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September 28, 2017

Mr. Patrick Wruck  
Commission Secretary & Manager  
BC Utilities Commission  
6<sup>th</sup> Floor 900 Howe Street  
Vancouver, BC V6Z 2N3

Re: FortisBC Community Solar Pilot Project Application

Enclosed, please find Final Argument which is respectfully submitted by Resolution Electric Ltd.

Regards,

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Resolution Electric Ltd

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I will start by commenting on FortisBC final argument and then provide a final argument from Resolution Electric Ltd.

Item 2 FBC state they are treating the installation as a pilot project, which could be terminated at the end of the pilot project two year period due to lack of interest from the customer base. Refer to the response to Resolution IR#2.1.8 and BCOAPO IR#2.20.1.

This element I find very disturbing and lacking commitment from FBC for such a sizable solar investment. FBC, on one hand projects a very confident approach on the success for the project, and then apply a non-committal approach, by effectively leaving the option to dissolve the program and thereby removing any future potential for recovering all the invested funds in the CSPP.

**I see no financial risk to FBC for the failure of their CSPP proposal.**

Item 5 FBC discuss the issues faced by some customers regarding their restriction on being able to, or wanting to install solar to their dwelling.

The FortisBC proposal is “floating out there, somewhere in the ether” because FBC have insisted they are not “targeting” (see Resolution IR#2.2.4 and BCUC IR#2.19.1) any individual group or customers seeking attractive financial reasons, or green solutions to the existing hydro generation supply, more of an approach of a “let’s build it and they will come” (hopefully) attitude.

This is a little risky for this type of project and sizable costing, which, ultimately the rate base may need to absorb.

FBC also make reference to the success of the Nelson Solar Garden, in the same way they refer to the success of the FEI-Biogas. This is another obscure parallel to draw upon as the offering of the Nelson project is completely different and requires a long term commitment from the customer to “buy” secure the output from one panel for 25 years and at a one off cost of \$923 / panel. Reasoning would determine that there is an underlying financial costing / judgement the Nelson customer is making for the long term gain, and once committed there is no way for the customer to financially withdraw from the scheme. The customer is given the generous option to sell their panel allocation to any other Nelson Hydro customer, a very refreshing concept!

The Nelson scheme also proposes a minimum panel subscription rate for the project to be successful and move to construction; thereby eliminating the risk to Nelson Hydro - note they also propose a growth - staged approach for the Solar Garden, again low risk.



Item 7 of the FortisBC final argument states” *The CSPP is being proposed to gauge customer interest in a solar offering and to gather information on the installation, operation, and maintenance of PV systems of this size.*”

Firstly, FortisBC have proposed the Community Solar Garden as a pilot project to determine the level of interest “appetite” for solar from its customers, there is no mention of providing solar electric as an alternative to the customer’s existing supply as the main intent.

Secondly to ascertain the electrical performance and financial costs associated with owning and operating a solar facility. After careful consideration and review of the responses to the information requests I firmly believe the main driver or intent of the CSPP is for FBC to obtain in-depth knowledge of electrical generation from solar photovoltaic technology. To gain insight on how solar PV performs seasonally, the reliability and costs associated with operating and maintaining a solar array facility.

I believe FBC should have the opportunity to gain an in depth understanding of solar electric and how the impact of such a technology could potentially disrupt the existing electrical supply industry, this element of the CSPP offering I have no grievance with.

I am however, in disagreement with the angle on which FBC have approached this application and I find the evidence to be weak and devoid of real substance which provides little reassurance for the pilot project success.

Item 8 refers to the background market research, which to say the least is disappointing and lacking the quality of questions to gain the real insight for the appetite of its existing customers to pay a solar offering cost of \$0.248 / kWh.

The research did not draw upon existing natural gas customers who subscribe to a similar “in concept” offering, the FEI Bio-gas program to glean information on whether they would support an offering proposed in the CSPP.

The research did find participants would be willing to pay a small premium for the solar option; however no intelligence was gained with respect to any value in monetary terms and therefore find that response to be subjective and misleading.

I have little doubt that pertinent questions were omitted from the market research questionnaire based on not wanting to know the answer from such questions, and therefore left to ambiguity. It doesn’t make sense (to me) for any organization who was about to invest close to \$1,000,000 to not understand the level of financial commitment willing to be carried by the consumer.



Resolution Electric recognizes some advantages and disadvantages from the solar industry prospective of having the CSPP proceed to construction phase at the Kelowna Airport location.

Positive aspects;

- 1) Draws attention to solar photovoltaic technology as a reliable source for electricity and with FortisBC seen as a supporter could bring a certain amount of credibility.
- 2) The advertisement and marketing which FortisBC would need to make to ensure the success of the CSPP would bring solar to the forefront of the electrical consumers mind, generating interest and news feeds. All of which could lead to more FBC customers seeking their own systems supplied by local solar contractors.

Negative aspect;

- 1) The association of the CSPP solar option being offered at around \$0.25 / kWh and the projected 17 year financial break-even point for the CSPP scheme (reference FBC response to BCUC IR#13.3). I feel this is not a true reflection for typical residential systems which are being installed competitively by local solar contractors at much lower \$/W rates than the CSPP. This could be reported by the media and could project a less favorable image and not the reality of how affordable solar is to the general public.
- 2) The impact of negativity and bad press attracted to the local solar industry by association of solar, if the CSPP where to fail and be terminated.

After lengthy consideration of the FortisBC application Resolution Electric is opposed to the construction of the proposed Community Solar Pilot Project.

We recognize the need for FBC to understand how solar technology is going to shape the future of the electrical industry and which direction policy will move. However under the proposed terms and conditions of the CSPP offering, find the application fickle, lacking in substance and market research and for such a proposed sizable investment it is generally unacceptable.



Although Resolution Electric rejects this FBC CSPP proposal, we are in favor of FBC developing a community solar offering at the Kelowna Airport location using similar terms and conditions to the Nelson Hydro project at the Bonnington Generation site.

This would offer the FBC customers who for reasons cannot install their own solar electric system a chance to opt for a part/full solar supply. The ability as previously noted for customers to commit to the program while maintaining the option to sell their invested stake as required.

The support for a staged approach like the Nelson Hydro garden, this would offer less risk to the FBC rate base under situations for failure of subscription and take-up. Offering flexible long term options to the participants with the ability to exit the program and sell panel allocations to other FBC customers.

Last and important aspect is as follows;

The present Net Metering agreement prescribes homeowners must purchase and own their solar array; no option is given to leasing the array. The Community Solar scheme that FortisBC is proposing provides more of a leasing style opportunity for their customers; and does not reflect the same level of commitment from solar customers the constraining Net Metering terms require.

We see this as an unfair advantage that FortisBC is trying to design into the 85A & 85B rate schedules. The Nelson Solar Garden model aligns more favorably with the current Net Metering commitment, anyone wishing to install solar photovoltaics on a roof must comply with, which is; full purchase commitment, up-front costing (sometimes with financing) with the only real option to recover the capital commitment is with the sale of the home.

If FortisBC wanted to offer a fair scheme for its customers to adopt solar it had to look no further than the Nelson Solar Garden program. Instead FBC has created a very elaborate scheme which borders on the sinister; offering no long term solution and a quick termination option for FortisBC for the CSPP once the construction is complete, with all costs passed onto the rate base.

I therefore recommend the British Columbia Utilities Commission move to reject the FortisBC – Community Solar Pilot Project and to advise FortisBC to make a re application with more acceptable terms and conditions which would offer greater program success and less risk to the rate base.

Respectfully,  
John Cawley.