

16.2 Please explain why the PV of the 40 year revenue requirement is less than the initial capital cost when the PV also includes ongoing maintenance costs and cost of replacing both communication equipment and inverter during the life of the Project.

17.0 Reference: Exhibit B-3, BCOAPO IR 1.1 and Exhibit B-5, ICG IR 4.2

17.1 BCOAPO requested information regarding other suitable sites owned by FortisBC. The response references ICG 4.2. While this reference notes other sites considered, it also indicates a number were unsuitable due to limited sun exposure (e.g., Vaseux Terminal) or lack of public visibility. How many of the sites listed in ICG 4.2 would be suitable as a site for a future solar installation should the program be expanded?

17.2 Does FortisBC currently own the land adjacent to the City of Kelowna Glenmore Landfill?

18.0 Reference: Exhibit B-3, BCOAPO IR 5.2

18.1 The purpose of the first part original question was to determine if FortisBC itself had any possible uses for the land in question. Please provide a response in that context.

18.2 Reference: Exhibit B-3, BCOAPO IR's 9.2, 9.2.1 & 9.2.2 and Exhibit B-4, BCSEA IR 12.5.1

Why would FortisBC not entertain increasing the rate in order to cover costs if the CSPP was oversubscribed and costs were higher than forecast (and/or panel degradation was greater than expected)?

19.0 Reference: Exhibit B-4, BCSEA IR 12.7.1

19.1 Please comment on what appears to be an asymmetrical risk to other rate payers in that Fortis BC will consider reducing the rates if costs are lower/performance improves but will not consider increasing the rates if costs are higher/performance is less than expected.

20.0 Reference: Exhibit B-4, BCSEA IR's 15.2 & 21.2 and Exhibit B-5, ICG IR 8.1

20.1 If the pilot were to prove unsuccessful (e.g. there was low level of subscription demonstrating little interest by customers in actually participating in community solar projects) and no more community solar projects were undertaken by FortisBC, will FortisBC: i) still apply for approval of "permanent rates" for the Ellison Project and permit those customers seeking to continue to participate to do so or ii) are there circumstances under which FortisBC would propose the Ellison

program be fully terminated after the two years?

20.1.1 If rates become permanent, for how many years would customers' participation be "guaranteed"?

20.1.2 If there are circumstances under which the Program could be terminated after the two years, what are they?

20.2 Recognizing that the current rate approval requested is only for two years, what commitments will FortisBC be making to customers seeking to participate regarding future rate levels?

20.2.1 Will customers be advised that the rates are subject to review and reset again at the end of the two years?

20.2.2 In FortisBC's view, is this uncertainty regarding future rates likely to affect participation in the CSPP?

20.3 Is FortisBC seeking any commitments from the BCUC regarding future rate levels?

20.3.1 If so, what commitments is FortisBC seeking?

21.0 Reference: Exhibit B-2, BCUC IR 7.1 and Exhibit, B-5, ICG IR 4.3

Preamble: The response to ICG 4.3 indicates that proponents were required to propose a system capable of generating an annual energy output of at least 1,0000 kWh (AC) per installed kW (DC) and were required to submit the expected annual energy production from their respective proposals.

21.1 Is the 290,000 kWh annual output based on the annual kWh provided in Skyfire's proposal?

21.1.1 If not, what is it based on and what actions were taken to verify the output estimate?

21.1.2 If yes, did FortisBC undertake/commission any separate analysis to verify the kWh value in the proposal?

21.1.3 If yes, what guarantees regarding the level of output were provided by/required of Skyfire?

22.0 Reference: Exhibit B-5, ICG 4.4 and Exhibit B-6, Resolution IR 6

22.1 Do the Project costs include the cost of the extended warranty? Please explain the rationale for purchasing/not purchasing the extended warranty.

22.2 How many inverters are there in total?

22.3 Given three are assumed to be replaced every five years (starting in Year 10) what is the implicit assumption regarding the average life of an inverter?

23.0 Reference: Exhibit B-6, Resolution IR 11

23.1 In the marginal cost comparison presented by FortisBC, wouldn't the future replacement costs of the communications equipment and inverters also be relevant considerations in determining the marginal cost of the power from the solar array?

24.0 Reference: Exhibit B-7, Scarlett IR 2 and Exhibit B-5, ICG IR 5.1

Preamble: In its response to Scarlett IR 2, FortisBC sets out an alternative approach to offering the Solar Offset rate and suggests that it could be implemented from the start of the project if preferred by customers and approved by the Commission.

24.1 Is the alternative outlined in Scarlett 2 only applicable to the Solar Offset rate or could the same concept also be employed for the Virtual Solar rate?

24.2 At this point in the development and approval process for the CSPP, how would a customer preference for the alternative suggested in Scarlett IR 2 be determined?

24.3 Why didn't FortisBC explore such customer rate preference prior to making its Application to the BCUC for implementation of the rates as proposed?

24.4 What are the pros and cons of offering the alternative rate set out in Scarlett 2 as opposed to the rate proposed by FortisBC?