

**MOVEMENT OF UNITED PROFESSIONALS (MOVEUP) ALSO KNOWN AS
CANADIAN OFFICE AND PROFESSIONAL EMPLOYEES UNION, LOCAL 378 (COPE 378)
INFORMATION REQUEST NO. 2 TO BC HYDRO
BC HYDRO 2015 RATE DESIGN**

1.0 Reference: Exhibit B-5, BC Hydro Response to COPE IR 1.1.1

Preamble: In response to COPE IR 1.1.1, BC Hydro stated that, “the timeframe is very long, between 10 and 15 years, for the development of General Service and/or Residential rates linked to efficiency ratings or measures”.

- 1.1 Please identify the main constraints that prevent the more timely development of efficiency rates or measures that could be used for future rate design or DSM planning purposes.
- 1.2 Is BC Hydro currently taking or planning any steps to accelerate the development of efficiency rates or measures that could be used for future rate design or DSM planning purposes?
 - 1.2.1 If so, please describe these activities in detail and indicate how BC Hydro expects that these actions will accelerate the timeline of these efficiency rates and measures.
 - 1.2.2 If no, please explain why not.

2.0 Reference: Exhibit B-5, BC Hydro Response to COPE IR 1.1.2

Preamble: In response to COPE IR 1.1.2, BC Hydro stated that it is not taking any steps to develop more efficient rates structures as contained in its IRP DSM Option #4 because they are not considered to be viable in the foreseeable future.

- 2.1 What research, if any, is BC Hydro conducting in relation to more economically efficient and innovative rate structures (i.e. ones the Utility believes better signal marginal costs and/or encourage more conservation and efficient energy use) for possible consideration in future IRP reports and stakeholder consultations?

- 2.1.1 If BC Hydro is currently conducting any such research, please discuss the results gathered thus far.
- 2.1.2 If BC Hydro is not currently conducting this research, please explain why not.

3.0 Reference: Exhibit B-5, BC Hydro Response to COPE IR 1.5.2

Preamble: In response to COPE IR 1.5.2, BC Hydro stated that it is not clear what additional rate design would enable customers to take advantage of Smart Energy Management Technology.

- 3.1 Is BC Hydro monitoring research efforts and experimental voluntary rate alternatives that could be used in conjunction with smart control technology to assist in mitigating the effects of volatile renewable supply (for example, technology that would respond in real time to market fluctuations in local supply conditions)?

4.0 Reference: Exhibit B-5, BC Hydro Response to COPE IR 1.11.2

Preamble: In response to this IR, BC Hydro stated it does not know what marginal customer costs would be.

- 4.1 Does BC Hydro agree it is likely there are significant economies of scale with respect to customer costs, (i.e., an increase in the number of customers does not result in a proportionate increase in customer-related costs) and therefore marginal costs are less than average costs?
- 4.2 Does BC Hydro agree that, at least from the perspective of encouraging maximum conservation and efficient energy use, rate design alternatives with lower or no flat customer charges – i.e. ones that recover more of the total customer class revenue requirements from energy (and, where relevant, demand) charges as opposed to flat customer charges -- will perform better than rate design alternatives with higher customer charges and less recovery of total revenue requirements from energy (and demand) charges.

5.0 Reference: Exhibit B-1, BC Hydro Response to COPE IR 1.19.1

Preamble: BC Hydro indicated it did not provide a response to the question regarding the economic conservation potential in the large general sector in part because a new conservation potential report is being developed.

- 5.1 Will the next conservation potential report address the extent to which BC Hydro's rates contribute to the extent of the economic conservation potential it identifies in each sector?
- 5.2 Does BC Hydro intend to review and evaluate its future rate design in light of the findings of the conservation potential report?
- 5.3 Does BC Hydro intend to use that conservation potential report to identify what changes may need to be considered to achieve more of whatever potential is found to be economic?