

BRITISH COLUMBIA UTILITIES COMMISSION
IN THE MATTER OF THE UTILITIES COMMISSION ACT
R.S.B.C. 1996, CHAPTER 473

And

FortisBC Inc.
Community Solar Pilot Project Application

VANCOUVER, B.C.
June 1st, 2017

Procedural Conference

BEFORE:

R. Revel,	Panel Chair/Commissioner
D. Cote,	Commissioner
W. Everett,	Commissioner

VOLUME 1

APPEARANCES

P. MILLER	Commission Counsel
L. HERBST	FortisBC Ltd.
L. WORTH	Counsel for British Columbia Old Age Pensioners' Organizations, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and The Tenant Resource and Advisory Centre (BCOAPO)
W. ANDREWS T. HACKNEY	Counsel B.C. Sustainable Energy Association and Sierra Club of B.C. (BCSEA)
R. HOBBS	Counsel for Industrial Customers Group (ICG)

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CAARS
VANCOUVER, B.C.
June 1st, 2017

(PROCEEDINGS RESUMED AT 9:00 A.M.)

THE CHAIRPERSON: Be seated, please.

Good morning, ladies and gentlemen. My name is Richard Revel and I am a Commissioner with the British Columbia Utilities Commission. With me are my fellow Commissioners, Mr. Dennis Cote and Mr. William Everett.

Welcome to today's Procedural Conference to consider various matters related to the FortisBC application for a community solar pilot project. The Procedural Conference has been called to address procedural matters concerning the regulatory review process of the application going forward, as well as any other issues related to the application that the parties wish to bring forward at this time.

The Procedural Conference is being conducted in accord with the *Utilities Commission Act* and generally in accord with that stated in its Order G-79-17, dated the 19th of May, 2017, and the related letter registered as Exhibit A-4, seeking input from parties.

In its application, registered as Exhibit B-1, FortisBC is seeking acceptance of a capital

1 expenditure schedule related to its proposed community
2 solar pilot project, also known as the Ellison solar
3 project, on land owned by FortisBC adjacent to the
4 Ellison substation near Kelowna Airport.

5 FortisBC is also seeking approval of two
6 solar rate schedules listed as 85A and 85B.

7 The application proposes to construct and
8 operate a 240-kilowatt solar array comprised of 720
9 solar panels for a cost of \$960,711. Fortis proposes
10 to include the capital costs of the project within its
11 2017 formula capital spending envelope from its -- oh,
12 sorry, 2017 formula capital envelope, from its 2014 to
13 2019 performance-based rate making plan.

14 **Proceeding Time 9:03 a.m. T02**

15 The proposed rate schedule 85A is described
16 as a virtual solar rate, which would allow FortisBC to
17 offer customers the measured output of solar panels
18 for a fee of \$6.75 per panel per month, while the
19 proposed rate schedule 85B would allow FortisBC to
20 offer customers the option of offsetting a portion of
21 their electricity consumption with electricity
22 generated by the proposed solar panels, for a rate of
23 \$0.231 per kilowatt hour.

24 In accord with letter Exhibit A-4, the
25 Panel is interested in hearing views of both the
26 applicant and interested parties concerning whether,

1 given FortisBC's PBR plan, there is a need for the
2 Commission to hear, pursuant to Section 44.2 of the
3 UCA, a capital expenditure schedule. And if so, why?

4 Additionally, the Panel is interested in
5 views of interested parties on various options to
6 review the application; whether they intend to file
7 evidence, and, if so, its nature; the appropriate
8 regulatory process and timetable; the appropriate
9 location or locations, should public hearings be
10 considered necessary by the parties; and various other
11 matters that interested parties may wish to put forth
12 that would assist in the efficient review of the
13 application.

14 **Proceeding Time 9:05 a.m. T3**

15 The Panel is mindful and requests that all
16 parties be similarly mindful that the proposed project
17 is only pilot scale, the proposed expenditure modest,
18 and the relative regulatory costs of this hearing
19 proportionally significant. That said, I wish to
20 emphasize that it is not the intent of this Panel to
21 thwart a full and transparent examination of the
22 matters before us.

23 We will begin with the order of
24 appearances, starting with FortisBC and followed by
25 intervenors when their name is called. When called,
26 the participant or its representative should come

1 MR. MILLER: Thank you, Mr. Chair. The first in the
2 order of appearances is FortisBC Inc.

3 MS. HERBST: Thank you, Mr. Chair, Commissioners. I am
4 Ludmilla Herbst for FortisBC Inc., and with me today
5 are, on my immediate right, Cory Sinclair, Manager of
6 Regulatory Affairs, and further away from me, Mark
7 Warren, Director of Business Innovation and
8 Measurement for FortisBC. Thank you.

9 THE CHAIRPERSON: Thank you.

10 MR. MILLER: Next in the order of appearances is British
11 Columbia Old Age Pensioners' Organization *et al.*

12 MS. WORTH: Good morning, Mr. Chair, members of the
13 panel. Leigha Worth, L-E-I-G-H-A, W-O-R-T-H. Here as
14 counsel for the group known collectively in this
15 process as BCOAPO *et al.* Thank you.

16 MR. MILLER: B.C. Sustainable -- oh, sorry, Mr. Chair.
17 The next in the order of appearances is actually
18 appearing on the telephone, and it is B.C. Sustainable
19 Energy Association and the Sierra Club, B.C.

20 MR. ANDREWS: Good morning. This is William Andrews. I
21 represent the B.C. Sustainable Energy Association and
22 the Sierra Club of B.C.

23 MR. MILLER: And the last in the order of appearances,
24 Mr. Chair, is the Industrial Customers' Group.

25 MR. HOBBS: Yes, Mr. Chair. Robert Hobbs, H-O-B-B-S, and
26 I appear on behalf of the Industrial Customers' Group.

1 THE CHAIRPERSON: Thank you very much, Mr. Hobbs.

2 MR. MILLER: That completes the order of appearances, Mr.
3 Chair.

4 THE CHAIRPERSON: Thank you very much, Mr. Miller. We'll
5 now proceed with Fortis. Thank you very much.

6 **SUBMISSIONS BY MS. HERBST:**

7 MS. HERBST: Thank you. And just -- Mr. Chair, you
8 invited an opening statement. I very much repeat and
9 rely on the content of the application, and your
10 summary of it this morning was a good one. FortisBC
11 regards this opportunity and the implementation of a
12 pilot project as an exciting opportunity to take up an
13 area that customers certainly seem to be interested
14 in, as reflected by recent experiences of Nelson Hydro
15 and the surveys that have been conducted. But this
16 pilot project would be a measure of the engagement of
17 customers, once it's put to them in a more
18 crystallized form, as well as be a method of trying to
19 work out some of the logistics that go along with a
20 program of this nature.

21 And it's partly because of the nature of
22 the program that in our view it's important that a
23 Section 44.2 process dovetail together with the rate
24 schedule approvals that we've sought.

25 And so if I can turn to the questions that
26 the Commission posed in its letter --

1 THE CHAIRPERSON: Please do.

2 **Proceeding Time 9:10 a.m. T5**

3 MS. HERBST: I'll deal with that first. And of course
4 the first question is whether given PBR it is
5 necessary for the Commission to hear the application
6 for the capital expenditure schedule, and that portion
7 of it that Fortis has made. And I'd really like to
8 deal with the question in two parts. The first part
9 is whether FortisBC itself was required to make the
10 capital expenditure schedule application under section
11 44.2, and the second part is whether now that FortisBC
12 has made the application, the Commission is required
13 to hear it.

14 And by way of overview, and I'll get to
15 this in a bit more detail, what we say is that
16 FortisBC wasn't required, it wasn't under an
17 obligation to make a section 44.2 capital expenditure
18 schedule application, but that it was appropriate to
19 do so in the context of the nature of the project at
20 issue, and the context more generally, the choice was
21 the right one. And again in summary, and I'll get to
22 this in more detail as well, in our view, now that
23 Fortis has made the application, given the wording of
24 section 44.2, in our view the Commission is required
25 to hear and decide the application. But in any event,
26 even if there were a discretionary element in the

1 Commission's consideration, we say that given it was
2 appropriately made, this is a good context for making
3 a section 44.2 application. If there is a discretion,
4 the Commission should exercise it in favour of hearing
5 what Fortis has brought forward.

6 And so I said that was the overview.
7 Turning to the sub-issues that I've identified in the
8 first question more detail, the first again being
9 whether FortisBC was required to make the application
10 under Section 44.2. I say it wasn't. Section 44.2 is
11 worded in a permissive way in so far as the utilities
12 choice is concerned. So section 44.2(1) says that a
13 public utility may file with the Commission an
14 expenditure schedule that captures capital
15 expenditures among other things. And so given this
16 wording I say Fortis wasn't obliged to seek
17 acceptance. And this goes with or without PBR, that
18 there is a discretionary element to the wording.

19 However, I say in this case it made good
20 sense to invoke section 44.2, and I say this for a few
21 reasons. One is this is isn't just any sort of
22 capital expenditure that is being made. It has a
23 couple of interesting characteristics, if I can put it
24 that way, that make section 44.2 consideration
25 particularly appropriate and efficient in a regulatory
26 sense.

1 So again, we'd be here anyway, and there's
2 not much else that Section 44.2 requires in terms of
3 time and process.

4 The second characteristic of note that I
5 say made a Section 44.2 application appropriate in
6 this case is the nature of the project. It's a pilot
7 project. It engages issues of greenhouse gas
8 emissions in part, in terms of customer interest
9 certainly in solar. It deals with issues more
10 generally of customer engagement, what sort of
11 projects in the electricity field may cause customer
12 interest, shape their perceptions. And in this
13 context, FortisBC thinks it's useful to have some
14 discussion of the public interest criteria that 44.2
15 expressly hinges on.

16 And in some respects, going back into the
17 history of FortisBC and its -- and Fortis Energy Inc.,
18 when it was still Terasen, this application is
19 somewhat akin to that that Terasen, as it then was,
20 made when it was starting to engage in biomethane
21 services. And so, like community solar, it's another
22 means for Terasen, as it then was, to put forward a
23 product that was in the category it's engaged in, for
24 gas, for us electricity, but in a new way.

25 And in 2010, looking to embark on two pilot
26 projects to deal with biomethane, Terasen brought

1 forward an application where it sought approval of a
2 rate schedule, it sought approval of various sorts.
3 But among the approvals sought, or acceptances sought,
4 was one under Section 44.2. And the application was
5 granted in Order 194-10.

6 And I raise this in part because while
7 Terasen was at that point not in PBR, and of course
8 the question -- the context of the Commission's
9 question relates to PBR -- in certain ways its
10 position was quite analogous to that of a utility in
11 the PBR context.

12 So at the time when this pilot project, or
13 the pilot projects were being brought forward in
14 biomethane, the expenditures were small. They could
15 have been captured within the approved capital that
16 Terasen had under the approved capital dollars. One
17 of them was, I think, at least when I was looking at
18 the application for 2010, an estimate was about
19 \$500,000. One was in the range of 1.8 million when
20 certain offsets were factored in. But a Section 44.2
21 application was nonetheless thought to be appropriate.

22 And from the utility's perspective, I'd
23 say, it doesn't make much difference whether it's PBR
24 or not, in terms of wanting to engage in some respects
25 -- on some issues, in a discussion of public interest
26 considerations and knowing whether a pilot project is

1 one that is embraced under the heading.

2 Now, when it came in 2012 to the AES
3 inquiry, the alternative energy services inquiry, the
4 Commission pointed to Terasen's approach on biomethane
5 in terms of its regulatory approach as having some
6 really positive characteristics. And among the
7 positive characteristics was the fact that Terasen had
8 brought the project to the Commission and set out the
9 offering that it would be making, and also that it had
10 engaged in it by way of a pilot project at first.
11 There was, I believe, a two-year term for the project
12 at the outset. And Fortis has tried to emulate that
13 here.

14 The other thing I would say, just in terms
15 of the appropriateness of 44.2 -- so how we came to be
16 engaged in that process, or this part of the
17 application, I'd say that it's a regulatory efficiency
18 issue as well.

19 So, dealing with 44.2 like considerations,
20 capital expenditures, while we'll here anyway on rate
21 schedules, is an efficient process. I'd say it's
22 better to deal with the cost issues now, deal with the
23 44.2 issues now, while other evidence in context is
24 before the Commission rather than potentially breaking
25 out parts and dealing with them in future proceedings,
26 whether annual reviews or otherwise. The same depth

1 of information just wouldn't be readily available
2 there in the same way that it is here.

3 **Proceeding Time 9:18 a.m. T07**

4 So, again, appropriate from my perspective
5 for Fortis to have brought the application forward.

6 The second part of my answer to the first
7 question deals with whether -- now that FortisBC has
8 brought it forward under Section 44.2, the Commission
9 is itself obliged to hear the application, though
10 we're in PBR. And I say yes. The wording of section
11 44.2, as I was going through it, and in particular
12 subsection (3), says that after reviewing an
13 expenditure schedule submitted under subsection (1),
14 which is where the utility has the engagement it may
15 submit, the Commission must accept the schedule or
16 reject the schedule. And of course there are certain
17 considerations that dictate which one, whether it's a
18 yes or a no.

19 That's subject to certain other subsections
20 of 44.2, but I see none of them as engaged as
21 detracting from the necessity of deciding an
22 application when it's brought forward.

23 Now, I always hesitate in saying that the
24 Commission must do something. So I will quickly
25 follow that up with this. I say that, given the fact
26 that the application here and the engagement with

1 Section 44.2 is appropriate, that there are good
2 reasons for it, and that FortisBC made the right
3 choice in meshing that with the rate schedule
4 application it would have brought forward anyway. If
5 the Commission has a discretion in terms of
6 considering the application or not, it should be
7 exercised in FortisBC's favour in this case.

8 So that's my nuanced answer to the first
9 question, and that it is appropriate. I would say
10 that the Commission must consider the application but
11 in any event, if there is discretion it should be
12 exercised in Fortis's favour to engage with Section
13 44.2.

14 So, turning to the other questions in the
15 Commission's list, the question 2 deals with process
16 options for review of the application. And as the
17 Commission noted in its correspondence, FortisBC set
18 out a proposal in its application. And one component
19 of that was that there be -- or the overriding
20 component of that was that this be a written hearing
21 process. So among the choices that are listed in
22 question 2, it's the written process that we favour.

23 The issues, in our view, lend themselves to
24 written consideration. Among the issues are the
25 drafting -- the devising of the rate schedules that
26 are intended to accompany this project, which is very

1 much a written kind of exercise, and another issue are
2 the numbers that are related to the pilot project,
3 which again lend themselves to written back-and-forth.

4 In terms of the detail of the proposal,
5 I'll come back to that under question 4. Just
6 question 3 asked about the proposed intervenor
7 evidence. And to that, I'll respond if intervenors
8 have any to bring forward.

9 4, dealing with the regulatory process and
10 timetable. So just in terms of process for the
11 moment, and again, as the Commission noted out, not
12 only did Fortis propose a written process, but within
13 that process it made a proposal of having one round of
14 Information Requests then intervenors would make
15 submissions and Fortis would reply. This, in our
16 view, is an efficient process for the hearing of the
17 application. Essentially we'd be relying on the
18 application as our starting point, going to some back-
19 and-forth in terms of questions, and then submissions
20 thereafter by intervenors and Fortis.

21 And I think resonating and overlapping with
22 some of the comments that were made by way of
23 introduction today, we think this would be the best
24 process, given the relatively modest cost that's
25 engaged in the pilot project, its scale, and its
26 nature as being reviewable down the road in terms of

1 a process would go on, the more likely it might be
2 that an evidentiary update and further process might
3 be required just given how the numbers are derived and
4 how they are based.

5 Now, all that being said, the reason that
6 Fortis thought June 30th was a good date to propose,
7 was not only the benefits of a quick process, but also
8 because we thought that it would allow enough time for
9 a process that was, as was said in the introduction,
10 full and transparent with everyone having a reasonable
11 opportunity to deal with the issues given the nature
12 of the issues at hand. But , of course, doesn't want
13 to forestall that opportunity by insisting on June 30th
14 if there is not a sufficient opportunity that parties
15 feel to engage with issues that arise. And so I do
16 want to emphasize that while we think it is a good
17 idea to have this up and running by the end of the
18 year, which June 30th would allow, giving us the six
19 months for construction, and then some marketing, it's
20 not critical if issues emerge that require additional
21 time to discuss.

22 Question 5 related to the location of
23 future in-person hearings, if any. So, of course
24 Fortis doesn't consider it necessary to have an in-
25 person hearing, but if one were held, given where the
26 project would be located, which is close to the

1 Kelowna Airport at the Ellison facility that Fortis
2 already has, our suggestion would be that any in-
3 person hearing be held in Kelowna to recognize the
4 community where this project would be built.

5 Now, we are, of course, mindful of the fact
6 that a lot of intervenors and their counsel are -- and
7 Commissioners are in Vancouver together with staff,
8 and so we're mindful of the cost considerations and
9 convenience considerations as well. But -- so it's
10 not that Vancouver is a terrible idea from our
11 perspective either, but our preference, given the
12 location would be Kelowna.

13 And as to item 6, other matters that will
14 assist in the efficient review of the application, we
15 don't have anything additional to propose at this
16 time.

17 Thank you.

18 THE CHAIRPERSON: Thank you very much Ms. Herbst.

19 Ms. Worth?

20 **SUBMISSIONS BY MS. WORTH:**

21 MS. WORTH: Thank you, Mr. Chair. In regards to the
22 first item on the agenda, the question as to whether
23 FortisBC's performance based rate making plan negates
24 the need for the Commission to hear pursuant to
25 section 44.2 of the UCA, a capital expenditures
26 schedule application, I do agree with Ms. Herbst's

1 as a practitioner do not agree that the cost of this
2 project should in any way be seen to dictate what the
3 appropriate process is. That's certainly a
4 consideration, that's one consideration, but it's one
5 amongst many.

6 There are certain times when we have seen,
7 over the years, applications where the issues were of
8 great importance, but the relative associated costs
9 were low. And there has also been times where there
10 have been applications brought forward where the cost
11 impacts were high, but the issues that actually were
12 in contention were very low.

13 So I just don't want to have a situation
14 where there is any misconception that I or my clients
15 would support that type of position. But BCOAPO does
16 agree with FBC's process suggestion, although we are
17 somewhat skeptical of the ability to complete this
18 process within the one-month timeline that the utility
19 has put forward, simply because we are getting into a
20 situation where people might be potentially going on
21 vacations and things like that. And I don't know what
22 the Panel's availability is, but going from the
23 beginning of a process to a decision in one month is
24 very difficult at the best of times.

25 Question 5, the location of any future in-
26 person hearings, if any. If there were actually a

1 process that took place, I agree with Ms. Herbst, that
2 having it in the community where the utility is
3 proposing to site this would be important. There have
4 been a number of cases in the past where a lot of
5 people within the communities in the Interior have had
6 a great deal of interest, and have attended these
7 types of processes. I don't know whether that level
8 of interest is there in this particular process, but I
9 think it would be best to err on the side of siting
10 any oral hearings in that particular community.

11 And the BCOAPO does not have any other
12 matters that it believes will assist in the process.

13 THE CHAIRPERSON: Thank you very much, Ms. Worth.

14 MS. WORTH: Thank you.

15 THE CHAIRPERSON: That's very helpful.

16 COMMISSIONER COTE: I have a question.

17 MS. WORTH: Sure.

18 COMMISSIONER COTE: You indicated that you felt 30 days
19 was a bit tight to complete the process and have a
20 decision out. Did you turn your mind to what you feel
21 would be an appropriate length of time to do this?

22 **Proceeding Time 9:32 a.m. T10**

23 MS. WORTH: I'm not suggesting that this be drawn out
24 into a sort of a pan-seasonal type thing. But I'm
25 thinking that maybe a month and a half might be a
26 little more achievable. Just because we don't know

1 yet what the volume of interrogatories would be to the
2 utility, and we want to make sure that there's
3 sufficient time for interveners to actually process
4 the information that they do receive from the utility,
5 if we do have a round of IRs, and then to actually
6 write their submissions in a thoughtful way. Of
7 course the utility, if we go with the process that
8 they've suggested, would have to do the same, and then
9 the Commission needs to look at all of the evidence
10 and make its decision.

11 So I think perhaps that -- I still feel
12 that's a rather aggressive timeline, just sort of
13 given the nature of regulatory proceedings and the
14 volumes of material that we have to deal with, but I
15 do think that is far more achievable than one month.

16 COMMISSIONER COTE: My understanding of the process and
17 whatnot, that would require all the parties to handle
18 the argument phase in a very, very tight timelines and
19 you feel that's okay?

20 MS. WORTH: I'm certainly able to do that, but again,
21 this is going to depend on first of all on what the
22 Commission determines is the appropriate process after
23 hearing from other parties. And then also hearing
24 from those other parties whether they might be able to
25 accommodate that extremely aggressive schedule. Thank
26 you.

1 THE CHAIRPERSON: Thank you very much, Ms. Worth, and
2 thank you for your tempered expectations.

3 Now we'll have Mr. Andrews.

4 **SUBMISSIONS BY MR. ANDREWS:**

5 MR. ANDREWS: Good morning, it is a bit of an experiment
6 for me, a Procedural Conference by phone. And so far
7 it has been satisfactory, With one downside. Had I
8 been there in person I would have asked Mr. Miller
9 offline whether he was going to bring to the Panel's
10 attention a letter from Mr. Don Scarlett, who is an
11 intervenor, and I presume that he will, but to prevent
12 the possibility that it might be overlooked, that
13 there is a comment letter on the Procedural Conference
14 issues filed at Exhibit C3-2, and I just simply bring
15 that to the --

16 THE CHAIRPERSON: Perhaps we can ask Mr. Miller directly
17 if he had intentions of doing that?

18 MR. ANDREWS: Well --

19 MR. MILLER: Mr. Chair, the letter is on the record. The
20 assumption I made is the Panel will review the record
21 before it makes its decision.

22 THE CHAIRPERSON: Thank you very much, Mr. Miller. Is
23 that satisfactory, Mr. Andrews?

24 MR. ANDREWS: Oh yes, yes. And I assumed that the Panel
25 would take that letter into account. I just wanted to
26 make sure that it was on the record.

1 THE CHAIRPERSON: Thank you very much for raising that.

2 MR. ANDREWS: In your introduction you invited the
3 parties to briefly state what their interest in the
4 proceeding is, so I will state that BCSCA and Sierra
5 Club B.C. support solar power and small scale
6 distributed generation, such as the type that occurs
7 under Fortis' net metering program. I note that the
8 Commission in a previous reasons for decision said
9 that,

10 "...net metering provides customers with the
11 means to take responsibility for their own
12 production and lower their environmental
13 impact."

14 Not all customers have the means to
15 establish their own on-site generation facility in
16 order to participate in net metering. And the
17 proposed community solar pilot program offers, in
18 BCSCA and SCBC's view, an innovative way to make the
19 benefits of net metering more widely available.

20 BCSCA wants to ensure that the community
21 solar project and rates program are cost effective,
22 fair, and easy to participate in. There is a number
23 of issues that are listed in the application to
24 intervene, but I don't know that we need to address
25 those at this point.

26 **Proceeding Time 9:36 a.m. T11**

1 Turning to the issues on the Commission's
2 list here, I endorse Ms. Worth's comments regarding
3 the value of having this application being made under
4 Section 44.2 as distinct from going through the PBR
5 process and then presumably it would be simply
6 reported out at the annual review. Given that this is
7 a new concept, and despite the fact that the dollar
8 values are relatively low compared to other
9 applications, I think it is very useful to have the
10 opportunity for the Commission to be aware of it and
11 to express its view and make its decisions about the
12 project before it actually happens.

13 In terms of the process options, I would
14 support a written hearing, based on what I know at
15 this point. And to jump ahead, my clients have no
16 intention to file intervener evidence, and I do note
17 that the letter from Mr. Scarlett appears to be silent
18 on whether he intends to provide intervener evidence.
19 But certainly if there is going to be no intervener
20 evidence, it seems to me that a written hearing would
21 be appropriate.

22 I accept Fortis's clarification that June
23 30th is not what could be called a "drop-dead" date.
24 And also I agree that June 30th is probably a bit
25 overly ambitious. In general, my clients like to see
26 these processes proceed -- I don't want to say

1 "expeditiously" because that may be a term of art, but
2 as quickly as is reasonable, and allows participants
3 the opportunity to participate (inaudible).

4 My clients being represented by counsel are
5 probably in a much better position to respond to tight
6 timelines than an unrepresented appellant -- or
7 intervener, excuse me. So we would quite likely be
8 able to accommodate a quite short compressed time
9 frame. But I'm mindful that there may be other
10 interveners that would like to have more time to
11 consider each step in the process.

12 In terms of the location of future in-
13 person hearings, if there are any, I think I would
14 echo the fact that Kelowna has a logic as a location,
15 because that obviously is where the project is. If
16 there is -- you know, and if there is any degree of
17 local public interest, that would support Kelowna.
18 But on the other hand if it's going to cost
19 significantly more money to have any kind of oral
20 proceeding occur in Kelowna, I'm mindful that those
21 costs are eventually paid by the ratepayers one way or
22 the other, and if this is not something that's going
23 to attract significant public interest in Kelowna,
24 then it may well be better to have the proceeding in
25 Vancouver.

26 And with that, I believe those are my --

1 whether or not FortisBC should install and own solar
2 facilities or solar installations.

3 This is, to my knowledge, a dramatic
4 expansion of FortisBC's solar -- or activities so far.
5 The scope of what they've been doing does not include
6 solar installations. Much more similar to BC Hydro in
7 that regard. They do not, and have not until now,
8 installed a solar facility. We think that should be
9 true for FortisBC too.

10 So there is an issue, Mr. Chair, with
11 respect to whether or not FortisBC should install and
12 own solar installations. And then secondly,
13 generically, and much broader than just this
14 application, should utilities in British Columbia be
15 involved in the installation and ownership of solar
16 installations, and to date, to my knowledge, that has
17 not happened.

18 So, although as you pointed out in your
19 opening comments, Mr. Chair, and very much agree with
20 them, we need to make sure that that the costs of the
21 proceeding are proportional to the cost of the
22 project, absolutely. But in this case, this
23 application raises significant policy issues, and so
24 for that reason, I hesitate to suggest a lengthy
25 process, unless the Commission sees it necessary to
26 look closely at that policy issue. But if you decide

1 With respect to -- I'll skip item number 4,
2 because I don't think I can add anything of value.
3 With respect to item number 5, FortisBC has proposed
4 Kelowna, or near the site. And one of the interesting
5 things about this application is the label. Not
6 usually very much turns on the label, but FortisBC has
7 carefully defined this as a community solar project.
8 It's really not. It's a utility solar pilot project.
9 And so the location is a project-specific issue. But
10 it's -- and there are a series of project-specific
11 issues that the Industrial Customers' Group are going
12 to be interested in.

13 But for the broader public interest, and
14 the issue of whether or not the utility should be
15 involved in the ownership and installation of solar
16 farms, and that's a different issue, one that could be
17 heard anywhere. So for the site-specific issues,
18 Kelowna. And for the broader issues, there is an
19 advantage for there to be a broader audience. And I
20 think the only way you're going to be able to attract
21 that broader audience is here.

22 So I actually am riding the fence. If
23 we're only going to deal with the project-specific
24 issues, then Kelowna would seem to me to be the
25 appropriate place for this.

26 And those are my only comments.

1 THE CHAIRPERSON: Let me see if I can paraphrase you
2 correctly. You can see this being a fairly
3 constrained hearing if the Panel decides that the
4 public policy issues are not the driver. Is that --
5 would that be a correct characterization?

6 MR. HOBBS: It is, sir.

7 THE CHAIRPERSON: Thank you very much.

8 Colleagues, have you got any further
9 questions that you --

10 COMMISSIONER EVERETT: I'm just wondering, are you saying
11 that Fortis shouldn't be involved in installation and
12 ownership because this is an area where there is
13 sufficient competition? Or -- I'm just wondering why
14 you're saying that.

15 MR. HOBBS: Yes, and that's a good point. And I
16 hesitated in going there, but you're correct. It's
17 because the installation and ownership of solar
18 projects so far has been in a competitive marketplace.
19 And it ought to stay there. It ought not to be done
20 by utilities in the province.

21 COMMISSIONER EVERETT: Unless we think that's the most
22 effective way of incurring the cost to deliver this
23 kind of service, I guess.

24 MR. HOBBS: If you concluded that. But we would make
25 submissions that you ought not to conclude that.

26 COMMISSIONER EVERETT: Okay.

1 THE CHAIRPERSON: Thank you very much, Mr. Hobbs.

2 And with that, that concludes the
3 submissions of the interveners. Mr. Miller?

4 MR. MILLER: Staff have no submissions.

5 THE CHAIRPERSON: Thank you very much.

6 Ms. Herbst, when you're ready.

7 **REPLY BY MS. HERBST:**

8 MS. HERBST: Thank you, Mr. Chair. Just a very few
9 points.

10 One, I wanted to address Ms. Worth's
11 concern on behalf of BCOAPO in relation to low costs
12 necessarily being equated with a short process, or a
13 lesser process. I agree with Ms. Worth that that is
14 not a fixed rule, and that one necessarily doesn't
15 flow from the other. I would agree that it's a factor
16 only, and so I wanted to allay that concern.

17 In terms of the timing of the hearing, I
18 certainly hear the concerns expressed by certain
19 interveners. And I thank BCOAPO and BCSEA for their
20 willingness to nonetheless proceed in a -- or, not
21 that anybody has said otherwise, exactly, but they
22 made a point of saying that they would be willing to
23 proceed quite quickly.

24 Of course, June 30th sounded different when
25 the filing was made in April than it does now, so I
26 appreciate the concern. And again, I just reaffirmed

1 policy issues, to the extent Section 44.2 and 59 and
2 60 raise them, they can be accommodated within the
3 process we have proposed.

4 Thank you.

5 THE CHAIRPERSON: Okay. Well, thank you very much.

6 Could we just take about a two-minute
7 break, and we'll come back shortly thereafter. Thank
8 you very much.

9 **(PROCEEDINGS ADJOURNED AT 9:51 A.M.)**

10 **(PROCEEDINGS RESUMED AT 9:56 A.M.)** T15/16

11 THE CHAIRPERSON: Be seated please.

12 Well I'd like to thank you all on behalf of
13 myself and my colleagues for your presentations this
14 morning. We don't find ourselves in a position to be
15 able to offer you a decision at this particular point
16 in time. There are some matters that have been raised
17 we'd like to consider a bit more. But I assure you
18 the Panel will be as expeditious as possible in
19 getting an order out to inform you of our decision.

20 And with that the gathering is adjourned,
21 and I wish you all the best. Thank you.

22 **(PROCEEDINGS ADJOURNED AT 9:57 A.M.)**

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I HEREBY CERTIFY THAT THE FORGOING
is a true and accurate transcript of
the recording provided to me, to the
best of my skill and ability.



A.B. Lanigan, Court Reporter

June 1st, 2017