Diane Roy
Vice President, Regulatory Affairs

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July 20, 2022

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Sara Hardgrave, Acting Commission Secretary

Dear Ms. Hardgrave:

Re: FortisBC Inc. (FBC)

Application for Acceptance of Demand-Side Management (DSM) Expenditures Plan for the period covering from 2023 to 2027 (Application)

Errata Dated July 20, 2022

On June 6, 2022, FBC filed the Application referenced above. It has come to FBC's attention that a correction is required to Table 4-2 of the Application wherein the approved numbers in the table were inadvertently transposed. The errata also corrects a typographical error in the Residential Program Area approved budget.

In addition, FBC has taken this opportunity to correct a minor typographical error on page 14 of the Application.

This errata filing contains blacklined and clean versions of the corrections to the Application, Section 4.3, page 14, and Table 4-2 on page 15.

If further information is required, please contact Sarah Wagner, Regulatory Projects Manager, at (250) 469-6081.

Sincerely,

FORTISBC INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Interveners to the FBC Annual Review for 2022 Rates

DSM is managed and operated by FortisBC. Satisfaction appeared to be high for FortisBC in this area and none of the consultations suggested that any significant change in approach was required.

FortisBC also received directional feedback from the consultations. This feedback included the following:

- Increase in expenditures in the Low Income Program Area to support additional energy conservation projects in Indigenous communities;
- Support for Demand Response transition from pilot to program and incentives for demand response measures such as residential air conditioning units;
- Within the Innovative Technologies Program Areas strong feedback was received to support a residential deep energy retrofit pilot in electrically heated homes in Indigenous communities;
- Continue support and higher tier adoption of the BC Energy Step Code for new construction;
- Support deeper retrofits and building envelope support;
- Consider upstream incentives;
- Support pre-commercial technologies;
- Expand energy efficiency opportunities for existing and emerging industries (ex. cannabis production) in the Industrial program area;
- Pursue attribution for Codes and Standards; and
- Support Energy Advisors.

The aforementioned feedback was taken into account in the development of the DSM Plan. Given this consultation process, FBC believes that the DSM Plan includes a fair representation of stakeholder and customer interests and is well positioned to achieve the energy savings forecast within.

4.3 *DSM EXPENDITURE FORECAST BY PROGRAM AREA*

Table 4-2 summarizes the DSM Plan forecast energy savings and expenditures (inflation adjusted) by program area (sector), non-program areas, and portfolio level totals. The table also presents TRC Benefit/Cost ratios by program area and at the portfolio level. FBC used an inflation rate of two percent annually for program expenses. The inflation rates assumed for program labour for each year are 3.3 percent (2024), 2.7 percent (2025), 2.6 percent (2026) and 2.7 percent (2027). Inflation is only accounted for in Tables 1-1, 3-2 and Table 4-2 for the plan years 2024 to 2027. For simplicity, all other tables in Appendix A show proposed expenditures in 2023 dollars (uninflated).

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Table 4-2: 2023-2027 DSM Plan Proposed Expenditures (inflation adjusted)

Program Area (Sector)	2019-22 Plan	Expenditures ($000's)						Energy Savings (GWh)						TRC 2023-2027
	Approved 2022	2023	2024	2025	2026	2027	Total	2023	2024	2025	2026	2027	Total	Ratio
Residential	$2,795	$2,946	$3,258	$3,566	$4,016	$4,548	$18,334	6.7	8.2	8.9	7.6	8.6	35.0	1.4
Commercial	$3,047	$3,129	$3,416	$3,643	$3,850	$4,012	$18,050	10.8	11.1	11.5	11.8	12.2	57.4	1.4
Industrial	$1,815	$2,119	$2,139	$2,187	$2,196	$2,296	$10,837	8.4	8.4	8.6	8.6	8.6	42.5	2.1
Low Income	$830	$1,743	$1,739	$1,790	$1,844	$1,934	$9,043	1.6	1.6	1.7	1.8	1.9	8.5	1.1
Program sub-total	$8,587	$9,938	$10,543	$11,186	$11,905	$12,700	$56,264	26.5	27.3	28.7	29.8	31.3	143.4	1.5
Conservation Education and Outreach	$666	$897	$978	$1,002	$1,028	$1,163	$5,067							
Enabling Activities*	$1,044	$1,550	$1,630	$1,960	$1,846	$2,046	$9,001							
Innovative Technologies*		$485	$685	$255	$318	$276	$2,019							
Demand Response	$133	$773	$803	$1,316	$1,443	$1,526	$5,962							1.0
Portfolio	$956	$813	$836	$853	$872	$896	$4,270							
Total	$11,400	$14,455	$15,436	$16,572	$17,412	$18,707	$82,583	27.4	27.4	28.6	29.7	31.3	143.4	1.3
LT DSM Plan	$10,600	$11,249	$11,907	$13,139	$12,051	$14,014	$63,259	27	27.3	29.3	28.6	27.6	139.8	

* Innovative Technologies 2022 budget was included within the Supporting Initiatives Program Area of the approved 2019-22 DSM Plan. Supporting Initiatives is now named to Enabling Activities, to align with PB

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4.4 *CONSERVATION POTENTIAL REVIEW (CPR)*

FBC engaged Lumidyne Consulting (Lumidyne) to review and update the energy efficiency potential for FBC's service area in the residential, commercial, and industrial sectors over the planning horizon of 2021 to 2040. The FBC CPR is included as Appendix D to the Application.

The FBC CPR was a key input to the 2021 LTERP and the LT DSM Plan. The FBC CPR used the model initially developed for the 2016 BC CPR[15], which used three distinct steps to estimate potential: generating a reference forecast, characterizing energy savings measures, and estimating the economic savings potential. The scope of the FBC CPR also included assessing the conservation potential of the total loads in FBC's service territory, including those partially supplied by self-generating customers.

The FBC CPR reviewed over 200 energy savings measures from the residential, commercial, and industrial sectors. Three different potentials were developed:

- **Technical potential:** the hypothetical savings when each CPR measure immediately replaces its corresponding low-efficiency or minimum-code baseline measure wherever it is technically feasible.
- **Economic potential:** the subset of technical potential considering measures that have a benefit-cost ratio of 1.0 or higher.
- **Market potential:** the subset of economic potential that captures real-world dynamics influencing measure adoption, including replacement timing conservation, measure market maturity, and economic attractiveness, as assessed by payback acceptance curves.

FBC uses the market potential to estimate the potential of DSM over a 20-year planning period and identify measures for potential incorporation into future DSM Expenditure Plans, including this one. FBC evaluated five different market potential DSM Scenarios (Low, Base, Medium, High,

[15] In 2016 FBC partnered with FEI and BCH to perform a provincial, dual-fuel conservation potential review (BC CPR)

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