

From: [Rowe, Katherine EMLI:EX](#)
To: [MacLaren, Les EMLI:EX](#); [Craig, Shannon EMLI:EX](#)
Subject: Re: Today
Date: April 1, 2022 5:18:38 PM

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From: MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>
Sent: Friday, April 1, 2022 4:22:45 PM
To: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Cc: Rowe, Katherine EMLI:EX <Katherine.Rowe@gov.bc.ca>
Subject: RE: Today

Thanks Shannon

As I recall, there is an underlying \$/MW assumption based on the taxes payable by a gas-fired generator that results in the amount payable per facility, and then those amounts are allocated based on both host and impacted local governments (the amounts in the OICs), then escalated based on increases in local government taxation.

If Johnny wants the underlying \$/MW assumption, you will need to go to tax policy for that (you could try Duncan Jillings or Chris Dawkins).

Les

From: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Sent: April 1, 2022 1:19 PM
To: Johnny Strilaeff <jstrilaeff@ourtrust.org>; MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>
Cc: Rowe, Katherine EMLI:EX <Katherine.Rowe@gov.bc.ca>
Subject: RE: Today

Hi Johnny, here is some info in response to your question below.

An OIC setting out amounts for BC Hydro grants in lieu to municipalities and regional districts was put in place in 2011. See OIC 268/2011 here:

https://www.bclaws.gov.bc.ca/civix/document/id/oic/arc_oic/0268_2011

It has been amended several times to update the grant amounts and the years that they are applicable to. This includes via OIC 21/2103, OIC 265/2016 and OIC 533/2017, which appears to be the latest update. OIC 533/2017 can be viewed here:

https://www.bclaws.gov.bc.ca/civix/document/id/oic/arc_oic/0533_2017

In 2016, via OIC 266/2016, the Hydro and Power Authority Annual Grants Order was made. It sets out how grants to treaty First Nations are calculated and also includes further details on the various taxes used to calculate BC Hydro grant payments to municipalities and regional districts. It can be

found here: https://www.bclaws.gov.bc.ca/civix/document/id/oic/arc_oic/0266_2016

I hope this helps! Let me know if this wasn't what you were looking for and I am happy to do some further digging,
Shannon

From: Johnny Strilaeff <jstrilaeff@ourtrust.org>
Sent: March 31, 2022 3:42 PM
To: MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>
Cc: Rowe, Katherine EMLI:EX <Katherine.Rowe@gov.bc.ca>; Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Subject: RE: Today

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

Good afternoon Les,
I was hoping you could point me in the right direction to obtain a record.

I believe the formula for determining the amount BC Hydro pays for Grants-in-lieu of property taxes is established by Order In Council. If memory serves, the same formula applies for our Waneta Expansion project (based on 49% of the asset – a reflection of the prior ownership interest of CPC/CBT).

Unfortunately I can't seem to find a copy of the OIC in our records. Our accounting staff have scoured our files and we keep coming up empty. Is there a source/contact I can access to obtain a copy? Thanks so much Les.

J

From: MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>
Sent: March 30, 2022 1:43 PM
To: Johnny Strilaeff <jstrilaeff@ourtrust.org>
Cc: Rowe, Katherine EMLI:EX <Katherine.Rowe@gov.bc.ca>; Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Subject: RE: Today

One thing Johnny. The OAG's Audit Coverage Plan was approved by the Public Accounts Committee yesterday.

Transcript: <https://www.leg.bc.ca/documents-data/committees-transcripts/20220329am-PublicAccounts-Victoria-Blues>.

Plan: [Financial Statement Audit Coverage Plan for fiscal years ending in 2023, 2024 and 2025 | Auditor General of British Columbia \(bcauditor.com\)](#)

From "At a Glance" p. 5 of the Plan:

- No longer direct auditor of Columbia Power Corp. and Columbia Basin Trust, starting in fiscal 2023.

Can you remind me on where we are at in securing a new auditor, and any plans for transition with OAG as part of the 2021/22 audit? I was thinking about getting some comfort for the incoming auditor on perennial issues like negative equity at ALGS, and the EPAs that are leases vs contracts.

Les

From: Johnny Strilaeff <jstrilaeff@ourtrust.org>
Sent: March 30, 2022 8:25 AM
To: MacLaren, Les EMLI:EX <Les.MacLaren@gov.bc.ca>
Subject: Today

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

Good morning Les,
I don't have much in terms of updates (beyond what was recently discussed/shared via email).
Unless you have priority matters to share, I think we can defer our meeting this morning.

Thoughts? Thanks Les.

J

From: [Guenther, Grant FIN:EX](#)
To: [Craig, Shannon EMLI:EX](#)
Cc: [Sundher, Shauna FIN:EX](#); [Karp, David FIN:EX](#)
Subject: RE: BC Hydro grants in lieu of taxes
Date: April 12, 2022 11:04:47 AM
Attachments: [image001.png](#)

Hi Shannon,

You are correct, in that the calculations are based on the generation capacity of the facilities – the underlying idea is to have the facilities pay a similar amount of property taxes (via a grant in lieu) that a gas fired plant with similar MW capacity would pay.

There is also an inflationary factor built into the calculations based on municipal property taxes (these are found in Schedule 703 here - <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden>). Essentially, payments rise with total municipal taxes collected, but with a few years' lag. The calculation is laid out in OIC 268/211.

Then as you mentioned, those amounts are allocated based on the impact to host and neighboring jurisdictions. The exact details of how the grants were distributed are unfortunately lost to time – much of it goes back to 1989 when the scheme was originally implemented. I could possibly share a little more detail with you if you are interested. Feel free to give me a call.

Grant.

From: Karp, David FIN:EX <David.Karp@gov.bc.ca>
Sent: April 11, 2022 11:17 AM
To: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Cc: Guenther, Grant FIN:EX <Grant.Guenther@gov.bc.ca>; Sundher, Shauna FIN:EX <Shauna.Sundher@gov.bc.ca>
Subject: RE: BC Hydro grants in lieu of taxes

Hi Shannon,

By way of this email, I'm asking Grant Guenther, our property tax expert, to respond.

Thanks,

David

David Karp (he/him)
Executive Director, Tax Policy Branch
Ministry of Finance
778-698-5778

From: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Sent: April 11, 2022 10:09 AM
To: Dawkins, Christina FIN:EX <Christina.Dawkins@gov.bc.ca>
Cc: Karp, David FIN:EX <David.Karp@gov.bc.ca>
Subject: RE: BC Hydro grants in lieu of taxes

Thanks, Chris. David, any information you could provide would be greatly appreciated.

Thanks,



Shannon Craig
Electricity Policy Analyst, Electricity and Alternative Energy Division
Ministry of Energy, Mines and Low Carbon Innovation
Phone: 778-698-7016

From: Dawkins, Christina FIN:EX <Christina.Dawkins@gov.bc.ca>
Sent: April 11, 2022 9:46 AM
To: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Cc: Karp, David FIN:EX <David.Karp@gov.bc.ca>
Subject: RE: BC Hydro grants in lieu of taxes

Hi Shannon:

I have moved on to other files. You should probably contact David Karp who is ED of the Tax Policy Branch.

Cheers
Chris

From: Craig, Shannon EMLI:EX <Shannon.Craig@gov.bc.ca>
Sent: April 11, 2022 9:41 AM
To: Dawkins, Christina FIN:EX <Christina.Dawkins@gov.bc.ca>
Subject: BC Hydro grants in lieu of taxes

Hello Christina, our colleagues at Columbia Basin Trust have reached out to ask about how the grants in lieu of taxes that BC Hydro pays to municipalities and regional districts in respect of its generating facilities are calculated.

I understand that the amounts themselves are set out via OIC:

https://www.bclaws.gov.bc.ca/civix/document/id/oic/arc_oic/0533_2017

but Les MacLaren suggested that you may be able to provide the underlying assumptions upon which those numbers are based. Les believes there is an underlying \$/MW assumption based on the

taxes payable by a gas-fired generator that results in the amount payable per facility, and then those amounts are allocated based on both host and impacted local governments.

Are you able to assist with this request or point me in the direction of someone who can?

Thanks,



Shannon Craig

Electricity Policy Analyst, Electricity and Alternative Energy Division

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