

COMMERCIAL ENERGY CONSUMERS ASSOCIATION OF BC

SUBMISSIONS

IN THE MATTER OF the Utilities Commission Act, RSBC 1996, Chapter 473

AND

Class Exemption for BC Hydro Customers that Resell Electricity
under Certain Lease Arrangements

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1. The Commercial Energy Consumers Association of BC (CEC) represents the interests of ratepayers consuming energy under commercial tariffs in applications before the BC Utilities Commission (BCUC or Commission).
 2. By Order G-191-16 the Commission initiated a proceeding to consider a class exemption pursuant to sections 88(1) and 88(3) of the Utilities Commission Act(UCA) for all BC Hydro customers with lease arrangements, where the Lessor, not otherwise a public utility, provides electricity only to the Lessee where the lease period is greater than five years, if the service or commodity is not resold to or used by others and meets the criteria of the BC Hydro Electric Tariff Terms and Conditions for the Resale of Electricity and where all other requirements of the Utilities Commission Act are met.
 3. The Commission seeks responses to the following questions:
 - a) Should this proposed class exemption be granted?
 - b) If so, are the terms and conditions proposed in the draft exemption order satisfactory?
 - c) Should any further regulatory process be held to consider this matter and why? And if so, what process should be held?
 4. The CEC provides the following responses and additional submissions with respect to this matter.

I. Should this proposed class exemption be granted?

5. The CEC has reviewed the historical evidence, the Draft Order, the relevant sections of the Utilities Commission Act (UCA) and the BC Hydro Electric Tariff.
6. The CEC submits that there are outstanding issues that are appropriate for the Commission to consider prior to approval of the Order however the CEC supports approval of the Draft Order generally.
7. The CEC identifies the following issues for consideration by the Commission as there is little to no evidence on the topics.

Given the absence of evidence it is difficult to determine if the issues are relevant or de minimus.

- a) What is the import of the minimum 5 year lease term, and should it be varied?
- b) The BC Hydro Electric tariff states the following:

9.2. Resale of Electricity: If a Customer wishes to sell Electricity which the Customer has purchased from BC Hydro to a tenant of that Customer on the same Premises on a metered basis, then the Customer shall agree that the selling price for such Electricity shall not exceed the price which BC Hydro would have charged had that tenant been a Customer of BC Hydro. This requirement shall be included in an agreement for resale between BC Hydro and the Customer.

Given that there are various charges applicable to individual customers (residential and commercial) such as basic charge, demand charges, minimum charges and differential energy charges based on usage (ie. the RIB rate, customer baselines), how should the Commission rationalize any difference between the aggregated total of what BC Hydro would charge individual customers for energy and the total charged to the Reseller?

- c) Is it possible and if so, appropriate for customers of a reseller to effectively receive a lower energy bill than those customers who are charged individually?
- d) How many customers are potentially affected immediately and in the future?
- e) What is the net financial impact on BC Hydro and individual ratepayers if customers become customers of a reseller rather than of BC Hydro?
- f) How will the efficacy of Demand Side Management measures be affected by customers moving to resellers rather acting as customers of BC Hydro?

II. If so, are the terms and conditions proposed in the draft exemption order satisfactory?

- 8. The CEC submits that the objective of the exemption should be to provide relief from the obligations that the UCA imposes on a public utility but to keep those provisions of Commission's powers which would enable the Commission to provide oversight and enforcement should the Commission become aware of issues with resellers in the future which might not be in the public interest. The CEC understands that the regulatory powers of the Commission are reserved without creating a burden on proposed exempt resellers but the customer's right to complain would enable the Commission to respond to complaints effectively if it found this to be in the public interest. The CEC understands that is the intent of the Draft Order.

**III. Should any further regulatory process be held to consider this matter and why?
And if so, what process should be held?**

9. The CEC is not requesting further process. However, the CEC submits that a streamlined review process may be an appropriate process for this review to confirm that the Commission is satisfied the matters identified in paragraph 7 above, and any other matters raised in comments from this process have been considered.
10. The CEC submits that, if the Commission moved directly to a decision with consideration of issues raised, the CEC would find this to be equally satisfactory process.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

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