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July 6, 2016

British Columbia Public Interest Advocacy Centre
Suite 208 – 1090 West Pender Street
Vancouver, B.C.
V6E 2N7

Attention: Ms. Tannis Braithwaite, Executive Director

Dear Ms. Braithwaite:

Re: FortisBC Inc. (FBC)

Project No. 3698875

Application for the Net Metering Program Tariff Update (the Application)

Response to the British Columbia Public Interest Advocacy Centre, representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, Together Against Poverty Society, and the Tenant Resource and Advisory Centre, et al (BCOAPO) Information Request (IR) No. 1

On April 15, 2016, FBC filed the Application referenced above. In accordance with Commission Order G-94-16 setting out the Amended Regulatory Timetable for the review of the Application, FBC respectfully submits the attached response to BCOAPO IR No. 1.

If further information is required, please contact Corey Sinclair, Manager, Regulatory Services at 250-469-8038.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc: Commission Secretary
Registered Parties



FortisBC Inc. (FBC or the Company) Net Metering (NM) Program Tariff Update Application (the Application)	Submission Date: July 6, 2016
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1 **1.0 Reference: Exhibit B-1, page 2**

2 **Preamble:** The Application states that "the Company is also using the Application
3 process to provide notice to residential customers ... that the billing
4 practice in use for Net Metering since the Residential Conservation Rate
5 (RCR) was implemented will be updated"

6 1.1 Has FortisBC sent a copy of the Application to each residential net metering
7 customer?

8

9 **Response:**

10 The Company has provided notification of the filing of the Application to each customer, has
11 indicated the locations online where the Application can be viewed, and offered to send a hard
12 copy of the Application upon request.

13



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1 **2.0 Reference: Exhibit B-1, pages 3**

2 2.1 What is the “provincial policy consideration” that the current FBC Net Metering
3 Tariff sought to address?

4

5 **Response:**

6 Please refer to the response to BCUC IR 1.3.2.2.

7

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1 **3.0 Reference: Exhibit B-1, page 3 (lines 27-29) and page 4 (lines 2-6)**

2 **Exhibit A2-1, page 5**

3 **Preamble:** Exhibit A2-1 indicates that as of the March 2011 Report there were four
 4 net metering installations all of which required net energy deliveries.

5 3.1 For each of the calendar years 2011 up to 2015 please indicate: i) the total
 6 number of net metering customers, ii) the number with net energy deliveries for
 7 the year and iii) for each of those with a positive NEG at the end of the calendar
 8 year the kWh involved.

9
 10 **Response:**

11 For the count of total number of net metering customers please refer to the response to BCUC
 12 IR 1.2.1.

13 FBC has compiled billing data for the last 3 years as required by the directives in Order G-59-
 14 16. Data for the period prior is not readily available. In responding to the balance of this
 15 request, FBC has looked to the available data and provides the summary below.

16 Note that in order to provide calendar year data that is meaningful, in that a full year of net-
 17 consumption and net-generation are required in order to give results that show a complete
 18 profile for a customer, only 2014 and 2015 can be included and only where a customer was on
 19 the net metering program for the full year.

Rate Code	Description	Number of Accounts	# of Accounts with Net Energy Deliveries in calendar Year / # of Accounts Possible*		Individual NEG kWh	
			2014	2015	2014	2015
RS01	Residential RCR	67	4/10	4/29	1. 1,168 2. 118,342 3. 250 4. 5,606	1. 1,589 2. 106,122 3. 1,510 4. 5,322
GS20	Small Commercial	15	1/7	1/11	35,752	46,731
RS03	Residential Exempt	2	0/0	0/1		
GS21	Commercial	2	0/2	0/2		
T2ARB	Residential TOU	1	1/1	1/1	6,400	3,302
IR60	Irrigation	1	0/0	0/0		
	Total Accounts	88	31	9	40	16



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1 * For example, in 2014 there were 10 RS01 net metering accounts that were active for the entire year.
2 Of these, 4 had net energy deliveries to FBC over the calendar year.

3
4

5
6 3.2 Under the current Schedule 95 (provision #5) FortisBC has the discretion of
7 purchasing the NEG at the end of the calendar year or including it in the billing
8 calculation for the next period. For the period 2011 through 2015 what has been
9 FortisBC's actual practice in dealing with NEG balances at the end of the
10 calendar year.

11
12 **Response:**

13 Accounts with credit balances have been refunded upon the request of the individual customer.

14



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1 **4.0 Reference: Exhibit B-1, page 7 (lines 32-34)**

2 **Preamble:** The Application states "What will be disallowed under the Net Metering
3 Tariff is generation sized to routinely exceed a customer's annual
4 requirements, which is counter to the intent of the Program".

5 4.1 Does FortisBC currently reject Net Metering Applications and/or Net Metering
6 Interconnection Agreements on the grounds that the generation is sized to meet
7 more than the customer's annual requirements?
8

9 **Response:**

10 It is FBC's current practice to ensure that applications for the Net Metering Program meet the
11 intent of the program and are sized to offset some or all of a customer's annual consumption,
12 and not to export excess generation to the Company. Installations that are sized to have
13 persistent unused annual net excess generation will need to be amended or the installation will
14 not be eligible for the net metering program.

15
16

17
18 4.1.1 If so, how is this determination made?
19

20 **Response:**

21 Please refer to the response to BCUC IR 1.5.1.
22
23

24
25

26 4.1.2 To date, how many applications have been rejected?
27

28 **Response:**

29 The Company has not rejected a submitted Application. Through discussion with prospective
30 Applicants, the Company has required that the size of a planned installation be reduced prior to
31 an Application being submitted.
32



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1
2 4.2 Going forward how does FortisBC plan on “disallowing” Net Metering in instances
3 where the generation is sized to routinely exceed a customer’s annual
4 requirements? What criteria will be used in making this determination?

5
6 **Response:**

7 The current Application does not to seek any changes to the eligibility criteria as it currently
8 exists. Going forward, the Company will maintain its current practice as described in the
9 responses to BCOAPO IRs 1.4.1 and 1.4.1.1.

10



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1 **5.0 Reference: Exhibit B-1, page 7 (lines 18-23)**

2 **Exhibit B-1, page 8 (lines 17-19)**

3 **Preamble:** The Application states: “The program should not encourage customers to
4 generate electricity in an amount greater than their own needs by paying
5 for excess energy at artificially high prices”.

6 5.1 Please explain why the prices under the RCR are considered to be artificially
7 high.

8
9 **Response:**

10 The prices currently paid to customers with Net Excess Generation within a billing period are in
11 excess of the cost at which the Company could otherwise procure the power. FBC is not
12 seeking to change the retail-based value of a customer’s generation that is consumed on site,
13 and in fact in some cases the implementation of a kWh bank may be beneficial to NM
14 customers. However, for generation that is surplus to a customer’s needs on an annual basis,
15 the Company should not pay more than the rate it pays to independent power producers.

16
17

18
19 5.2 Does this mean that regular Residential customers billed under the RCR are
20 paying “artificially high prices”? If not, why not?

21
22 **Response:**

23 No. The retail rates paid by non-net-metering customers (not just those billed under the RCR
24 tariff) are based on the cost of providing service as approved by the Commission on an annual
25 basis and after appropriate examination.

26



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1 **6.0 Reference: Exhibit B-1, page 11 (lines 4-8)**

2 6.1 The Application states that use of the BC Hydro RS3808 Tranche 1 rate is
3 “consistent with the approach used for other ad-hoc deliveries to the FBC
4 system”. Please indicate in what other situations the BC Hydro RS3808 rate is
5 used.

6
7 **Response:**

8 Please refer to the response to BCUC IR 1.9.1.

9
10

11
12 6.2 Are there situations where FortisBC uses a rate other than the RS3808 Tranche
13 1 rate to value ad-hoc deliveries to its system? If yes, what are they and what
14 rate is used?

15
16 **Response:**

17 In general, the RS3808 Tranche 1 rate represents a cap on what FBC will pay for ad-hoc
18 deliveries to the FBC system. The rate paid is the lower of the BC Hydro 3808 Tranche 1
19 energy rate as of January 1 in that calendar year, or the Intercontinental Exchange (ICE) Mid-C
20 day-ahead index price less 2 mils, using the heavy load index for the heavy load hours and the
21 light load index for the light load hours. However, if the ICE Mid-C day-ahead index price is less
22 than 2 mils, then the rate paid is zero. In cases where it is not practical to track the hourly
23 deliveries, just the RS3808 Tranche 1 rate is used.

24



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1 **7.0 Reference: Exhibit B-1, page 11 (lines 26-29)**

2 **Preamble:** The Application states that for “the 25 Residential participants between
3 February 2015 and February 2016 all but two would have received lower
4 billings had the recommended changes been in place”.

5 7.1 Of the 25, how many had positive NEG over the 12 months?
6

7 **Response:**

8 One.
9
10

11
12 7.2 Does the reference to “recommended changes” include just the two changes
13 discussed in Section 5.2 or also the changes discussed in Section 6?
14

15 **Response:**

16 The comparison looked at the annual sum of the amounts billed to the customer in each billing
17 period using the current billing interpretation, contrasted with the sum of the amounts that would
18 have been billed to the customer in each billing period using the preferred billing interpretation
19 and a kWh Bank.
20
21

22
23 7.2.1 If the lower billings are the result of changes as outlined in both
24 Sections, how many customers would have lower billings just as result
25 of the Section 5.2 changes?
26

27 **Response:**

28 The changes in S. 5.2 (the use of a kWh Bank and annual payout for unused NEG at the 3808
29 Rate) cannot be implemented in isolation from the S. 6 change to the billing interpretation.

30 Using the current billing interpretation, the net-consumption and net-generation are considered
31 separately for the application of the RCR threshold of 1,600 kWh.

32 Any billing methodology that banks excess generation for use as an offset to consumption in a
33 future period would result in that future consumption not being billed independent of generation.



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7.2.2 How many had lower billings specifically due to: i) change to the carry forward of kWh (per page 10 lines 23-27), ii) the change in the payment for NEG at year end (per page 10, lines 27-29) and iii) the combined effect of two changes?

Response:

The billing comparison only considered the sum of the individual billing period billing using a kWh bank to carry forward unused generation to offset consumption in a future period. Annual payouts were not considered as only a single account had a balance of kWh in the bank at the end of the year in question. This account was identified as one of the two that were worse off with the proposed changes.



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1 **8.0 Reference: Exhibit B-1, Appendix B**

2 8.1 Which of the two interpretations has FortisBC been applying to date?

3

4 **Response:**

5 The Company has been billing customers according to the methodology described in example iv
6 in Appendix B to the Application and does not currently employ a kWh Bank.

7

8

9

10 8.2 Please provide examples of the billing under each of the interpretations where
11 kWhs received by the customer are 1,200 and kWhs delivered to FortisBC are
12 4,000.

13

14 **Response:**

15 The response is below using rates consistent with those used in Appendix B of the Application.
16 FBC considers that this is for a single billing period and not representative of all billing periods
17 over a 12 month period.

18 In Table 2 below, the preferred billing interpretation is shown as a standalone item without the
19 use of a kWh Bank. Under the preferred billing interpretation, including the implementation of a
20 kWh Bank, this customer would put 2,800 kWhs into the bank during this period rather than
21 receiving the bill credit.

22

Table 1: Current Billing Interpretation

		kWh	Rate	Value (\$)
Register 1: Total kWh delivered to FBC during the billing period.	4,000			
Tier 1		1,600	9.562¢ per kWh	(152.99)
Tier 2		2,400	14.761¢ per kWh	(354.26)
Subtotal				(507.25)
Register 2: Total kWh received by customer during the billing period.	1,200			
Tier 1		1,200	9.562¢ per kWh	114.74
Subtotal				114.74
Total amount credited to customer				(392.51)

23



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1

Table 2: Preferred Billing Interpretation

	kWh	Rate	Value (\$)
Register 1: Total kWh delivered to FBC during the billing period.	4,000		
Register 2: Total kWh received by customer during the billing period.	1,200		
Net Delivery to Customer	(2,800)		
kWh Billed/(Credited) to customer under Tier 1	(1,600)	9.562¢ per kWh	(152.99)
kWh Billed/(Credited) to customer under Tier 2	(1,200)	14.761¢ per kWh	(177.13)
Total amount credited to customer			(330.12)

2

3