BUSINESS PRACTICE FOR LOAD INTERCONNECTION QUEUE MANAGEMENT

10 July 2024

Version 1.4

BC Hydro Integrated Planning
Transmission Load Interconnections

Table of Contents

1 The Purpose of the Load Interconnection Queue

BC Hydro enters requests from new transmission voltage customers into the load interconnection queue based on the order in which requests are deemed accepted[1]. BC Hydro manages a load interconnection queue to determine the order for initiating load interconnection studies and subsequent cost allocation for facilities that are necessary to accommodate accepted load interconnection requests. The order of load interconnection requests in the queue is also used to set the base case for the System Impact Studies (SIS) and determine alternative scenarios to study.

1.1 Study Order

The queue is used to determine the order of initiating SIS for accepted load interconnection requests. BC Hydro initiates a study in the order of the queue. The duration of study varies depending on the complexity of customer requests, the number of scenarios to study, the number of existing studies underway, and the system specific issues. The results of studies are usually presented to the requesting customers immediately upon completion, rather than in queue order. It is therefore possible for a customer later in the queue to receive the study result earlier than an earlier queued customer.

1.2 Study Base Case & Scenarios

The base case for an interconnection study is the expected configuration of the system at the time of interconnection including any prior queued interconnection requests. When necessary, BC Hydro uses its judgement to study multiple scenarios to determine the impacts of customer requests that are earlier in the queue. In some cases, BC Hydro may use its judgment to "cluster" the expected impacts of multiple changes to the system, including BC Hydro planned upgrades and/or multiple customer requests. The intent is to reduce study costs and to efficiently manage the limited study resources and optimize the planned upgrades. Although BC Hydro may "cluster" multiple customer requests for study purpose, a separate study report is prepared for each customer to maintain customer project confidentiality.

1.3 Cost Allocation of Transmission Line, Basic Transmission Extension and System Reinforcement

The customer's request may trigger system upgrades such as new facilities or facilities upgrade to the BC Hydro system. They are defined as Basic Transmission Extension (BTE) and System Reinforcement (SR) in Tariff Supplement No.6 (also referred to as the "Facilities Agreement"). The Transmission Line (T Line) connecting the BTE to the customer's substation is typically owned, operated and paid for by the customer. However, BC Hydro may agree to build the T Line at the customer's cost and own and operate the T Line after energization, if certain conditions under Tariff Supplement No.6 are met.

The SR cost is allocated based on the order of accepted interconnection requests. The SR cost could be a payment, security or a combination of both. The SR cost is allocated to the first customer that triggers it. If the first customer made a payment toward the SR cost, and if subsequent customers connecting within five years benefit from the same reinforcement, Tariff Supplement No. 6 allows for some costs to be re-allocated to the new customer to reduce the original customer's payment. For the security portion of SR cost, the first

[1] See Section 3.2 for the requirements for a customer request to be deemed accepted.

customer's security will be released faster if subsequent customers connecting within five years benefit from the same reinforcement.

In rare cases, there may be a need to allocate BTE and/or T Line (transferred to BC Hydro or built by BC Hydro) cost amongst multiple customers. The BTE / T Line costs are allocated to the first customer that triggers them. If subsequent customers benefit from the same facility (assuming it has a net book value), Tariff Supplement No.6 allows for some costs to be re-allocated to the new customer to reduce the original customer's payment.

1.4 Reserving System Capacity and Energy

The interconnection queue does not guarantee capacity or energy to the customer. However, as long as the customer meets all the obligations to remain in the queue and proceeds through all the stages of the interconnection process, then the customer will be allocated the capacity and energy in its queue priority during the interconnection process. This must be ultimately confirmed through the commitments for energy supply made in Tariff Supplement No.5 once tendered by BC Hydro.

When there are multiple customer requests in a capacity constrained area, BC Hydro will conduct studies and will allocate costs under the applicable Facilities Agreements in accordance with the queue order. In general, BC Hydro will execute Facilities Agreements in the order set out in the queue. However, BC Hydro may sign Facilities Agreements not in the queue order if a Facilities Agreement can be executed without impacting the allocation of costs for System Reinforcement or Basic Transmission Extension facilities to other customers under their Facilities Agreements. After signing the Facilities Agreement, it is expected that the customer will implement their interconnection work and be in-service on the date agreed to in the Facilities Agreement. If the customer defers their target in-service date and/or makes other material changes, BC Hydro may need to conduct a re-study and/or revise the cost allocation of SR. It may also result in the change of customer's queue position.

2 The Principles of Load Interconnection Queue Management

The following key principles are applied in developing and implementing business practices to manage the load interconnection queue. In practice, BC Hydro may have to make more detailed decisions beyond what has been described in Section 3, due to project specific issues. BC Hydro will use the same key principles to make those project specific decisions.

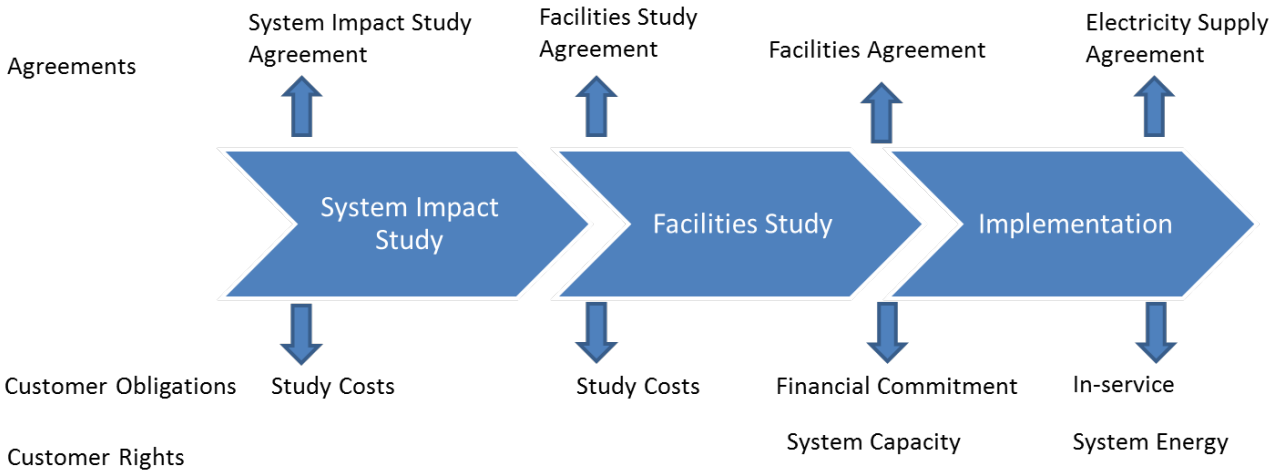
- Minimize impacts on other ratepayers
- Provide a fair and transparent process
- Efficient use of BC Hydro planning resources
- Align with BC Hydro tariffs and other regulatory requirements
- Provide flexibility to accommodate customer needs without causing negative impacts on other customers
- Balance the first-come first-served concept against opportunities to optimize the system.

The business practices are reviewed and revised as required to accommodate new circumstances and requirements.

3 The Business Practices of Load Interconnection Queue Management

3.1 Overview of Load Interconnection Process

A load interconnection request moves through three mandatory stages once the customer's request is deemed accepted:



A detailed description of each stage in the process can be found in Section 3.3 and also at https://app.bchydro.com/accounts-billing/electrical-connections/large-load/transmission.html.

3.2 Entering the Load Interconnection Queue

Requests from new transmission voltage customers are entered into the load interconnection queue based on the order in which requests are deemed accepted. The queue is not publicly available as it contains confidential customer information.

Upon receipt of a request, BC Hydro will have initial discussions with the customer to review the customer's project and ensure the customer understands the Load Interconnection Process, including the obligations required by the customer to enter and remain in the queue. BC Hydro may provide a Conceptual Review (CR) at no cost to the customer to provide a high-level assessment of potential interconnection options and the extent of system upgrades that may be required for the customer's interconnection request. At the CR stage, the customer's request is not in the queue.

If the customer wishes to proceed, they will make a financial commitment for a SIS. BC Hydro will prepare a System Impact Study Agreement (SIS Agreement) that includes an estimate of the cost and duration to complete the study. If necessary, a scoping meeting can be scheduled. BC Hydro may request additional information from the customer and/or request the customer to confirm assumptions to be used for the study. The customer is required to execute the SIS Agreement, and provide financial commitment within 30 calendar days upon receipt of the SIS Agreement. The customer request is deemed to be acceptable and entered in the queue on the date and time when all of the following conditions have all been met:

1. The customer has provided load details and all other required information for BC Hydro to initiate the SIS, including confirmation of acceptance of assumptions to be used by BC Hydro,
2. The customer has executed the SIS Agreement, and
3. Financial commitment for the SIS has been received by BC Hydro.

For clarity, these conditions must also be met in order for a customer to be assigned a queue position in the North Coast Queue as set out in Section 6 below.

3.3 Progressing through the Load Interconnection Process

Step 1 – System Impact Study (SIS)

The SIS typically requires two stages: 1) the SIS Report; and 2) the SIS Conceptual Design.

The SIS is a series of technical studies performed by BC Hydro to determine the method for connecting the customer to the system. It establishes the T Line (if applicable), BTE and any necessary SR as defined in Tariff Supplement No.6. The result of the SIS is a recommendation of the technically leading alternative/option to connect the customer and an order of magnitude (typically +100%/-50% accuracy range) cost estimate (the SIS Report).

The SIS Conceptual Design stage involves the assembly of a project team to develop a project plan to deliver the Facilities Study (FS) and complete a conceptual design of BC Hydro system modifications and upgrades. A high-level assessment to identify potentially impacted First Nations, property rights and environmental risks may be also conducted, if necessary. If BC Hydro determines that an SIS will be low complexity, an SIS Conceptual Design may not be required by BC Hydro and the customer may proceed directly to the Facilities Study as described below. Without limiting the foregoing, the SIS stage will be considered more complex (and will take longer to complete) if BC Hydro expects the project will require a Certificate of Public Convenience and Necessity (CPCN) and/or will raise significant environmental, property and/or First Nations issues.

In some cases, BC Hydro may require additional information from the customer to complete the SIS and will request the required information from the customer during the course of study. The customer is required to provide such additional information in a timely manner in order to keep the request active. If the customer does not have the information requested by BC Hydro, BC Hydro and the customer may agree to develop assumptions that will be used for the study, which may result in an extension of the study completion date.

If the customer subsequently provides additional information that is different than the assumptions, the customer would be responsible for the cost of any review or re-study that BC Hydro deems necessary. There may be a scheduling delay to the overall project because of the review or re-study. BC Hydro may withdraw the customer's request or re-assign a new queue position, if the customer makes changes that impact other customers or materially changes the scope of facilities to be built.

If there are changes to the customer request, study assumptions, or scope, BC Hydro issues Change Orders under the SIS Agreement to keep track of these changes.

BC Hydro will update the customer on the progress on the studies underlying the SIS Report. BC Hydro may provide preliminary study results to the customer prior to finalizing the SIS Report, and a meeting between BC Hydro and the customer may be scheduled to discuss the preliminary study results. If BC Hydro determines that the customer's comments should be incorporated into the final SIS Report, the duration for BC Hydro to incorporate the customer's comments and finalize the SIS Report would depend on the extent of revisions required.

Once BC Hydro delivers the SIS Report, BC Hydro will confirm whether an SIS Conceptual Design will be required prior to the FS, or whether the customer can proceed directly to an FS. Following this confirmation from BC Hydro, the customer will have 60 calendar days to provide a written confirmation of their interest to proceed with the next step as specified by BC Hydro. Failure to do so may result in removal from the queue. BC Hydro may extend this timeline upon mutual agreement with the customer.

If BC Hydro has confirmed that an SIS Conceptual Design is required and the customer has confirmed its interest to proceed within the required timeframe, BC Hydro will provide the customer a cost estimate and schedule to complete the SIS Conceptual Design via a Change Order as defined under the SIS Agreement. For clarity, the cost estimate and related payment for completing the SIS Conceptual Design will be additional to the financial commitment for the SIS that is referred to in Section 3.2 of this business practice. The customer is required to sign the Change Order and provide the payment for the SIS Conceptual Design within 30 days after BC Hydro tenders the Change Order. Once BC Hydro completes the SIS Conceptual Design and communicates it to the customer, the customer has 60 calendar days to provide a written confirmation of their interest to proceed with the FS.

Step 2 – Facilities Study (FS)

BC Hydro conducts preliminary engineering work to develop equipment specifications, project schedule and detailed cost estimates (typically +15%/-10% accuracy range) for the scope of work identified in the SIS. Depending on the project, First Nations consultation, and some property/environment related work may also be initiated at the FS stage. The customer pays for the full cost of the FS.

Typically, no further planning studies are required at FS stage. However, there may be additional studies required under special circumstances. BC Hydro will try to conduct these studies in parallel to the FS, if it is feasible. The customer is responsible for the cost of these additional studies.

Upon receipt of the customer's confirmation to proceed with an FS (either after the SIS Conceptual Design stage or at BC Hydro's option directly after delivery of the SIS Report), BC Hydro will prepare a Facilities Study Agreement (FS Agreement) including estimated study cost and duration. BC Hydro may also request additional technical data to proceed with the study. The timeline for BC Hydro to prepare a FS Agreement depends on the complexity of the study and may take up to 4 calendar weeks. The customer is required to execute the FS agreement, provide the additional technical data (if any) required by BC Hydro, and provide financial commitment (i.e. a payment and/or security as contemplated in the Facilities Agreement) within 30 calendar days of receipt of the FS Agreement from BC Hydro in order to stay in the queue and keep the project active. BC Hydro may extend this timeline upon mutual agreement with the customer.

When the customer does not have certain information requested by BC Hydro, BC Hydro and the customer may develop assumptions that will be used for the FS. The customer is required to confirm acceptance of assumptions suggested by BC Hydro in a timely manner. If the customer provides detailed information later, which results in a review or re-study, the customer will be responsible for the cost of such a review or restudy. There may be a scheduling delay to the overall project because of the review or re-study. BC Hydro may withdraw the customer's request and re-assign a new queue position, if the customer makes changes that impacts other customers or materially changes the scope of facilities to be built.

If there are changes to the customer request, study assumptions, or scope, BC Hydro issues Change Orders to the FS Agreement to keep track of these changes.

BC Hydro will update the customer on progress of the FS. BC Hydro may provide preliminary study results to the customer prior to finalizing the FS report, and a meeting between BC Hydro and the customer may be scheduled to discuss preliminary study results and develop the timeline to finalize the FS report. If BC Hydro

determines that the customer's comments should be incorporated into the final FS report, the duration for BC Hydro to incorporate the customer's comments and finalize the FS report would depend on the extent of revisions required.

Once BC Hydro finalizes and tenders the final FS report, the customer has 60 calendar days to provide written confirmation of their interest to proceed with Implementation. Failure to do so may result in withdrawal from the queue. BC Hydro may extend this timeline upon mutual agreement with the customer. However, this extension may trigger a need for BC Hydro to revise the project plan. The customer is responsible for this additional cost.

Upon receipt of the customer's confirmation to proceed with Implementation, BC Hydro will initiate an internal approval process, and tender an FA to the customer. The FA describes the facilities to be built by each party and the cost allocation for those facilities.

The customer is required to execute the FA and make the necessary financial commitments for the T Line (if applicable), BTE and the SR specified in the FA within 30 calendar days upon receipt of the FA in order to stay in the queue and keep the project active. Failure to do so may result in withdrawal from the queue. If it takes longer for BC Hydro and the customer to finalize the financial commitments, BC Hydro may agree to extend the deadline upon mutual agreement with the customer. However, this extension may trigger a need for BC Hydro to revise the project plan before the project can move to the Implementation phase. The customer is responsible for this additional cost. In practice, BC Hydro and the customer start discussing and preparing for the necessary financial commitments much earlier, while the FS is in progress, so that BC Hydro and the customer can finalize the financial arrangements in a timely manner.

Step 3 – Implementation

Once the FA has been executed and financial arrangements with the customer are in place, BC Hydro will proceed with detailed design, procurement and construction of the facilities required to connect, and supply electricity to, the customer to meet the in-service date specified in the FA. In practice, some customers have found it necessary to defer their in-service date during the Implementation phase. BC Hydro may agree to such a deferral taking into account the impact on other customers in the queue.

Prior to energization, an Electricity Supply Agreement (ESA) will be signed by BC Hydro and the customer. The ESA template is found in Tariff Supplement No. 5.

Additional notes on the load interconnection process:

- Depending on the complexity of requests and the project specific issues, additional studies (e.g., Feasibility Study, BC Hydro Area Planning Study) may be required either before or after the SIS.
- At the customer's option, some of the Load Interconnection Process steps could be conducted in parallel to meet the requested in-service date. In this case, the customer will be required to make sufficient financial commitment in a timely manner to maintain the accelerated schedule of studies or Implementation phase work. BC Hydro and the customer may sign an Early Engineering Procurement Agreement (EEPA) or other customized agreements if some of the Implementation phase work is accelerated.
- SIS and FS start dates and timelines to complete will depend on the specific study scope and BC Hydro resource availability. Therefore, it is possible that a customer that is later in the queue could receive a study before an earlier customer, resulting in a later customer potentially connecting before an earlier customer. In this case BC Hydro would ensure that there is no negative impact on the earlier customer(s) and in all cases the cost allocation to customers is based on their queue position.

3.4 Summary of Customer Obligations to Remain in the Load Interconnection Queue

The customer must meet the following requirements/milestones to maintain their queue position and/or move to the next step of the interconnection process:

- Provide sufficient technical information required to initiate an SIS or FS.
- Provide additional information requested by BC Hydro in a timely manner.
- Confirm/accept study assumptions in a timely manner.
- Execute SIS Agreement and provide financial commitment for the SIS within 30 calendar days upon receipt of a SIS Agreement
- Provide comments to draft studies in a timely manner.
- Provide written confirmation to proceed to the SIS Conceptual Design (if required by BC Hydro) within 60 calendar days upon receipt of a final SIS report.
- Execute SIS Agreement Change Order for the SIS Conceptual Design (if required by BC Hydro) within 30 calendar days upon receipt of a Change Order.
- Provide written confirmation to proceed to the FS within 60 calendar days upon completion of the SIS Conceptual Design (or, at BC Hydro's option, the delivery of the SIS Report).
- Execute FS Agreement and provide financial commitment for the FS within 30 calendar days upon receipt of a FS Agreement.
- Provide written confirmation to proceed to the Implementation within 60 calendar days upon receipt of a final FS report.
- Provide sufficient financial commitment for the T Line (if applicable), BTE and/or SR within 30 calendar days of receipt of the FA.
- Meet all milestones specified in the FA, unless an extension is agreed to by BC Hydro.
- Complete construction of all customer facilities and connect by the in-service date specified in the FA, unless an extension is agreed to by BC Hydro.

Notes on the milestones and deadlines:

- The customer may request an extension for the milestones/deadlines indicated above. BC Hydro may accept such an extension upon mutual agreement with the customer, if it does not impact other customers
- BC Hydro and the customer have regular communication throughout the Interconnection Process to ensure the customer is aware of the milestones and deadlines.

3.5 Withdrawing the Customer's Request from the Load Interconnection Queue

If the customer fails to meet the customer's obligations to remain in the queue (see Section 3.4), BC Hydro has the right to withdraw the customer's request from the queue. If this happens and the customer wishes to continue with the Load Interconnection Process, the customer's request will be placed at the bottom of queue.

The customer may also request BC Hydro to withdraw their request from the queue at any time. In such a case, the customer will be responsible to pay actual costs incurred up to that point during study phases and if during the Implementation phase, actual and committed costs up to that point.

BC Hydro will send a written notification to the customer in the event that the customer's request is withdrawn from the queue.

3.6 Changes Requested by the Customer during Study Stages

When a customer makes any changes to any information previously provided to BC Hydro, the following steps are taken to determine how the changes will be managed.

BC Hydro will review and asses the impact of change. If it impacts other customers in the queue or materially changes the scope of facilities to be built, the customer's request may be withdrawn from the queue and placed at the bottom of queue. If it does not impact other customers in the queue, the customer's request may remain in the same queue position.

BC Hydro will determine whether the customer's requested changes will cause a re-study and potential change of project scope. The customer will be responsible for the cost of any re-study. A re-study may also result in an overall scheduling delay. If there are changes to the customer request, study assumptions, or scope, BC Hydro issues Change Orders to the SIS Agreement or FS Agreement to keep track of these changes.

In certain circumstances, the customer's original request may remain in the original queue position and only the additional or revised request may be placed at the bottom of queue. An example is where the customer requests a certain load as the first phase of a project, and subsequently requests additional load for implementation in a second phase with a later in-service date. In this case, BC Hydro will use its discretion to determine how the customer's change request will impact the customer's queue position.

3.7 Changes during Project Implementation

Any changes requested by the customer during the Implementation phase will be assessed and possibly restudied to determine if the change is material and could impact other customers. If the change impacts other customers or materially changes the scope of facilities to be built, BC Hydro may need to revise the FA, and the customer is required to execute the FA.

If a customer signs a FA before all earlier customers in the queue have been offered FAs, it is understood that there may be a need for BC Hydro to re-study the customer requests if any of the earlier customers withdraw from the queue. In this case, the re-study would not change the customer's queue position but the customer(s) would be responsible for the cost of re-study. The re-study may result in the re-allocation of SR costs which may increase or decrease the cost responsibility of the customer depending on the situation. If the re-allocation of SR costs occurs, BC Hydro will revise the FA.

3.8 Cluster Studies

If more than one customer request is received in an area at approximately the same time, it is often practical and efficient to study the requests as a group, or cluster, to provide an opportunity to optimize the system and to minimize study time, duration and cost.

When multiple requests are studied as a cluster, the base case and allocation of SR costs for each customer will be based on their queue position. The benefit of a clustered study approach is that BC Hydro can optimize the system reinforcement requirements and timing to meet customers requested in-service dates as much as possible in a timeframe that is much shorter than if the requests were studied individually.

Study costs for common facilities are allocated to requesting customers based on their pro-rated share of the total load request. Study costs for facilities and issues specific to a customer's load are allocated to that specific customer.

If any of the clustered customers cannot meet the obligations to remain in the study queue, or withdraw their requests, those customer requests will be withdrawn from the queue. This may cause a re-study to the remaining customers, and it is understood that the remaining customers will be responsible for the cost of re-study and this re-study may cause a scheduling delay.

3.9 Queue Position and Study Agreement Assignment

If specified in the SIS Agreement or FS Agreement, as applicable, a customer will not be entitled to assign its study agreement or its associated queue position to any other party. In those circumstances where assignment is prohibited, BC Hydro may in rare circumstances agree to make an exception and permit an assignment of a study agreement and associated queue position if BC Hydro determines that other customers in the queue are not negatively impacted and if the assigning customer and the assignee agree to such commercial arrangements as BC Hydro may require relating to the assignment.

4 Tariffs

4.1 Tariff Supplements No. 5 and No.6

BC Hydro's queue management business practices are intended to complement the terms of Tariff Supplements No.5, No. 6, No. 87 and No. 88. If there is any conflict between BC Hydro business practices and the relevant Tariff Supplement, the Tariff Supplement will take precedence.

5 Cryptocurrency Suspension

5.1 Overview of the Suspension

On December 21, 2022, the Province of B.C. passed the Direction to the British Columbia Utilities Commission Respecting Cryptocurrency Mining Projects (Direction), which requires the British Columbia Utilities Commission (BCUC) to issue orders approving BC Hydro's application to be relieved from serving certain cryptocurrency mining projects. BC Hydro filed an application for the specified relief contemplated in the Direction with the BCUC on December 21, 2022, which was approved by BCUC order No. G-390-22A on December 28, 2022. Pursuant to the BCUC order, BC Hydro is relieved from serving the following cryptocurrency mining projects during the specified suspension period (as defined in the Direction):

- New low voltage cryptocurrency projects (as defined in the Direction); and
- New high voltage cryptocurrency projects, including those that constitute "paused projects" (both as defined in the Direction).

BC Hydro clarifies that it considers cryptocurrency mining projects at sites that may already be interconnected to BC Hydro's system as falling within the above definitions.

Since the issuance of the Direction to the British Columbia Utilities Commission Respecting Cryptocurrency Mining Projects, BC Hydro has developed this section of the Business Practice accordingly and has suspended the service to cryptocurrency projects in accordance with the Direction and the BCUC's Order No. G-390-22A.

On May 16, 2024, the *Utilities Commission Act* was amended by Bill 24 to enable the Lieutenant Governor in Council (LGIC) to make regulations with respect to a public utility's electricity service to cryptocurrency mining projects, among other things, that prohibit a public utility from supplying such service for a period of time or indefinitely.

On June 28, 2024, the LGIC issued the Cryptocurrency Power Regulation (Regulation), prohibiting BC Hydro from providing service to cryptocurrency mining projects for a further 18 months starting from June 28, 2024. For all intents and purposes of this Business Practice, the Regulation is the same as the Direction to the British Columbia Utilities Commission Respecting Cryptocurrency Mining Projects (Direction).

For clarity, the definition of a "paused project" under the Regulation remains the same as in the Direction. It means a new high voltage project that is subject to one of the four listed agreements in the Regulation.

For further clarity, a customer with a cryptocurrency mining project that does not meet the above definitions will continue to be served by BC Hydro in accordance with the above business practices; this Section 5 replaces the business practices identified above for all cryptocurrency mining customers whose service request is impacted by the Regulation.

5.2 Definition of Cryptocurrency Mining Project

BC Hydro defines a cryptocurrency mining project[1] as a project or operation that consumes electricity for cryptographic use applied to blockchains used for digital currency mining, where:

- "blockchain" is defined as a distributed and secure database, in its current and future versions, in which successive transactions (blocks) between users are recorded in chronological order. Each block is linked to the block before it and so forth going back to the first block in the chain; and
- "cryptographic use applied to blockchain" is defined as the operation of computer equipment dedicated to cryptographic calculations which, in particular, serve to validate successive transactions made by users of a blockchain.

New customer requests may be required to identify the type of project they are looking to connect or add to BC Hydro's system and, if BC Hydro deems appropriate in its sole discretion, BC Hydro may require a sworn declaration by a director or senior officer of the company that the project it requires service for is not a cryptocurrency mining project as defined above at the time of the new customer request and/or prior to the new project being commissioned for service.

[1] The amended *Utilities Commission Act* enables the LGIC to make a regulation that defines cryptocurrency. No such regulation is issued as of this Business Practice.

5.3 Queue Management for Cryptocurrency Mining Projects

For those customers whose project is included as a "paused project" under the Regulation, the "paused projects" have been removed from BC Hydro's interconnection queue. A "paused project" under the Direction to the British Columbia Utilities Commission Respecting Cryptocurrency Mining Projects will continue to be "paused" for a further 18 months under the Regulation. At the end of this 18-month period, any "paused projects" that continue to want service from BC Hydro will be placed back in BC Hydro's interconnection queue in the order in which they originally entered the interconnection queue but behind all other requests then in the interconnection queue.

5.4 Termination for New High Voltage Cryptocurrency Mining Projects That Are "Paused"

For those customers whose project is included as a "paused project" under the Regulation, the customer may elect to terminate their SIS Agreement during the 18-month period during which BC Hydro is prohibited from providing electricity service to cryptocurrency mining projects and in such a case BC Hydro will return all deposits provided to BC Hydro by that customer in respect of the "paused project" and will not invoice for any costs incurred in relation to any work completed on their System Impact Study. If a customer whose project is included as a "paused project" under the Regulation does not elect to terminate its SIS Agreement within the 18-month mentioned above, then the terms of the SIS Agreement will continue to apply. For clarity, all cryptocurrency mining projects in BC Hydro's interconnection process that are not a "paused project" are not eligible to receive a refund for any costs incurred as contemplated in this section 5.4.

6 Interconnections in the North Coast

6.1 Open Season Process Background

BC Hydro has initiated an open season process to help plan future new transmission infrastructure in the North Coast region of BC, including without limitation the potential construction of new 500kV transmission infrastructure between Williston substation in Prince George and Skeena substation in Terrace (North Coast Electrification Infrastructure). The open season includes a non-binding expression of interest (EOI) process through which current and prospective industrial customers in the North Coast region of BC (including any customers wishing to increase their load at an existing site) (referred to in this section 6 as "Proponents") can indicate their interest in taking electricity service from BC Hydro and inform BC Hydro of their electricity needs.

The terms and conditions of the subsequent stage(s) of the open season process are still being determined and nothing in this Section 6 modifies any of BC Hydro's existing tariffs.

This section 6 sets out how BC Hydro will manage its transmission load interconnection queue for proponents participating in the open season process for the North Coast.

6.2 Applicability

The practices set out in this section 6 will apply to:

(i) those Proponents who are not in BC Hydro's existing transmission load interconnection queue (defined as the "Main Queue") on the date on which the EOI is issued and who are seeking to interconnect a load project to BC Hydro's transmission system west of BC Hydro Williston substation in Prince George area; and

(ii) those Proponents who are in BC Hydro's Main Queue as of the date on which the EOI is issued and who will require at least some of the North Coast Electrification Infrastructure to be in place to receive service as applied for.

6.3 North Coast Queue Management

For the purpose of managing interconnections in the North Coast as part of the open season process, BC Hydro is creating a separate transmission load interconnection queue (referred to as the "North Coast Queue") that is distinct from the Main Queue.

Transmission load customer requests received from Proponents for service in the North Coast as part of the open season process will be managed through the North Coast Queue. BC Hydro will reserve an aggregate amount of capacity in the Main Queue to enable the projects in the North Coast Queue to be reflected in BC Hydro's planning. This aggregate capacity reservation will be adjusted by BC Hydro from time to time to reflect the capacity requirements of those Proponents in the North Coast Queue.

Proponents will be granted a queue position in the North Coast Queue when the conditions for being placed in BC Hydro's queues, as set out in Section 3.2 above, are met. For clarity and as noted below, Proponents who participate in the EOI process but have not yet met the conditions for being placed in BC Hydro's queues, as set out in Section 3.2 above, will be placed in the North Coast Queue for the purpose of determining the aggregate capacity reservation in the Main Queue, but will not be assigned a queue position in the North Coast Queue (i.e. they will be placed in a pool of Proponents with no assigned queue positions). The queue order in the North Coast Queue will be used by BC Hydro to set base cases for studies and allocate costs for Basic Transmission Extension and System Reinforcement for local transmission system reinforcements that are required to interconnect the Proponent's projects but which are not included in the scope of the North Coast Electrification Infrastructure. For clarity, the specific facilities, cost allocation and capacity allocation for the North Coast Electrification Infrastructure have yet to be determined.

Requests for transmission load interconnection service in the North Coast will be managed as follows:

- ***Proponents without an assigned Main Queue Position as of the EOI Issue Date (i.e. section 6.2(i) proponents)***: Proponents who participate in the EOI process but who have not been assigned a queue position in the Main Queue will be placed in a pool of Proponents with no assigned queue positions in the North Coast Queue. This will enable BC Hydro to track the total aggregate capacity of all potential Proponents in the North Coast Queue so it can make the aggregate capacity reservation in the Main Queue as discussed above. These Proponents will not be assigned a queue position in the North Coast Queue until such time as BC Hydro determines that the conditions for being assigned a queue position have been met.

  A Proponent that meets the conditions for being assigned a queue position after the date that the EOI is issued will receive a queue position in the North Coast Queue in the order in which the queue positions are assigned.

  A Proponent must meet all of the terms and conditions associated with subsequent stages of the open season process as well as comply with all other requirements of this business practice that apply to the SIS and the FS in order to remain in the North Coast Queue regardless of whether a queue position

has been assigned. If these terms and conditions are not met, BC Hydro may withdraw a Proponent from the North Coast Queue with 10 days' notice.

- ***Proponents with an assigned Main Queue Position as of the EOI Issue Date (i.e. section 6.2 (ii) proponents):*** A Proponent in the Main Queue who will require at least some of the North Coast Electrification Infrastructure to be in place to receive service from BC Hydro as applied for and that participates in the EOI process will be moved to the North Coast Queue. These Proponents will be placed in the North Coast Queue in the same order as they were previously placed in the Main Queue and they will be ahead of any subsequent Proponents who meet the conditions for being assigned a queue position in the North Coast Queue.

  A Proponent must meet all of the terms and conditions associated with subsequent stages of the open season process as well as comply with all other requirements of this business practice that apply to the SIS and the FS in order to remain in the North Coast Queue regardless of whether a queue position has been assigned. If these terms and conditions are not met, BC Hydro may withdraw a Proponent from the North Coast Queue with 10 days' notice. For greater certainty, that Proponent's previous position in the Main Queue will not be restored following withdrawal from the North Coast Queue.

- ***Parties not participating in the Open Season (EOI or subsequent steps):*** All parties seeking service in the North Coast who would require at least some of the North Coast Electrification Infrastructure to be in place to receive service from BC Hydro (other than parties with an assigned Main Queue position as of the EOI Issue Date) but who do not participate in the open season process will be given a queue position in the Main Queue (which will be after the queue position of the aggregate reservation for the North Coast Electrification Infrastructure) once BC Hydro is able to scope an SIS Agreement for the purpose of tendering it to the party and the party has met the conditions for being assigned a queue position in BC Hydro's queues. These parties may have the opportunity to participate in the open season at a later stage of the process if transmission capacity on North Coast Electrification Infrastructure remains available.

6.4 Local System Reinforcement for Open Season Projects

If BC Hydro determines that studies are required to determine local system reinforcement needed to serve those Proponents with queue positions in the North Coast Queue, then BC Hydro will commence these studies in the order set out in the North Coast Queue for the purpose of determining local system reinforcements that may be required and to allocate the cost of corresponding T Line (if applicable), Basic Transmission Extension and System Reinforcement as contemplated in the Facilities Agreement. These studies will be managed in accordance with BC Hydro's usual transmission load interconnection practices, except that once a Proponent completes all necessary studies, they will remain in the North Coast Queue until such time as the open season process is complete (or the process terminates) and so long as they meet all requirements specified in subsequent stage(s) of the open season process.