

Pembina Institute letter regarding FortisBC's proposed Innovation Fund.pdf

Date Submitted: September 04, 2019

Proceeding name: FortisBC Multi-Year Rate Plan Application for 2020 to 2024

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

Name (first and last): Karen Tam Wu

City: Vancouver

Province: British Columbia

Email: karentw@pembina.org

Phone number: 778-846-5647

Comment:

FortisBC's proposal for a rate-payer funded Clean Growth Innovation Fund under this proceeding is an area of interest for the Pembina Institute. Pembina is concerned with supporting B.C.'s clean energy transition and achievement of the province's climate goals, and sees a role for utilities like FortisBC in supporting the province's stated objective to transition to a clean energy economy. We believe there is a need for R&D and innovation funding to spur the energy innovation necessary for B.C. to achieve the goals set out in CleanBC, and to meet expectations of policies such as the 15 per cent renewable gas requirement for industry. As such, the Pembina Institute supports FortisBC's proposal to develop a ratepayer-funded Clean Growth Innovation Fund. We recommend the B.C. Utilities Commission approve this application in order to support FortisBC in contributing to B.C.'s clean energy transition and achievement of the province's climate goals.

August 20, 2019

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: FortisBC Clean Growth Innovation Fund

B.C.'s new climate strategy, CleanBC, makes it clear that a significant shift in B.C.'s energy system will be needed to reduce carbon pollution in line with the province's goals and objectives. To identify and implement the solutions necessary to decarbonize B.C.'s energy system at the pace and scale required by CleanBC, innovation will be needed.

The Pembina Institute held a *Clean Future Forum* earlier this year, convening a diversity of B.C.'s climate and energy stakeholders to discuss this energy transition and the need for a diversity of clean energy solutions to make it a reality. A common theme that arose repeatedly throughout the forum is the role of utilities in B.C.'s clean energy transition — highlighted was a need to define and update the role that utilities play in supporting the province's stated objective to transition to a clean energy economy.

Based on the discussions of stakeholders at the *Clean Future Forum*, including the many challenges ahead associated with B.C.'s clean energy transition, proposed solutions, and the key role that innovation will play in accessing those solutions, the Pembina Institute supports FortisBC's proposal to develop a ratepayer-funded Clean Growth Innovation Fund. We recommend the B.C. Utilities Commission approve this application in order to support FortisBC in contributing to B.C.'s clean energy transition and achievement of the province's climate goals.

As currently proposed, the Innovation Fund is modest in size; it will likely be necessary to grow the allocation after the Fund is piloted in order to meet the province's innovation needs. To ensure its effectiveness in meeting CleanBC objectives, the Fund should be invested in the development of technologies and services that have a potential to play a key role in a decarbonized energy system. Investments should be made in technologies that are in line with long-term climate goals outlined in CleanBC and the Climate Change Accountability Act, and

set B.C. up for full decarbonization of its energy system — as opposed to those that achieve marginal emissions reductions.

To enable these outcomes, we recommend the Fund strategy be reviewed by an independent advisory panel and that the BCUC, with support from that advisory, be tasked to periodically review its investments to ensure alignment with long-term CleanBC objectives. We also recommend that the utility be required to provide validated plain-English reporting on the investments made, including reports on progress over the lifetime of each project, to ensure accountability and transparency to ratepayers and to feed into climate action planning by the Province.

There is a need for R&D and innovation funding to spur the energy innovation necessary for B.C. to achieve the goals set out in CleanBC, and to meet expectations of policies such as the 15 per cent renewable gas requirement for industry. Approval of the Clean Growth Innovation Fund is a positive step towards clarifying the role of utilities in B.C.’s clean energy transition and enabling development of B.C.’s clean energy resources.

Yours sincerely,



Karen Tam Wu
Regional Director, B.C.
Pembina Institute

cc:

Doug Slater, Director, Regulatory Affairs, FortisBC
Diane Roy, Vice President, Regulatory Affairs, FortisBC
Douglas L. Stout, Vice President Market Development and External Relations, FortisBC