

William J. Andrews

Barrister & Solicitor

Final Argument
Via Web

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June 17, 2009

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC, V6Z 2N3
Attn: Erica Hamilton, Secretary
By Web Posting

Dear Madam:

Re: FortisBC Inc., Net Metering Tariff Application, Order No. G-43-09

These are final submissions on behalf of the B.C. Sustainable Energy Association and the Sierra Club of British Columbia (BCSEA, *et al*), pursuant to Order G-43-09 (Exhibit A-2).

Introduction

Members of BCSEA and SCBC are among the FortisBC customers who would be interested in becoming net metering customers under FortisBC's proposed Net Metering Rate Schedule.

BCSEA, *et al* strongly support Net Metering. Net Metering has three main benefits:

- in the Commission's words, "it provides customers with the means to take responsibility for their own production and to lower their environmental impact;"¹
- it fosters the commercialization of distributed micro-generation technologies in B.C.; and
- it promotes public awareness of electricity generation and usage.

BCSEA, *et al* have reviewed the Application (Exhibit B-1 and B-1-1) and FortisBC's responses to Information Requests (Exhibit B-2 and B-2-1). BCSEA, *et al* also take into account Commission Order G-4-09 and Reasons for Decision, in which the Commission approved BC Hydro's application to re-price BC Hydro's net metering rate schedule 1289.

Net metering background in B.C.

In the *2002 Energy Plan*,² the B.C. Government called on electrical utilities to develop electrical net metering tariffs. The first electrical net metering tariff in B.C. was BC Hydro's RS 1289 tariff, approved by the Commission Order No. G-26-04 in 2004. Government support for the concept of electrical net metering was reiterated in the *2007 Energy Plan*.³ Policy Action Item 11 addresses net metering with specific reference to BC Hydro's net metering tariff. However, it is clear that the Government in the *2007 Energy Plan* characterizes net metering by electrical utilities, e.g., FortisBC in the present case, as a method of facilitating "the development of

¹ Order G-26-04 Reasons For Decision, p.1.

² *Energy Plan for Our Future: A Plan for BC*.

³ *BC Energy Plan: A Vision for Clean Energy Leadership*.

distributed clean electricity generating projects in British Columbia to support its goal of self-sufficiency and help promote B.C. innovation.”⁴

FortisBC's Proposed Net Metering Program

BCSEA, *et al* agree with FortisBC⁵ that FortisBC's development of a Net Metering Program is supportive of the electricity self-sufficiency requirements referred to in s.64.01(2) of the *Utilities Commission Act* and of the objectives of the *2007 Energy Plan*.

FortisBC's proposed Net Metering Program is in material respects similar to the BC Hydro Net Metering program, with differences corresponding to the differences in the two utilities' situations. BCSEA, *et al* support that approach, because consistency within the Province is desirable.

Details of FortisBC's Net Metering Program

Regarding section 6.1, Annual Settlement of Customer-Generator Account,⁶ BCSEA-SCBC accept FortisBC's position that the price, or the amount of the bill credit, for annual Net Energy Generation (NEG) should be based on the customer-generator's retail price of energy. BCSEA, *et al* are satisfied that this is an appropriate difference from BC Hydro's net metering tariff, in which the price for annual net inflow energy is based on the energy price under BC Hydro's Standing Offer Program.

Regarding section 8, Program Costs,⁷ BCSEA-SCBC had sought more information about FortisBC's draft proposal regarding the optional site inspection fee at FortisBC's discretion; the concern being to avoid cost uncertainty from the potential customer-generator's perspective. BCSEA, *et al* are satisfied that the site inspection fee is capped at \$500 and that FortisBC would provide an estimate of the amount of a site inspection fee (if any) to the potential customer-generator in advance of the site inspection.⁸

Regarding reporting requirements, it is notable that BC Hydro was required to file an implementation report one year after the commencement of its net metering tariff program,⁹ however FortisBC does not propose filing an implementation report.¹⁰ It is also notable that the Commission's 2009 Order G-4-09 requires BC Hydro to file a "Net Metering – Monitoring and Evaluation Report" by an ascertainable date.¹¹

BCSEA, *et al* are of the view that it would be appropriate for the Commission to require FortisBC to file a monitoring and evaluation report on FortisBC's net metering program, in the event that the Commission approves this application. BCSEA, *et al* do not believe it would necessary for this report to be as detailed as the Net Metering Implementation Report the Commission required of BC Hydro (filed by BC Hydro in 2005.) However, it would be useful if the FortisBC net metering report followed the main characteristics of the next BC Hydro "Net

⁴ Exhibit B-1, Appendix A.

⁵ Exhibit B-1, p.2.

⁶ Exhibit B-1, p.10.

⁷ Exhibit B-1, p.12,

⁸ Exhibit B-2, FortisBC response to OEIA IR 9.2.

⁹ Exhibit B-2, FortisBC response to BCUC IR 14.1.

¹⁰ Exhibit B-2, FortisBC response to BCUC IR 14.1, and FortisBC response to OEIA IR 6.1.

¹¹ BCUC Order No. G-4-09, p.2.

Metering – Monitoring and Evaluation Report” in order to facilitate Province-wide evaluation and to make comparisons between the utilities.

Conclusion

BCSEA, *et al* support FortisBC’s Net Metering Application.

Further, BCSEA, *et al* suggest that the Commission require FortisBC to file a monitoring and evaluation report with the Commission.

All the above is respectfully submitted.

Yours truly,

William J. Andrews

A handwritten signature in black ink, appearing to be 'WJ Andrews', with a horizontal line extending to the right from the bottom of the signature.

Barrister & Solicitor

cc. Distribution List by email