

FortisBC Inc. 2016 Long-Term Electric Resource Plan and Long-Term DSM Plan
Industrial Customer Group
Information Request No. 2
April 27, 2017

1. Reference: Exhibit B-7, ICG IR 1.2
System Losses

- 1.1. Please provide a list of the non-industrial transmission connected loads?
- 1.2. Please separate the losses shown in Table 1 into estimated Transmission and Distribution components, and please describe the basis of the estimate. For instance, describe the demarcation point that separates transmission losses from distribution losses.
- 1.3. The component of Transmission losses, what is the most appropriate method to assign a portion to transmission connected loads and a portion to distribution connected loads? Is the assignment based on a pro-rata calculation, or some alternate method?

2. Reference: Exhibit B-7, ICG IR 2.2
DSM Scenario Consultation

- 2.1. For the Actual Energy Savings shown, were these savings confirmed after the incentive was implemented? If so, please provide the forecasted energy savings associated with the incentive prior to the implementation of the incentive. If not, why not?

3. Reference: Exhibit B-7, ICG IR 1.4.4
Self-generator eligibility

- 3.1. Please confirm whether the calculation of the incentive for a self-generation customer is to be trued up to actual or realized savings?
- 3.2. Please comment on whether the forecast sales to a self-generation customer used for rate-making purposes can be used to estimate incentives for a self-generation customer.

4. Reference: Exhibit B-2, BCUC IR 1.12.1
DG market barriers and mitigation approaches

“With respect to the Commission’s comment in the FBC 2016 Net Metering Reasons for Decision regarding the purchase of IPP power, the Company notes that the lack of specific program(s) in this regard does not prevent FBC from acquiring the output of either IPPs or self-generators, which it has done in the past, and continues to do if such a purchase is appropriate relative to other available resource options.”

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4.1. Does FBC have a pro-forma or specimen contract for the purchase of output from IPPs or self-generators? If so, please provide a copy. If not, why not?

5. Reference: Exhibit B-2, BCUC IR 1.12.4.2
DG market barriers and mitigation approaches

“The Company currently purchases unplanned deliveries to the FBC system during periods when an existing self-generating customer is supplying energy to the FBC system, but does not have an export schedule to a third party in place, and anticipates that it will file an EPA containing the terms of this arrangement. FBC did not include this in the Action Plan because it is not a new resource acquisition.”

5.1. Please provide the terms and conditions associated with the purchase of the referenced unplanned deliveries.

5.2. Please provide the volumes of purchased unplanned deliveries since 2011, and provide FBC’s forecast of such purchases for the next 5 years. If FBC has not forecast any purchases, why not?

6. Reference: Exhibit B-2, BCUC IR 1.22.3
Transmission Project CPCNs/Long Term Capital Plan

“In the event of a single contingency outage of the existing GFT T1 161/63 kV transformer, the loads in the Grand Forks and Christina Lake areas must be supplied via two existing 63 kV transmission lines. In this operating configuration, these lines must be operated in parallel to keep voltages in the area within acceptable limits during winter peak. Based on the current condition of these lines, FBC does not believe that this operating configuration provides adequate reliability. Additionally, as load in the area increases, this configuration may not be an option to maintain voltages within acceptable limits.”

6.1. Please provide the load trend for the referenced loads for the last 10 years, and provide a forecast for the next five years.

6.2. How much of the forecasted load growth can be met through targeted or intensified DSM measures?

7. Reference: Exhibit B-2, BCUC IR 1.34.3
Deferred Capital Expenditure Value

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- 7.1. Please explain why FBC's Deferred Capital Expenditure (DCE) value is so much different than BC Hydro's.
- 7.2. Please separate FBC's DCE into Transmission and Distribution components. Please reconcile these components with the forecast capital expenditures shown in the response to BCUC IR 21.1.

8. Reference: Exhibit B-2, BCUC IR 1.51.1.2
 Co-ordination

"FBC is an autonomous integrated electrical utility that is responsible for its own resource planning, including this LTERP application currently under consideration, and determining its appropriate level of DSM activity."

- 8.1. Please comment on whether BC Hydro assessment of an appropriate level of DSM activity is more likely to be aligned with provincial government policies than is FortisBC. For example, is FortisBC willing to provide the same level of incentives to its self-generation customers as does BC Hydro to its self-generation customers?

9. Reference: Exhibit B-2, BCUC IR 1.52.2
 Self-generator eligibility

"For example, if a customer self-supplies 50% of their electricity from self-generation, or a third party, and the remaining 50% from the utility then only 50% of the electricity savings from the energy efficiency measure (s) incented by the utility are realized by the utility."

- 9.1. Please confirm that it is FBC's view that "financial incentives in proportion to the share of potential energy savings to the Company" should be calculated based on the percentage of annual self-supply of the self-generator's annual load requirements? If so, please provide an example of such calculation assuming annual load requirements are 100 MWh, annual self-generation is 50 MWh, and annual savings from the energy efficiency measure are forecast to be 25 MWh.
- 9.2. Please comment on whether FortisBC will provide an incentive to a self-generation customer, on the same basis as any other customer, whenever the total annual energy purchases from FortisBC exceed the total energy savings from the DSM measure? In not, please explain?

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10. Reference: Exhibit B-2, BCUC IR 1.52.2.1
 Self-generator eligibility

“FBC understands that BC Hydro does not reduce DSM incentives for self-generators as long as the customer continuously imports power from the utility (i.e. the project does not result in full load displacement). BC Hydro does not provide DSM incentives to customers who self-generate the entirety of their load or where a DSM project would result in the customer self-generating the entirety of their load. For example, independent power generating facilities are not eligible for BC Hydro DSM incentives for efficiency projects conducted within their facilities.”

- 10.1. Please comment on whether FortisBC is willing to adopt BC Hydro’s standards in accordance with FortisBC’s understanding of those standards as stated above? If not, please explain why not?
- 10.2. Please comment on whether Celgar has an independent power generating facility as referenced in the final sentence above?

11. Reference: Exhibit B-9, Shadrack IR 1.17.ii
 Imbalance Methodology

“In this situation, FBC was attempting to purchase a relatively small volume of 10 MW in order to meet forecast demand plus a reasonable buffer, which is typically 15 to 30 MW, depending on the hour. Actual load for the hour was such that the 10 MW was not required to meet load, and therefore it did not cause an imbalance on the FBC system. Had it caused an imbalance, it would not have resulted in a forced shut down of any customer’s electricity supply, as FBC has contractual methods of dealing with any imbalance transfer with BC Hydro.”

- 11.1. Please describe the contractual methods of dealing with any imbalance transfer with BC Hydro.
- 11.2. What are the time, duration, volume and other restrictions associated with the referenced methods of dealing with imbalance?