



Diane Roy
Vice President, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (604) 576-7349
Cell: (604) 908-2790
Fax: (604) 576-7074
Email: diane.roy@fortisbc.com
www.fortisbc.com

March 16, 2018

British Columbia Municipal Electrical Utilities
c/o Nelson Hydro
Suite 101, 310 Ward Street
Nelson, BC
V1L 5S4

Attention: Ms. Marg Craig

Dear Ms. Craig:

Re: FortisBC Inc. (FBC)
Project No. 3698820
Self- Generation Policy Stage II Application (the Application)
Response to the British Columbia Municipal Electrical Utilities (BCMEU)
Information Request (IR) No. 1

On November 10, 2016, FBC filed the Application referenced above. In accordance with the British Columbia Utilities Commission Order G-51-18 setting out the amended Regulatory Timetable for review of the Application, FBC respectfully submits the attached response to BCMEU IR No. 1.

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

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties



FortisBC Inc. (FBC or the Company) FBC Self-Generation Policy Stage II Application (the Application)	Submission Date: March 16, 2018
Response to British Columbia Municipal Electrical Utilities (BCMEU) Information Request (IR) No. 1	Page 1

- 1 **1. Ref: Exhibit B-1, App A, Draft SSO Guidelines, p2, Sec 5**
- 2 (a) The last sentence says “Existing customers”, is there further text missing?
- 3
- 4 **Response:**
- 5 Please refer to the response to BCUC IR 2.32.1.
- 6

FortisBC Inc. (FBC or the Company) FBC Self-Generation Policy Stage II Application (the Application)	Submission Date: March 16, 2018
Response to British Columbia Municipal Electrical Utilities (BCMEU) Information Request (IR) No. 1	Page 2

1 **2. Ref: Exhibit B-1, App A, Draft SSO Guidelines, p2, Section 3, Obligation to**
2 **Purchase**

3 (a) Is it the intention that in the absence of a mutual agreement between the Self-
4 Generating Customer and FortisBC, that energy sales by the customer would be
5 on a continuous block basis?

6 For example: Suppose a Self-Generating customer had 50 MW of generation
7 and 90 MW of load. Under Sect 5, the Self-supply obligation would be 25
8 MW (or thereabouts).

9
10 **Response:**

11 Yes. Assuming that the customer generation had been generating consistently near its potential
12 and had been supplying the customer's load, the SSO would be approximately 25 MW.

13
14

15
16 (b) The Self-Generating customer could sell the other 25 MW, but it would need to
17 be on 8,760 hour / year basis. – Do we understand this correctly?

18
19 **Response:**

20 Once the SSO is set (in the example 25MW), the SG customer would need to meet the first 25
21 MW in each hour that it was generating at least at that level prior to being able to sell any output
22 to a third party.

23
24

25
26 (c) If the Self-Generating customer did not sell all or part of its 25 MW for a period of
27 time, for example: one hour, then that energy would be lost and the Self-
28 Generator would have neither sold nor used it to offset their own load. The
29 energy would have been 'free issue' into the FortisBC system. – Do we
30 understand this correctly?

31
32 **Response:**

33 Assuming that the 25 MW being referred to is the 25 MW above the SSO that would normally be
34 available for sale to a third party, then yes. The customer is obligated to self-supply up to the
35 level of the SSO and to purchase from FBC an amount of power equal to the difference
36 between the SSO and the load. To the extent that the customer has generation that is not
37 scheduled for delivery it would settle with FBC without compensation unless there was an EPA
38 in place with FBC that covered such ad-hoc deliveries.

FortisBC Inc. (FBC or the Company) FBC Self-Generation Policy Stage II Application (the Application)	Submission Date: March 16, 2018
Response to British Columbia Municipal Electrical Utilities (BCMEU) Information Request (IR) No. 1	Page 3

1 **3. No Reference**

2 (a) Under the draft Self-Supply Obligations, what happens if there are transmission
3 capacity constraints that prevent the Self-Generator from selling energy through
4 no fault or lack of effort on the part of the Self-Generator, the Self-Generator's
5 customer and FortisBC? Where does the energy go and who receives value for
6 it?

7

8 **Response:**

9 This is the risk that any IPP must accept. FBC is under no obligation to agree to purchase the
10 energy¹ and the SG remains under an obligation to receive the energy that FBC has acquired to
11 serve the appropriate portion of its load. The SG is under an obligation to balance generation to
12 generation requirements so in this case, FBC expects that the SG would reduce generation as
13 needed. If this is not done, then unless other arrangements have been made, the energy would
14 be received into the FBC system under the imbalance provisions of FBC's wheeling tariff.

15

¹ Under certain system conditions, FBC may be able to purchase the energy, but this is not guaranteed.

FortisBC Inc. (FBC or the Company) FBC Self-Generation Policy Stage II Application (the Application)	Submission Date: March 16, 2018
Response to British Columbia Municipal Electrical Utilities (BCMEU) Information Request (IR) No. 1	Page 4

1 **4. Ref: Exhibit B-1, App A Sec 5.1.2 and 13 Re: Net Benefits of Self-Generation**

2 (a) If an existing Customer of FortisBC, built new self-generation and sold all of that
3 new generation to another party (for example: used none of the new generation
4 for self-supply), as compared to that same customer not building the new
5 generation at all, and assuming all else is unchanged;

6
7 (i) Are the other customers of FortisBC negatively impacted? If so, how so?
8

9 **Response:**

10 In this circumstance, other customers would not be negatively impacted as compared to the
11 status quo, but could be better off if there were wheeling revenues for FBC associated with the
12 sale to the other party that would be used to offset rates.

13 Note that on page 44 of the Stage I Decision the Commission noted that it, "...does not support
14 the setting of the GBL for customer with new self-generation that results in all self-generation
15 being considered incremental and available for export". However, if the customer did not
16 interconnect the generator to its load FBC does not anticipate that there would be any obligation
17 for FBC to serve any load.

18
19

20
21 (ii) Are the other customers of FortisBC positively impacted? If so, how so?
22

23 **Response:**

24 Please refer to the response to BCMEU IR 1.4(a)(i).
25
26

27
28

29 (iii) Is there an increase in usage of PPA Power from BC Hydro? If so, how so?
30

31 **Response:**

32 In the view of FBC, if an existing customer of FBC builds new generation and none of the
33 generation is used to serve load, with the exception of wheeling revenue, there is no impact to
34 FBC and therefore there could be no increase in the take of PPA power from BC Hydro. (FBC
35 is assuming that the customer is not selling the power to another customer of FBC which would
36 introduce a number of further regulatory considerations.)
37



FortisBC Inc. (FBC or the Company) FBC Self-Generation Policy Stage II Application (the Application)	Submission Date: March 16, 2018
Response to British Columbia Municipal Electrical Utilities (BCMEU) Information Request (IR) No. 1	Page 5

1
2 (iv) Is there a decrease in usage of PPA power from BC Hydro? If so, how so?
3

4 **Response:**

5 Please refer to the response to BCMEU IR 4(a)(iii).
6