



**Diane Roy**  
Director, Regulatory Services

**Gas Regulatory Affairs Correspondence**  
Email: [gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Electric Regulatory Affairs Correspondence**  
Email: [electricity.regulatory.affairs@fortisbc.com](mailto: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](mailto:diane.roy@fortisbc.com)  
[www.fortisbc.com](http://www.fortisbc.com)

January 23, 2015

**Via Email**  
**Original via Mail**

British Columbia Utilities Commission  
6<sup>th</sup> Floor, 900 Howe Street  
Vancouver, BC V6Z 2N3

Attention: Ms. Erica M. Hamilton, Commission Secretary

Dear Ms. Hamilton:

**Re: FortisBC Inc. (FBC)**

**British Columbia Utilities Commission (the Commission) Decision and Order  
No. G-60-14 Compliance Filing**

**Application Regarding FBC's Self-Generation Policy**

**Addendum to the Application (Exhibit B-1) – Stakeholder Consultation**

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On January 9, 2015, FBC filed the Application as referenced above. It has come to our attention that the record of one stakeholder consultation session was omitted from the Application.

On November 13, 2014 FBC consulted with B.C. Sustainable Energy Association and Sierra Club of British Columbia (BCSEA-SCBC). Regrettably, the record of that consultation is not reflected in the Application as filed. FBC believes that all input gathered during the consultation process should be included and reflected in the record of the proceeding. Accordingly, FBC has attached to this letter the positions on the subject matter of the Application as expressed by the BCSEA-SCBC and requests that the Commission add it to the record in the process.

We apologize for any inconvenience this omission may have caused. If further information is required, please contact Corey Sinclair at 250-469-8038.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed by: Corey Sinclair***

**For:** Diane Roy

Attachments  
cc (email only): Registered Parties

The BCSEA-SCBC comments with respect to the topics to be included in the FBC Self-Generation Policy Application are:

#### Arbitrage

- BCSEA-SCBC opposes arbitrage of embedded cost power. This applies to both BC Hydro and FBC embedded cost power.
- In terms of FortisBC (electric), there are only three self-generators (Celgar, Tolko and the City of Nelson -- each being very different) and only one PPA with BC Hydro for embedded cost power. BCSEA-SCBC support s.2.5 of the New PPA because it prevents arbitrage of BC Hydro embedded cost power (recognizing that that is not the only form of arbitrage of embedded cost power that needs to be addressed). If one of the FBC self-generators wants to propose some new self-generation project that would be environmentally beneficial and meet the other BC energy objectives then BCSEA-SCBC would encourage the commission to examine such a project on its own merits.

#### Benefits of Self-Generation

- It is an over-simplification to treat self-generation as either always beneficial or always harmful. This applies to environmental factors as well as other factors (such as self-sufficiency and system impacts). Some self-generation projects are or would be environmentally beneficial; others not. Also, there is an important difference between debates about how to allocate the potential financial benefits of existing self-generation facilities (such as in the Celgar case) and whether new self-generation facilities would be in the public interest.
- BCSEA-SCBC is open to the concept of encouraging green generation but the generation must actually be “green”, and should be added in a way that keeps other customers whole. The risk should be to the self-generator.

#### General Comments

- The Commission's previous statements concerning (or said to be concerning) self-generation and related topics are not fully reconcilable. The statements were made at different times, regarding different utilities, sometimes with specific self-generators, sometimes not, with different assumptions about the financial viability of sales of self-generated power to third parties, sometimes regarding the future operation of existing self-generation facilities and sometimes involving self-generation in the abstract. In order to create clarity, the Commission may have to change, override, clarify (whatever is appropriate) certain previous statements.
- BCSEA-SCBC notes that this self-generation policy topic does not include net metering. BCSEA-SCBC support net metering.