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April 20, 2018

Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**RE: British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Application to Amend Net Metering Service under Rate Schedule (RS) 1289**

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BC Hydro is writing to seek approval from the Commission to amend RS 1289 (**Application to Amend**) and seeks to have such amendments effective as of the date of this application (**proposed effective date**). The proposed amendments are limited in scope to address an immediate concern of a recent growing trend of project applications where the customer's generating facility is sized to exceed the customer's annual load (**oversized generating facilities**) resulting in significant annual surplus energy payouts. BC Hydro believes these oversized generating facilities projects are not consistent with the intent of the Net Metering program. RS 1289 does not currently provide BC Hydro with the discretion to deny such applications.

This Application to Amend requests that the Commission approve limited amendments to the Net Metering Program (the **Program**) under RS 1289, so that RS 1289 is no longer available to customers proposing a generating facility with an estimated annual energy output that is greater than their estimated annual load. These amendments will not impact customers currently under RS 1289, customers whose applications have been accepted by BC Hydro as of the proposed effective date, or customers who are proposing a generating facility sized to generate electricity up to their annual load requirements.

This Application to Amend is an interim step to address the issue of oversized generating facilities while BC Hydro undertakes a broader review of the Program and its requirements. BC Hydro is targeting to complete this review of the Program and file an application with the Commission for approval of further amendments by the end of calendar year 2018. In its review, BC Hydro will be considering other options to address the issue of oversized generating facilities. Our future application may propose maintaining the amendments requested in this Application to Amend or may propose different amendments that reflect the outcome of the review.

A draft Order is provided in Appendix A, and the proposed amendments to RS 1289 are provided in Appendix B. Appendix C provides the communication that BC Hydro will concurrently send to (i) all registered interveners in the 2014 Application to Amend Rate Schedule 1289 proceeding, (ii) all customers currently taking service under RS 1289, (iii) known applicants, and (iv) interested stakeholders.

The Application to Amend is organized as follows:

- Purpose of the Application to Amend and Proposed Amendments;
- Background of the Net Metering Program;
- Situational and Impact Analysis; and
- Request for Commission Approval and Proposed Regulatory Review Process.

#### Purpose of the Application to Amend and Proposed Amendments

The Application to Amend proposes limited amendments to the Program to address a growing trend, recently observed by BC Hydro, of project applications where the customer's generating facility is sized to exceed the customer's annual load, or a new service has been requested to allow the generation to bypass the customer's load on its premises, resulting in significant annual surplus energy payouts to such customers. Currently, RS 1289 does not provide BC Hydro with discretion to deny such applications.

BC Hydro believes that such oversized generating facilities are designed to systematically supply an annual amount of energy that is surplus to a customer's historical or anticipated annual load. These oversized projects are not consistent with the intent of the Program, which is to allow customers the opportunity to generate electricity to offset part or all of their own annual load requirements on their premises with a clean or renewable resource. This distributed generation program was not intended to facilitate the sale of excess generation to BC Hydro on a consistent basis which is more akin to an electricity purchase agreement with an independent power producer.

BC Hydro believes immediate limited amendments to RS 1289 are required to prevent additional applicants with oversized generating facilities from entering the Program. We request that these amendments become effective on the proposed effective date (the same date as the date of this application) in order to prevent additional costs and inequities from being imposed on ratepayers, as well as to avoid leaving a window of time open that may prompt a rush of applications to BC Hydro for proposed oversized generating facilities.

Customers who are already taking service under RS 1289, customers with applications that have already been accepted<sup>1</sup> into the Program and future applicants who submit an application for a proposed generating facility with an estimated annual energy output not exceeding their estimated annual load will not be affected by these proposed amendments. As such, only a small number of customers will be affected by these proposed amendments.

To implement changes to the Program to address the issue of oversized generating facilities, BC Hydro proposes limited amendments to RS 1289 as provided in Appendix B, which are summarized as follows:

- The Availability provision has been amended to clarify that Net Metering is available per Customer Premises (i.e., a customer cannot bypass an existing load on its premises by requesting a new service on the same premises) and to include the additional requirement that the Customer's Annual Load must meet or exceed the generating facility's Annual Energy Output. In addition, language has been added to provide clarification that RS 1289 continues to be available for those customers who are now receiving the RS 1289 Service and those customers whose applications have been accepted<sup>1</sup> by BC Hydro as of the date of this application.
- Two new definitions for "Annual Energy Output" and "Annual Load" have also been included in the Availability provision:
  - The "Annual Energy Output" will be an estimate of the generating facility's annual generation output based on a calculation using the nameplate rating of the generating facility; and
  - The "Annual Load" will be an estimate based on the customer's anticipated annual consumption on its premises based on the customer's billing data from the previous year and/or anticipated load.

As noted above, this Application to Amend is an interim step to address the issue of oversized generating facilities while BC Hydro undertakes a review of the Program and its requirements which will include a broad range of issues. Our review process will include stakeholder consultation and BC Hydro expects that this will help inform the future application to be filed with the Commission. As part of this broader review, BC Hydro will be considering other options to address the issue of oversized generating facilities, and the proposed amendments of this application will allow BC Hydro to test and collect data for one approach to addressing this issue.

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<sup>1</sup> All accepted applicants would have received an email or letter from the Net Metering Program stating "This project meets the criteria of a "Simple (or Complex) Distributed Generator" as defined in the "Distributed Generation Technical Interconnection Requirements 100 kW and Below."

### Background on the Net Metering Program

The following provides a brief summary of the Program and related regulatory decisions and filings, with an emphasis on those most relevant to the issue of oversized generating facilities.

The Net Metering Service under RS 1289 has its origins in Policy Action #20 of the B.C. Government's 2002 Energy Plan. In November 2003, pursuant to a direction from the Commission, BC Hydro filed a report with the Commission which included feedback from consultation with customer groups and other utilities, to assess the merits of a net metering policy. In Letter No. L-37-03, the Commission recommended the development and implementation of a net metering tariff and directed BC Hydro to prepare an application for a simple net metering tariff, with the following parameters:

- It should be available to the residential and commercial customer classes.
- It should be applicable only to clean energy projects, as defined in the BC Government's Energy Policy.
- It should be applicable to generation of 50 kW or less.
- Interconnection must be safe, but the rules governing interconnection should not be extensive, nor burdensome in administrative process.
- BC Hydro should consult with other agencies and interest groups as appropriate.
- *Customer generation should be limited to own use only at the registered location of the net metering installation.* In determining consumption charges, net excess generation may be banked as a credit to the customer's account to be applied against future net consumption. [emphasis added]

Subsequently, in November 2003, BC Hydro filed its Net Metering application and applied for a Net Metering rate of 5.40 cents per kWh (i.e., the RS 1289 "Energy Price") consistent with the requirements established by the Commission. RS 1289, including the RS 1289 Energy Price, was approved by Order No. G-26-04.<sup>2</sup>

An important concern at the time RS 1289 was established was the possible impact on non-participating ratepayers (i.e., cost shifting). In section 2.1 in the Reasons for Decision of Order No. G-26-04, the Commission determined:

"...A 50 kW system size is consistent with the intent of net metering to allow individual customers to meet all or part of their electricity demand...and more importantly to net metering tariff design from a regulatory perspective, limits to system size are intended to reduce the potential magnitude of cost-shifting to non-participating customers."

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<sup>2</sup> [Commission Order No. G-26-04 Order and Reasons for Decision on BC Hydro's Net Metering Application – Rate Schedule 1289, March 10, 2004.](#)

This concern of imposing material costs to non-participating ratepayers was also noted in Letter No. L-37-03 but the Commission agreed with BC Hydro, as referenced on page 2 of the Reasons of Decision of Order No. G-26-04,<sup>3</sup> that:

“...net metering is not likely to be developed to a great extent in B.C. given our low electricity rates currently and the high expected premiums for customer participation in a net metering program. The Commission believed that the potential for cost-shifting would be limited by low expected participation and the 50 kW limit on generation capacity.”

Since the establishment of RS 1289 in 2003, the Program has been amended several times, including the following:

- In 2008, the Energy Price was increased from 5.40 to 8.16 cents per kWh in response to the 2007 Energy Plan which indicated that the price paid for net annual surpluses of generation the Program should be generally consistent with the prices paid in the Standing Offer Program (**SOP**).<sup>4</sup> In 2011, the Energy Price in RS 1289 was updated from 8.16 cents per kWh to 9.99 cents per kWh, to reflect the updated SOP prices at that time.<sup>5</sup>
- In 2014, in response to directive No. 14 in Order No. G-57-12,<sup>6</sup> BC Hydro proposed and received approval from the Commission to increase the generator capacity size limit from 50 kW to 100 kW.<sup>7, 8</sup> The change to the generator capacity limit, along with other changes introduced by BC Hydro to the Program at the time, were intended to reduce barriers to customers seeking to net meter (e.g., First Nation communities, government agencies and municipalities).

As noted above, these changes to the Program were made to align with the 2007 Energy Plan and to reduce barriers to customers seeking to net meter. The intent was not to attract projects with generating facilities designed to have annual energy output well in excess of annual load nor was it to facilitate a consistent and significant sale of energy by customers to BC Hydro.

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<sup>4</sup> By Order No. G-4-09, the Commission approved the Energy Price increase. Please also see page 10 of the 2007 Energy Plan.

<sup>5</sup> By Order No. G-57-12, the Commission approved the Energy Price increase.

<sup>6</sup> Directive 14 states as follows: “The Panel directs BC Hydro to further consider the issue of capacity limit. BC Hydro is directed to consult with affected market participants to identify connection related barriers to entry to small-scale clean DG less than 2 MW, develop and evaluate options to address those barriers and provide the results of this consultation in the next Net Metering Monitoring and Evaluation Report.”

<sup>7</sup> [BC Hydro Application to Amend Rate Schedule \(RS 1289\) – February 28, 2014.](#)

<sup>8</sup> [Order No. G-104-14.](#)

BC Hydro notes that FortisBC Inc. also has a net metering program (which stems from the 2002 and 2007 Energy Plans) with a similar purpose, requirements and offering to BC Hydro's Program. In April 2016, FortisBC Inc. filed a Net Metering Program Tariff Update Application<sup>9</sup> with the Commission requesting amendments to their Net Metering Tariff (RS 95) including changes to RS 95 to clarify that the intent of the program was only to allow customers to offset their own consumption. The changes were "...intended to clarify that the Program does not allow a customer to systematically generate a surplus".<sup>10</sup> By Order No. G-199-16,<sup>11</sup> the Commission approved FortisBC's proposed changes. The changes proposed by BC Hydro in this application are consistent with the intent of the changes which were approved by the Commission with respect to FortisBC's Net Metering Program.

### Situational and Impact Analysis

BC Hydro believes that the more recent increases to the Net Metering Energy Price and to the generating facility's capacity limit outlined above have created conditions that have encouraged some customers to use Net Metering as a revenue generation opportunity rather than a way to offset their own power consumption.

In 2003, when the Program was established, it was expected to be a very small program with just a handful of interested participants. More recently, the Program has been more successful than originally expected. At the end of March 2018, the Program had over 1,330 customers with 9,000 kW of total capacity. In the past 12 months alone, BC Hydro has received over 500 new Net Metering applications.

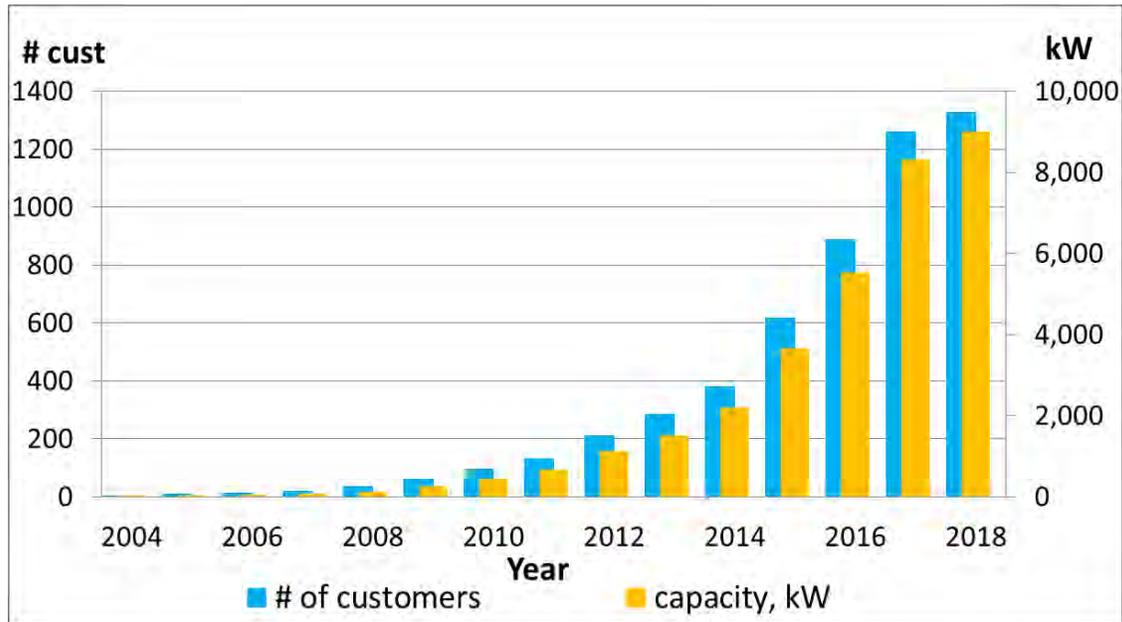
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<sup>9</sup> [FortisBC Inc. Net Metering Program Update Application, April 15, 2016.](#)

<sup>10</sup> *Ibid*, section 4.4.

<sup>11</sup> [Order No. G-199-16 FortisBC Inc. Net Metering Program – Tariff Update Application, Final Order with Reasons, December 29, 2016. In section 3.1, the Commission stated: "The Panel approves FBC's proposed changes to the RS 95 tariff that clarify that new customers will not be accepted into the NM Program if their proposed generating capacity exceeds their anticipated annual consumption \(i.e., in addition to being limited by the 50 kW maximum\)."](#)  
["The Panel agrees that FBC does, in fact, have the right to continue to reject applications that are sized beyond the customer's expected consumption. The intent of the Program is for customers to generate a portion or all of their own consumption, so it is appropriate that FBC has the right to include only those customers who make a reasonable attempt, at the outset, to limit their generation capacity to their expected annual consumption."](#)

### BC Hydro Net Metering Program - Total Number of Customers and Capacity Size Achieved Chart - Since Program Inception to March 2018



BC Hydro has also recently observed that we are now receiving an increased number of applications with oversized generating facilities where customers with minimal historical or anticipated annual load requirements have proposed a generating facility with an estimated annual energy output that far exceeds their anticipated load requirements. For example, BC Hydro has received applications for generator capacity sizes that are 40 to 50 times greater than the anticipated annual load of the customer (e.g., a residential customer who installed a 50 kW generator to offset a typical residential service of 10 kW and a commercial customer seeking to install a 100 kW generator on a new service with minimal load).

The impact of these applications with oversized generating facilities is reflected in the annual energy surplus payout amounts. In 2017, 230 Net Metering customers received an annual energy surplus payout. The total annual payout amounts were approximately \$280,000 which would imply an average payout of approximately \$1,200 for each customer. However, of these 230 customers, six customers received approximately \$220,000 with individual annual payouts ranging from \$10,000 to \$60,000 per customer. This means that almost 80 per cent of the total annual payout was received by just 3 per cent of all Net Metering customers who received an annual energy surplus payout. BC Hydro estimates that there are approximately 12 customers with oversized generating facilities in the application review process at the time of this filing.

Projects with oversized generating facilities that have an annual energy output that is well in excess of the customer's annual load requirements provide a consistent supply of surplus energy to BC Hydro that conflicts with the intent of the Program, which is to encourage and allow customers the opportunity to generate electricity only to offset part or all of their own load requirements with a clean or renewable resource.

As described in the Reasons for Decision for Commission Order No. G-26-04,<sup>12</sup> BC Hydro's position at the time the Program was established was that "... although net metering of small generators is unlikely to produce significant quantities of clean energy in a cost-effective way, there are reasons to consider its implementation since it provides customers with the means to take responsibility over their own power production and to lower their environmental impact."

BC Hydro recognizes that implementing new generation can be an expensive endeavor, and that reasonable allowances should be made to enable customers to offset all or part of their load with incidental surplus occurrences from time to time throughout the year. However, BC Hydro believes that proposed projects with oversized generating facilities that are purposely designed to generate revenue through the annual surplus energy payout go beyond taking responsibility for a customer's own power production, are not a reasonable allowance to enable customers to use RS 1289, and are not consistent with the intent of the Program.

Based on Program growth in the past few years, BC Hydro expects to receive approximately 600 applications for Net Metering service in calendar year 2018. In addition, based on the growing trends that have been observed, BC Hydro expects that it will continue to receive an increasing number of applications for projects with oversized generating facilities. The current tariff language does not provide BC Hydro with discretion to deny such applications. Accordingly, amendments to RS 1289 are required to prevent the circumvention of the intent of the Program and cost-shifting to other ratepayers.

It is important to note that both cost and benefit impacts of the Program are shared amongst all ratepayers. In Net Metering Evaluation Report No. 3,<sup>13</sup> section 6.1, BC Hydro stated that the installed capacity of RS 1289 generators and the volume of energy generated are too small to result in any appreciable avoided cost benefits to BC Hydro and other ratepayers, both in terms of the impact on BC Hydro's Load Resource Balance and avoided system costs. As a result, the cost of the Program is assumed by all ratepayers with minimal return benefit from the volume of energy BC Hydro receives from the Net Metering projects.

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<sup>12</sup> *Supra, note 2.*

<sup>13</sup> [BC Hydro's Net Metering Evaluation Report No. 3, April 30, 2013](#) – section 6.1 Value of RS 1289: Avoided Cost and Load-Resource Balance.

In this context, BC Hydro believes that annual surplus energy payouts ranging from \$10,000 to \$60,000 per customer, as discussed above, go far beyond the limited cost shifting that the Commission has previously stated is warranted to support the implementation of Net Metering and in fact represent substantial costs for both BC Hydro and its ratepayers.<sup>14</sup>

#### Request for Commission Approval and Proposed Regulatory Review Process

BC Hydro requests that the Commission approve the proposed amendments to RS 1289 as provided in Appendix B of this application on the proposed effective date. With this filing BC Hydro has also concurrently provided a communication (Appendix C) to all registered interveners in the 2014 Application to Amend Rate Schedule 1289, all customers currently taking service under RS 1289, known applicants and interested stakeholders so that potentially impacted customers and stakeholders are aware of these proposed changes to the Program.

Given the small number of potential net metering customers that will be impacted by these proposed amendments to RS 1289 and that the proposed amendments are very limited in scope, BC Hydro is of the view that the Application to Amend provides sufficient information to proceed directly to a Commission Decision. Moreover, BC Hydro notes that this Application to Amend is an interim step to address the issue of oversized generating facilities while a broader review of the Program and its requirements is undertaken. BC Hydro will be conducting stakeholder consultation as part of this review process and is targeting to file an application with the Commission for approval of further amendments by the end of calendar year 2018.

As discussed above, BC Hydro seeks to have the amendments proposed in this Application to Amend become effective on the proposed effective date. However, should the Commission determine that further process is required, BC Hydro requests that interim approval be provided for the proposed amendments to avoid leaving a window open that may prompt a rush of applications to BC Hydro for proposed oversized generating facilities.

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<sup>14</sup> Order No. G-57-12, section 4.2.1, “The second is that the Commission stated that limited cost shifting was warranted to support the implementation of Net Metering. The Panel is of the view that BC Hydro should demonstrate that increasing the cap would result in a substantial cost on the utility and its ratepayers, not just that it would result in more exports to the grid.”

April 20, 2018  
Mr. Patrick Wruck  
Commission Secretary and Manager  
Regulatory Support  
British Columbia Utilities Commission  
Application to Amend Net Metering Service under Rate Schedule (RS) 1289

For further information, please contact Chris Sandve at 604-974-4641 or by email at [bchydroregulatorgroup@bchydro.com](mailto:bchydroregulatorgroup@bchydro.com).

Yours sincerely,



Fred James  
Chief Regulatory Officer

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Enclosure

Copy to: BCUC Project No. 3698662 (BC Hydro 2014 Application to Amend  
Rate Schedule 1289 for Net Metering Service) Registered Intervener Distribution List.

**Application to Amend Net Metering Service  
under RS 1289**

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**Appendix A**

**Draft Order**



Suite 410, 900 Howe Street  
 Vancouver, BC Canada V6Z 2N3  
**P:** 604.660.4700  
**TF:** 1.800.663.1385  
**F:** 604.660.1102

**ORDER NUMBER**

**G-xx-xx**

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)  
 Application to Amend Net Metering Service  
 under Rate Schedule (RS) 1289

**BEFORE:**

Commissioner  
 Commissioner  
 Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. On April 20, 2018, British Columbia Hydro and Power Authority (BC Hydro) applied for approval pursuant to sections 58 to 61 of the *Utilities Commission Act* (the Act), to amend the Net Metering Rate Schedule 1289 (RS 1289) and for such amendments to be effective as of the date of BC Hydro's application.
- B. The amendments to RS 1289 proposed by BC Hydro makes RS 1289 no longer available to customers proposing a generating facility with an Annual Energy Output that is greater than their Annual Load. These amendments will not impact any customers currently under RS 1289, any customers whose applications have been accepted by BC Hydro as of the proposed effective date, or any customers who are proposing a generating facility sized to generate electricity up to their Annual Load.
- C. The Application to Amend is an interim step to address the issue of oversized generating facilities while BC Hydro undertakes a broader review of the Program and its requirements. BC Hydro has stated that this review will include stakeholder consultation and BC Hydro is expecting to file any further amendments to RS 1289 by the end of calendar year 2018.
- D. The Commission has reviewed the Application and has determined that the amendments to RS 1289 in the Application are in the public interest.

**NOW THEREFORE** the Commission orders as follows:

1. The amendments to RS 1289 proposed in the Application are approved effective April 20, 2018

**DATED** at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)  
Commissioner

Attachment Options

DRAFT

**Application to Amend Net Metering Service  
under RS 1289**

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**Appendix B**

**Revised RS 1289  
Clean and Black-lined**

# BC Hydro

Rate Schedule 1289 – Revision 1  
Effective: April 20, 2018  
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## 6. OTHER

### RATE SCHEDULE 1289 – NET METERING SERVICE

<b>Availability</b>	<p>For any Residential Service Customer and for any General Service Customer who:</p> <ol style="list-style-type: none"><li>installs a Generating Facility to generate electricity to serve all or part of their electricity requirements on the Customer's Premises, and</li><li>has an Annual Load that is equal to or exceeds the Generating Facility's Annual Energy Output.</li></ol> <p>With the consent of BC Hydro, Customers taking Service under other Rate Schedules may be admitted to Service under this Rate Schedule, provided that BC Hydro is satisfied that the metering, billing and other requirements of this Rate Schedule can be met.</p> <p>In addition, this Rate Schedule 1289 is available to those Customers receiving Service under this Rate Schedule as of April 20, 2018, and those Customers whose applications have been accepted by BC Hydro in writing, prior to and including April 20, 2018, as meeting the criteria of a simple or complex distributed generator as defined in BC Hydro's "Distributed Generation Technical Interconnection Requirements – 100 kW and Below."</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

Rate Schedule 1289 – Revision 1  
Effective: April 20, 2018  
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	<p>“Annual Energy Output” means the calculated annual energy output for a Generating Facility and will be calculated as follows:</p> <p>Generating Facility’s nameplate rating x capacity factor x 365 days X 24 hours, where the capacity factor is:</p> <ul style="list-style-type: none"><li>• 10 per cent for photovoltaic;</li><li>• 20 per cent for biogas, thermal and wind;</li><li>• 30 per cent for fuel cell; and</li><li>• 40 per cent for hydro,</li></ul> <p>and where the nameplate rating for an Generating Facility is the total capacity of the inverters (AC capacity).</p>
	<p>“Annual Load” means the total kilowatt hours of electricity supplied by BC Hydro to the Customer’s Point of Delivery based on the Customer’s billing data from the 12 consecutive months immediately preceding BC Hydro’s receipt of the Customer’s application; or if 12 consecutive months of billing data is not available, BC Hydro may accept an estimate of the Annual Load, supported by the Customer’s billing data to date and/or other relevant Customer information satisfactory to BC Hydro in its sole discretion.</p>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Rate Schedule 1289 – Revision 1

Effective: April 20, 2018

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	<p>“Generating Facility” for purposes of this Rate Schedule means a generating facility, including fuel cells and energy recovery generation, that:</p> <ol style="list-style-type: none"> <li>1. Utilizes biogas, biomass, geothermal heat, hydro, solar, ocean, wind or other energy resources or technologies defined as a “clean or renewable resource” in the <i>Clean Energy Act</i> (as updated from time to time) to generate electricity;</li> <li>2. Has a nameplate rating of not more than 100 kilowatts; and</li> <li>3. Is owned or leased by the Customer and is located on the same parcel of land as the Customer’s Premises for which Service is being provided under any of the Rate Schedules described above, or on an adjacent parcel of land owned or leased by the Customer, and is connected to the same Point of Delivery as the Customer’s Premises being served under any of the Rate Schedules described above,</li> </ol>
	<p>and includes all wiring, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer’s side of the Point of Delivery.</p> <p>For clarity, where the Customer leases the Generating Facility from a third party or retains a third party to install, operate and maintain the Generating Facility on its behalf, then as between the Customer and BC Hydro, the Customer will remain responsible for any obligations under all terms and conditions of Service, including applicable Rate Schedules, BC Hydro’s DGTIR-100, and other applicable interconnection requirements to the same extent as if the Customer owns, installs, operates and maintains the Generating Facility itself.</p>
<b>Applicable in</b>	All Rate Zones.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

**BC Hydro**

Rate Schedule 1289 – Revision 1  
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<p><b>Rate</b></p>	<p><b>Energy Charge:</b></p> <p>Charges for Net Energy consumed by the Customer will be in accordance with the Rate Schedule under which the Customer is receiving Service from BC Hydro.</p> <p><b>Energy Price:</b></p> <p>For all electricity represented by the Generation Credit Balance remaining in the Customer’s Generation Account at any Anniversary Date, BC Hydro will pay 9.99 ¢ per kWh.</p>
<p><b>Metering</b></p>	<ol style="list-style-type: none"> <li>1. Inflows of Electricity from the BC Hydro system to the Customer, and outflows of electricity from the Customer’s Generating Facility to the BC Hydro system, will normally be determined by means of a single meter capable of measuring flows of electricity in both directions.</li> <li>2. Alternatively, if BC Hydro determines that flows of electricity in both directions cannot be reliably determined by a single meter, or that dual metering will be more cost-effective, BC Hydro may require that separate meters be installed to measure inflows and outflows of electricity.</li> <li>3. The Customer will install, at its cost, the meter base and any wiring, poles, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer’s side of the Point of Delivery as required under BC Hydro’s “Distributed Generation Technical Interconnection Requirements – 100 kW and Below” (<b>DGTIR-100</b>) or other interconnection requirements applicable to the Generating Facility. BC Hydro will supply and install the Metering Equipment and make the final connections.</li> <li>4. Any Metering Equipment required for purposes of this Rate Schedule will be in addition to any meters with demand measurement capability (if applicable) required under the Rate Schedule under which the Customer is receiving Service from BC Hydro.</li> </ol>

ACCEPTED: \_\_\_\_\_

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COMMISSION SECRETARY

**BC Hydro**

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**Billing**

Determination of the Customer's bill will be as follows:

1. Meter reading and billing frequency will be in accordance with the Rate Schedule under which the Customer is receiving Service from BC Hydro.
2. At the end of each billing period BC Hydro will determine the "Net Energy" applicable for that billing period, defined as the difference between the Electricity supplied by BC Hydro to the Customer during the billing period and the electricity delivered from the Generating Facility to BC Hydro's system during the billing period.
3. If Net Energy is positive, BC Hydro will bill the Customer for the Net Energy consumed by the Customer during the billing period, subject to the application of any generation credits then in the Customer's Generation Account, as described in item 5 below.
4. If Net Energy is negative, BC Hydro will credit the Net Energy amount to the Customer's Generation Account, as described in item 5 below, and will bill the Customer only for the Basic Charge and Demand Charge (if applicable) under the Rate Schedule under which the Customer is receiving Service from BC Hydro.
5. Beginning with the first billing period following the date a Customer commences taking Service under this Rate Schedule, BC Hydro will establish a Generation Account for that Customer. If Net Energy is negative for that billing period, BC Hydro will credit the Net Energy amount to the Customer's Generation Account. BC Hydro will likewise follow this procedure for successive billing periods, except that if for any billing period Net Energy is positive, any credit balance then in the Customer's Generation Account will be applied to the positive Net Energy amount for that billing period until the Net Energy amount is reduced to zero.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

## **BC Hydro**

Rate Schedule 1289 – Revision 1

Effective: April 20, 2018

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6. BC Hydro will follow this procedure, and will notify the Customer of amounts credited and debited to the Generation Account and of the remaining credit balance (if any) in the Generation Account, on the bill rendered by BC Hydro for each billing period, until the end of the sixth billing period, in the case of Customers being billed bi-monthly, or until the end of the twelfth billing period, in the case of Customers being billed monthly (Anniversary Date). At the Anniversary Date, BC Hydro will credit any negative Net Energy amount for that billing period to the Generation Account, or apply any credits in the Generation Account to any positive Net Energy amount for that billing period, in the same manner as for prior billing periods.
7. If any credit balance (“Generation Account Balance”) remains in the Generation Account following the procedures set forth in item 6, BC Hydro will be deemed to have purchased that amount of electricity from the Customer, and will be obliged to pay the Customer for that electricity at the Energy Price determined in accordance with the Rate provision of this Rate Schedule, and the Generation Account will revert to zero.
8. The procedures set forth above will apply in each succeeding 12-month period and at each succeeding Anniversary Date for so long as the Customer continues to take Service under this Rate Schedule. If Service under this Rate Schedule is Terminated prior to any Anniversary Date, the procedures set forth above will be applied as of the date of Termination. In that event, BC Hydro will pay the amount owing in respect of any credit balance in the Generation Account to the Customer within 45 days of the date of Termination, subject to any rights of deduction or set-off BC Hydro may have.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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COMMISSION SECRETARY

**BC Hydro**

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	<p>9. In no case will any credit balance in the Generation Account have any cash value or be convertible to cash, except as provided above. If the amount determined to be owing to the Customer at any Anniversary Date as set forth in item 7 above is equal to or less than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro may withhold the amount owing and credit it against charges owing by the Customer for future billing periods. If the amount determined to be owing is greater than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro will pay the amount owing to the Customer within 45 days of the Anniversary Date.</p>
<p><b>Special Conditions</b></p>	<p>1. Subject to the provisions of Rate Schedule 1289, any other applicable Rate Schedule(s) under which the Customer is from time to time receiving Service from BC Hydro and other applicable provisions of BC Hydro’s Electric Tariff, BC Hydro will supply Electricity to, and accept delivery of electricity from, the Customer at the Point of Delivery.</p> <p>2. BC Hydro will act with reasonable promptness to perform any inspections and/or give any approvals that it is authorized or required to give under the terms and conditions of Service, and will not unreasonably withhold or delay the giving of its consent in any case where its consent is required.</p> <p>3. To receive Service under this Rate Schedule, the Customer must submit the required application. For Generating Facilities having a rated generating capacity of greater than five kilowatts, and for which BC Hydro determines that a site acceptance verification is required, the Customer must also pay the Net Metering Site Acceptance Verification Fee as set out in section 11 (Schedule of Standard Charges) of the Terms and Conditions of the Electric Tariff.</p>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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COMMISSION SECRETARY

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	<p>4. In addition, a Customer who (a) utilizes a synchronous generator, (b) takes Service at a Primary Voltage and/or (c) utilizes a Generating Facility with a nameplate rating greater than 50 kilowatts, will pay all associated incremental costs for connection of the Customer's Generator Facility as set out in Terms and Conditions section 9.7 (Generating Facility Connections (Distributed Generation)).</p> <p>5. The Customer must not commence parallel operation of its Generating Facility until written approval has been provided to it by BC Hydro. Written approval will normally be provided by BC Hydro within 14 days following BC Hydro's receipt of a copy of the final inspection report or approval issued by the governmental authority having jurisdiction to inspect and approve the installation. Where Customer has been notified that inspection and acceptance by BC Hydro's Field Services – Protection and Control Department will also be required before the Generating Facility will be accepted for parallel operation, BC Hydro's approval will normally be provided within 14 days following the date of inspection and acceptance. BC Hydro may require the Customer to supply additional information and/or provide access to the Customer's Generating Facility to carry out additional inspections, as set forth in BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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6. Customer will design, install, operate and maintain the Generating Facility, and all ancillary facilities on the Customer's side of the Point of Delivery in accordance with all governmental laws and regulations from time to time applicable, and BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility. Customers will obtain and maintain any required governmental authorizations and/or permits required for the installation and operation of the Generating Facility. The Generating Facility will meet all applicable safety and performance standards, including the codes and standards identified in BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility. The Customer will be responsible for the safe and proper operations of the Generating Facility consistent with the requirements of the regulations of the *Safety Standards Act*. BC Hydro, acting reasonably, may from time to time prescribe additional requirements which in its judgment are required for the safety of its system.
7. The Customer will at all times operate the Generating Facility in accordance with applicable governmental standards and requirements, and any manufacturer's instructions, and will further comply with BC Hydro standards and requirements from time to time in effect relating to parallel operation of independent net metering installations with its system. The Customer will promptly notify BC Hydro of any malfunction or breakdown of the Generating Facility that could constitute a safety hazard or reasonably be expected to cause disturbance or damage to BC Hydro's system.
8. The Customer will not operate the Generation Facility so as to generate electricity at a rate greater than 110% of the nameplate rating of the Generating Facility, and will not add to or modify the Generating Facility without the prior written consent of BC Hydro.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

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	<p>9. Service under this Rate Schedule is conditional on the continuance of Service to the Customer under any of the Rate Schedules described under the Availability section above, and is further conditional on the Customer being billed monthly or bi-monthly under BC Hydro’s regular billing plan. If Service under the applicable Rate Schedule is suspended or Terminated for any reason, or if the Customer ceases to be billed under BC Hydro’s regular billing plan, Service under this Rate Schedule will be deemed to have automatically been suspended or Terminated concurrent with suspension or Termination of Service under the applicable Rate Schedule, or change to a different billing plan, as applicable.</p> <p>10. If Service under this Rate Schedule is suspended or Terminated for any reason, and BC Hydro considers it necessary in its discretion for the Customer’s Generating Facility to be re-inspected and approved prior to resuming parallel operation with BC Hydro’s system, the Customer will pay the costs that BC Hydro estimates that it will incur for the re-inspection and approval.</p> <p>11. If the Customer voluntarily Terminates Service under this Rate Schedule, the Customer will not be eligible to again take Service under this Rate Schedule for a period of 12 months from the date of Termination, unless BC Hydro otherwise consents.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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COMMISSION SECRETARY

**BC Hydro**

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	<p>12. BC Hydro will have the right to require Customer to interrupt (including, if so specified by BC Hydro, by means of physical disconnection or lock-out,) or reduce the output of its Generating Facility whenever:</p> <ul style="list-style-type: none"><li>(a) BC Hydro deems such action necessary, in its sole judgment, to permit BC Hydro to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or</li><li>(b) BC Hydro determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, safety hazards, possible damage to or disturbance of its electric system, or compliance with prudent electrical practices.</li></ul> <p>13. Notwithstanding any other provision of this Rate Schedule, in any of the events or circumstances mentioned in Special Condition No. 12, BC Hydro will have the right:</p> <ul style="list-style-type: none"><li>(a) To require the Customer to immediately disconnect the Generating Facility from BC Hydro's system; and</li><li>(b) To itself immediately disconnect the Generating Facility from the BC Hydro system if the Customer is either not available or fails to act, and such disconnection is deemed necessary by BC Hydro.</li></ul> <p>14. Whenever feasible BC Hydro will give the Customer reasonable advance notice that interruption or reduction in deliveries may be required, or that disconnection of the Generating Facility from BC Hydro's system may be required, but the failure of BC Hydro to give such notice will not invalidate any action taken by BC Hydro under any of the Special Conditions in Rate Schedule 1289.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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COMMISSION SECRETARY

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	<p>15. If BC Hydro in its discretion deems it necessary to require the Customer to interrupt or disconnect its Generating Facility from BC Hydro's system, or for BC Hydro to itself effect the interruption or disconnection of the Generating Facility from its system, as provided in Rate Schedule 1289, or such interruption occurs as a result of suspension or Termination of Service to the Customer in accordance the provisions of Rate Schedule 1289, then except to the extent caused by the wilful misconduct or gross negligence of BC Hydro, its servants or agents, BC Hydro and its servants or agents will not be liable to the Customer for any loss or damage whatsoever resulting from the exercise of such rights by BC Hydro.</p> <p>16. BC Hydro will have the right to enter the Customer's Premises at all reasonable hours, without notice to the Customer, to inspect the Customer's protective devices and read, inspect and/or test meters, or to disconnect the Generating Facility. Nothing in the foregoing terms and conditions will limit or otherwise affect any rights of entry to the Customer's Premises BC Hydro may have under any other sections of the Electric Tariff or any other agreement with the Customer.</p>
<b>Rate Rider</b>	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

# BC Hydro

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## 6. OTHER

### RATE SCHEDULE 1289 – NET METERING SERVICE

#### Availability

For any Residential Service Customer and for any General Service Customer who:

1. installs a Generating Facility to generate electricity to serve all or part of their electricity requirements on the Customer's Premises, and-
2. has an Annual Load that is equal to or exceeds the Generating Facility's Annual Energy Output.

With the consent of BC Hydro, Customers taking Service under other Rate Schedules may be admitted to Service under this Rate Schedule, provided that BC Hydro is satisfied that the metering, billing and other requirements of this Rate Schedule can be met.

In addition, this Rate Schedule 1289 is available to those Customers receiving Service under this Rate Schedule as of April 20, 2018, and those Customers whose applications have been accepted by BC Hydro in writing, prior to and including April 20, 2018, as meeting the criteria of a simple or complex distributed generator as defined in BC Hydro's "Distributed Generation Technical Interconnection Requirements – 100 kW and Below."

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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	<p><u>“Annual Energy Output” means the calculated annual energy output for a Generating Facility and will be calculated as follows:</u></p> <p><u>Generating Facility’s nameplate rating x capacity factor x 365 days X 24 hours, where the capacity factor is:</u></p> <ul style="list-style-type: none"><li>• <u>10 per cent for photovoltaic;</u></li><li>• <u>20 per cent for biogas, thermal and wind;</u></li><li>• <u>30 per cent for fuel cell; and</u></li><li>• <u>40 per cent for hydro,</u></li></ul> <p><u>and where the nameplate rating for an Generating Facility is the total capacity of the inverters (AC capacity).</u></p>
	<p><u>“Annual Load” means the total kilowatt hours of electricity supplied by BC Hydro to the Customer’s Point of Delivery based on the Customer’s billing data from the 12 consecutive months immediately preceding BC Hydro’s receipt of the Customer’s application; or if 12 consecutive months of billing data is not available, BC Hydro may accept an estimate of the Annual Load, supported by the Customer’s billing data to date and/or other relevant Customer information satisfactory to BC Hydro in its sole discretion.</u></p>

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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	<p>“Generating Facility” for purposes of this Rate Schedule means a generating facility, including fuel cells and energy recovery generation, that:</p> <ol style="list-style-type: none"><li>1. Utilizes biogas, biomass, geothermal heat, hydro, solar, ocean, wind or other energy resources or technologies defined as a “clean or renewable resource” in the <i>Clean Energy Act</i> (as updated from time to time) to generate electricity;</li><li>2. Has a nameplate rating of not more than 100 kilowatts; and</li><li>3. Is owned or leased by the Customer and is located on the same parcel of land as the Customer’s Premises for which Service is being provided under any of the Rate Schedules described above, or on an adjacent parcel of land owned or leased by the Customer, and is connected to the same Point of Delivery as the Customer’s Premises being served under any of the Rate Schedules described above,</li></ol>
	<p>and includes all wiring, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer’s side of the Point of Delivery.</p> <p>For clarity, where the Customer leases the Generating Facility from a third party or retains a third party to install, operate and maintain the Generating Facility on its behalf, then as between the Customer and BC Hydro, the Customer will remain responsible for any obligations under all terms and conditions of Service, including applicable Rate Schedules, BC Hydro’s DGTIR-100, and other applicable interconnection requirements to the same extent as if the Customer owns, installs, operates and maintains the Generating Facility itself.</p>
<b>Applicable in</b>	All Rate Zones.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**BC Hydro**

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<p><b>Rate</b></p>	<p><b>Energy Charge:</b></p> <p>Charges for Net Energy consumed by the Customer will be in accordance with the Rate Schedule under which the Customer is receiving Service from BC Hydro.</p> <p><b>Energy Price:</b></p> <p>For all electricity represented by the Generation Credit Balance remaining in the Customer’s Generation Account at any Anniversary Date, BC Hydro will pay 9.99 ¢ per kWh.</p>
<p><b>Metering</b></p>	<ol style="list-style-type: none"> <li>1. Inflows of Electricity from the BC Hydro system to the Customer, and outflows of electricity from the Customer’s Generating Facility to the BC Hydro system, will normally be determined by means of a single meter capable of measuring flows of electricity in both directions.</li> <li>2. Alternatively, if BC Hydro determines that flows of electricity in both directions cannot be reliably determined by a single meter, or that dual metering will be more cost-effective, BC Hydro may require that separate meters be installed to measure inflows and outflows of electricity.</li> <li>3. The Customer will install, at its cost, the meter base and any wiring, poles, protection-isolation devices, disconnect switches, and other equipment and facilities on the Customer’s side of the Point of Delivery as required under BC Hydro’s “Distributed Generation Technical Interconnection Requirements – 100 kW and Below” (<b>DGTIR-100</b>) or other interconnection requirements applicable to the Generating Facility. BC Hydro will supply and install the Metering Equipment and make the final connections.</li> <li>4. Any Metering Equipment required for purposes of this Rate Schedule will be in addition to any meters with demand measurement capability (if applicable) required under the Rate Schedule under which the Customer is receiving Service from BC Hydro.</li> </ol>

ACCEPTED: \_\_\_\_\_

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COMMISSION SECRETARY

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<b>Billing</b>	<p>Determination of the Customer's bill will be as follows:</p> <ol style="list-style-type: none"><li>1. Meter reading and billing frequency will be in accordance with the Rate Schedule under which the Customer is receiving Service from BC Hydro.</li><li>2. At the end of each billing period BC Hydro will determine the "Net Energy" applicable for that billing period, defined as the difference between the Electricity supplied by BC Hydro to the Customer during the billing period and the electricity delivered from the Generating Facility to BC Hydro's system during the billing period.</li><li>3. If Net Energy is positive, BC Hydro will bill the Customer for the Net Energy consumed by the Customer during the billing period, subject to the application of any generation credits then in the Customer's Generation Account, as described in item 5 below.</li><li>4. If Net Energy is negative, BC Hydro will credit the Net Energy amount to the Customer's Generation Account, as described in item 5 below, and will bill the Customer only for the Basic Charge and Demand Charge (if applicable) under the Rate Schedule under which the Customer is receiving Service from BC Hydro.</li><li>5. Beginning with the first billing period following the date a Customer commences taking Service under this Rate Schedule, BC Hydro will establish a Generation Account for that Customer. If Net Energy is negative for that billing period, BC Hydro will credit the Net Energy amount to the Customer's Generation Account. BC Hydro will likewise follow this procedure for successive billing periods, except that if for any billing period Net Energy is positive, any credit balance then in the Customer's Generation Account will be applied to the positive Net Energy amount for that billing period until the Net Energy amount is reduced to zero.</li></ol>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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## **BC Hydro**

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6. BC Hydro will follow this procedure, and will notify the Customer of amounts credited and debited to the Generation Account and of the remaining credit balance (if any) in the Generation Account, on the bill rendered by BC Hydro for each billing period, until the end of the sixth billing period, in the case of Customers being billed bi-monthly, or until the end of the twelfth billing period, in the case of Customers being billed monthly (Anniversary Date). At the Anniversary Date, BC Hydro will credit any negative Net Energy amount for that billing period to the Generation Account, or apply any credits in the Generation Account to any positive Net Energy amount for that billing period, in the same manner as for prior billing periods.
7. If any credit balance (“Generation Account Balance”) remains in the Generation Account following the procedures set forth in item 6, BC Hydro will be deemed to have purchased that amount of electricity from the Customer, and will be obliged to pay the Customer for that electricity at the Energy Price determined in accordance with the Rate provision of this Rate Schedule, and the Generation Account will revert to zero.
8. The procedures set forth above will apply in each succeeding 12-month period and at each succeeding Anniversary Date for so long as the Customer continues to take Service under this Rate Schedule. If Service under this Rate Schedule is Terminated prior to any Anniversary Date, the procedures set forth above will be applied as of the date of Termination. In that event, BC Hydro will pay the amount owing in respect of any credit balance in the Generation Account to the Customer within 45 days of the date of Termination, subject to any rights of deduction or set-off BC Hydro may have.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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	<p>9. In no case will any credit balance in the Generation Account have any cash value or be convertible to cash, except as provided above. If the amount determined to be owing to the Customer at any Anniversary Date as set forth in item 7 above is equal to or less than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro may withhold the amount owing and credit it against charges owing by the Customer for future billing periods. If the amount determined to be owing is greater than the charges BC Hydro anticipates are likely to be billed to the Customer during the six month period following the Anniversary Date, BC Hydro will pay the amount owing to the Customer within 45 days of the Anniversary Date.</p>
<p><b>Special Conditions</b></p>	<p>1. Subject to the provisions of Rate Schedule 1289, any other applicable Rate Schedule(s) under which the Customer is from time to time receiving Service from BC Hydro and other applicable provisions of BC Hydro’s Electric Tariff, BC Hydro will supply Electricity to, and accept delivery of electricity from, the Customer at the Point of Delivery.</p> <p>2. BC Hydro will act with reasonable promptness to perform any inspections and/or give any approvals that it is authorized or required to give under the terms and conditions of Service, and will not unreasonably withhold or delay the giving of its consent in any case where its consent is required.</p> <p>3. To receive Service under this Rate Schedule, the Customer must submit the required application. For Generating Facilities having a rated generating capacity of greater than five kilowatts, and for which BC Hydro determines that a site acceptance verification is required, the Customer must also pay the Net Metering Site Acceptance Verification Fee as set out in section 11 (Schedule of Standard Charges) of the Terms and Conditions of the Electric Tariff.</p>

ACCEPTED: \_\_\_\_\_

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	<p>4. In addition, a Customer who (a) utilizes a synchronous generator, (b) takes Service at a Primary Voltage and/or (c) utilizes a Generating Facility with a nameplate rating greater than 50 kilowatts, will pay all associated incremental costs for connection of the Customer's Generator Facility as set out in Terms and Conditions section 9.7 (Generating Facility Connections (Distributed Generation)).</p> <p>5. The Customer must not commence parallel operation of its Generating Facility until written approval has been provided to it by BC Hydro. Written approval will normally be provided by BC Hydro within 14 days following BC Hydro's receipt of a copy of the final inspection report or approval issued by the governmental authority having jurisdiction to inspect and approve the installation. Where Customer has been notified that inspection and acceptance by BC Hydro's Field Services – Protection and Control Department will also be required before the Generating Facility will be accepted for parallel operation, BC Hydro's approval will normally be provided within 14 days following the date of inspection and acceptance. BC Hydro may require the Customer to supply additional information and/or provide access to the Customer's Generating Facility to carry out additional inspections, as set forth in BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility.</p>
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ACCEPTED: \_\_\_\_\_

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	<p>6. Customer will design, install, operate and maintain the Generating Facility, and all ancillary facilities on the Customer's side of the Point of Delivery in accordance with all governmental laws and regulations from time to time applicable, and BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility. Customers will obtain and maintain any required governmental authorizations and/or permits required for the installation and operation of the Generating Facility. The Generating Facility will meet all applicable safety and performance standards, including the codes and standards identified in BC Hydro's DGTIR-100 or other interconnection requirements applicable to the Generating Facility. The Customer will be responsible for the safe and proper operations of the Generating Facility consistent with the requirements of the regulations of the <i>Safety Standards Act</i>. BC Hydro, acting reasonably, may from time to time prescribe additional requirements which in its judgment are required for the safety of its system.</p> <p>7. The Customer will at all times operate the Generating Facility in accordance with applicable governmental standards and requirements, and any manufacturer's instructions, and will further comply with BC Hydro standards and requirements from time to time in effect relating to parallel operation of independent net metering installations with its system. The Customer will promptly notify BC Hydro of any malfunction or breakdown of the Generating Facility that could constitute a safety hazard or reasonably be expected to cause disturbance or damage to BC Hydro's system.</p> <p>8. The Customer will not operate the Generation Facility so as to generate electricity at a rate greater than 110% of the nameplate rating of the Generating Facility, and will not add to or modify the Generating Facility without the prior written consent of BC Hydro.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

\_\_\_\_\_  
COMMISSION SECRETARY

# BC Hydro

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	<p>9. Service under this Rate Schedule is conditional on the continuance of Service to the Customer under any of the Rate Schedules described under the Availability section above, and is further conditional on the Customer being billed monthly or bi-monthly under BC Hydro’s regular billing plan. If Service under the applicable Rate Schedule is suspended or Terminated for any reason, or if the Customer ceases to be billed under BC Hydro’s regular billing plan, Service under this Rate Schedule will be deemed to have automatically been suspended or Terminated concurrent with suspension or Termination of Service under the applicable Rate Schedule, or change to a different billing plan, as applicable.</p> <p>10. If Service under this Rate Schedule is suspended or Terminated for any reason, and BC Hydro considers it necessary in its discretion for the Customer’s Generating Facility to be re-inspected and approved prior to resuming parallel operation with BC Hydro’s system, the Customer will pay the costs that BC Hydro estimates that it will incur for the re-inspection and approval.</p> <p>11. If the Customer voluntarily Terminates Service under this Rate Schedule, the Customer will not be eligible to again take Service under this Rate Schedule for a period of 12 months from the date of Termination, unless BC Hydro otherwise consents.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

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	<p>12. BC Hydro will have the right to require Customer to interrupt (including, if so specified by BC Hydro, by means of physical disconnection or lock-out,) or reduce the output of its Generating Facility whenever:</p> <p>(a) BC Hydro deems such action necessary, in its sole judgment, to permit BC Hydro to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or any part of its electric system; or</p> <p>(b) BC Hydro determines in its sole judgment, that curtailment, interruption, or reduction of Customer's electrical generation is otherwise necessary due to emergencies, forced outages, force majeure, safety hazards, possible damage to or disturbance of its electric system, or compliance with prudent electrical practices.</p> <p>13. Notwithstanding any other provision of this Rate Schedule, in any of the events or circumstances mentioned in Special Condition No. 12, BC Hydro will have the right:</p> <p>(a) To require the Customer to immediately disconnect the Generating Facility from BC Hydro's system; and</p> <p>(b) To itself immediately disconnect the Generating Facility from the BC Hydro system if the Customer is either not available or fails to act, and such disconnection is deemed necessary by BC Hydro.</p> <p>14. Whenever feasible BC Hydro will give the Customer reasonable advance notice that interruption or reduction in deliveries may be required, or that disconnection of the Generating Facility from BC Hydro's system may be required, but the failure of BC Hydro to give such notice will not invalidate any action taken by BC Hydro under any of the Special Conditions in Rate Schedule 1289.</p>
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ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

# BC Hydro

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	<p>15. If BC Hydro in its discretion deems it necessary to require the Customer to interrupt or disconnect its Generating Facility from BC Hydro's system, or for BC Hydro to itself effect the interruption or disconnection of the Generating Facility from its system, as provided in Rate Schedule 1289, or such interruption occurs as a result of suspension or Termination of Service to the Customer in accordance the provisions of Rate Schedule 1289, then except to the extent caused by the wilful misconduct or gross negligence of BC Hydro, its servants or agents, BC Hydro and its servants or agents will not be liable to the Customer for any loss or damage whatsoever resulting from the exercise of such rights by BC Hydro.</p> <p>16. BC Hydro will have the right to enter the Customer's Premises at all reasonable hours, without notice to the Customer, to inspect the Customer's protective devices and read, inspect and/or test meters, or to disconnect the Generating Facility. Nothing in the foregoing terms and conditions will limit or otherwise affect any rights of entry to the Customer's Premises BC Hydro may have under any other sections of the Electric Tariff or any other agreement with the Customer.</p>
<b>Rate Rider</b>	The Deferral Account Rate Rider as set out in Rate Schedule 1901 applies to all charges payable under this Rate Schedule, before taxes and levies.

ACCEPTED: \_\_\_\_\_

ORDER NO. \_\_\_\_\_

COMMISSION SECRETARY

**Application to Amend Net Metering Service  
under RS 1289**

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**Appendix C**

**BC Hydro Net Metering Email Communication**



# Net metering update

Hi [name],

We're changing eligibility requirements for our [Net Metering program](#). Applicants are now required to size their generation to meet their electricity needs.

You won't be affected by these changes if you:

- Are already a net metering customer, who has been approved to connect and generate electricity.
- Have applied for net metering and received an email confirming that your application is acceptable.
- Are proposing a generating facility sized to generate an amount of electricity that isn't more than what you require for your own needs each year.

## What's changing? Generation can't exceed electricity needs

BC Hydro's net metering program is designed so that customers can generate and connect clean or renewable generation for their own needs.

We've found that while most of the program's 1,330 customers are only generating enough power to offset their usage, some have oversized their generation. Some have consistent large annual surplus payouts, a situation that was never intended and which isn't in the best interests of our customers as a whole.

We've submitted an [application](#) to the B.C. Utilities Commission to amend the net metering program so that it isn't available to customers who are proposing to oversize their generating facility beyond their own energy needs.

This is an interim step while we undertake a broader review of the program, and we're planning to complete the review and file an application with the B.C. Utilities Commission by the end of the calendar year 2018.

Thanks,  
BC Hydro Net Metering Team