IRIS LEGAL
Environmental, Natural Resources &
Indigenous Law

VIA EFILE

January 10, 2020

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC. V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

Dear Mr. Wruck,

Re: BC Hydro F2020-F2021 Revenue Requirements Application
Project No. 1598990
Zone II Ratepayers Group's Responses to the Commercial Energy Consumers Association of BC's Information Request No. 1

On behalf of Kwadacha Nation and Tsay Keh Dene Nation (aka. Zone II Ratepayers Group ("**Zone II RPG**"), please find enclosed Zone II RPG's response to the Commercial Energy Consumers Association of BC's Information Request No. 1 in the above-named proceeding.

Should you require anything further, please let us know.

Yours truly,
IRIS LEGAL

Jana McLean
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ZONE II RATEPAYERS GROUP's RESPONSE TO COMMERCIAL ENERGY CONSUMERS ASSOCIATION OF BRITISH COLUMBIA'S INFORMATION REQUEST NO. 1.

British Columbia Hydro and Power Authority
F2020-F2021 Revenue Requirements Application

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1. Reference: Exhibit C5-9, Statement of Chief Van Sommer, Kwadacha First Nation for Zone II RPG page 2

In some homes, wood is the predominant heat source, but electricity is required as a back-up heat source, and also to operate the circulation fans, to heat crawl spaces and for food storage. Many homes in the community are sub-standard and in need of major renovation and/or upgrades. The extremely cold winter climate, the community's remoteness, and the two-tiered Zone II electricity rate all contribute to high electricity bills for the residents. Low incomes combined with higher demand make electricity affordability a key issue in the community. Demand Side Management (DSM) programs which include home upgrades, are very important to our community to reduce electricity consumption. For many years Kwadacha Nation has been focused on renovations and energy efficiency upgrades in an effort to manage electricity affordability.

In 2010 and 2013, Kwadacha Nation implemented a successful two-phase energy efficiency upgrade pilot project. BC Hydro contributed to the funding of this project. Phase 1 was an energy assessment of all homes in Kwadacha Nation along with the installation of basic energy efficiency measures. Phase 2 selected 11 pilot homes and installed deep energy retrofits for these homes, with a total energy savings of approximately 137,015 KWh per year (a 32.1% savings from previous consumption). This pilot was successful; however, more energy efficiency upgrade measures are needed in Fort Ware to address electricity affordability particularly in the remaining homes identified in Phase 1 of the pilot. In 2016, another 12 homes were upgraded and the work was funded by the community, Indigenous Affairs and Northern Development Canada (INAC; now ISC) and BC Hydro. INAC provided most of the funding.

The recent initiatives by BC Hydro, in the areas of communications, DSM, supply and reliability, are encouraging but need to be expanded and sustained. Short-term testing of new approaches and pilot projects, which do not result in any long-term change, do not address the fundamental issues of affordability, access and reliability in our community. We need changes that will affect permanent improvements in our community.

1.1 Please describe the types of projects or activities that Chief Van Sommer believes would be necessary to achieve long term change.

Response: To achieve long-term change, we are supportive of projects that meet holistic community needs, taking into account energy efficiency, building construction, health and safety and climate change. These type of long-term action plans are incorporated in Kwadacha's Energy Management Plan (EMP).

1.2 Has BC Hydro, or others, conducted any energy efficiency projects for the commercial enterprises in Kwadacha Nation?

Response: To date, there has not been any energy efficiency for commercial enterprises in Kwadacha Nation. Commercial and government facilities combined represent approximately 30% of Kwadacha's load and mainly consists of municipal buildings – band office, health clinic, recreation centre, hockey rink, Aatse Davie School, general store, daycare center and visitor accommodations.

a) If yes, please provide a brief description and whether or not they were successful.

b) If no, please identify any projects that Chief Van Sommer is aware of that could be of benefit to commercial interests in Kwadacha Nation.

Response: Upgrading to LED lighting in municipal buildings would be beneficial to reduce energy consumption and improve lighting. Kwadacha has recently made an application to BC Hydro for funding to upgrade lighting. It also may be beneficial to improve the energy efficiency of commercial and public buildings.

2. Reference: Exhibit C5-9, Evidence of Stieg Hog, Executive Director Tsay Keh Dene Nation for Zone II RPG page 2

> Tsay Keh Dene members are involved in permanent or seasonal employment in the resource extraction industries, primarily forestry and mining. Tsay Keh Dene operates several wholly owned businesses including Chu Cho Industries (a civil construction and logging business that employs upwards of 70 people), Chu Cho Environmental LLP (a environmental services business that employs more than 20 people), and Chu Cho Forestry LLP (a business that manages Tsay Keh Dene forest tenures). Some members also continue to maintain traplines.[1] Hunting, fishing and gathering remains a way of life for the majority of Tsay Keh Dene members.
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> All the housing in Tsay Keh Dene is owned and operated by the band and none of the residents pay rent or electricity. The residential homes in Tsay Keh Dene consist mainly of single family homes with some duplexes and trailers. An assisted living and care facility for elderly Tsay Keh Dene members was recently completed. Several single family homes and duplexes are under construction. The community was rebuilt in this location in the late early 1990s. The newer homes are prefabricated and largely built with poor quality construction. In some instances, the homes are collapsing with

2.1 Do the commercial enterprises pay electricity bills, or are these also paid for by the band? Please explain.

Response: Tsay Keh Dene recovers all or most of its consumer electricity costs from commercial and similar enterprises, typically, through a maintenance fee that includes these costs (ie. for the school, heath department, store). The RCMP, however, pays the metered electricity rate.

3. Reference: Exhibit C5-9 Evidence of Stieg Hog, Executive Director Tsay Keh Dene Nation for Zone II RPG pages 3 and 4

> Our goal of reducing diesel generation is consistent with BC's Climate Leadership Plan (2016), which states: "[t]o advance efficient electrification, we are taking action by working with BC Hydro to expand the mandate of its DSM [Demand Side Management] programs to include investments that increase efficiency and reduce GHG emissions."[2] Tsay Keh Dene strongly encourages BC Hydro to show initiative by supporting the development of alternative resources such as solar and biomass in our community to reduce diesel fired generation. This goal has the added benefit of reducing the costs of

3.1 Would the alternative resources such as solar and biomass be operated as commercial enterprises as part of the band, or independently?

Response: Tsay Keh Dene expects to rely in a corporate structure (ie. limited partnership) for such companies, which would ultimately be owned by Tsay Keh Dene.

3.2 If possible, please provide a cost estimate of the support requested for the development of alternative resources.

Response: It is not possible to provide such a cost estimate at this time.

4. Reference: Exhibit C5-9 Evidence of Stieg Hog, Executive Director Tsay Keh Dene Nation for Zone II RPG page 5

> Keh Dene appreciated; however, the steward does not have adequate resources to implement and manage DSM programs in our community. Tsay Keh Dene is interested in building its own long term capacity to efficiently and responsibly manage energy consumption in the community. To do so, we require adequate resources and support.
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> In spring 2017, Tsay Keh Dene initiated its first-ever energy efficiency program to replace existing light bulbs with LEDs, investigate heat loss in homes, install insulation, and fix windows, doors and cracks in walls, etc. As well, we are pursuing an education program to get people more involved and educated about energy savings. Due to the remoteness of the community, planning resources are required along with a multi-year funding commitment from BC Hydro for programs to be effective.

4.1 If possible, please provide a cost estimate of the planning resources and funding commitment required for the programs to be effective.

Response: Tsay Keh Dene has a five-year Energy Management Plan (EMP). It is currently in year three of that EMP. BC Hydro has not committed five years of funding in support of that EMP. Instead, funding is negotiated with BC Hydro on an annual basis. These negotiations can extend well into the operating period that is the subject of the funding discussions, which creates uncertainty around DSM programming and other band expenditures.

Although needs vary from year-to-year, Tsay Keh Dene estimates that it needs a minimum of $150,000.00 each year to fund its current five-year EMP, for a minimum total of $750,000.00.

Multi-year funding commitments allow Tsay Keh Dene to better plan and implement its DSM programming, including to commit to adequate and qualified staffing (energy steward and maintenance staff) to operate these programs. Due to the slow pace and inadequate funding, we expect it will take more than the planned five-years to implement the current EMP, which is problematic to effect long-term change in the community.