FORT ST. JOHN
The Energetic City

City of Fort St. John
10631 100 Street | Fort St. John, BC | V1J 3Z5
(250) 787 8150 City Hall
(250) 787 8181 Facsimile

July 10, 2019

Mr. Fred James
Chief Regulatory Officer
Regulatory & Rates Group
British Columbia Hydro and Power Authority
16th Floor – 333 Dunsmuir Street
Vancouver, BC V6B 5R3
bchydroregulatorygroup@bchydro.com

RE: Project Number 1599004 - British Columbia Hydro and Power Authority – Application to Amend Net Metering Service under Rate Schedule 1289 – Information Request No. 1

Dear Mr. James:

Further to your April 29, 2019 filing of the above-noted application, please find enclosed the City of Fort St. John's Information Request (IR) No. 1 .

Sincerely yours,

Victor Shopland
General Manager of Integrated Services

1. ***Size of Generation Facility***

Reference: Section 2 – Amendments will prevent Oversized Generating Facility and Support Program Intent, Fairness and Flexibility

1.1. If the intent of the Net Metering Program was to simply offset an individual customer's demand, why did BC Hydro allow oversized projects for the entire existence of the Program up until the amendment application in 2018?

Reference: Section 1.4.4 (Page 12, Paragraph 19-26, Page 13 Paragraph 1-2)

BC Hydro submitted an application to the BCUC to increase the Capacity Limit from 50 kW to 100 kW. In July 2014, by Order No. G-104-14, the BCUC approved the proposed increase to the Capacity Limit.

1.2. The increase in Capacity Limit for the Net Metering Program allowed for the City's project to be approved. Further, BC Hydro was very supportive of the City's project under the Net Metering Program compared to it being advanced through the now abandoned Standing Offer Program. Why did BC Hydro recommend that the City advance the Project under the Net Metering Program with the understanding that it would generate a surplus of energy relative to the account?

2. **Transitional Energy Price**

Reference: Section 6 Proposed Transitional Energy Price mitigates Impact to Existing Customers
Paragraph 15-16: "During this five-year period, BC Hydro will monitor the impact of the proposed changes to determine if further measures are required"

2.1. How does BC Hydro intend to "monitor the impact" of the proposed changes to the Energy Price given the material impact to the "Surplus Energy Payments" made to the City, given the substantial investment made by the City into this Project?
2.2. What will be the determining factor which identifies if further measures are required?
2.3. Would BC Hydro consider a 15 year transitional energy price for oversized projects given the substantial capital investment made by customers, like the City of Fort St. John, into micro-generation projects?

3. **City of Fort St. John Micro-Hydro Project**

3.1. Just three years ago (April 22, 2016) BC Hydro celebrated this Project as a success story, as demonstrated by the former CEO of BC Hydro being present at the Project's "ribbon cutting" event. Could BC Hydro advise as to why it did not disclose the proposed rule changes at the time of the Net Metering Program application? How is the proposed Energy Price amendment fair to the City of Fort St. John and its citizens given the substantial investment made by the City into this Project with the understanding of a higher Energy Price (and level of return on investment).

Section 1.1 Net Metering Program Allows Customers to Offset Their Supply from BC Hydro (Page 3, paragraphs 2-11)

"Our objectives are to:

1. *Maintain the Program as a load offset program so that customers can generate their own electricity to reduce their supply from BC Hydro"*

3.2. The City (as a Customer) has many different meter locations and a total demand much greater than the output of its Micro-Hydro project which is under Schedule 1289. The current demand is invoiced (across all meters) to a single customer account. If the intent of the Net Metering Program is to allow a customer offset their total demand, would BC Hydro be open to advancing a Net Metering agreement with the City that allows its oversized project to offset the demand of other accounts held by the City of Fort St. John (the Customer)? Would this not align with the key Program Objectives outlined on Page 3 of the BCUC application?

Reference: Section 7.2 Virtual Net Metering (Page 48 Paragraph 21-25, page 49 Paragraph 1-10)

*"In the meantime, BC Hydro [*in response to virtual net metering requests] *has suggested that one customer "own" the net metering installation and perform the administrative task of allocating credits between the participating customers"* [clarification added]

3.3. Assessing the City's energy use across all meters would effectively allow them to perform the administrative task that BC Hydro has identified for Virtual Net Metering. This appears to be supported (through comments for the Virtual Net Metering) for a group that is off-setting more than one load. Could this same premise be used to the City?

4. Engagement Survey

Reference: Appendix E

4.1. How were surveys and webinars advertised and distributed to current net metering customers as well as the general public?

Figure E-4: Engagement Survey Results

4.2. Less than 20% of respondent represent those that will receive surplus energy payments. Was any data collected to determine the magnitude of surplus energy payments these respondents represent?