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June 8, 2017

Sent via eFile

**FORTISBC INC. LONG TERM ELECTRIC RESOURCE PLAN
& LONG TERM DEMAND SIDE MANAGEMENT PLAN EXHIBIT A-10**

Mr. Andy Shadrack
Box 484
Kaslo, BC V0G 1M0
ashadra@telus.net

Re: FortisBC Inc. – 2016 Long Term Electric Resource Plan & Long Term Demand Side Management Plan

Dear Mr. Shadrack:

Further to your May 23, 2017 filing of intervener evidence, enclosed please find Commission Information Request No. 1 on Intervener Evidence. Please file your response electronically with the Commission on or before Thursday, June 29, 2017.

Original signed by Katie Berezan for:

Patrick Wruck
Commission Secretary

LU/dg
Enclosure



FortisBC Inc.
2016 Long Term Electric Resource Plan & Long Term Demand Side Management Plan

INFORMATION REQUEST NO. 1 TO SHADRACK

- 1.0 **Reference:** **INFORMING DISTRIBUTED GENERATION RELATED FILING Exhibit B-1, p. 126; Exhibit B-2, BCUC IR 10.2; Exhibit C-10-6, p. 1; FortisBC Inc.'s (FBC) Application for a Community Solar Pilot Project, Exhibit B-1, pp. 6, 7, 13 Solar PV**

On page 1 of Exhibit C10-6 Shadrack includes the following unit energy cost estimates:

- Kaslo NM#1 – 12kW Solar PV (self-installed): \$65/MWh
- Kaslo NM #2 – 8.1 kW Solar PV (self-installed): \$95/MWh
- Kaslo NM #4 – 7kW Solar PV (contractor installed): \$175/MWh
- FortisBC Ellison Solar Garden: \$463/MWh
- PPA Tranche 1 Energy – \$46/MWh

FBC states on page 6 of its 2017 Application for a Community Solar Pilot Project (located at FBC's existing Ellison substation site) that the project has a capacity of 240kW and on page 7 provides the following table:

Table 4-1: Capital Cost Estimate

Item	Amount
Engineering and Construction	\$ 858,284
FBC Communications & Consultation	42,500
Contingency	44,368
AFUDC	15,592
Project Total	\$ 960,744

FBC estimates on page 13 of its 2017 Community Solar Pilot Project Application that the present value of the incremental revenue requirement for this project, divided by the present value of the annual kWh production over 40 years for the life of the array, results in a cost of \$231/MWh.

FBC states in response to BCUC Information Request (IR) 10.2: "The Company seeks to neither advantage nor disadvantage DG regardless of size, type, or ownership."

FBC states on page 126 of its 2016 Long Term Electric Resource Plan Application that the long run market cost of portfolio A4 is \$96/MWh.

- 1.1 Please explain why Shadrack assumed a 20-year solar PV life in the unit energy cost analysis, as opposed to the 40-year life assumed by FBC in the Community Solar Pilot Project Application.

- 1.1.1.1 Please recalculate the Kaslo NM#1, 3 and 4 unit energy cost (\$/MWh) estimate using, where appropriate, similar assumptions as used by FBC in the Community Solar Pilot Project Application. For example, assume a 40-year life if the solar PV panels are similar.
 - 1.1.1.2 Does Shadrack consider that there are now, or could reasonably be over the next 5 years, customer owned solar PV installations that would have a unit energy cost to the customer: (i) lower than FBC's estimated long-run marginal cost of \$96/MWh, or (ii) lower than FBC's PPA Tranche 1 Energy cost? Please explain.
 - 1.2 Does Shadrack consider that, once solar PV panels are installed by a customer, the energy produced should be considered a long-term or short-term source of electricity? Please explain.
 - 1.3 Does Shadrack consider that FBC is treating customer owned investments in solar PV on a level playing field with utility owned investments in solar PV? Please explain.