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Subject: Briefing Note - Large Cryptocurrency Loads
Date: March 11, 2021 9:22:52 AM
Attachments: [2021-042 Briefing Note - Large Cryptocurrency Loads.docx](#)

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Good morning,

Attached is a Briefing Note regarding large cryptocurrency loads. BC Hydro has received a number of requests for service from new cryptocurrency operations that propose to use existing customer sites where load has been curtailed and there is available capacity.

Please let us know if you have any questions.

Thank you,
Leela

Leela Magre | Manager of Policy, Research & Strategic Communications

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BC Hydro Briefing Note

Large Cryptocurrency Loads

Purpose: For information

BC Hydro has received a number of requests for service from new cryptocurrency operations that propose to use existing customer sites where load has been curtailed and there is available capacity. s.16; s.17; s.21

s.16; s.17; s.21

s.16; s.17; Recently, BC Hydro met with s.16; s.17; s.21 a cryptomining company, who is actively seeking to expand their footprint in BC.

Summary

- BC Hydro has received a number of requests to serve new cryptocurrency operations that would use existing industrial customer “brownfield” sites that have curtailed operations.
- Most recently, s.16; s.17; s.21 a cryptomining company, expressed an interest in support from BC Hydro to identify locations to support up to s.16; s.17; s.21 of load, expedite the interconnections process and assist with land selection.
- Currently, s.16; s.17; s.21 s.16; s.17; s.21
- The company has indicated that they could require at least s.16; s.17; s.21 of load for their data centres distributed among multiple sites.
 - Their high-performance data centres currently mine cryptocurrency, but the company plans to s.16; s.17; s.21 s.16; s.17; s.21

s.16; s.17; s.21

BC Hydro Response

- BC Hydro can s.16; s.17; s.21
s.16; s.17; s.21

- This work involves identifying existing brownfield sites with reduced load or closed operations, existing transmission interconnection and infrastructure that can accommodate large loads without requiring major upgrades to the BC Hydro system.
- BC Hydro can also commit to work on expediting the interconnections process where it is technically possible.

Background

- BC Hydro has recently received a number of requests for siting new cryptocurrency / blockchain operations throughout BC.
- The majority of the intended projects are seeking to capitalize on the recent surge in bitcoin prices and set up cryptocurrency mining operations.
 - Load requests range in size from s.16; s.17; s.21
 - The initial customer focus has been on locating new loads at existing customer-owned industrial sites.
 - Such industrial “brownfield” sites have available real estate, communication services and electrical infrastructure already in place. Using existing infrastructure can reduce the time, cost and risk to connect. New customers can take transmission voltage service via an existing industrial customer connection using BC Hydro’s Indirect Interconnection Service tariffs.

s.16; s.17; s.21

- BC Hydro does have an obligation to serve these loads providing they meet the terms and conditions set out in its tariffs.
- Where there are large sites that exceed the 150 MVA threshold at a single location, BC Hydro must ensure the customer pays for any required additions or alterations

to generation plant and associated transmission, and the bulk transmission system (500 kV transmission lines) as required by the tariff.

Eligibility for a Discounted Rate

- BC Hydro's recently approved Industrial Electrification Rate for Clean Industry and Innovation (RS 1894) offers transmission service customers a discounted rate for firm service over a 7-year term.
 - An eligible customer includes a data center composed of networked computers and data storage used to organize, process, store or disseminate large amounts of data.
- Cryptocurrency operations are not eligible for the new Industrial Electrification Rate for Clean Industry and Innovation as it was intended to encourage long-term permanent loads to invest in BC.
- This treatment is consistent with other jurisdictions. Concerns over the long-term viability of cryptocurrency loads caused Hydro Quebec to shift from offering a discounted economic development rate to offering the standard industrial rate with additional measures to help manage their exposure.

BC Hydro's Obligation to Serve

- BC Hydro's standard tariffs for transmission system interconnection (TS 6) and electricity supply (TS 5) do not discriminate based on end-use, service location or service duration.
- In accordance with these tariffs, BC Hydro is obligated to interconnect and provide electricity to all customers who request service, including cryptocurrency.

BC Hydro Key Contacts

Executive	Janet Fraser ^{s.22}
Business owner	Keith Anderson ^{s.22}
Policy contact	Laura Knezevic ^{s.22}

From: [MacLaren, Les EMLI:EX](#)
To: [Harvey, James JERI:EX](#); [Pawlowski, Paul JERI:EX](#)
Cc: [Wieringa, Paul EMLI:EX](#)
Subject: FW: Briefing Note - BC Hydro Load Attraction Strategy
Date: April 23, 2021 6:48:36 AM
Attachments: [2021-067 BN - Load Attraction Strategy April 21 2021.docx](#)

James/Paul

One of the actions from the Phase 2 of the BC Hydro Review is the development of an Electrification Plan as described in the attached BN. This work is complementary to JERI's investment attraction efforts. We would be pleased to convene a meeting with the BC Hydro leads to discuss how we can work together most effectively.

Les

From: Magre, Leela <Leela.Magre@bchydro.com>
Sent: April 22, 2021 2:02 PM
To: Mihlar, Fazil EMLI:EX <Fazil.Mihlar@gov.bc.ca>; MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>; Sopinka, Amy EMLI:EX <Amy.Sopinka@gov.bc.ca>; Rowe, Katherine EMLI:EX <Katherine.Rowe@gov.bc.ca>; Wieringa, Paul EMLI:EX <Paul.Wieringa@gov.bc.ca>
Cc: Sauer, Darwin <Darwin.Sauer@bchydro.com>; XT:Scott, Mora GCPE:IN <Mora.Scott@bchydro.com>; Dyson, Cynthia <Cynthia.Dyson@bchydro.com>; Knezevic, Laura <Laura.Knezevic@bchydro.com>; Teasdale, Dawn <dawn.teasdale@bchydro.com>
Subject: Briefing Note - BC Hydro Load Attraction Strategy

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good afternoon Fazil, Les and team,

Attached is Briefing Note regarding BC Hydro's Load Attraction Strategy to attract customers from both traditional industrial and emerging energy-intensive sectors.

This strategy will be updated and detailed in the Electrification Plan, which is expected to be finalized in summer 2021 and included in the next Revenue Requirements Application (to be filed with the BC Utilities Commission in late summer 2021).

Thank you and let us know if you have any questions.

Best,
Leela

Leela Magre | Manager of Policy, Research & Strategic Communications

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BC Hydro Briefing Note

BC Hydro Load Attraction Strategy

Purpose: For information

BC Hydro has a Load Attraction Strategy to attract customers from both traditional industrial and emerging energy-intensive sectors. This strategy will be updated and detailed in the Electrification Plan, which is expected to be finalized in the summer of 2021 and included in the next Revenue Requirements Application (to be filed with the BC Utilities Commission in late summer 2021).

Summary

- BC Hydro is updating its Load Attraction strategy that, in conjunction with recently announced rates and other potential funding sources, will increase the likelihood of attracting new customers to BC. This will generate economic development opportunities for the province while helping keep rates low and affordable.
- The Load Attraction strategy seeks to attract customers in traditional industrial sectors (i.e. mining, oil and gas) as well as emerging energy-intensive sectors (i.e. clean technology, hydrogen, data centres and cryptocurrency) that have more flexibility in where to establish their operations than BC's traditional resource industries.
- The resources and programs required for BC Hydro to implement the Load Attraction strategy will be included in the next Revenue Requirements Application (RRA), which will be filed with the BC Utilities Commission (BCUC) in late summer 2021.

Background

- Historically, industrial customer projects were developed and sited in British Columbia based on market factors and resource availability. BC Hydro worked with the Province in the past to attract load; we're now adding more tools and building out programs to support this effort.
 - For example, the CleanBC Industrial Electrification Rates and the Clean BC Facilities Electrification Fund are load attraction tools that will help address both the capital and operating costs pressures some customers face.

- There are emerging energy-intensive sectors that have more flexibility in where they can establish their operations. Unlike BC's traditional industries, these customers are not as tied to resource availability.

s.13; s.16; s.17

- To further support load attraction efforts, in August 2019, the BC and federal governments signed a Memorandum of Understanding (MOU) to advance the development of infrastructure projects (such as North Montney) to enable electrification of the natural gas sector and attract new customers to BC Hydro's service territory.
- BC Hydro is currently developing an Electrification Plan that will establish strategies, resource requirements and sector-specific plans to support BC Hydro's efforts to attract new load in the built environment, transportation as well as traditional resource-based sectors and the emerging sectors.

Components of Load Attraction Strategy

s.13; s.16; s.17

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s.13; s.16; s.17

Risks

s.13; s.16; s.17

Strategic Position

- The Province and BC Hydro offer both strengths and weakness in terms of attracting new load.
 - The Province's strengths include stable government and institutions, the CleanBC framework, a skilled workforce, gateway to Asia-Pacific and high quality of life. BC also has extensive natural resources to support the oil and gas, forestry and mining sectors. Weaknesses include the cost of living and lack of available industrial land in Metro Vancouver.
 - BC Hydro strengths include its clean, reliable power supply, and competitive rates supported by the new CleanBC Industrial Electrification Rates. BC Hydro's weaknesses include its lack of capacity available in certain parts of the province, and the cost and timelines for interconnection.

s.13; s.16; s.17

BC Hydro Key Contacts

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Business owner	Keith Anderson (604.699.9097)
Policy contact	Laura Knezevic (778.985.5947)

From: s.22
To: [MacLaren, Les EMLI:EX](#)
Subject: OIC 657
Date: January 4, 2021 1:19:43 PM
Attachments: [0657_2020.pdf](#)

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Congrats on getting this done!

I have a question – Are projects in Fort Nelson eligible? Even though the transmission connection is back through Alta? It appears FN projects are eligible as I don't see any restriction on that. So long as we are using RS 1823 and it's a new connection.

Thanks!

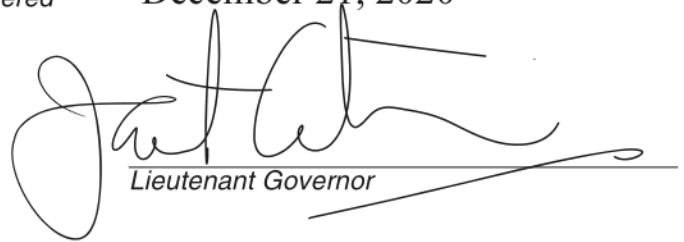
PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 657

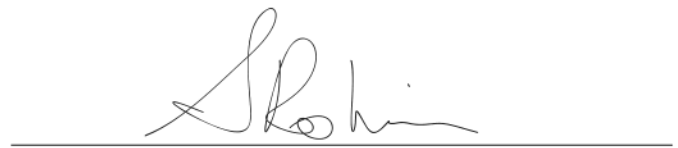
, Approved and Ordered

December 21, 2020


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 Industrial 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:

R10466837

DIRECTION TO THE BRITISH COLUMBIA UTILITIES COMMISSION RESPECTING INDUSTRIAL ELECTRIFICATION

Application

- 1** This direction is issued to the commission under section 3 of the *Utilities Commission Act*.

Tariff Supplement No. 37

- 2** Within 10 days after receiving an application from the authority to do so, the commission must consent to the rescission of Tariff Supplement No. 37 – Northwest Transmission Line Supplemental Charge.

Rates

- 3** (1) Within 10 days after receiving an application from the authority to do so, the commission must set as rates the rate schedules that are attached to this direction as Appendix 1 and Appendix 2.
(2) Except on application by the authority, the commission must not cancel, suspend or amend a rate set under subsection (1).

APPENDIX 1

RATE SCHEDULE 1894 – TRANSMISSION SERVICE – CLEAN B.C. INDUSTRIAL ELECTRIFICATION RATE - CLEAN INDUSTRY AND INNOVATION

Availability	<p>Supply is at 60 kV or higher.</p> <p>For Clean Industry Customers and Innovation Customers, subject to Special Condition 1.</p> <p>Service will be provided under this Rate Schedule 1894 for a fixed seven-year term only, starting as of the Commencement Date set out in the Customer's Electric Tariff Supplement Nos. 5 or 87 (as applicable) Electricity Supply Agreement. Subsequently, service will be provided under the otherwise applicable Rate Schedule.</p> <p>Effective March 31, 2030, and subject to the availability conditions above, this Rate Schedule will only be available to Customers already taking service under this Rate Schedule prior to that date.</p>
Applicable in	Rate Zone I excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
Termination Date	This Rate Schedule will terminate effective March 31, 2037.
Rate	<p>Demand Charge:</p> <p>The charge per kVA of Billing Demand per Billing Period under this Rate Schedule 1894 is equal to:</p> <ul style="list-style-type: none"> (a) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.87 for the Customer's Billing Year 6; (c) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.93 for the Customer's Billing Year 7. <p>Plus</p>

	<p>Energy Charge:</p> <p>The charge per kWh of energy supplied under this Rate Schedule 1894 for all kWh per Billing Period is equal to:</p> <ul style="list-style-type: none"> (a) Energy Charge A specified under Rate Schedule 1823 multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) Energy Charge A specified under Rate Schedule 1823 multiplied by 0.87 for the Customer's Billing Year 6; (c) Energy Charge A specified under Rate Schedule 1823 multiplied by 0.93 for the Customer's Billing Year 7.
Definitions	<p>Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement Nos. 5 or 87 (as applicable) and Rate Schedule 1823, unless otherwise defined below. In addition, the following terms have the following meanings:</p> <ul style="list-style-type: none"> 1. Billing Year <p>For the purpose of this Rate Schedule 1894, the Billing Year is the 12-month period starting with the Commencement Date set out in the Customer's Electricity Supply Agreement or anniversary thereof each year and ending on the last day of such 12-month period.</p> 2. New Customer Plant <p>A New Customer Plant is a Customer facility that was not taking electricity service from BC Hydro as of the effective date of this Rate Schedule 1894.</p> 3. Clean Industry Customer <p>A New Customer Plant that uses a process to remove greenhouse gases from the atmosphere or produces a renewable or low-carbon fuel, including:</p> <ul style="list-style-type: none"> (a) Production of hydrogen via electrolysis; (b) Production of synthetic fuels from hydrogen, carbon dioxide or biomass; and (c) Capture and/or storage of carbon dioxide.

4. Innovation Customer

A New Customer Plant that is a data center, composed of networked computers and data storage used to organize, process, store and disseminate large amounts of data, subject to the requirements that:

- (a) The Customer's Contract Demand in its Electricity Supply Agreement must be greater than 10,000 kV.A;
- (b) The Customer's Plant must not be used for producing or exchanging cryptocurrency; and
- (c) The annual energy consumption of the Customer's Plant must be greater than 70 GWh/year.

5. Energy Participation Cap

The Energy Participation Cap under this Rate Schedule 1894 is 1,500 GWh/year, subject to adjustment as set out below.

As of April 1 of each year, BC Hydro may reduce or increase the Energy Participation Cap of this Rate Schedule 1894 and increase or reduce the Energy Participation Cap of Rate Schedule 1895 by the same amounts, provided that the sum of the Energy Participation Caps of both Rate Schedules 1894 and 1895 do not exceed 5,000 GWh/year. BC Hydro may assess the 5,000 GWh/year cap, from time to time, as conditions warrant.

6. Actual Annual Energy Consumption

The Actual Annual Energy Consumption is, for Customers that have been taking service under this Rate Schedule 1894 for more than 12 Billing Periods, the sum of each such Customer's actual energy consumption in the most recent 12 Billing Periods.

	<p>7. Expected Annual Energy Consumption</p> <p>The Expected Annual Energy Consumption is: (i) for Customers determined to be eligible for service under this Rate Schedule 1894 but not yet taking service; and (ii) for Customers that have been taking service under Rate Schedule 1894 for less than 12 Billing Periods, the sum of each such Customer's expected annual energy consumption under this Rate Schedule 1894 for 365 consecutive days of normal operations as determined in accordance with Special Condition 1.</p>
Special Conditions	<p>1. Determination of Eligibility for Service under Rate Schedule 1894</p> <p>A Customer applying for service under this Rate Schedule 1894 must provide an engineering estimate of the expected annual energy consumption of the Customer Plant that is representative of normal operations over a consecutive 365-day period after the commencement of service and that has been signed by a Professional Engineer (P.Eng) or Officer of the company. The engineering estimate documentation must include descriptions of the equipment comprising the Customer Plant and plant production process/es, and the supporting background and technical documentation used to determine the estimate.</p> <p>BC Hydro will assess a Customer's eligibility for service under this Rate Schedule 1894 at the time the Customer provides the engineering estimate documentation and prior to the Customer entering into a Tariff Supplement Nos. 6 or 87 Facilities Agreement with BC Hydro.</p>

	<p>BC Hydro will perform an Engineering Review of the customer's engineering submission to assess the expected annual electricity consumption impact of the Project. The Engineering Review will be based on the application of engineering principles to forecast assumptions of production and plant/system/equipment performance data used in the customer's engineering submission.</p> <p>A Customer will be eligible for service under this Rate Schedule 1894 if the Customer is a Clean Industry Customer or Innovation Customer, and the sum of the Actual Annual Energy Consumption, the Expected Annual Energy Consumption and the Customer's expected annual energy consumption do not exceed the Energy Participation Cap at the time the service request is assessed.</p> <p>The determination of eligibility will remain effective so long as the Customer continues to actively move through BC Hydro's load interconnection process.</p> <p>2. If after the second Billing Year an Innovation Customer's energy consumption under Rate Schedule 1894 is less than 70 GWh/year in any subsequent 12 consecutive Billing Periods, unless otherwise agreed to by BC Hydro, service to the Customer under this Rate Schedule 1894 will be cancelled and the Customer will be provided service under the otherwise applicable Rate Schedule.</p> <p>3. Concurrent Service Under Other Rate Schedules</p> <p>BC Hydro will not provide service to a Customer Plant under any other rate schedule or rate schedules while the Customer is taking service under this Rate Schedule 1894, except for Rate Schedule 1880 as applicable.</p>
Taxes	The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes.
Note	The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6, or Electric Tariff Supplement Nos. 87 and 88, as applicable.

Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.
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APPENDIX 2

RATE SCHEDULE 1895 – TRANSMISSION SERVICE – CLEAN B.C. INDUSTRIAL ELECTRIFICATION RATE – FUEL SWITCHING

Availability	<p>For Customers that are eligible for service under Rate Schedule 1823 or Rate Schedule 1828 and have qualifying New Electrification Projects or Modification Electrification Projects, subject to Special Condition 1.</p> <p>Not available to oil transportation pipelines, oil refineries, methanol production and natural gas liquefaction facilities.</p> <p>Service will be provided to a Customer under this Rate Schedule for a fixed term of up to seven years only, starting as of the first day of the Customer's first Billing Year. Subsequently, service will be provided under the otherwise applicable Rate Schedule.</p> <p>Effective March 31, 2030, and subject to the availability conditions above, this Rate Schedule will only be available to Customers already taking service under this Rate Schedule prior to that date or such later date acceptable to BC Hydro.</p>
Applicable in	Rate Zone 1 excluding the Districts of Kingsgate-Yahk and Lardeau-Shutty Bench.
Termination Date	This Rate Schedule will terminate effective March 31, 2037.

Rate	<p>Demand Charge:</p> <p>The charge per kVA of Billing Demand per Billing Period under this Rate Schedule 1895 is equal to:</p> <ul style="list-style-type: none"> (a) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.87 for the Customer's Billing Year 6; (c) The Demand Charge specified under Rate Schedule 1823 multiplied by 0.93 for the Customer's Billing Year 7. <p>Plus</p> <p>Energy Charge:</p> <p>The charge per kWh of Energy Supplied under this Rate Schedule 1895 for all kWh per Billing Period is equal to:</p> <ul style="list-style-type: none"> (a) The Customer's Average Energy Charge for the Billing Period multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) The Customer's Average Energy Charge for the Billing Period multiplied by 0.87 for the Customer's Billing Year 6; (c) The Customer's Average Energy Charge for the Billing Period multiplied by 0.93 for the Customer's Billing Year 7.
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Definitions	<p>Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement Nos. 5 or 87 and Rate Schedule 1823 or Rate Schedule 1828, as applicable, unless otherwise defined below. In addition, the following terms have the following meanings:</p> <ol style="list-style-type: none"> 1. New Customer Plant A New Customer Plant is a Customer facility that was not taking electricity service from BC Hydro at 60kV or higher as of the effective date of this Rate Schedule 1895. 2. Actual Annual Energy Consumption The Actual Annual Energy Consumption is, for Customers that have been taking service under this Rate Schedule 1895 for more than 12 Billing Periods, the sum of each such Customer's actual energy consumption under this Rate Schedule 1895 in the most recent 12 Billing Periods. 3. Billing Demand For the purpose of this Rate Schedule 1895, the Billing Demand for a Billing Period will be the highest of: <ol style="list-style-type: none"> (a) The highest kVA Demand during the High Load Hours (excluding a Rate Schedule 1880 Period of Use) in the Billing Period less the Customer's Billing Demand under Rate Schedule 1823 or Rate Schedule 1828 for the Billing Period as determined below; or (b) 75% of the highest Billing Demand under Rate Schedule 1895 for the Customer's Plant in the immediately preceding period of November to February, both months included; or (c) 50% of the expected kVA Demand under Rate Schedule 1895 for the Project as set out in the determination of the Fixed Percentage.
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	<p>For the purpose of determining Billing Demand for a Billing Period under Rate Schedule 1823 or Rate Schedule 1828:</p> <ul style="list-style-type: none"> (a) If the highest kVA Demand during the High Load Hours (excluding a Rate Schedule 1880 Period of Use) in the Billing Period is greater than the Monthly Reference Demand, the Billing Demand will be set equal to the Monthly Reference Demand; or (b) If the highest kVA Demand during the High Load Hours (excluding a Rate Schedule 1880 Period of Use) is less than the Monthly Reference Demand, the Billing Demand will be set equal to the higher of: <ul style="list-style-type: none"> (i) The highest kVA Demand during the High Load Hours (excluding a Rate Schedule 1880 Period of Use); or (ii) 75% of the highest Billing Demand under Rate Schedule 1823 or Rate Schedule 1828, as applicable, for the Customer's Plant in the immediately preceding period of November through February, both months included. <p>4. Billing Year</p> <p>For the purpose of this Rate Schedule 1895, the Billing Year is the 12-month period starting with the Project In-service Date or anniversary thereof each year and ending on the last day of such 12-month period. For greater certainty, a Customer with multiple Projects will have multiple Billing Years.</p>
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5. Energy Supplied

The Energy Supplied under this Rate Schedule 1895 for a Billing Period will be the higher of:

- (a) The Total Metered Energy supplied to the Customer in the Billing Period less the Customer's Monthly Energy Baseline for the Billing Period; or
- (b) Zero.

6. Expected Annual Energy Consumption

The Expected Annual Energy Consumption is: (i) for Customers determined to be eligible for service under this Rate Schedule 1895, but not yet taking service; and (ii) for Customers that have been taking service under Rate Schedule 1895 for less than 12 Billing Periods, the sum of each such Customer's expected annual energy consumption under this Rate Schedule 1895 for 365 consecutive days of normal operations as determined in accordance with Special Condition 1.

7. Project

A Project is a unique New Electrification Project or Modification Electrification Project, as applicable, that is implemented by the Customer.

Any subsequent changes to the Project will be deemed to be the same Project and have the same Project In-service Date as the original Project, except that any subsequent change that is assessed to increase expected electricity use by greater than 10 MVA or 75 GWh/year will be treated as a separate Project and will have a separate Project In-service Date determined, subject to Special Condition 1.

8. Project In-service Date

The Project In-service Date is:

- (a) For a New Customer Plant, the Commencement Date set out in the Customer's initial Electricity Supply Agreement;
- (b) For a Modification Electrification Project, the date the Modification Electrification Project is first energised.

For greater certainty, the Project does not need to be fully commissioned or achieving its full design capability at the Project In-service Date.

9. Energy Participation Cap

The Energy Participation Cap of this Rate Schedule 1895 is 3,500 GWh/year, subject to adjustment as set out below.

As of April 1 of each year, BC Hydro may reduce or increase the Energy Participation Cap of this Rate Schedule 1895 and increase or reduce the Energy Participation Cap of Rate Schedule 1894 by the same amounts, provided that the sum of the Energy Participation Caps of both Rate Schedules 1894 and 1895 do not exceed 5,000 GWh/year. BC Hydro may assess the 5,000 GWh/year cap, from time to time, as conditions warrant.

10. Fixed Percentage

The purpose of the Fixed Percentage is to separate electricity that will be served under Rate Schedule 1823 or Rate Schedule 1828 from electricity that will be served under Rate Schedule 1895. Only the assessed portion of load for the fuel switch portion of a Project is eligible for Rate Schedule 1895 pricing.

The Fixed Percentage will initially be determined based on the Customer's engineering submission in accordance with Special Condition 1. The Fixed Percentage will then be subject to annual assessment and adjustment in accordance with Special Conditions 4 and 5.

- (a) For a New Customer Plant, the Fixed Percentage is the percentage (rounded to two decimal places and not to exceed 100%) of the total electricity supplied to the Customer's Plant that is required to serve the fuel switch portion of the New Electrification Project.
- (b) For an existing Customer with a Modification Electrification Project, the Fixed Percentage is the percentage (rounded to two decimal places and not to exceed 100%) of the total incremental electricity supplied to the Customer's Plant that is required to serve the fuel switch portion of the Modification Electrification Project.

11. New Electrification Project

A New Electrification Project is a project:

- (a) undertaken as part of the design of a New Customer Plant that is powered by electricity supplied by BC Hydro and where the Customer had an alternative to design all, or a portion, of the Project (including specific pieces of equipment) to be powered by hydrocarbon fuel; and/or
- (b) to permanently modify existing operating plant with electrical equipment that uses hydrocarbon fuel for self-generation of electricity and is not powered by electricity supplied by BC Hydro, to take electricity supplied by BC Hydro so as to eliminate or reduce hydrocarbon fuel usage for power supply; and/or
- (c) to permanently modify existing operating plant that is powered by electricity supplied by BC Hydro at less than 60kV, so as to take electricity supply from BC Hydro at 60kV or higher. The Customer must demonstrate that it had an alternative to power all, or a portion, of the Project (including specific pieces of equipment) by hydrocarbon fuel, in which case all of the existing plant load that is switched to service at 60kV or higher will then be treated as New Customer Plant.

To qualify, for each case listed above, the Customer must demonstrate that: (i) it had a viable alternative project using hydrocarbon fuel to power all or a portion of the Project; and (ii) the fuel switch portion of the Project results in an assessed increase in electrical energy of at least 20 GWh/year.

12. Modification Electrification Project

A Modification Electrification Project is a project undertaken by an existing Customer to:

- (a) Increase or modify the capacity of the Customer's Plant powered by electricity supplied by BC Hydro where the Customer had an alternative to design all or a portion of the Project (including specific pieces of equipment) to be powered by hydrocarbon fuel; and/or
- (b) Permanently modify existing plant and/or add new plant to change the power supply for the Customer's Plant, or a portion of it (including specific pieces of equipment), from hydrocarbon fuel to electricity supplied by BC Hydro.

To qualify, for each case listed above, the Customer must demonstrate that for each Project: (i) it had a viable alternative project using hydrocarbon fuel to power all, or a portion, of the project; and (ii) the fuel switch portion of the Project results in an assessed increase in electrical energy consumption of at least 20 GWh/year.

13. Monthly Reference Demand

For Customers with a New Electrification Project, the Monthly Reference Demand (in kVA) for a Billing Period will be equal to the product of:

- (a) (100% minus the Fixed Percentage); and
- (b) The Customer's highest kVA Demand during the High Load Hours in the Billing Period, excluding a Rate Schedule 1880 Period of Use.

For Customers with a Modification Electrification Project, the Monthly Reference Demand (in kVA) for a Billing Period will be equal to the sum of:

- (a) The actual Billing Demand under Rate Schedule 1823 or Rate Schedule 1828 in the corresponding Billing Period of the most recent annual period prior to the commencement of service under this Rate Schedule 1895; and
- (b) The product of:
 - (i) (100% minus the Fixed Percentage); and
 - (ii) The higher of:
 - the difference between the Customer's highest kVA Demand during the High Load Hours in the Billing Period (excluding a Rate Schedule 1880 Period of Use) and the actual Billing Demand under Rate Schedule 1823 or Rate Schedule 1828 in the corresponding Billing Period as determined per (a) above; or
 - zero.

The Monthly Reference Demand will remain subject to adjustment in accordance with Special Conditions 3, 4 and 5.

14. Monthly Energy Baseline

For a Customer with a New Electrification Project, the Monthly Energy Baseline (in kWh) for a Billing Period will be equal to the product of:

- (a) (100% minus the Fixed Percentage) and the Customer's Total Metered Energy in the Billing Period.

For a Customer with a Modification Electrification Project, the Monthly Energy Baseline (in kWh) for a Billing Period will be equal to the sum of:

- (a) The actual kWh supplied to the Customer under Rate Schedule 1823 or Rate Schedule 1828 in the corresponding Billing Period of the most recent annual period prior to the commencement of service under this Rate Schedule 1895; and
- (b) The product of:
 - (i) (100% minus the Fixed Percentage); and
 - (ii) The higher of:
 - the difference between the Customer's Total Metered Energy in the Billing Period and the actual kWh supplied to the Customer under Rate Schedule 1823 or Rate Schedule 1828 in the corresponding Billing Period as determined per (a) above; and
 - zero.

Monthly Energy Baselines will remain subject to adjustment in accordance with Special Conditions 3, 4 and 5.

15. Average Energy Charge

For a Customer with a New Electrification Project, the Average Energy Charge (in \$/kWh) for all Billing Periods is equal to Energy Charge A specified under Rate Schedule 1823.

For a Customer served under Rate Schedule 1828 with a Modification Electrification Project, the Average Energy Charge (in \$/kWh) for all Billing Periods is equal to that Customer's prevailing energy charge as determined under Rate Schedule 1828.

For a Customer served under Rate Schedule 1823 with a Modification Electrification Project, the Average Energy Charge (in \$/kWh) for a Billing Period is equal to the total Rate Schedule 1823 energy charge (in \$) to the Customer for that Billing Period divided by the total energy (in kWh) supplied to the Customer under Rate Schedule 1823 in that Billing Period.

16. Total Metered Energy

The Total Metered Energy is the total energy (in kWh) supplied to the Customer at the Point of Delivery for the Customer's Plant, excluding energy supplied under Rate Schedule 1880.

17. Assessed

Assessed means the expected or actual electrical energy consumption and demand impact of a Project and/or the fuel switch portion of the Project that has been determined by BC Hydro in accordance with commonly accepted engineering principles and based on the Customer's engineering submission.

**Special
Conditions**

1. Determination of Eligibility for Service under Rate Schedule 1895

A Customer applying for service under this Rate Schedule 1895, including for an increase in service under this Rate Schedule, must provide an engineering submission that is acceptable to BC Hydro and that has been signed by a Professional Engineer (P.Eng) or Officer of the company. The Customer's engineering submission must include: (i) a description of the Project and associated production process/es; (ii) a description of the hydrocarbon fuel power supply alternative for the Project, including information demonstrating that the alternative is both technically and financially viable; (iii) the expected date by which the Customer will be making its financial investment decision to proceed with the Project and the expected in-service date for the Project; (iv) an estimate of the electrical load of the Project in both kVA and kWh over a full year's normal operations and of any planned changes or stages related to the Project; and (v) any other relevant supporting background and technical documentation in relation to the Project.

	<p>The Customer must also provide a Declaration, signed by an Officer of the company, stating that the Customer will continue to take service from BC Hydro under the applicable rate schedule for a minimum of five years after completion of service under this Rate Schedule 1895, provided the Customer's Plant remains operational.</p> <p>A Project will be eligible for service under this Rate Schedule 1895 if:</p> <ul style="list-style-type: none"> (a) The Customer's New Electrification Project or Modification Electrification Project is assessed by BC Hydro to consume at least 20 GWh/year of energy on an expected basis, and the sum of the expected annual energy consumption for the Customer's Project plus the Actual Annual Energy Consumption and the Expected Annual Energy Consumption for all other Customers does not exceed the Energy Participation Cap; and (b) The expected In-Service Date for the Project precedes March 31, 2030 or such later date acceptable to BC Hydro; and (c) The expected date by which the Customer will make a financial investment decision to proceed with a Project is within four years of the date of its engineering submission, or such other date acceptable to BC Hydro.
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For a New Electrification Project, BC Hydro will assess a Customer's eligibility for service under this Rate Schedule 1895 at the time the Customer provides its engineering submission for Stage 1 Engineering Review by BC Hydro and prior to the Customer entering into a Tariff Supplement Nos. 6 or 87 Facilities Agreement with BC Hydro.

For a Modification Electrification Project, BC Hydro will assess a Customer's eligibility for service under this Rate Schedule 1895 at the time the Customer provides its engineering submission for Stage 1 Engineering Review by BC Hydro and prior to the Project In-service Date.

A Customer that is determined to be eligible for service under this Rate Schedule 1895 will continue to be eligible for so long as the Customer continues to actively move through the interconnection process related to its Project or otherwise demonstrates to BC Hydro's satisfaction that it is proceeding with their Project in accordance with the schedule provided in their engineering submission(s).

2. Service under Rate Schedule 1823 for a New Customer Plant

A New Customer Plant supplied with electricity under this Rate Schedule 1895 will not have a Customer Baseline Load (Energy CBL) for service under Rate Schedule 1823 while the Customer is taking service under this Rate Schedule 1895. For greater certainty, Energy Charge A specified under Rate Schedule 1823 will apply to all kWh supplied to such new Customers under Rate Schedule 1823.

3. Determination of Fixed Percentage

The Fixed Percentage will be a single number used to determine the amounts of electricity (in kVA and kWh) supplied to a Customer under Rate Schedule 1823 or Rate Schedule 1828 while being served under this Rate Schedule 1895.

Via Stage 1 Engineering Review, BC Hydro will determine the Fixed Percentage in relation to a Customer's New Electrification Project or Modification Electrification Project based on the engineering submission provided by the Customer in accordance with Special Condition 1.

4. Annual Assessment of Baselines and Fixed Percentage

Within 90 days of the end of a Billing Year and in consultation with the Customer, BC Hydro will conduct an annual review of the Customer's Monthly Reference Demands, Monthly Energy Baselines and Fixed Percentage.

BC Hydro and the Customer will use billing and metering data and the Customer's updated engineering submission(s) to assess, via Stage 2 or Stage 3 Engineering Review, that the baselines continue to be representative of normal expected electricity use under Rate Schedule 1823 or Rate Schedule 1828 for the current Billing Year.

Via Stage 2 or Stage 3 Engineering Review, the Fixed Percentage will thereafter remain subject to annual assessment and adjustment in accordance with Special Conditions 5 and 6. BC Hydro may require the customer to install metering equipment to BC Hydro's satisfaction to separately monitor and measure project electrical loads, at the customer's cost.

Where the customer's own metering information is used to assess the electricity consumption of a Project, the Customer will be responsible to design, procure, install and operate and maintain a high accuracy metering system (e.g., meter and instrument transformers) to BC Hydro's satisfaction and to provide such metering information requested by BC Hydro as part of its engineering submission.

5. Baseline Adjustments

If BC Hydro and the Customer agree that the Monthly Reference Demands, Monthly Energy Baselines or Fixed Percentage as determined in accordance with the provisions above are not representative of the Customer's normal expected Rate Schedule 1823 or Rate Schedule 1828 electricity use for the current Billing Year, the parties can attempt to reach agreement on baseline adjustments. BC Hydro will rely on the principles and criteria set out in Tariff Supplement No. 74 to review and assess any requested baseline adjustments.

To initiate a baseline adjustment request, including a change to the Fixed Percentage, the Customer must provide an engineering submission to BC Hydro with a description of the requested adjustments and supporting technical information:

- (a) If the Customer's request for adjustment is to its initial Fixed Percentage:
 - (i) For Stage 1 Engineering Review, the Customer's engineering submission must be provided to BC Hydro prior to the commencement of service under Rate Schedule 1895;

	<p>(ii) For Stage 2 or Stage 3 Engineering Review, the Customer's engineering submission must be provided to BC Hydro within 30 days of the end of the prior Billing Year, unless otherwise agreed to by BC Hydro.</p> <p>(iii) Where a Customer served under Rate Schedule 1823 has separately requested and been approved for an Energy CBL adjustment under Tariff Supplement No. 74, BC Hydro will make a corresponding adjustment to the Customer's Monthly Energy Baseline under Rate Schedule 1895 for the applicable Billing Period(s) of the current Billing Year. In this case, no further engineering submission is required since BC Hydro will have already assessed the electricity consumption impact of the adjustment event(s).</p> <p>A Customer request for an increase or decrease in the Contract Demand specified in their Electricity Supply Agreement will trigger an automatic review by BC Hydro of the Customer's Monthly Reference Demands, Monthly Energy Baselines or Fixed Percentage.</p> <p>BC Hydro will file all adjusted baselines with the British Columbia Utilities Commission (BCUC) for approval. Subject to direction from the BCUC, BC Hydro will use such filed baselines for the purpose of applying this Rate Schedule 1895 and Rate Schedule 1823 or Rate Schedule 1828, as applicable.</p>
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6. Assessment of Project Electricity Consumption

BC Hydro will assess the electricity consumption impact of the Project and/or fuel switch portion of the Project as set out below:

Stage 1 Engineering Review: Initial Engineering Estimate

The purpose of the Stage 1 Review is to determine an initial estimate of the expected electricity consumption impact of the Project based on the application of engineering principles to forecast assumptions of production and plant/system/equipment performance data used in the Customer's initial engineering submission.

Stage 2 Engineering Review: Refined Engineering Estimate

The purpose of the Stage 2 Review is to refine the Stage 1 Review estimate of the electricity consumption impact for the Project based on the application of engineering principles to actual production, metering and plant/system/equipment performance data used in the Customer's updated engineering submission.

Stage 3 Engineering Review: Impact Study

The purpose of the Stage 3 Review is to further refine and assess prior engineering determinations of the electricity consumption impact of the Project. If an Impact Study is requested by BC Hydro, the Impact Study must be prepared by a third-party acceptable to BC Hydro and retained and paid for by the Customer.

The Impact Study will be based on the application of an international protocol known as the International Performance Measurement and Verification Protocol (IPMVP). BC Hydro will work with the customer and the third-party to agree on the scope of the Impact Study.

	<p>The Customer will deliver a copy of the Impact Study report to BC Hydro for review. BC Hydro will not be bound to accept the conclusions of the Impact Study, but may also rely on metering and billing data, or other available data, in making its determination.</p> <p>If BC Hydro determines that a second Impact Study is required to assess the electricity consumption impact of the Project, BC Hydro will pay the cost of the second Impact Study.</p> <p>7. Concurrent Service Under Other Rate Schedules</p> <p>BC Hydro will not provide service to a Customer under any other rate schedule or rate schedules while the Customer is taking service under this Rate Schedule 1895 except for Rate Schedule 1823 or Rate Schedule 1828 and, as applicable, Rate Schedule 1880. For greater certainty, the Customer will not be eligible for service under any of BC Hydro's other optional non-firm Rate Schedules such as Rate Schedule 1892 and Rate Schedule 1893.</p>
Taxes	The rates set out in this Rate Schedule are exclusive of goods and services and provincial sales taxes.
Note	The terms and conditions under which Transmission Service is supplied are contained in Electric Tariff Supplement Nos. 5 and 6, and Electric Tariff Supplement Nos. 87 and 88, as applicable.
Rate Rider	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.