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## Letter of Comment

In accordance with the Commission's Rules of Practice and Procedure, to submit a letter of comment concerning an application currently before the Commission, please provide a completed form to [commission.secretary@bcuc.com](mailto:commission.secretary@bcuc.com). If email is unavailable, please mail the form to the address above. By doing so, you acknowledge that all letters of comment are published with the author's name as part of the public evidentiary record, both in print copy and on the Commission's website. All personal contact information provided on this page is removed before posting to the website. Forms must be received by the Commission by the last filing date included in the proceeding's regulatory timetable before final arguments.

Proceeding name

Request for comments on the residential inclining block (RIB) electricity rate

Are you currently registered as an intervener or interested party?

No

Name (first and last)

Ajai Sehgal

City

[REDACTED]

Province

British Columbia

Email

[REDACTED]

Phone number

[REDACTED]

# Letter of Comment

Name (first and last)

Ajai Sehgal

Date:

20-Jul-16

Comment: Please specify the reasons for your interest in the proceeding, your views concerning the proceeding, any relevant information that supports or explains your views, the conclusion you support and any recommendations. The Commission may disallow comments that do not comply with the Rules of Practice and Procedure.

I am a residential electricity customer of FortisBC, without access to natural gas, living on Anarchist Mountain, 10km east of Osoyoos BC.

Since the implementation of the Residential Conservation Rate (RCR), I have experienced a huge increase in my electricity bill that cannot be mitigated through any form of conservation as I already have any affordable method of conservation implemented.

Under the current two-tier pricing system, the majority of my electricity consumption is in Block 2 – 90% on average. Due to this, my electricity bill, has increased by more than 80% since that time. The huge increase in electricity bills that I have experienced since 2012 is a result of the Government and the BCUC requiring electric utilities to implement a two-tiered pricing system that wasn't properly designed to address the diverse set of electricity consumers that exist in BC. The RIB, as structured ignores the fact that there is a small percentage of BC residents who use electricity for space and water heating and will, regardless of their efficiency levels, always consume far more electricity than the BC average. This is because most BC residents, particularly those in major urban areas, have access to natural gas and use that fuel for space and water heating, significantly reducing their need to consume electricity (since 75% of the average energy use in single detached homes in BC is for space and water heating).

I have taken all the steps available to me to mitigate these bill impacts and conserve energy – e.g. turning down my thermostat in winter and up in summer; washing clothes on the cold cycle – but such actions have had little impact on my bill given that the bill is dominated by compressors and electric motors essential to heating our home. Our house was constructed

in 2004, it is of modern design and is very well insulated with E2 argon windows and is heated and cooled by a geothermal heat pumps - the most efficient electrically driven form of heating. There is no additional opportunity for reduce my bill through improving the energy efficiency of my house. I have looked into solar power and it would make no economic sense for me to switch to solar energy as a system to fully power the house would cost in excess of \$100K.

This ill designed rate system which works well in cities where alternate forms of energy like natural gas is available, negatively affects my neighbours and I disproportionately - effectively causing us to subsidize low power rates for those who have access to natural gas. This is an inherently unfair system that can only be resolved by the Government.

The BCUC has approved Block 2 rates at a level that is not supported by the cost to produce it. No other province charges a higher rate to its customers (except Ontario but they only charge their highest rate on consumption during peak hours). Yet, as Minister Bennett has often stated, the cost of electricity generation in BC is among the lowest in North America. And FortisBC has stated that its Block 2 rate significantly exceeds the cost of bringing on new electricity generation. So, the reason I am paying such a high electricity rate has nothing to do with the cost of providing that electricity and has very little to do with how efficiently I use that electricity. I am paying one of the highest electricity rates in Canada on the majority of my electricity consumption simply because I live in a rural area with no access to natural gas and hence use electricity rather than natural gas for space and water heating. Setting rates in this fashion actually constitutes price discrimination which, according to BCUC's mandate, they are supposed to be preventing.

The Government has encouraged the BCUC to implement the RIB as part of its clean energy policy. However, the consumption of hydroelectricity produces no greenhouse gas emissions and the RIB, as structured, is making rural electricity consumers switch to wood-burning which produces greenhouse gas emissions and a variety of other air pollutants.

The only way to mitigate the adverse impacts that the RIB it is having on a small percentage of BC residents is to move to a different pricing system. This could be done readily by replacing the two-tier system with some combination of flat rate/time-of-use pricing, at least for those residents who use electricity for space and water heating.