

November 16, 2012

Ms. Erica Hamilton
Commission Secretary
British Columbia Utilities Commission
Sixth Floor - 900 Howe Street
Vancouver, BC V6Z 2N3

Via email: Commission.secretary@bcuc.com

Dear Ms. Hamilton:

**Submission Regarding Suspension of Proceedings in the Matter of:
Fortis BC Application for a Certificate of Public Convenience and Necessity
for the Advanced Metering Infrastructure Project No. 3698682**

“Why is electricity so expensive these days? Why does it cost so much for something I can make with a balloon and my hair?” – Dennis Miller

Introduction

Great changes lie ahead in the world of electricity. New technologies, different ways of generating, distributing, storing and using electricity – and unforeseen possibilities – will all play their part. Issues such as energy affordability, security of supply and energy efficiency will have major impacts on the sector itself and the broader economic landscape.

The prediction of a huge electricity demand growth challenge means we all have to become smarter about electricity; hence, the terms “demand response”, “smart grid”, and “smart meter” have entered our vocabulary.

Demand response refers to the ability of customers to respond to either a reliability trigger or a price trigger from their utility operator. The smart grid and the smart meter are intrinsically linked to demand response.

Smart grid advancements will bring new efficiencies to the electric system by applying digital technologies to the grid and enable real-time coordination of information from generation supply resources, demand resources, and distributed energy resources. Efficiency gains from improved communication and coordination between utilities and with the grid are supposed to translate into savings in the provision of electric service to consumers.

Smart meters are electronic measurement devices used by utilities to remotely communicate information for billing customers and operating their electric systems. The combination of the electronic meters with two-way communications technology for information, monitoring and control is commonly referred to as Advanced Metering Infrastructure (AMI).

There can be no argument that energy consumers in North America are profligate and wasteful:

- According to research by Robert Ayres at the American Council for an Energy Efficient Economy (ACEEE), 87 percent of all the energy that is used to support economic activity in the U.S. is wasted.
- In the 2009 report ***Unlocking Energy Efficiency in the U.S. Economy***, McKinsey and Company said American individuals and businesses waste \$130 billion a year on energy.
- The ACEEE placed Canada at No. 11 out of 12 countries in its energy efficiency score card issued in July 2012.
- A May 2012 report by Environment Northeast says Canadian provinces that promote energy efficiency may forfeit some tax revenue from lower sales of fuel and electricity, but will make up for the loss – and more – through more competitive economies.
- A report published November 1 by E Source finds that U.S. businesses waste more than \$60 billion annually on energy.
- Enerdata and the Economist Intelligence Unit found Canada has no quantitative target for energy efficiency.

Keeping Canadian homes comfortable and powered cost their residents \$30.6 billion in 2008, according to a Natural Resources Canada (NRCan) report released in September 2010.¹ Total household energy use was 17 percent of all energy used and total household greenhouse gas emissions were 15 percent of all GHGs emitted in Canada. Specifically, residential energy use was 1,465.3 petajoules, emitting 74.2 megatonnes (Mt) of GHGs. Space and water heating accounted for 80 percent of Canada's residential energy use in 2008, followed by appliances, lighting and air conditioning. These homes present an enormous opportunity since about 70 percent of them were built before efficiency standards for houses were implemented. In addition, it is estimated two-thirds of homes that will exist in 2050 have already been built. A report for the Canadian Gas Association identified residential use as the largest energy saving opportunity and the combined residential and commercial building opportunity accounted for 75 percent of the total opportunity for energy savings.²

¹ ***Energy Efficiency Trends in Canada 1990 to 2008***,
<http://oee.nrcan.gc.ca/publications/statistics/trends10/pdf/trends.pdf>

² ***Demand Side Management Potential in Canada: Energy Efficiency Study***, May 2006, http://www.electricity.ca/media/pdfs/policy_statements/EE-DSM_Final%20Report.pdf

The message from utilities (both electric and gas) to their customers must be firm yet collaborative: **Our systems are not sustainable if we do not become at least 50 percent more efficient in our energy use.**

Efficiency solutions must be explored, discussed, and decided upon in a cooperative, transparent, non-confrontational manner or they will not succeed. The imposition of wireless smart meters upon a skeptical public is an example of a process doomed to failure. The aim of the bigger picture need for efficiency is being clouded by the arbitrary method being employed by both BC Hydro and FortisBC to achieve that bigger picture goal.

As stated by Dan York and Martin Kushler in a recent ACEEE paper: “The importance of energy efficiency has never been greater than now as a utility resource helping to achieve multiple economic and environmental objectives. Energy efficiency lowers costs to energy customers and utility systems. It promotes job growth and local economic development. It also reduces negative environmental impact by reducing fossil fuel use. Finally, energy efficiency is increasingly an important tool in addressing and maintaining electric system reliability.”³

“A well-designed smart grid will improve our quality of life, grow our economy, and drive the clean energy revolution we need.”

– Miriam Horn, Director, Smart Grid Initiative

Argument for a Suspension of Proceedings

The Nelson-Creston Green Party Constituency Association (NCGPCA) has no argument with the necessity for a smart grid and smart meters to assist in reducing the skyrocketing demand for electricity. Our disagreement is with the type of meter chosen by FortisBC.

Regarding Certificates of Public Convenience and Necessity, the **Utilities Commission Act, Section 45 (8)** states:

“The commission must not give its approval unless it determines that the privilege, concession or franchise proposed is necessary for the public convenience and properly conserves the public interest.”

³ ***The Old Model Isn't Working: Creating the Energy Utility for the 21st Century***, Dan York and Martin Kushler, September 2011, American Council for an Energy Efficient Economy, http://www.aceee.org/files/pdf/white-paper/The_Old_Model_Isnt_Working.pdf

Regarding **Certificates of Public Convenience and Necessity Application Guidelines, Appendix A to BC Utilities Commission Order G-50-10** states:

“2. Project Need, Alternatives and Justification

*(i) Studies or summary statements identifying the need for the project and confirming the technical, economic and financial feasibility of the project, identifying assumptions, sources of data, and **feasible alternatives** considered. The applicant should identify alternatives that it deemed to be not feasible at an early screening stage, and provide the reason(s) why it did not consider them further;*

*(ii) A comparison of the costs, benefits and associated risks of the project and **feasible alternatives**, including estimates of the value of all of the costs and benefits of each option or, where these costs and benefits are not quantifiable, identification of the cost or benefit that cannot be quantified. Cost estimates used in the economic comparison should have, at a minimum, a Class 41 degree of accuracy as defined in the Advancement of Cost Engineering (“ACE International”) Recommended Practice No. 10S-90, Cost Engineering Terminology (May 20, 2009);*

*(iii) A schedule calculating the revenue requirements of the project and **feasible alternatives**, and the resulting impacts on customer rates;”*

With regard to **Utilities Commission Act, Section 45(8)**, the NCGPCA states categorically that wireless smart meters are neither “necessary for the public convenience” nor do they “properly conserve the public interest”. The BCUC Chair and Panel Members heard from 19 people at the public input session held in Trail, 18 in Osoyoos, and 14 in Kelowna. Not one of them spoke in favour of wireless meters. In addition, many communities and the Union of BC Municipalities have asked for a moratorium on the installation of wireless smart meters. The NCGPCA argues that the public has spoken and told the commission panel that wireless smart meters are inconvenient and certainly not in the interest of those who spoke at the input sessions or many UBCM member cities and towns. It is also noted that a significant number of the registered interveners make the same argument.

With regard to the **Certificates of Public Convenience and Necessity Application Guidelines, Appendix A to BC Utilities Commission Order G-50-10, Application Requirements**, mention is made to feasible alternatives in section 2(i), 2(ii), and 2(iii) under the heading **Project Need, Alternatives and Justification**. The NCGPCA argues that wired-in smart meters are a “feasible alternative” and that FortisBC has not presented a fully detailed business case for wired-in meters to compare with its current application for wireless meters.

The NCGPCA notes that it has been pointed out by intervener Andy Shadrack that wired-in meters have been purchased and installed in other jurisdictions for a lower

cost per meter than the price FortisBC is going to pay for wireless meters. In addition, we note that there is a controversy about the effectiveness of RF transmissions in low population density areas. We note further that counsel for FortisBC wishes to restrict discussion of wired-in meters to written submissions and we would argue this is blatantly unfair to those interveners who view wired-in meters as a “feasible alternative”.

We also note FortisBC did not receive any Power Line Carrier proposals from any vendors during the RFP process and that Itron provided an estimate of PLC capital costs which FortisBC considered too expensive and deemed not as beneficial. We do not believe this to be an adequate comparison however, and we feel that PCL, fibre optic, and third-party carrier systems need to be explored in order that the Commission can make a decision that is right for both electricity consumers and FortisBC.

We ask the Commission to suspend these proceedings until such time as FortisBC has provided the Commission with a fully detailed business case for a hard-wired, feasible, alternative smart meter option.

“Benjamin Franklin may have discovered electricity, but it was the man who invented the meter who made the money.”

– Earl Wilson

Epilogue

Buddhists state that all conditioned phenomena are impermanent – a statement that defines the human dilemma. “When we deny and struggle against its truth, we suffer. When we accept and open ourselves fully to its reality, we discover peace and untold resources of wisdom and compassion within us. This is the essence of Buddhist wisdom for difficult times.”⁴

We are living in difficult times; the disconnect between what we want and the reality of what the world is giving us is causing great confusion and suffering. It is natural in such times for humans to want to cling to something solid – that which we think will benefit us – and avoid what we want to avoid. The NCGPCA believes FortisBC needs to be more Buddhist in its approach to its current CPCN; it needs to just **see**. Buddhism is “about examining the world clearly and carefully, about testing everything and every idea. Buddhism is about **seeing**. It’s about knowing rather than believing or hoping or wishing. It’s also about not being afraid to examine anything and everything, including our own personal agendas.”⁵

⁴ ***Solid Ground: Buddhist Wisdom for Difficult Times***, Sylvia Boorstein, Norman Fischer, Tsoknyi Rinpoche, Parallax Press, Berkeley, California, 2011, p. 9.

⁵ ***Buddhism Plain and Simple***, Steve Hagen, Broadway Books, New York, 1997, p. 9.

Both registered interveners and interested parties to the FortisBC CPCN application for Project No. 3698682 feel there is something amiss about this proposal. FortisBC is trying to control our world, but they are only hurting themselves and others. In times like these, Buddhism offers the radical act of just stopping. “What if we just stop and look and fully experience life as it is? In the greatest reversal of all, in doing nothing we discover everything. Stopping doesn’t mean we become indifferent, impractical, or paralyzed.”⁶

All parties – including the proponent and the Commission – need to **see** the Truth with regard to the CPCN application for Project No. 3698682. The Truth is not contained in the thousands of words in that application. We will only find that Truth by stopping – realizing we have not found the right path to the Truth – and examining what feasible alternatives can guide us to the conclusion we can all feel comfortable with. By stopping now, we will come to know the Truth.

We ask the Commission to suspend these proceedings until such time as FortisBC has provided the Commission with a fully detailed business case for a hard-wired, feasible, alternative smart meter option.

“There is a force more powerful than steam and electricity: the will.”
- Fernán Caballero

Respectfully submitted by,

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⁶ ***Solid Ground: Buddhist Wisdom for Difficult Times***, Sylvia Boorstein, Norman Fischer, Tsoknyi Rinpoche, Parallax Press, Berkeley, California, 2011, p. 12.