

REQUESTOR NAME: **BC Sustainable Energy Association and Sierra Club BC**

INFORMATION REQUEST ROUND NO: 1

TO: **Industrial Customers Group**

DATE: **June 8, 2017**

PROJECT NO: **3698896**

APPLICATION NAME: **FortisBC Inc. 2016 Long Term Electric Resource Plan (LTERP) and Long Term Demand Side Management Plan (LT DSM Plan)**

1.0 Topic: DSM Project

Reference: Exhibit C7-4, Evidence of Elroy Switlishoff filed by Industrial Customers Group

- 1.1 The evidence is that “Zellstoff Celgar’s mill load in 2015 was 362.6 GW.h, of which 16.7 GW.h was supplied by FortisBC.” Please confirm that on a simple pro rata basis, FortisBC supplied only 4.6% of the Zellstoff Celgar mill load in 2015.
- 1.2 Please confirm, or otherwise explain, that the power FBC provides to Zellstoff Celgar is an intermittent energy source for the overall operation and is not tied to specific loads.
 - 1.2.1 In other words, can the 4.6% of total consumption provided by FBC be attributed to specific mill processes?
 - 1.2.2 Can the 4.6% of total consumption provided by FBC be attributed to the #1 PM couch pit load that would be reduced by the Project?
- 1.3 Please confirm, or otherwise explain, that the proportion of total consumption provided by FBC is not constant throughout the year (e.g., at 4.6% in 2015). Is Zellstoff Celgar saying that the DSM project would change the load profile of power supplied by FBC?
- 1.4 The evidence is that the Project would save 229 MWh per year. Please confirm that the Project would save 10.5 MWh/y (229 MWh/y x 4.6%) of power supplied by FortisBC, calculated on a 2015 simple pro rata basis.
- 1.5 Is Zellstoff Celgar saying that BC Hydro would provide an incentive of \$88,211 to an industrial customer for a DSM project that would reduce the amount of power supplied by BC Hydro by 10.5 MWh/y? If not, what is the relevance of the BC Hydro example?
- 1.6 The evidence notes that the FortisBC Technology Implementation offer is available to natural gas customers but not to electricity customers. Is Zellstoff Celgar saying that the Technology Implementation offer for natural gas customers would provide an incentive for an ECM project based on 100% of the project’s energy savings where only 4.6% of the energy savings would come from natural gas supplied by FortisBC?
- 1.7 The evidence is that the Project’s “estimated energy savings of 229 MW.h/year would yield a potential rebate of \$34,350 (valued at 15 cents per kilowatt-hour of annual electrical savings)” under the FortisBC electric DSM program. Please confirm that a potential rebate of \$34,350 for a

Project that would save 10.5 MWh/y of power supplied by FortisBC would amount to \$3.27 per kilowatt-hour of annual electricity savings supplied by FortisBC.

- 1.8 Has Zellstoff Celgar been told by FortisBC that an incentive would be provided at 15 cents per kilowatt-hour annual savings for savings of electricity not provided by FortisBC?
 - 1.8.1 If so, please provide the reference.
 - 1.8.2 If not, why should FortisBC, and hence its ratepayers, pay an incentive for a reduction of electricity not supplied by FortisBC?
- 1.9 The evidence provides an estimated Payback Period of 15.2 years for the Project using a BC Hydro methodology and BC Hydro rates. The evidence does not provide an estimated Payback Period for the Project using FortisBC rates or Zellstoff Celgar's cost of generation. Please provide an estimated Payback Period for the Project using the BC Hydro methodology and
 - 1.9.1 100% of the savings at Zellstoff Celgar's variable cost of generation, and
 - 1.9.2 4.6% of the savings at the FBC Rate Schedule 31 energy rate and 95.4% of the savings at Zellstoff Celgar's variable cost of generation.