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www.b cuc.com**British Columbia
Utilities Commission**

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. 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

British Columbia Hydro and Power Authority 2015 Rate Design Application ~ Project
No.3698781

Are you currently registered as an intervener or interested party?

No

Name (first and last)

Oakley Rankin

City

[REDACTED]

Province

British Columbia

Email

[REDACTED]

Phone number

[REDACTED]

Letter of Comment

Name (first and last)

Oakley Rankin

Date:

July 28, 2016

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.

My interest in the proceedings stems from the unfairness of two tier electricity pricing for those who have use electric heating. In the eighties and nineties, BC Hydro strongly encouraged electricity as the most efficient and cheapest means of heating a home in BC. Part of the argument was centred around the idea that hydro power was largely "green". Little did I suspect that when I built our home on Hornby Island in the nineties that I would soon be penalized for choosing electric heating--not that we had any real choice on Hornby as propane heat was then more expensive than electricity.

So I built my home with insulated floors, 6 inch insulation in all the walls including the interior ones, 12 inch insulation in the ceiling, properly sealed doors and windows and independent electric heating in each room--in short attempting to make it a conservation "tight" as possible. And eight years after completion BC Hydro introduced two tier pricing and suddenly I was paying much more for my electric heating than I was for all the other electric usage in my home. During the summer months when I turn off the electric heating circuit breakers, my electricity costs remain within the Step 1 tier. The minute cooler weather comes in October I switch on the heating and rocket past the fluctuating Step 1 limit which of course means I am paying Step 2 rates for my heating. The fact that all my non-heating electricity is Step 1 only is borne out by BC Hydro's online consumption figures for my home for the past 3 years.

At present rates of \$0.0829 per kWh / \$0.1243 per kWh I am now paying 49.9% more to heat my house than I am to light it, run my electronic gear, heat my water and cool my food. If a credit card company jacked its rates up to a similar percentage there would undoubtedly be almost immediate action on the part of our government and its relevant commission. But when a utility does it no one seems too much interested. Of course the rationale is that the two tier pricing will encourage conservation but such a rationale has no meaning when one is heating their house with the only practical source of green energy available. Here is a statement from their newsletter I received from BC Hydro just this month:

"Last year, 98% of the electricity generated in B.C. came from renewable or clean resources with minimal carbon emissions. The bulk came from our 30 hydroelectric generating facilities, with the balance coming from dozens of small hydro projects, almost 20 biomass facilities and a growing number of wind and solar projects."

This can mean nothing more than the fact that I am being penalized for heating my house with "green" energy.

Oh yes, I could purchase a wood stove and chop down trees on my property but then my wife would begin to suffer from dry air and smoke inhalation. If I had an extra \$10,000 or \$15,000 to spend I could install heat pumps and when it turns out that I am paying close to the same amount to BC Hydro in order, I suspect, to allow them to purchase the wildly overpriced power from the excessively long term contracts with private companies negotiated by our government, I will probably dip deeply into my pensions to do so as once again I will have little choice.

BCUC is supposed to oversee the pricing and service of utilities with the welfare of provincial citizens foremost. The introduction of two tier electricity pricing simply ignored a large minority of rural people using electric heat given its price and convenience compared to the main rural alternative of a wood stove. I, like many in rural areas including the Gulf Islands, am a pensioner and, although not destitute I and my wife do live on an income which has been topped up in most years by the GIS and aided by reduced MSP premiums. When two tier pricing was introduced I took the BC Hydro online home assessment and sure enough my 14,000 watts of heaters for an 1800 square foot home put my well out of what BC Hydro said was the "green" ballpark. So I sent off a letter then to Hydro in much the same vein as this one pointing out especially that if I had been able to opt at the time for gas heat rather than "green" hydro power my

house would be an even greater polluter than it was with electric heat so what did they really mean by encouraging conservation in my case. At the time I had checked all the boxes for BC Hydro's suggestions for draft proofing, compact fluorescents, etc. and still have being in the process of changing my CFLs to LEDs.

If hydro power is truly "green" then one could argue that electric heat is conserving environmental degradation much more fully than almost any of its competitors other than a heat pump. The situation is particularly ironic in view of the construction of the Site C dam and especially galling insofar as Tier 1 pricing for business from small to large is barely more than a penny a Kwh. It would certainly appear from BC Hydro's pricing structure that they look to residential rates to subsidize commercial ones.

So my recommendation is that BCUC consider the unfairness of two tier pricing on those who have chosen to heat the homes with "green" power. And once considered, demand:

1. that BC Hydro build a rate structure that reflects the sourcing of power and its "greenness".
2. for conservation require BC Hydro to design a program subsidizing generously the installation of heat pumps; perhaps modelled on the German and Ontario "feed-in" tariffs for solar power.