

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, Rate Schedule 1828 or Rate Schedule 1830 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 or Customers previously served on Rate Schedule 1827.</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 or Rate Schedule 1830, as applicable, multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) The Demand Charge specified under Rate Schedule 1823 or Rate Schedule 1830, as applicable, multiplied by 0.87 for the Customer's Billing Year 6; (c) The Demand Charge specified under Rate Schedule 1823 or Rate Schedule 1830, as applicable, 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 Energy Charge for the Billing Period multiplied by 0.80 for the Customer's Billing Years 1 to 5; (b) The Customer's Energy Charge for the Billing Period multiplied by 0.87 for the Customer's Billing Year 6; (c) The Customer's Energy Charge for the Billing Period multiplied by 0.93 for the Customer's Billing Year 7.
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Definitions

Terms used in this Rate Schedule have the meanings given to them in Electric Tariff Supplement Nos. 5 or 87 and Rate Schedule 1823, Rate Schedule 1828 or Rate Schedule 1830, as applicable, unless otherwise defined below. In addition, the following terms have the following meanings:

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:

- (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, Rate Schedule 1828 or Rate Schedule 1830 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.

For the purpose of determining Billing Demand for a Billing Period under Rate Schedule 1823, Rate Schedule 1828 or Rate Schedule 1830:

- (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:
 - (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, Rate Schedule 1828 or Rate Schedule 1830, as applicable, for the Customer's Plant in the immediately preceding period of November through February, both months included.

4. Billing Year

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.

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 on a cumulative basis, 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 cumulatively. 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, Rate Schedule 1828 or Rate Schedule 1830 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, Rate Schedule 1828 or Rate Schedule 1830 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, Rate Schedule 1828 or Rate Schedule 1830 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, Rate Schedule 1828 or Rate Schedule 1830 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, Rate Schedule 1828 or Rate Schedule 1830 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.

	<p>15. Customer's Energy Charge</p> <p>For a Customer with a New Electrification Project, the Customer's Energy Charge (in \$/kWh) for all Billing Periods is equal to the applicable Energy Charge for the Customer specified under Rate Schedule 1830.</p> <p>For a Customer served under Rate Schedule 1828 with a Modification Electrification Project, the Customer's Energy Charge (in \$/kWh) for all Billing Periods is equal to that Customer's prevailing energy charge as determined under Rate Schedule 1828.</p> <p>For a Customer served under Rate Schedule 1823 with a Modification Electrification Project, the Customer's 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.</p> <p>For a Customer served under Rate Schedule 1830 with a Modification Electrification Project, the Customer's Energy Charge (in \$/kWh) for all Billing Periods is equal to the applicable Energy Charge for the Customer specified under Rate Schedule 1830.</p>
	<p>16. Total Metered Energy</p> <p>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.</p> <p>17. Assessed</p> <p>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.</p>

Special Conditions	<p>1. Determination of Eligibility for Service under Rate Schedule 1895</p> <p>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>
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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.

A Project will be eligible for service under this Rate Schedule 1895 if:

- (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.

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. 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, Rate Schedule 1828 or Rate Schedule 1830 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.

3. 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, Rate Schedule 1828 or Rate Schedule 1830 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

4. 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, Rate Schedule 1828 or Rate Schedule 1830 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;

- (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.
- (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).

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.

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, Rate Schedule 1828 or Rate Schedule 1830, as applicable.

5. 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>6. 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, Rate Schedule 1828 or Rate Schedule 1830 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 Riders	<p>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.</p> <p>The Trade Income Rate Rider as set out in Rate Schedule 1904 applies to all charges payable under this Rate Schedule, before taxes and levies.</p>