



June 25, 2018

Sent via email

**Letter L-14-18**

Mr. Robert Hobbs  
c/o Zellstoff Celgar Limited Partnership  
PO Box 1000  
1921 Arrow Lakes Road  
Castlegar, BC V1N 3H9  
rhhobbs@shaw.ca

**Re: FortisBC Inc. – Zellstoff Celgar Limited Partnership Demand-Side Management Complaint – BCUC Review**

Dear Mr. Hobbs:

Thank you for your emails to the BC Utilities Commission (BCUC). The BCUC has reviewed your complaint using the criteria of whether the utility reasonably responded to the customer's concern(s) and whether the utility followed its tariff and the *Utilities Commission Act*.

The BCUC received your complaint dated November 20, 2017, concerning FortisBC's (FBC) decision to suspend Demand Side Management (DSM) Programs to Zellstoff Celgar Limited Partnership (Celgar) for Lighting Projects (Complaint). Following a request by BCUC staff, FBC provided its response to your complaint on January 2, 2018. The BCUC determined further process was warranted and issued BCUC Order G-72-18 on April 6, 2018, outlining a regulatory timetable to further investigate the complaint. The BCUC then proceeded with an Information Request process, requiring FBC to respond to questions raised by the BCUC and an opportunity for you to comment on the responses received by the BCUC.

In determining whether Celgar is eligible for rebates, the Panel reviewed FBC's Rate Schedule 90 (RS90). The objective of RS90 is stated as "The purpose of the Company's [FortisBC] Demand-Side Management (DSM) Services is to promote the efficient use of Electricity, in terms of consumption (Conservation) and/or timing (Demand Response)."

On April 16, 2018, the BCUC asked Celgar and FBC as to whether they considered Celgar's proposed Lighting Project to be consistent with RS90.

FBC, in its response dated April 27, 2018, stated:

Celgar's Lighting Projects are not consistent with Rate Schedule (RS) 90. In particular, RS 90 specifies that monetary incentives for DSM measures are based on the annual kWh savings, or on-peak kW reduction, attained through the measure. Celgar's proposal for its Lighting Projects seeks full rebates even though, because Celgar is a self-generator customer, the full energy savings from these DSM projects will not reduce FBC's load.

Celgar, in their response dated April 30, 2018, stated, “The Lighting Project promotes the efficient use of electricity, both in terms of consumption (Conservation) and timing (Demand Response).”

In British Columbia (BC), DSM Services form part of the government’s s energy efficiency policies and regulations to support BC’s energy, economic and greenhouse gas reduction priorities and are seen as being in the public interest. For utilities, such mechanisms create opportunities for them to financially benefit from actions they take to reduce the amount of energy used by customers.

The Panel finds that while the Lighting Project may promote the efficient use of electricity within Celgar, there appears to be no discernible impact on FBC’s load.

The Panel finds that, in order for projects to be aligned with the objective of RS90, the end use efficiency has to contribute to reducing the demand for the utility’s energy services. The BCUC is not persuaded that the Lighting Project aligns with the Tariff.

As the proposed sliding scale mechanism has not received approval by the BCUC, the Panel will not address the issue.

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

KN/dg

cc: Ms. Diane Roy  
Vice President, Regulatory Affairs  
FortisBC Inc.  
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