

From: hadland@pris.ca
To: [Commission Secretary BCUC:EX](#)
Subject: additional questions re: net metering application
Date: September 29, 2019 11:32:49 AM

Mr. Patrick Wruck,
Commission Secretary

Please pass along to BC Hydro the following requests for clarification and additional information requests related to the questions I asked the first time around.

#2 Does Hydro intend to be fair to all customers with the pricing of power they acquire and does Hydro not in future intend to average out the cost of new power with that of the heritage assets, but only acquire power that can be sold as a net benefit to the Province?

Response, Please refer to BC Hydro's response to BCUC IR 1.10.2 where we explain why it is appropriate to value excess generation from customers in the Program based on the market value.

2.1 Hydros referral in their response to my second question, to BCUCs question 1.10.2 which refers to 1.10.1 as well, and section 4.6 of the application, etc etc, does not answer my question unless Hydro has a more explicit link. I will try to rephrase the question.

2.1.a) Does Hydro intend to be fair to all customers with the pricing of power they acquire,?

2.1.b) Does Hydro intend to average the cost of new power with that of the heritage assets?

2.1.c) Does Hydro only acquire power that can be sold as a net benefit to the Province?

#3 What factors is Hydro taking into account when it determines that unfairness might infringe on the non participating customers?

Response, Please refer to BC Hydro's response to BCUC IR 1.5.1 where we explain how cost-shifting between customers in the Program and non-participating customers occurs and to BC Hydro's response to CEC IR 1.7.3 where we quantify the cost-shifting caused by the current Energy Price.

3.1 Ie. how does the cost shifting compare, financially, to the unfairness of building a dam at site c and selling that energy at about 1/3rd of cost dropping the remainder of the cost on the same customers Hydro is currently trying to reduce benefits of net metering to?

3.2 Are environmental factors included in Hydros assessment of the unfairness of allowing micro solar systems compared to the unfairness of building a dam on land we need for a sustainable future?

#4 Would Hydro explain in what way does this respond to changing technological advancements?

---question from page 41, "BC Hydro believes that the proposed amendment should be approved. The amendment.... Responds to the Evaluation Report which indicated that the Energy Price would be reviewed to ensure alignment with changing technological advancements and changing system needs."

Response, The reference to changing technological advancements is meant to convey BC

Hydro's intention to review the Energy Price, considering, among other things, the value of energy, based on technological advancements. Please refer to BC Hydro's response to BCUC IR 1.10.5 where we state that BC Hydro recently adopted the market price as a conservative interim assumption for

evaluating energy during surplus and deficit periods, in part, due to technology cost uncertainty over the long term.

4.1.a) Does Hydro believe that this amendment application for net metering

responds to the falling price of alternatives in a manner that represents the best interests of British Columbians? If so, did Hydro look at other ways of responding, and what alternatives were considered?

4.1.b) Does Hydro believe that the lower market price is also caused in part by surpluses

here in BC and in markets like California?

4.1.c) Has Hydro evaluated whether this application is a more fiscally responsible approach than developing a major bundle of energy like Site C? If so, please provide that evaluation.

#6 Is it possible through this amendment, that Hydro could purchase low cost energy from consumers and sell back high priced power?

Please refer to BC Hydro's response to BCUC IR 1.12.4 where we explain why BC Hydro's proposed approach to update the Energy Price provides a reasonable approximation of the value of the energy received by BC Hydro. Please also refer to BC Hydro's response to BCUC IR 1.5.1 where we explain how cost-shifting occurs between customers in the Program and non-participating customers with regards to Surplus Energy Payments.

6.1 I don't believe that Hydro answered this question so I will repeat it. Is it possible through this amendment, that Hydro could purchase low cost energy from consumers and sell back high priced power?

#7 With respect to the objectives mentioned on page 3, Who and how and when were these objectives established?

The objectives set out in section 1.1 of the Application reflect the regulatory history of the Program, including the minimum parameters set out

by the BCUC in 2003 by Letter No. L-37-03. As explained in section 1.3 of the Application, the BCUC has previously determined that the energy objectives in the Clean Energy Act support a focus on economic efficiency. BC Hydro believes that the proposed amendments reflect economic efficiency because they improve the allocation of costs between customers in the Program and non-participating customers with regards to Surplus Energy

Payments.

#7a IE, are these objectives identified in the Clean Energy act that ordered Hydro to establish programs that encourage people to self generate electricity?

#7a.1 IE, are these objectives identified in the Clean Energy act that ordered Hydro to establish programs that encourage people to self generate electricity? Such as Energy objective 2 (d) to use and foster the development in British Columbia of innovative technologies that support energy conservation and efficiency and the use of clean or renewable resources;

or 2 (k) to encourage economic development and the creation and retention of jobs;

or 2 (l) to foster the development of first nation and rural communities through the use and development of clean or renewable resources;

or 2 (m) to maximize the value, including the incremental value of the resources being clean or renewable resources, of British Columbia's generation and transmission assets for the benefit of British Columbia;

or 2 (p) to ensure the commission, under the Utilities Commission Act, continues to regulate the authority with respect to domestic rates but not with respect to expenditures for export, except as provided by this Act.

#8 Has Hydro analyzed whether the amendment might increase fairness in the relatively narrow circumstances outlined in the application to determine if it produces an increase in total unfairness, in total cost of the system, in terms of social and environmental costs if the amendment goes through and discourages customers from adapting alternative energies that are less costly than a dam at site c?

Response, BC Hydro believes that the proposed amendments in the Application are a step towards improving cost recovery from customers in the Program and by extension, would be beneficial to ratepayers overall.

#8.1I don't believe Hydro answered this question so I will repeat it..

Has Hydro analyzed whether the amendment might increase fairness in the relatively narrow circumstances outlined in the application to determine if it produces an increase in total unfairness, in total cost of the system, in terms of social and environmental costs if the amendment goes through and discourages customers from adapting alternative energies that are less costly than a dam at site c?

Thanks for your assistance, Randal Hadland