

British Columbia Utilities Commission

410-900 Howe Street

Vancouver V6Z 2N3

16 December 2018

By email

Dear Panel

BCUC Project No. 1598958, BC Hydro Application to Amend Net Metering Service under Rate Schedule (RS) 1289 Compliance with Commission Order No. G-100-18 Directive E-4.1, Extension Request SCBC Request for Further Process

I appreciate the time given to permit this submission and have it reviewed by the Panel. It appears that time is always short to submit a comment. Such as it is, the comments are submitted below!

I am writing in response to the above mentioned BC Hydro Net Metering application request for an extension of filing date, to July 31 2019.

I am familiar with homeowners and businesses who have an active interest in the Net Metering Program, and who would support this wholeheartedly, with significant personal investment, if the longevity and commitment by BC Hydro in the program can be trusted. It is in this hope that we continue the process of refining and tuning the opportunity of the Net Metering Program as first conceived and implemented.

The BC Hydro Submission

In their request, BC Hydro represents that they *do not believe that a filing date of April 30, 2019 is achievable. It would not provide sufficient time to complete meaningful engagement with stakeholders on necessary issues related to the Net Metering program.* These issues which need to be addressed, they further identify three of these issues as:

1. It was submitted that *“program characteristics and the treatment of generator size, pricing and cost recovery, and program adaptability to meet future trends and customer needs”.*
2. And in their earlier submission Exhibit A-2 it was submitted that *“Participation in the Net Metering Program has not been harmed by the interim amendments. BC Hydro continues to accept and process applications. Since April 1, 2018, BC Hydro has received 600 new Net Metering Applications and more than 400 new Net Metering customers have had their generating facilities connected to the grid”.*

AND further

3. *“Participation in the Net Metering Program has not been harmed by the interim amendments. BC Hydro continues to accept and process applications. Since April 1,*

2018, BC Hydro has received 600 new Net Metering Applications and more than 400 new Net Metering customers have had their generating facilities connected to the grid.”

Response and Comments

I believe that there are compelling arguments to keep the April 30, 2019 deadline. These are addressed in the order mentioned above:

1. BC Hydro has no part in the cost and recovery of the capital cost of the generator of electricity with the NM program. This is not an issue for BC Hydro to stall on. According to the documentations submitted in the BC Hydro 2006 Integrated Electricity Plan, Table 4.5 Section 4-32, there is projected a shortfall of supply to demand of power to the extent of between 22,716 GWh to a minimum of 17,135GWh. BC Hydro has made it clear that they do not have the capital to place to produce this shortfall. The Site C Dam is regarded as one of the least risk projects to help meet this shortfall. The homeowner/small business owner, who wants to supplement their income with a surplus of power generation will bear the cost of this infrastructure and accordingly will calculate their respective risk analysis in this (up to 99KW systems). This does not appear to be of any responsibility to BC Hydro, as long as BC Hydro adheres to the program and its rules.
2. The prime production time for power generation from Solar sources is the summer. The careful cashflow analysis of such projects depends on generating power at the maximum and at the earliest possible occasion. This would mean construction prior to mid-May, allowing for a prime generating season of June-Mid September. By delaying the decision, such projects are delayed one more year, and these projects by, not being approved, are prevented from their very inception. It is clear from the BC Hydro email, which is sent to all applicants, that no one is to apply for any system that would generate more power than their annual consumption. (see attachment and copy below). This is applying new and unapproved criteria now, as if it is already definite that the application, when heard, will be in favour of BC Hydro's request,

This email (see below) effectively eliminates all applications of power generation greater than current consumption. This means that they are not even submitted for processing later or at all. It is certainly the case that participation in the Net Metering program is being harmed as no one who intends to produce more power than their annual historic consumption is permitted to even apply. It is worth noting that the reasons for such application to produce more power than existing consumption, would be, for instance because the home owner wants to convert from oil fire heat to electric heat, or wants to buy an electric car, or the business owner plans on buying more electrical equipment; and finally because the business/homeowner wants to provide a surplus to help remove the need of oil/gas/coal/nuclear fuelled electricity production and generate a net gain to paydown the capital costs. Stalling this application process such that no one can apply is indeed restricting the number of applicants and harming the success of this program.

3. BC Hydro have clearly stated: *“While BC Hydro does not anticipate that the Government's Comprehensive Review will make any recommendations on the Net Metering Program specifically, we do expect it to make recommendations on the Standing Offer Program. Consistent with the 2007 Energy Plan, the price paid for surplus energy under the Net Metering Program is linked to the price paid for energy*

under the Standing Offer Program. Therefore, the Comprehensive Review is relevant to the Net Metering Program". This clearly indicates that BC Hydro believe that the up coming Government Review will affect the rate afforded to the Net Metering purchase price. However this is conjecture if not a stalling technique. There is nothing in this review or statement that confirms any outcome with respect to the Net Metering Program.

If the reason to delay any decision is that there may be potential issues to the NM Program in the future, which can affect the change in electricity rates, (and in this case the Government Review Phase1, and there may be others just around the corner such as oil and gas prices, successes of dam maintenance and construction; natural disasters and such), then there is no time that is acceptable to have a hearing on the application to change the program. really there is no reason to accept any date for a decision.

For these reasons we submit that BC Hydro has to maintain the deadlines prescribed by the CUCC, and cannot delay any further. The reasons given for the delay are not substantiated in that these reasons do not represent any immediate, and certain, fault that needs repairing in the net metering program. This does not eliminate further discussion or application, if required, once the Government Report Phase 1 is released and however allows business as usual with the Net Metering Program until, and if, there becomes just cause to re-visit this after the release of the report.

Yours sincerely

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Net metering update

Hi [REDACTED]

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