any event, consultation with intervenors is a key prerequisite for successful revisions to the PACA process.

Regarding time-lines for applications and commission decision, BCSEA-SCBC would support guidelines but not legislated time-lines.

Thank you for this opportunity to provide input to the task force.

Yours truly,



Thomas Hackney, Case Manager