

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

ICG Responses to CECBC Information Requests (Exhibit C4-4)

1. Reference: Exhibit C7-4

1.1. This evidence was filed by ICG without a covering letter or any other documentation. What is ICG's purpose in filing this evidence?

RESPONSE: The purpose of the ICG evidence is identified in the evidence.

1.2. Was FBC consulted during the preparation of ICG's evidence?

RESPONSE: FortisBC was not consulted during the preparation of ICG's evidence. There was a meeting between FortisBC and Zellstoff Celgar representatives on February 15, 2017 where DSM incentives were discussed. Subsequent to the information requests to ICG, FortisBC was also consulted to confirm the amount of DSM incentives provided to Zellstoff Celgar.

1.2.1. If yes, please explain in what manner FBC was consulted.

RESPONSE: Please refer to the response to IR 1.2.

2. Reference: Exhibit B-16, ICG IR 9.2; Exhibit C7-4 page 3

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?

Response:

The Company's DSM incentives are not dependent on the portion of a customer's consumption from self-generation. The Company will evaluate each DSM measure independently to determine how much of the DSM project's energy savings will be realized by the Company and adjust the incentive accordingly.

For example, Customer A, importing a small demand of electricity 50% of the time, will be evaluated differently than Customer B, importing a large quantity of electricity only 10% of the time, even if the overall annual energy consumption is the same. The rationale is that for an identical DSM project, the DSM project with Customer A could realize more savings to the Company than the DSM project with Customer B. This example assumes that the energy savings from the DSM project are less than the amount imported from the Company, during periods of import, by either customer.

Furthermore, it appears that FortisBC would reduce this rebate further because FortisBC did not supply all of Zellstoff Celgar's electricity requirements, and the full amount of the 229 MW.h annual energy savings would not come solely from the energy supplied by FortisBC to Zellstoff Celgar.⁴ In this case, Zellstoff Celgar's mill load in 2015 was 362.6 GW.h, of which 16.7 GW.h was supplied by FortisBC. It is unclear how FortisBC would determine how much of a reduction it could expect in its electricity supply to Zellstoff Celgar as a result of this energy savings project. It would be administratively burdensome to determine the amount of energy savings to attribute to this project during those periods when Zellstoff Celgar is purchasing electricity from FortisBC, and FortisBC has not provided any methodology for that determination. If, for instance, FortisBC used a simple pro rata reduction based on the ratio of FortisBC supplied energy to total mill load, the incentive would be reduced to \$1,582, or approximately 1.8% of what would be available under a program similar to BC Hydro's.

² https://www.fortisbc.com/Rebates/RebatesOffers/Documents/16-177.3_Industrial_Opt_ParticipantGuide_Web.pdf

³ <https://www.fortisbc.com/Rebates/RebatesOffers/CustomBusinessEfficiencyProgram/Pages/CustomBusinessEfficiencyProgramTAndC.aspx>

⁴ Exhibit B-16, ICG IR 2.9.1

- 2.1. Please explain, based on FBC's response to IR 9.2, the rationale for the calculations and statements in the last paragraph from Exhibit C7-4 page 3.

RESPONSE: The incentive calculation referenced in Exhibit C7-4 was merely an example of one method by which FortisBC might "determine how much of the DSM project's energy savings will be realized by the Company". FortisBC was not specific on how such a determination would be made.

- 2.2. It appears that footnote 4 on page 3 refers to Exhibit B-16, ICG IR 9.2, not IR 2.9.1. Please confirm.

RESPONSE: Not confirmed. The footnote reference was intended to refer to IR 9.1 in the response to the second round of information requests (Exhibit B-16).