

Randy Engman, Intervener Final argument September 23, 2016

The BCUC should reject the FBC 2016 application for the **Net metering Tariff Update** for the following reasons:

1. The 2016 FBC application constitutes the final act of a ‘Bait and Switch’ trick which throws Net Metering (NM) participants under the bus. In its’ submission 6 years ago, in 2009, FBC acknowledged there was “no reason to prevent additional generation” which would be small in size. “The Company is of the opinion that the original intention of the program (to offset all or some of the customers own consumption) is still valid, but there is no reason to prevent additional generation if it falls within the 50 kW cap.” (2010 Monitoring and Evaluation Report on FortisBC Inc. Net Metering Program). FBC promised in 2010 to make application to change rates in Q2 2011 : “ *In the second quarter of 2011, FortisBC will file with the Commission an application to change certain sections of the Net Metering program Tariff intended to allow intentional generation above a customer’s own use*” but failed to do so. Fast forward five years after many small Solar, Wind and Hydro generators took FBC at their published written word and invested substantial sums now are being asked to sell excess energy at 4.5181 ¢/kWh to a utility which will then resell the energy, without any real distribution costs, to the adjacent customer for at least twice the price. FBC admits the sums are small and don’t negatively impact other customers. Why are proactive green energy producers now being asked to subsidize an 11 billion dollar corporation?
2. FBC describes NM participant's' compensation, which is set at residential pricing, as “artificially high prices”. How then does it describe the rates for power it plans to sell to adjacent properties? NM participants power is delivered into the heart of communities, is distributed and stabilizes the grid. Solar power is generated during peak rate periods, it is worth much more.
3. FBC maintains that no intent to incentivize the program exists, but the BCUC clearly stated in 2009, wrt pricing for TOU customers, that pricing “forms an acceptable incentive”. FBC submitted “The existence of Time-of-use does constitute an incentive...”(Exhibit B-2, BCUC1.19.1)
4. FBC maintains NM participants had no expectation that rates would not change. If one follows that logic to it’s end any FBC customer has no expectation rates would not shift dramatically. Under FBC’s 2016 proposal compensation for TOU NM participants changes dramatically. For me as a TOU customer it’s a reduction of 31 % of the low rate and a 77 % reduction from the high rate. In fairness would BCUC support a tariff reduction on FBC rates after FBC made substantial capital investment? No.
5. FBC submits that the intentions of NM participants, who invested thousands, were not purely financial. FBC did not pole or ask what the about NM principal motivation. FBC needs to be better informed.
6. FBC suggests a tariff of 4.5181 ¢/kWh for solar power which peaks during the day. Power which is delivered into the heart of communities. At the same time FBC is willing to compensate users with TOU tariffs at over 18 ¢/kWh, power demands typically peak during the day, often in the center of communities. This is reverse logic. Solar power is unlike IPP power in that it is offered in the community, is predictable as the clock on

the wall, and because of its' distributed nature dependable in the whole. Solar power should not be equated to IPP power.

7. This proposal leaves it unclear how accounts should be settled in the event a NM participant moves with kWhr value remaining in the bank.

Recommendations

1. Recognize that FBC' failure to report back in Q2 of 2011 and request tariff changes has led to misunderstandings that will negatively materially impact NM participants if the FBC proposal is approved.
2. Grandfather existing TOU NM contracts.
3. Going forward provide a level playing field for all BC residents and match BCHydro's tariff for NEG above consumption.
4. Going forward pay solar power producers the same tariff as daytime TOU tariffs.
5. Going forward establish a policy where by a NM participant can cash out in the event that they move from the premises or is subject to events which disrupt standard participation in the program, say a fire at a facility.
6. Insist FBC formally petition the BC government for clarity on the subject of Green Energy pricing and incentives.