



# Regional District of Mount Waddington

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BCH RIB RATE PRICING

EXTENSION APPLICATION

EXHIBIT E-3

File No: 310.01/6874

March 12, 2020

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: Application from BC Hydro requesting Extension for RIB rate to 2022

The Regional District of Mount Waddington Board requests that you do not approve BC Hydro's application to extend Residential Inclining Block rate pricing principles to March 31, 2022.

Since 2015, the Regional District has been on record opposing the Residential Inclining Block (RIB) rate structure for the following reasons:

- The rate provides a subsidy to households that use fossil fuels as their primary heating fuel which is paid for by primarily by households in rural and First Nation communities that currently have no access to natural gas
- It encourages fuel switching from clean hydro to high CO<sub>2</sub> emissions natural gas, propane or fuel oil
- the rate creates a barrier to all those considering switching to EV vehicles; this barrier is even higher for houses that are currently electrically heated

In a previous submission to the BCUC, the RDMW noted that the prevalence of single-detached housing in the region (66%) was far higher than the norm for the BC Hydro customer base. This, coupled with no option to switch to low cost natural gas means that most households will pay a large portion of their winter hydro rates at the RIB Step 2 rate. Ecotrust Canada recently shared their research with the Board, showing that the prevalence of single-detached homes is as high as 95% in some of the First Nations communities within the region. Like many others here, living in a single family home provides little insulation from the forces of poverty, made worse by having to pay 50% extra to heat your home in the winter. Low income households living in existing single-detached homes cannot afford to make energy saving investments despite the additional savings that would accrue from reducing consumption subject to the higher RIB Step 2 rates.

According to the BCUC RIB Rate Report to Government in 2017, "*the RIB rates were introduced to incent consumers to conserve energy and promote energy efficiency, and there is evidence that this indeed is happening*". While that may be true in many individual cases, overall it has very likely had the opposite effect due to the rapid price decline of natural gas compared to electricity as an energy source. In 2008, before the RIB rates were set, electricity costs were only 5% higher than the lower mainland residential rate for natural gas (\$19/Gj vs \$18/Gj); now it is 342% higher at the Step 1 rate and 513% higher at the Step 2 rate (\$7.60/Gj vs \$26/\$39Gj). The electric utilities and BCUC concluded that the RIB rate was promoting

INCORPORATED JUNE 13, 1966

MUNICIPALITIES: VILLAGE OF ALERT BAY, VILLAGE OF PORT ALICE, DISTRICT OF PORT HARDY, TOWN OF PORT MCNEILL  
ELECTORAL AREAS: "A" (BROUGHTON ARCHIPELAGO, SOINTULA, MAINLAND); "B" (COAL HARBOUR, HOLBERG, QUATSINO, WINTER HARBOUR);  
"C" (FORT RUPERT, HYDE CREEK, TSULQUATE); "D" (CORMORANT ISLAND, TELEGRAPH COVE, WOSS)

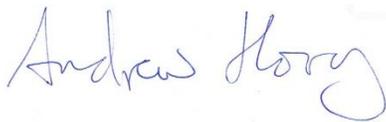


energy efficiency without investigating or even acknowledging the impact of widespread fuel switching to natural gas despite the obvious appeal and active advertising by the gas companies promoting the far lower heating costs from natural gas. Given this oversight, the continuance of the RIB rate structure is clearly contrary to the provincial objectives to reduce GHG emissions as set out in the 2018 Clean BC Plan.

The Clean BC Plan did introduce incentives that would encourage household energy conservation. However, once again these incentives penalized households that currently heat their homes with clean hydroelectricity. For example, a household currently burning fossil fuel and, as a result getting a discount on their hydro rate, can get a Clean BC rebate of up to \$3500 if they switch their heating system to an electric high efficiency heat pump. A similar household in the RDMW with electric baseboard heating will already be paying a far higher heating bill at RIB Step 2 rates for their clean hydro but will only be eligible for a Clean BC rebate for only up to \$1000. While it is laudable to encourage energy conservation while reducing carbon emissions, it is unfair to penalize those who have already have a lower carbon footprint even though it is coupled with higher home heating costs.

BC Hydro has had plenty of time to develop viable options to phase out the inequitable and ineffective RIB rate. Please decline BC Hydro's application to extend Residential Inclining Block rate pricing principles to March 31, 2022.

Sincerely,



Andrew Hory  
Chair

AH/de

cc: Hon Claire Trevena MLA (Via email)  
[Claire.trevena.mla@leg.bc.ca](mailto:Claire.trevena.mla@leg.bc.ca)

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