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December 16, 2018

Mr. Patrick Wruck, Commission Secretary  
BC Utilities Commission  
900 Howe Street, Suite 401  
Vancouver, BC V6Z 2N3

Comments on Project no. **1598976**

Dear Commission Secretary,

Thank you for giving the **Salish Sea Renewable Energy Cooperative** the opportunity to file additional comments on BC Hydro's recent application to extend the interim decision by the BC Utilities Commission (BCUC) on limiting Net-Metering customers to self-consumption.

### **Recommendations**

1. BC Hydro should be held to the original December deadline. We can see no reason to reward the corporation with an extension, because a) BC Hydro ignored a crucial deadline, b) unilaterally decided not to conduct stakeholder review, and c) failed to inform BCUC or stakeholders and thus wasted seven months. Besides, the original application was unsupported by BC Hydro's data in the first place (*cf.* E-16; BCUC applicationID=629);
2. The interim decision (Order G-100-18) by the BCUC should expire in December as originally planned and revert to the NM program prior to the interim decision; and
3. An independent review of the NM program should be commenced without any further delay. This review must be public, transparent and involve all stakeholders. The review should include industry, NM customers, community and municipality representatives and representatives from independent BC utilities with successful virtual NM programs (e.g. Nelson Hydro).

The main point repeated by BC Hydro arguing for the extension refers to the concurrent Comprehensive Review of BC Hydro (phase 1) by the BC government that may include statements about the currently suspended Standing Offer Program (SOP), to be released in February 2019. BC Hydro implies that this may affect the rate for overproducers. BC Hydro is intricately involved in phase 1 and therefore could be clear on the current status of the SOP review and also be transparent on the role of the BCUC as ratesetter. A key difference between the SOP and Net Metering RS1289 is that the latter is a rate subject to BCUC approval, while the SOP is a program set up at the request of the BC Government. Therefore, there is no inherent dependence of one on the other.

### **SSREC is ready to cooperate**

The NM program is in urgent need of review: to simplify the process, increase its scale and accelerate its adoption. We know from our experience that BC residents are eager to adopt solar and zealous to put their own money on the line to decarbonize. The citizens of BC deserve clarity and a long-term stable vision for NM. Our cooperative – which is largely focussed on solar PV - thinks that many issues around NM are much more

important than the issue of limiting residential PV to self-generation. The time has come to create a NM program tailored for solar, because of its generally smaller scale, distinctive capacity factor, quick installation, unique suitability for communities, applicability to rental buildings and strata, and continually dropping costs. Further to the constructive critique during the current BCUC process, our cooperative is ready to work with BC Hydro and the BCUC to improve the NM program, widen its scope, to inject a bottom-up approach into the process and to adapt NM in the framework of the BC grid to realize the immense potential of solar in BC.

## **Problems with BC Hydro's arguments and responses**

We take issue with some of the lines of arguments used by BC Hydro

1. to ignore our well-argued and well-supported previous comments (E-16) on their unsubstantiated justification for an extension,
2. to justify the need for another seven months to produce a proper review of NM, and
3. to justify their inability to file the NM application by April 30, 2019 as suggested by the BCUC in their 'request 1'.

We are separating our narrative into two sections. Section 1 covers rebuttals of BC Hydro's letter to the BCUC in response to the critical comments made by two submitters, including SSREC. Section 2 deals with a critique of BC Hydro's response to BCUC's note from 3 December, 2018. We are also submitting **Appendix A**, detailing the timeline of the process, BC Hydro's non-compliance and some procedural flaws inherent in the current process. **Appendix B** lists important links and additional comments.

## **Section 1 – Rebuttals to BC Hydro's comments**

### **Chilling effects of BC Hydro's application**

As detailed in our previous submission, we completely disagree with BC Hydro's assertion that '*participation in the NM program has not been harmed by the interim amendments*'. Just because BC Hydro continues to accept and process NM applications does not mean that BC Hydro's application to the BCUC, and the wide-spread and confusing media attention did not have a profound chilling effect on potential NM customers. We should know: We are in the trenches and deal with endless questions from confused, solar-inclined citizens.

Between June and October 2018, our members have given seven different public presentations on renewable energy, especially solar, in South-Western BC. Every time considerable amount of discussion had to be devoted to answering questions about the rules – and manufactured misconceptions - of NM. Stating that '*participation has not been harmed*' is a slap in the face to our volunteers who work tirelessly to compensate for the chilling and scaring-off effects of BC Hydro's attitude and behaviour. If BC Hydro has not noted any effect this is likely due to the indefatigable efforts of volunteer groups like ours and by the budding solar industry (we mentioned a solar installer's website that specifically addresses this confusion and chilling effect- E-4, Nov. 21, 2018) to set the record straight and undo the harm done by BC Hydro. Or is it that BC Hydro did not do a proper analysis of its own data, which should really have been shared with the BCUC and thus been open to public scrutiny? Perhaps, BC Hydro has again misrepresented their own data as pointed out by us (E-16). Our statements on the chilling effects around NM are based on many questions from citizens. BC Hydro's statement is completely without numerical support. Admittedly, we are just a large group of volunteers, including over 50 NM customers, who want to promote decarbonization and global warming mitigation by encouraging installation of solar PV. In contrast, BC Hydro – a multibillion dollar corporation - is actively discouraging the province's citizens from going solar, by suspending the SOP and seeding massive confusion about NM, instead of putting the health of the planet and the concerns of BC citizens first, like a public corporation should.

### **BC Hydro's abysmal record:**

### **Missed deadlines, Non-transparency and Unwillingness to comply with BCUC directives**

In their interim decision on 1<sup>st</sup> June, 2018, the BCUC directed BC Hydro to file a revised RS1289 tariff by July 24, 2018. BC Hydro missed this deadline and failed to inform the BCUC about it; neither were stakeholders made aware of this crucial non-compliance by BC Hydro. Also, BC Hydro had been instructed to conduct and complete engagement with stakeholders by 15 Dec. 2018, but unilaterally decided to forgo any stakeholder consultation. Again, BC Hydro failed to inform the BCUC or any stakeholders about their decision (which shouldn't have been theirs to make in the first place). A single stakeholder meeting with industry was cancelled and not a single NM customer had been contacted during this time; not even those, including SSREC, who had offered and were eager to contribute to the process. BC Hydro now argues that the NM review should be conducted in view of the upcoming release of phase 1 of the Comprehensive Review (CR1) indicating that BC Hydro did not attempt to conduct any sort of review in good faith. Obviously, the corporation had been aware of CR1 at least since its announcement on 11 June 2018, and most likely already during the time the BCUC was deliberating over the original application: BC Hydro is well-represented on the review panel for phase 1. As soon as the government had announced CR1, BC Hydro should have approached the BCUC and the stakeholders to come to a negotiated compromise between interim decision, stakeholder process and December 2018 deadline. Instead, BC Hydro chose to keep quiet and wait until the end of October 2018 to approach the BCUC for a (poorly argued) extension.

### **The NM review is urgent and requires clarity**

Even after six months of internal ruminations, BC Hydro still does not seem to know how to conduct this stakeholder review. As far as we know, stakeholders – industry and NM customers – have expressed their willingness to participate in the process, yet BC Hydro has been dragging its corporate feet and describing the future stakeholder process with hazy words like 'may include webinars', 'may include follow-up engagement' 'this engagement would begin'. At this rate, the review will never happen. On a lighter note, we were going to comment on BC Hydro's attitude by using 'fulsome' to describe the stakeholder process, but after discussion, we just suggest that BC Hydro should consult a better dictionary.

### **Comprehensive Review (phase 1) of BC Hydro has little bearing on NM review**

It appears that BC Hydro is hiding behind the Comprehensive Review, phase 1 (CR1). Indeed, as mentioned by another submitter, phase 1 of the Comprehensive Review has little bearing on NM and its review. BC Hydro states that '*BC Hydro does not anticipate that the government's CR will make any recommendations on the NM program specifically, but we do expect it to make recommendations on the Standing Offer Program' (SOP), and 'the price for surplus energy under NM is linked to the price paid for energy under the SOP'*. There are two major disconnects here from the current application. First, SOPs and NM were envisioned as quite independent of each other, they are only – but repeatedly – conjoined by BC Hydro: NM is a rate governed by BCUC, while SOP is a program instituted by the BC Government. Second, and even more relevant in the current context, is that with BC Hydro's application to get rid of overproduction by NM customers, the linking to the SOP is rendered irrelevant, since new NM customers are not allowed to overproduce.

### **Blurry wording on stakeholder engagement**

As net metering customers, we are also concerned that the best BC Hydro can think of are 'webinars' – these are usually *ex cathedra* exercises – when what is needed is a true dialog. The wording is really unfortunate and fails to instill confidence about the seriousness and the professional competence of BC Hydro: After six months of deliberating, BC Hydro '*plans to undertake*' and '*expects this process will extend*' – clearly, BC Hydro is not ready to do anything. With their self-imposed deadline (in Feb. 2019) approaching, one would have expected a) a proper outline, b) identification of stakeholders, c) a detailed time-table for the stakeholder consultation, d) initial approach of knowledgeable experts and e) list of independent consultants to serve as mediators. Critically, a comprehensive white paper should be ready for distribution to all stakeholders.

### **Section 2: Comments on BC Hydro's response to BCUC query**

The 'response' to the BCUC's query about an April 30, 2019 deadline, reads more like a religious text than a proper response based on data and facts. Four times in their narrative '*BC Hydro believes*'. Worse is to follow: '*BC Hydro is not in a position to file an application by the December 15, 2018 deadline*' and '*BC Hydro decided to not undertake consultation of the NM program...*'. How can BC Hydro ignore clear directives from the BCUC so blatantly, especially after BC Hydro has just been chastised publicly by the BCUC for unethical behavior and disastrous non-compliance (SAP inquiry, see **Appendix B**).

## **Final comments**

Disappointingly, neither BC Hydro nor the BCUC seem to have consulted our comments to BC Hydro's original submission in May, 2018. BC Hydro failed to respond to or correct the serious mathematical errors we identified in their assessment and BC Hydro drew flawed conclusions from their own data. In our opinion, these basic and easily detected flaws invalidated the original application. To our surprise, the BCUC did not notice these basic flaws either.

BC Hydro's solar NM customer base has already reached 2000 and will continue to snowball, since solar simply makes sense on many levels, and grows through word of mouth and a large 'neighbour effect'. Therefore, it is important that any BCUC process involving NM is transparent. Unfortunately, this was not the case for BC Hydro's application to limit NM to self-consumption (20 April, 2018). The BCUC never continued to a proper proceedings, losing transparency and accountability along the way. In **Appendix A**, we are listing the timeline and a number of procedural flaws in the current process.

In May 2018, other commenters pointed out additional shortcomings in BC Hydro's application. Again, BC Hydro did not respond to any of the – often serious – criticisms levelled. This application by BC Hydro should have proceeded to a proper public hearing, since the future of NM is a crucial component of decarbonization, distributed generation, climate change mitigation and electrical generation in British Columbia. This cannot be left to BC Hydro who show no interest in integrating solar and other true renewables into the BC energy mix and who, as is apparent from the different phases of this application, lack respect of customers, stakeholders and, not least, the BCUC. As such, we are afraid we have to add unjustified 'arrogance' to BC Hydro's 'culture of reticence' identified by the BCUC during the recent SAP Inquiry (link in Appendix B).

In light of unreasonable delays and an attitude of non-compliance by BC Hydro, SSREC has no confidence that BCH will undertake the proposed review of Net Metering within a reasonable timeframe or with the appropriate scope to meet their obligations to customers. BCUC should retract the interim approval of the amendment to RS1289 and proceed to a full, transparent and independent review of the NM program immediately.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom P. Mommsen', written over a thin horizontal line.

Dr. Thomas Mommsen  
Director, Salish Sea Renewable Energy Cooperative



## Appendix A: Timeline of BCUC project No. 1598976

Non-compliance by BC Hydro with BCUC interim decision G-100-18 are highlighted in yellow

Procedural weaknesses in the entire process are emphasized in light orange

Date (2018)	Exhibit	Event	BC Hydro actions
April 20	B-1	BC Hydro application to amend NM RS1289, project 1598976	Original application
May 23	A-1	BCUC panel appointed	
May 24-31	E-1-E-18	Comments received from 18 concerned parties (all are highly critical of BC Hydro's application). Contradicting information about process disseminated by BCUC to interested parties by phone.	
May 24-31	E-1	BCSEA and Sierra Club BC awaiting proceedings order from BCUC before making submissions to the BCUC. No submissions were made.	
		BCUC does not request response from BC Hydro on submitted comments. BCUC fails to consult comments	
June 1	A-2	BCUC interim decision (G-100-18): requesting RS1289 rate submission by July 24, stakeholder engagement and full NM submission by Dec. 15, 2018	
June 1 – Oct 10		BC Hydro Stakeholder engagement on net metering	Not done
June 11		BC Government announces Comprehensive Review, phase 1	
June 1- Oct 10		Unilateral decision by BC Hydro to ignore Dec. 15 deadline on NM review and rate submission; no communication with BCUC or stakeholders	
July 24		RS1289 rate submission deadline; no communication with BCUC	Ignored deadline
July (end)		Communication with stakeholders about BC Hydro's deadline default	Not done
Early Oct.		BCSEA, SCBC, BC Hydro and BCUC discuss BC Hydro's evolving plan. No entry on BCUC site and no communication with stakeholders	
Oct. 10	B-1	BC Hydro extension request on G-100-18 directive; emailed to BCUC 3698662 interveners; not posted on BCUC site	Request for extension
Nov. 1	E-1	Letter from Sierra Club BC, requesting posting of B-1 (done), request for input from previous commenters (done) and moving proceedings from Archived to Active (not done).	

Nov. 13	A-2	BCUC request to BC Hydro to solicit comments from previous commenters and interveners	
Nov 19-Nov 21	E-2-E-4	Comments from 1 intervener and 2 previous commenters posted on BCUC website	
Nov. 26	B-2	BC Hydro comments regarding application, response to E-2-E-4	
Dec. 3	A-3	BCUC panel : information request no 1. to BC Hydro	
Dec. 6	B-3	BC Hydro response to BCUC on request No. 1	
Around Dec. 7		BCUC establishes Dec 11 deadline for further comments from commenters on BC Hydro's response, posting this on BCUC website, but failing to communicate with commenters	
Dec. 11	E-4-1	Request from commenter to extend deadline	
Dec. 12	A-4	BCUC amends schedule for comments	

Exhibits can be found on the BCUC website. Exhibits in **black** are from the original (now archived) process <https://www.bcuc.com/ApplicationView.aspx?ApplicationId=629>

Exhibits in **red** are from the Current proceedings <https://www.bcuc.com/ApplicationView.aspx?ApplicationId=647>

## Appendix B: Supplemental information

BCUC information on the SAP review can be found at [https://www.bcuc.com/Documents/Proceedings/2018/DOC\\_52454\\_2018-09-07-SAP-Inquiry-Final-Report.pdf](https://www.bcuc.com/Documents/Proceedings/2018/DOC_52454_2018-09-07-SAP-Inquiry-Final-Report.pdf)

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