

**From:** BCUC <commission.secretary@bcuc.com>  
**Sent:** Thursday, May 31, 2018 10:32 AM  
**To:** Commission Secretary BCUC:EX  
**Subject:** Letter of Comment  
**Attachments:** BC Utilities Commission objection 2.pdf

**Date Submitted:** May 31, 2018

**Proceeding name:** BC Hydro Amendment to Net Metering Service

**Are you currently registered as an intervener or interested party:** No

**Name (first and last):** PETER LOUWERSE

**City:** KAMLOOPS

**Province:** British Columbia

**Email:** [REDACTED]

**Phone number:** [REDACTED]

**Comment:**

Summary: I will present a number of arguments in answer to the request of BC Hydro to amend the Net Metering Program, in total this will give a compelling reason why BC needs this program and needs this program in its present form. I will go through this by showing how this program is: 1. a valuable program for rural BC economic development, 2. a valuable program to produce electricity for which the tax payer is not paying for the purchase, set up and maintenance, 3. this is a valuable program to help deal with the upcoming shortage of electricity which has been the sole argument for the Site C dam 4. a valuable program is reducing the need within Canada and USA (all potential markets for BC power) to use fossil and nuclear fuelled power stations/generators 5. an abuse of the privilege given to BC Hydro to maintain a monopoly on the purchase and sale of electricity. Individuals and businesses are free according to the constitution to produce and sell goods, if this is not permitted by a monopoly supported by the government then this is a constitutional issue of individual abuse.. 6. Is contrary to the Ministers mandate for BC Hydro: Honourable Michelle Mungall letter to , Kenneth Peterson August 24, 2017 BC Hydro is “ to Provide leadership in advancing government’s climate action strategies, including: Fuel switching and electrification initiatives in the transportation, oil and gas and other sectors; Policies and programs to increase the energy efficiency of building; ...Identify further opportunities for clean energy in British Columbia to support BC’s economic growth and meet the needs of customers;...” (bolding is added)... 1. Rural BC Economic Growth Over the last twenty years, the small communities of BC have been robbed of the support of their local natural resources (primarily timber and mining). These resources were the reason for these towns to exist, and supported these communities; not so today, as we see the timber rights surrounding these communities have been sold to absentee landlords elsewhere with the loss of jobs, mills, and all the associated businesses to run these communities. The burden of maintenance of these communities is being borne by fewer and fewer income earners and residents that these towns are rapidly going into debt, just to survive. The electricity/Hydro production is a new and real resource and economic development tool This has the potential to produce new opportunities as well as new income for the homeowner, farmer and small business. Hydro/electricity is a resource. Canada spans many time zones

which should allow peak production time to synchronise with peak demand. The “grid” has yet to be synchronised, and would be a clearly beneficial project for “carbon tax” revenues etc. This also would mark the start of electricity production/retail becoming separate from transmission lines (similar in many ways to the oil industry). In short however, rural BC needs to survive and needs a new resource as the previous resources have, via many routes, been taken from sustaining these communities by the absentee landlords of these resources. The Net Metering Program as it is now, without amendment, is just the start of BC Hydro developing this new power supply. They need this and should not shut this down by preventing this becoming a small business, residential/home based, and rural community resource. By restricting this just to current consumption, this is not allowing this to develop into an economic power industry for every community, farm, business and residence who wants to invest in this resource.

2. Free electricity The BC Net Metering program as it is at present, before any amendment, facilitates the purchase of the generated solar/wind power from both residential producers (under 27KW) and industrial producers (over 27KW). This is a tremendous program. The genius of this program is that the power producer (home owner, business), at their own expense (no tax payer expense), firstly elects to purchase the equipment to produce the power, and secondly elects to maintain this. So BC Hydro (read tax payer), does not have any capital costs (as in 1982 when BC Hydro to borrow to cover its capital costs and increase their rates by 30% to cover the cost of the borrowing and apparently as is going to happen with the Site C dam project)); and BC Hydro does not have the operating costs. The incidental bonus is that the power producer is making a difference by increasing the power supply (electricity) without fossil fuels (as is the case for most of Canada and USA). Which would be sold on to such out of province users. Compared to similar programs in Ontario and California, the rate here is 9.9 cents/KWh, which is significantly lower than the rates given in Ontario (as high as 17 cents) and California, and BC offers zero grants or tax discounts, like California. The savings to the tax payer by not having this capital cost is huge, in terms of debt costs and in terms of maintenance costs. This would also stimulate more demand for solar and wind equipment manufacture, installation and maintenance industry in BC. The Net Metering Program as it is now, without amendment, is just the start of BC Hydro developing this new power supply. As a private business it is understandable that BC Hydro would not want competition in both the production and sale of power. However this is not a private business and indeed is owned by the very people who want to produce and sell their power to their company, BC Hydro. In the light of the stakeholder/shareholder BC Hydro would benefit by not having these capital costs to increase their production, and allow them to seek out new markets with the new supply of power. These new markets exist in both Canada and USA

3. Upcoming shortage of electricity. There have been numerous studies and warnings of how by 2020 and even 2040, EV motor vehicles will have replaced over 1.2Bb/d oil production and will mark the peak of oil in the history of oil. This is, of course, speculation based on extrapolations of existing figures. However the important note is that electricity demand is escalating and will continue to do so. This has also been the main platform for the Site C Dam. The main thrust of the Site C Dam, according to the information given to the public, is that this is a necessary precaution against the upcoming shortage of power. Assuming this to be true, as it would appear, then the opportunity to produce additional power without the costs of additional Dams etc, would be advantageous. Many companies, such as Spectra here in BC, have conducted in house studies to figure out the future direction of their business. These companies have found that private residential and small business solar and wind power generation could be sufficient to provide BC with their entire power supply (BC has over 1.5 million homes south of Highway 1, all in a 2,000 hour direct sunlight zone, this does not include commercial buildings etc). As such, these companies do not see a future for Corporate solar/wind power production. If this is the case, then BC Hydro has to start facilitating this new source of power, or permit private sales (as in other jurisdictions -US, etc). The Net Metering Program as it is now, without amendment, is just the start of BC Hydro developing this new power supply. They need this and should not shut this down by capping private production to just existing usage, this does not provide for future increase in demand.

4. Reduce the need for Fossil and Nuclear fuelled power stations It is somewhat alarming that while this opportunity exists in Canada, (not just BC), there are factions of Canada who are aware of the coming shortfall of electricity, and are contemplating Nuclear power stations (Saskatchewan and Ontario). The opportunity to complete a nationwide grid utility is becoming essential to benefit from these alternative sustainable and green power supplies. It is interesting that the current effectiveness of BC Hydro to attract attention to this program has been dismal. If we compare the results from a

similar program in San Jose California. In this situation the utilities companies did not promote the program, and then once pushed the results were dramatic, over 4,500 residents managed to get their solar systems approved and installed, in one year\; It is no secret, as posted on BC Hydro's website, that of the 2.5million residences in BC they have successfully approved 1,350 permits over a two year period. Clearly this program is not being made accessible and promoted for all its benefits. 5. BC Hydro a Privileged corporation BC Hydro has the unique situation where by it is owned by its users, and as such is a "Monopoly". This makes total sense as its users intend to make it work for them, and without competition. In this situation BC Hydro is meant to benefit its shareholders who are its users. If for any reason, this corporation does not do this, then the stakeholder, will either want this corrected or will want an alternative. If BC Hydro, refuses to allow and accept residences, farms, businesses, to produce and sell power to BC Hydro then clearly this is not working for the best interest of its shareholders, and certainly not for the residence/business/farm who wants to produce and sell power. The situation then is that BC Hydro has to either take this power or allow this power to be sold independently, and so allow independent utility companies. It is not ethical or constitutional, to prevent the freedom of sale of goods and services in a free society (within the realms of commerce). By preventing the production and sale of electricity BC Hydro is abusing its privileged position of being a \Monopolistic Corporation. The 1962 and 1980 Utilities Act, ensures that the BC business and resident is not allowed to generate and sell electricity except through BC Hydro. This is a huge restriction on the individuals and businesses of BC. One would think that the Government would ensure that BC Hydro maintains its obligation to allow and buy such energy from BC residents and businesses, if it is to keep this special monopoly status. Failing this, then the Act needs to be changed to allow independent utility corporations. 6. Ministers Letter to BC Hydro 2017 August 24, 2017, Honourable Michelle Mungall, sent a letter to Kenneth Peterson, of |BC Hydro, specifically stating that \BC Hydro support economic growth. This was not to support economic growth of BC Hydro, but economic growth of BC. This point is very significant. The current application to restrict other suppliers of electricity is indeed an understandable move if BC Hydro was to promote economic growth of |BC Hydro; one would want to keep the monopoly of production and sales to maximise corporate growth and benefit. However, this is not the case; BC Hydro is to be the benefit of BC, and to support BC's economic growth. This proposed amendment clearly is not doing this, but the former. Honourable Michelle Mungall letter to , Kenneth Peterson August 24, 2017 BC Hydro is " to Provide leadership in advancing government's climate action strategies, including: Fuel switching and electrification initiatives in the transportation, oil and gas and other sectors; Policies and programs to increase the energy efficiency of building; ...Identify further opportunities for clean energy in British Columbia to support BC's economic growth and meet the needs of customers;..." (bolding is added)... The most important provision and expectation in this letter , is the requirement to identify opportunities to support economic growth. This is a major directive; in which provides that individuals can bring economic growth to the communities they live in (at no cost to the government of BC Hydro). Indeed, Government has used BC Hydro as an economic development driver since its creation in 1962. This proposed amendment is counter this clear directive from the Government, from the shareholder of BC Hydro.

**British Columbia Utilities Commission**

**P:** 604.660.4700 **BC Toll Free:** 1.800.663.1385 **F:** 604.660.1102

**bcuc.com**

Please accept this document as my comments and objection to BC Hydro's application to amend the Net Metering Service Program

Thanks

Peter Louwerse

BC Hydro has announced that they are applying to the Utilities Commission to amend the net metering program in such a way as to restrict the production of power by individuals and businesses.

## Summary:

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**Honourable Michelle Mungall letter to , Kenneth Peterson August 24, 2017**

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## 1. Rural BC Economic Growth

Over the last twenty years, the small communities of BC have been robbed of the support of their local natural resources (primarily timber and mining). These resources were the reason for these towns to exist, and supported these communities; not so today, as we see the timber rights surrounding these communities have been sold to absentee landlords elsewhere with the

loss of jobs, mills, and all the associated businesses to run these communities. The burden of maintenance of these communities is being borne by fewer and fewer income earners and residents that these towns are rapidly going into debt, just to survive. The electricity/Hydro production is a new and real resource and economic development tool. This has the potential to produce new opportunities as well as new income for the homeowner, farmer and small business. Hydro/electricity is a resource. Canada spans many time zones which should allow peak production time to synchronise with peak demand. The "grid" has yet to be synchronised, and would be a clearly beneficial project for "carbon tax" revenues etc. This also would mark the start of electricity production/retail becoming separate from transmission lines (similar in many ways to the oil industry). In short however, rural BC needs to survive and needs a new resource as the previous resources have, via many routes, been taken from sustaining these communities by the absentee landlords of these resources.

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## **2. Free electricity**

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The genius of this program is that the **power producer** (home owner, business), at their own expense (no tax payer expense), firstly elects to purchase the equipment to produce the power, and secondly elects to maintain this. So BC Hydro (read tax payer), does not have any capital costs (as in 1982 when BC Hydro to borrow to cover its capital costs and increase their rates by 30% to cover the cost of the borrowing and apparently as is going to happen with the Site C dam project)); and BC Hydro does not have the operating costs. The incidental bonus is that the power producer is making a difference by increasing the power supply (electricity) without fossil fuels (as is the case for most of Canada and USA). Which would be sold on to such out of province users.

Compared to similar programs in Ontario and California, the rate here is 9.9 cents/KWh, which is significantly lower than the rates given in Ontario (as high as 17 cents) and California, and BC offers zero grants or tax discounts, like California.

The savings to the tax payer by not having this capital cost is huge, in terms of debt costs and in terms of maintenance costs. This would also stimulate more demand for solar and wind equipment manufacture, installation and maintenance industry in BC.

The Net Metering Program as it is now, without amendment, is just the start of BC Hydro developing this new power supply. As a private business it is understandable that BC Hydro would not want competition in both the production and sale of power. However this is not a private business and indeed is owned by the very people who want to produce and sell their power to their company, BC Hydro. In the light of the stakeholder/shareholder BC Hydro would benefit by not having these capital costs to increase their production, and allow them to seek out new markets with the new supply of power. These new markets exist in both Canada and USA

### **3. Upcoming shortage of electricity.**

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*San Jose, for example, streamlined its permit review and approval process last August and has since approved more than 4,500 residential rooftop solar permits. That's a nearly 600 percent increase over the previous year, when San Jose, California's third-largest city, permitted a mere 661.*

"We want to make it fast and easy so that no one can hesitate due to bureaucratic red tape to be able to make the transition to a greener energy source," San Jose Mayor Sam Liccardo told InsideClimate News.

It is no secret, as posted on BC Hydro's website, that of the 2.5million residences in BC they have successfully approved 1,350 permits over a two year period. Clearly this program is not being made accessible and promoted for all its benefits.

## **5. BC Hydro a Privileged corporation**

BC Hydro has the unique situation where by it is owned by its users, and as such is a "Monopoly". This makes total sense as its users intend to make it work for them, and without competition. In this situation BC Hydro is meant to benefit its shareholders who are its users. If for any reason, this corporation does not do this, then the stakeholder, will either want this corrected or will want an alternative.

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restriction on the individuals and businesses of BC. One would think that the Government would ensure that BC Hydro maintains its obligation to allow and buy such energy from BC residents and businesses, if it is to keep this special monopoly status. Failing this, then the Act needs to be changed to allow independent utility corporations.

## 6. Ministers Letter to BC Hydro 2017

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### Honourable Michelle Mungall letter to , Kenneth Peterson August 24, 2017

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**This proposed amendment is counter this clear directive from the Government, from the shareholder of BC Hydro.**