



ORDER NUMBER

G-3-19

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority

Extension Request to File the Net Metering Service under Rate Schedule 1289 Application

BEFORE:

K. A. Keilty, Commissioner

on January 7, 2019

ORDER

WHEREAS:

- A. On October 10, 2018, British Columbia Hydro and Power Authority (BC Hydro) filed an application requesting an extension (Extension Request) to the filing date of its Net Metering application to no later than July 31, 2019. BC Hydro has stated that a delayed filing would allow them to incorporate the results from a comprehensive Government review;
- B. On April 20, 2018, BC Hydro filed an application to seek approval from the British Columbia Utilities Commission (BCUC) to amend Rate Schedule 1289 so that Rate Schedule 1289 is no longer available to customers proposing a generating facility with an estimated annual energy output that is greater than their estimated annual load (2018 Amendment Application).
- C. BC Hydro stated that the 2018 Amendment Application is an interim step to address the issue of oversized generating facilities while BC Hydro undertakes a broader review of the Net Metering Program (Program) and its requirements. BC Hydro indicated it was targeting to complete this review of the Program and file a Net Metering application with the BCUC for approval of further amendments by the end of calendar year 2018;
- D. On June 1, 2018, by Order G-100-18, the BCUC approved the 2018 Amendment Application on an interim basis and directed BC Hydro to file its Net Metering application by December 15, 2018;
- E. On November 6, 2018, the BCUC received a letter from Sierra Club British Columbia (SCBC) requesting that the BCUC provide an opportunity for comments on BC Hydro's Extension Request. By letter dated November 13, 2018, the BCUC requested comments regarding the Extension Request;
- F. Mr. P. Louwerse, the Commercial Energy Consumers Association of British Columbia (CEC) and the Salish Sea Renewable Energy Coop (SSREC) provided comments on the Extension Request, followed by BC Hydro's reply submission;

- G. By letter dated December 3, 2018, the BCUC issued a Panel Information Request, which was followed by comments from SSREC, Mr. P. Louwerse and Mr. C. Dietzfelbinger. On December 19, 2018, BC Hydro responded to these stakeholder comments; and
- H. The BCUC has reviewed all submissions and considers that an amendment to the Net Metering application filing deadline, as established by Order G-100-18, is warranted.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act*, and for the reasons attached as Appendix A to this Order, the BCUC denies BC Hydro's request to extend the filing of its application to amend Net Metering service, as directed in BCUC Order G-100-18, to no later than July 31, 2019. BC Hydro is to file its Net Metering application by no later than April 30, 2019.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of January 2019.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner

Attachment

British Columbia Hydro and Power Authority
Extension Request to File the Net Metering Service under Rate Schedule 1289 Application

REASONS FOR DECISION

1.0 Background

On April 20, 2018, British Columbia Hydro and Power Authority filed an application to seek approval from the British Columbia Utilities Commission to amend Rate Schedule (RS) 1289 so that RS 1289 is no longer available to customers proposing a generating facility with an estimated annual energy output that is greater than their estimated annual load (2018 Amendment Application).

BC Hydro stated that the 2018 Amendment Application was an interim step to address the issue of oversized generating facilities while BC Hydro undertakes a broader review of the Net Metering Program and its requirements. BC Hydro stated it was targeting to complete this review of the Net Metering Program and file a Net Metering application with the BCUC for approval of further amendments by the end of calendar year 2018 (Net Metering Application).

On June 1, 2018, by Order G-100-18, the BCUC approved the 2018 Amendment Application on an interim basis and directed BC Hydro to file its Net Metering Application by December 15, 2018 (2018 Net Metering Amendment Decision). In the reasons attached as Appendix A to Order G-100-18, the BCUC noted that interested parties should have an opportunity to participate in a full review of the Net Metering Program. However, in the interest of regulatory efficiency, the BCUC determined that the proposed amendments to the Net Metering Program were to be formally reviewed when BC Hydro filed its anticipated application to amend the Net Metering Program and RS 1289. The BCUC also found that making the proposed amendments interim will limit the extent of potential adverse effects from future amendments to address oversized generation while allowing most of the Net Metering Program applications to move forward.

2.0 Extension request

On October 10, 2018, BC Hydro submitted an extension request for the filing date of its application to amend Net Metering service (Extension Request) to no later than July 31, 2019. In its Extension Request, BC Hydro referenced the Government of BC's comprehensive review of BC Hydro announced on June 11, 2018. Subsequent to BC Hydro filing the Extension Request, the BCUC initiated a comments process and received a number of letters of comment.

3.0 Position of parties regarding the extension request

BC Hydro proposes to file its next Net Metering Application after the results of the Government review of BC Hydro are published, stating that the results will help BC Hydro facilitate the development and assessment of options for the Net Metering Program. BC Hydro states that the Government review will make recommendations on the Standing Offer Program, which in turn will impact the Net Metering Program.¹

¹ According to the 2007 Energy Plan, the price paid for surplus energy under the Net Metering Program is linked to the price paid for energy under the Standing Offer Program. https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/electricity-alternative-energy/bc_energy_plan_2007.pdf

BC Hydro further explains that due to significant issues² identified by BC Hydro and stakeholders, the Net Metering Application requires a fulsome stakeholder engagement process, which may extend over four months. BC Hydro considers an earlier filing date of its Net Metering Application will not allow adequate time to engage with stakeholders.

BC Hydro also states that the interim approval contained in Order G-100-18 has not had a negative impact on program participation since the Net Metering Program is still available to applicants who are not proposing an oversized generating facility. BC Hydro elaborates that it has received 500 new Net Metering applications and that less than 5 percent have not met the revised eligibility requirements.³

Sierra Club British Columbia does not have a position on the merits of the Extension Request, and only requested that the Extension Request be reviewed in a transparent and fair process. The Commercial Energy Consumers Association of British Columbia does not oppose the Extension Request filed by BC Hydro.

Mr. P. Louwerse states the Government review has no bearing on the Net Metering Program. He also disputes BC Hydro's statement regarding the lack of negative impact on customers, stating that there is no way to determine how many customers were not permitted to apply to become a small supplier as BC Hydro was not accepting applications from customers proposing an oversized generating facility.⁴

The Salish Sea Renewable Energy Coop (SSREC) is of the view that the Extension Request should be rejected, on the basis that BC Hydro's six month internal review with no public or external review is sufficient, and that an independent review of the Net Metering Program was now required. SSREC's position is that the Government review has no bearing on the Net Metering Program. Further to that, SSREC is critical of BC Hydro's inaction and states that BC Hydro has not contacted any stakeholders or parties interested in the Net Metering Program. SSREC states that there have been unreasonable delays in BC Hydro's review process and that the BCUC should retract the interim approval granted in Order G-100-18.⁵

Mr. C. Dietzfelbinger's submission did not address the Extension Request.

4.0 BCUC determination

The Panel denies BC Hydro's request to extend the filing of its application to amend net metering service as directed in BCUC Order G-100-18 to no later than July 31, 2019. The Panel directs BC Hydro to file its application to amend net metering service by April 30, 2019.

In the 2018 Net Metering Amendment Decision, the BCUC noted that BC Hydro stated that it was currently undertaking a broader review of the Net Metering Program and expected to file a further application for amendments based on this review by the end of the 2018. The BCUC found that in the interests of regulatory efficiency, the proposed amendments in the 2018 Net Metering Amendment Application should be made interim and formally reviewed only when BC Hydro files its anticipated application to amend the Net Metering Program and RS 1289 after the broader review has concluded.

In this Panel's view, the 2018 Net Metering Amendment Decision reflected a reasonable balance between determining the most cost-effective and efficient regulatory process while ensuring procedural fairness for all

² Exhibit B-4, pp. 1–2.

³ Exhibit B-1, p. 2.

⁴ Exhibit E-2, p. 4.

⁵ Exhibit E-4-2, p. 4.

parties. The 2018 Net Metering Amendment Decision on the timing of the filing of the Net Metering Application was supported by the fact that BC Hydro stated it was already undertaking a review of the program in preparation for an application it expected to file late in 2018.

A number of stakeholders submit they strongly oppose any further delay in reviewing the Net Metering Program, express concerns about the interim amendments and consider that these amendments have harmed participation in the Program. For example, Mr P. Louwerse states “It has now been over 7 months since the program was jeopardized by the initial application to end the program as it was set out”⁶. Further, SSREC submits “The BCUC has an obligation to let customers have their say in the disputed issue whether it’s convenient to the government and utility or not”.⁷

The Panel finds BC Hydro’s Extension Request to be unreasonable. Parties affected by the interim amendments to RS 1289 should be provided with an opportunity to be heard on the issues and to participate meaningfully in the process, without undue delay. The Panel finds a further seven month extension to review these interim amendments to the Net Metering Program to be an undue delay.

Consistent with the findings in the 2018 Net Metering Amendment Decision, all the parties agree that a comprehensive review of the Net Metering Program is required. The Panel acknowledges that BC Hydro has not yet completed its stakeholder engagement and that the application may benefit from the Province’s report on Phase 1 of the Comprehensive Review. However, many of the issues listed by BC Hydro in its December 19, 2018 submission were already identified in the 2018 Net Metering Amendment Application proceeding. BC Hydro indicated at that time that it was already undertaking a review of the Net Metering Program and has had considerable time to consider these issues. Further, the Panel finds that BC Hydro has not provided adequate evidence to support the need for an extension beyond April 30, 2019. The Panel also notes that BC Hydro indicates the Province’s report on Phase 1 of the Comprehensive Review is expected in early 2019⁸ and that BC Hydro states it will commence stakeholder engagement in January.⁹

⁶ Exhibit E-2, p. 3.

⁷ Exhibit E-4, p. 3.

⁸ Exhibit B-3, p. 1.

⁹ Exhibit B-1, p. 2.