

Sixth Floor, 900 Howe Street, Box 250  
Vancouver, BC, Canada V6Z 2N3Phone: 604-660-4700  
BC Toll Free: 1-800-663-1385  
Fax: 604-660-1102  
www.bcuc.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](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

BCUC RIB Rate Report

Are you currently registered as an intervener or interested party?

No

Name (first and last)

Rod Shead

City

[REDACTED]

Province

BC

Email

[REDACTED]

Phone number

[REDACTED]

# Letter of Comment

Name (first and last)

Rod Shead

Date:

23-Oct-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.

## MY INTEREST

My interest in the preceding is to promote the removal of barriers for British Columbians to adopt residential heating technologies that reduce greenhouse gas emissions and hazardous air pollutants. Also, to remove the financial 'penalty' imposed on home owners that have no other home heating alternatives than electricity.

## MY VIEW

The two-tiered residential "conservation" rate discourages the use of alternative heating solutions for residential home heating and, by extension, discourages reductions in greenhouse gas emissions associated with natural gas furnaces and reduction of hazardous air pollutants associated with combustion of wood products. While the conservation rate 'encourages' electricity conservation it penalizes those using alternative heating technologies that significantly reduce emissions of greenhouse gases and/or hazardous air pollutants. Additionally, it penalizes those that have no other options to electricity for heating their homes.

The following explains my experience with the conservation rate. In our house we have a natural gas furnace as well as an air-source heat pump. Until BC Hydro introduced the conservation rate structure, we heated our house primarily with the air-source heat pump with the natural gas furnace being in place as a back-up heat source. An air source heat pump uses considerable more electricity than a natural gas furnace, but reduces our annual greenhouse gas emissions by approximately 6,000 kilograms. However, with BC Hydro's conservation rate, it became considerably more costly to heat our house with a heat pump and we have heated our house with natural gas since 2009. As a result, our annual carbon dioxide emissions have increased by approximately 6,000 kilograms per year with use of natural gas compared to a heat pump. Since 2009, that has resulted in over 40,000 kilogram of carbon dioxide emission. Even with future increases in the provincial carbon tax, it will still be more cost effective for us to heat our house with natural gas compared to our heat pump.

As a family that wishes to reduce our carbon footprint we find this troubling, but necessary given increasing cost of living and financial challenges that we, and many British Columbians, face. Keep in mind that we are only one house in British Columbia that has done the calculations and concluded that, under BC Hydro's conservation rate there is no financial incentive to use our heat pump and reduce greenhouse gas emissions. It is reasonable to expect that many others house holds have arrived at the same conclusion.

The intent of the conservation rate is to encourage energy conservation and that is admirable, but there should be recognition that switching to a non-fossil fuel heat source (i.e. heat pump)

necessitates an increase in electricity consumption and that increased electricity cost is a barrier to uptake. Electricity based heating technologies are a REAL solution to reducing greenhouse gas and hazardous air pollutant emissions, but the conservation rate discourages adoption of such technologies that have positive climate and air quality benefits.

While BC Hydro brands this as a 'conservation rate', the assumption that a two-tier rate will promote conservation isn't strongly supported by logic as most homeowners would seek to reduce their electricity to the greatest extent practical regardless of the rate. Financial benefits (i.e. saving money) will promote conservation more than any rate structure.

#### MY OPINION

In closing, the BC Hydro two-tiered 'conservation rate' is key barrier to adoption of such beneficial technologies and, as such, it is my opinion that the conservation rate should be eliminated. If not eliminated for all British Columbians it should be eliminated where home owners have invested in technologies that have positive climate and air quality benefits; it should also be eliminated where home owners have no other alternative technologies and must use electricity to provide heat.