

BC Hydro Rate Design Application - Module 2

Customer and Stakeholder Meeting – Haida Gwaii Municipalities

Summary

13 December 2016

10:30 a.m. to 12:00 p.m.

Village Office, Port Clements

TYPE OF MEETING	Customer/Stakeholder Meeting
FACILITATOR	Shane Hiebert
PARTICIPANTS	Lori Wiedeman, Chief Administrative Officer, Village of Queen Charlotte; Greg Martin, Mayor, Village of Queen Charlotte; Shelley Termuende, Intern, Village of Queen Charlotte; Kim Mushynsky, Chief Administrative Officer, Village of Port Clements; Jason Thompson, Councillor, Village of Masset;
BC HYDRO ATTENDEES	Dave Mosure, Community Relationship Manager; Eva Elofir, Customer Service Operations; Al Leonard, Aboriginal Relations; Shane Hiebert, Regulatory & Rates; Alison Wilson, Key Account Manager Attendees via Conference Call – Calvin Hastings, Regulatory & Rates; Ed Mah, Transmission & Distribution Asset Planning; Jason Zhang, Engineering
AGENDA	<ol style="list-style-type: none"> 1. Overview of Rate Design process and Streetlighting Rates 2. BC Hydro-owned Streetlighting (LED Rate and Rollout Options) 3. Zone II Residential End-Use Study results and consumption information 4. Zone II Rates and Rate Options

MEETING MINUTES	
ABBREVIATIONS	<p>HPS..... High Pressure Sodium LED..... Light Emitting Diode (Lighting) NBV Net Book Value NIA Non-Integrated Areas; BC Hydro's service territories not connected to BC Hydro's integrated electrical system REUS..... Residential End-Use Survey RIB Residential Inclining Block rate RDA Rate Design Application Zone I ... Rate zone that applies to all customers on BC Hydro's Integrated System Zone II.. Rate zone that applies to all Non-Integrated Area customers except for Bella Bella District (Zone IB)</p>
1. Overview of Rate Design process and Streetlighting Rates	
<p>BC Hydro provided an overview of the RDA process. BC Hydro then provided an explanation of the BC Hydro-owned and customer owned streetlighting rates (Rate Schedules 1701 and 1702).</p> <p>Regarding BC Hydro's plans to implement and replace existing HPS lighting technology with LED technology for those customers with BC Hydro-owned streetlights, BC Hydro discussed the options identified for recovering the net book value of existing HPS lights that would be removed before they reach end of life. The following four feedback comments relate to this discussion.</p>	
FEEDBACK	RESPONSE
<ol style="list-style-type: none"> 1. If you are going to recover the remaining book value of the existing lighting equipment being removed, does that mean the rate will go down when you have recovered the cost? 	<p>It depends. There are different options by which we would apply these costs to the bill for a BC Hydro-owned streetlighting customer.</p> <p>One of the options we are considering is to include in the rate a separate charge [a rider] to track and recover the remaining net book value of the HPS lights that would be removed before they reach their end-of-life. Once we have recovered the remaining NBV, we would eliminate the rider.</p> <p>As another option, we are considering including the cost of</p>

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		the remaining NBV into the flat rate that we charge customers on a per fixture basis. BC Hydro will engage further on the rate options.
2.	Are you going to choose one option for each municipality, or one for the whole province?	The rate option that gets approved by BCUC would apply to all BC Hydro-Owned streetlighting accounts (Rate Schedule 1701) across BC Hydro's service territory. This is consistent with the current rate, which applies across BC Hydro's service territory.
3.	We really like the idea of the rate rider because it is visible and we can witness us leaving the rider when the cost is recovered. It is more transparent, we can see what is happening with the rate.	
4.	It would be nice to separately track BC Hydro's recovery of the remaining book value of the lights being replaced with LEDs so that we can tell how long it will take to pay off (i.e.: 5-years).	BC Hydro understands that a defined period to recover these costs makes sense.

2. BC Hydro-Owned Streetlighting (LED Rate and Rollout Options)

BC Hydro asked the meeting attendees what criteria it should use for determining which areas should get LED streetlights first.

FEEDBACK		RESPONSE
1.	Non-integrated communities should be the first to have LED streetlights installed, because they are more costly for BC Hydro to serve. As well, electricity generation is diesel based and the reduction in electricity use resulting from the switch to LED streetlights will reduce greenhouse gas emissions for the province.	

3. Residential End-Use Study results and consumption information

BC Hydro provided an overview of the 2012 REUS, consumption information for Haida Gwaii, all of Zone II, and all Customers in the North.

FEEDBACK		RESPONSE
1.	The level of typical residential consumption is higher than what we expected because so many people use wood heat, and the weather is temperate.	
2.	<p>The culture and remoteness of Haida Gwaii results in higher energy consumption that cannot be avoided. Hunting and gathering provides a significant source of food, which requires adequate cold storage throughout the year.</p> <p>Specific comments:</p> <ul style="list-style-type: none"> • There are a lot of freezers here. There are few options to buy groceries, so people take the ferry to Prince Rupert and stock up on food for long periods. • First Nations households have bigger and fuller freezers. They have to provide for extended 	

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	<p>families as well as potlatches. This is part of their culture and will not change.</p> <ul style="list-style-type: none"> • We have to have freezers for the salmon, as well as for game, berries, and other food we harvest ourselves. • I have 3 full size and 3 apartment size fridges. We have to keep staples like milk in the freezer in case the ferry does not come for any reason (such as bad weather). If the ferry does not arrive, groceries won't be available on the island. • I run a bed and breakfast it's hard to get people to turn off the lights when they leave. • We have big pantries and freezers full of fish. We even travel with freezers. • In my home we have 2 people, and we have 2 full size and 1 apartment size freezer. • I have 2 * 9 foot freezers. 	
3.	Do you have data by income level?	Yes, however, we didn't find a strong correlation between income levels and consumption for Zone II residential customers.
4.	Our community has a significant number of residents who cannot afford to do retrofits to their home to get rebates from BC Hydro. They just do not have the cash to pay for the work up front.	<p>BC Hydro offers energy efficiency products and upgrades at no cost for income qualified households, which enable households access to energy efficient products free of charge. Two offers are currently available:</p> <p>Energy Saving Kits: The kits contain energy efficient products that are simple and easy-to-install. Kits are mailed directly to the participants' home. Products include: LED bulbs, efficient shower heads, faucet aerators, weather stripping, and window film.</p> <p>Energy Conservation Assistance Program: A contractor will visit the home, install basic energy efficiency products (like LED bulbs, showerheads, door weatherstripping, pipe wrap) and provide personalized energy advice. Under the program, some homes may qualify for a new Energy Star Refrigerator and/or insulation upgrades and air sealing.</p> <p>Information on these offers is available at: www.bchydro.com/savenow</p>
5.	<p>Even in cases where people may have some available funds for doing energy efficiency retrofits, there is a lack of building materials, equipment and labour to do the work.</p> <p>Getting equipment onto the islands to carry out work on a house is difficult and expensive. Everything is significantly more expensive [than on the Mainland] because it has to be shipped here. The high cost of shipping these things to the island often makes a project uneconomic to do.</p>	

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6.	[Regarding Slide 17], I do not know that the data about heat sources being the same in both regions [Zone II versus Zone I] is true. Heating options on Haida Gwaii are oil, propane, electricity and wood stoves.	To clarify, we did not intend to mean that the heat source options are the same. Rather, based on the residential end use survey responses received from BC Hydro customers, a similar proportion of customers in each of Zones I and II use electricity as their primary form of space heating.
4. Zone II Rates and Rate Options		
BC Hydro presented information on Zone II rates and information on possible rate options for Zone II customers.		
FEEDBACK		RESPONSE
1.	We do not like the full cost of service option.	
2.	Personally I like the Residential rate we are billed on now that I see that most of us pay a similar amount for our electricity [to Zone I residential customers], except really high consumers. If we moved to postage stamp rates we would just be making the rest of BC subsidize us further.	
3.	The current residential structure is really not that bad. I don't see a basis for moving to something different.	
4.	Energy costs for heating for harbour boats (mooring) is high. There is the opinion held by some residents in our community that people should be on residential rates for boat heating [in the communities of Queen Charlotte and Skidegate].	