

April 11, 2017

**VIA EMAIL**

Erica Hamilton  
Commission Secretary  
BC Utilities Commission  
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Vancouver, BC V6Z 2N3



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Our file: 7638R

**Re: FortisBC Inc. (“FBC”) Application for Approval of Demand Side Management (DSM) Expenditures for 2015 and 2016**

We are counsel for the BC Old Age Pensioners’ Organization, Council of Senior Citizens’ Organizations, Tenants Resource and Advisory Centre and Disability Alliance BC (collectively “BCOAPO”). BCOAPO was an intervenor in the underlying proceeding leading to Order G-199-16.

On March 17, 2017, FBC filed an Application for Reconsideration and Variance of Order G-199-16 (the “Reconsideration Application”). These are the submissions of BCOAPO in respect of Phase 1 of the Reconsideration Application.

**Should there be a reconsideration by the Commission?**

Yes, BCOAPO’s view is that there should be reconsideration by the Commission.

The first change sought by FBC in the Reconsideration Application is that FBC not be directed to change RS 95 to require that RS 95 customers not be removed from the Net Metering program solely on the basis of producing net excess generation (“NEG”) on an annual basis. Although the Commission agreed that new customers did not have the right to consistently generate NEG and existing customers did not have the right to expand their generation to consistently generate NEG, the Commission did not agree that existing customers could be prevented from consistently generating NEG. The rationale for this distinction appears to be that the Commission believed RS 95 customers were previously permitted to gain financial profit from consistently generating NEG, and that changing the rules now would be unfair to these customers. While we agree that such a change would be unfair to these customers were it to be made, we disagree with the Commission’s view that no such restriction previously existed in the program. In our submission, the restriction rejected by the Commission already existed within the terms of RS 95 and what FBC sought in this regard in the underlying application was merely a clarification of the wording of RS 95, not a fundamental change to the program.

In addition, it appears that confusion may have been created by the use of phrases like “remove customers from the program” when what is meant is that when a customer’s generation is consistently in excess of their use, the NEG would be excluded from eligibility for compensation under the program.

The second change sought by FBC in the Reconsideration Application is that the kilowatt hour bank described in the underlying application be approved for implementation and the terms of RS 95 be amended accordingly. BCOAPO opposed creation of the kilowatt hour bank as described in the underlying application on the basis that the value of electrical

generation varies based on time of year. A kilowatt hour bank that is cleared only annually prices electricity the same throughout the year. This allows net metering customers who generate NEG in the summer (when generation/acquisition costs are lower) to benefit from their “banked” NEG in the winter (when generation/acquisition costs are higher). We prefer to see a system that preserves a price differential between winter and summer generation to better encourage distributed winter generation.

However, in our submission, the issue of what price is paid for generated electricity is distinct from the issue of what method is used to determine whether NEG exists within a time period (e.g., whether NEG is calculated monthly or annually). Under net metering, a customer may be entitled to offset their load calculated in kilowatt hours (net metering), but not entitled to offset their bill calculated in dollars by an equivalent amount (net billing). In other words, the rate at which NEG is compensated should be neither determined by nor determinative of the method by which the existence and quantity of NEG is calculated.

For its final issue, FBC seeks to compensate net metering customers for any positive kWh balance remaining in the kWh bank at the end of the annual period using the BC Hydro RS 3808 Tranche 1 rate. BCOAPO supports reconsideration on this issue. As noted by FBC, compensating for NEG at the retail tier 2 rate results in a rate that is not just and reasonable, and may be detrimental to non-generating customers. We also agree with FBC that the previous rationale for compensating NEG at retail rates is not applicable under the residential conservation two tier rate.

**If there is to be a reconsideration, should the Commission hear new evidence and should new parties be given the opportunity to present evidence?**

BCOAPO does not intend to file evidence on reconsideration, but does support the ability of FBC and other participants (including new parties, if permitted) to file new evidence they believe necessary to address the issues.

**If there is to be reconsideration, should it focus on the items from the application for reconsideration, a subset of these items or additional items?**

BCOAPO submits that the reconsideration should focus on the first and third of the issues raised by FBC, being FBC’s ability to remove customer’s consistent excess generation from RS 95 and the appropriate price for the compensation of NEG.

All of which is respectfully submitted.  
**BC Public Interest Advocacy Centre**

Tannis Braithwaite  
Executive Director | Lawyer

- c. FortisBC Inc.  
Registered Intervenors