



Sarah Walsh
Director, Regulatory Affairs

Gas Regulatory Affairs Correspondence
Email: gas.regulatory.affairs@fortisbc.com

Electric Regulatory Affairs Correspondence
Email: electricity.regulatory.affairs@fortisbc.com

FortisBC
16705 Fraser Highway
Surrey, B.C. V4N 0E8
Tel: (778) 578-3861
Cell: (604) 230-7874
Fax: (604) 576-7074
www.fortisbc.com

September 18, 2023

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

**Re: FortisBC Energy Inc. (FEI)
2024-2027 Demand-Side Management (DSM) Expenditures Plan Application ~
Project No. 1599526
FEI Reply Submissions on Further Process**

FEI writes to provide its submissions on further process in accordance with the regulatory timetable established by the British Columbia Utilities Commission (BCUC) in Order G-178-23A with respect to the above referenced Application.

Consistent with the submissions of the BC Sustainable Energy Association (BCSEA), Commercial Energy Consumers Association of BC (CEC) and Residential Consumer Intervener Association (RCIA),¹ FEI submits that the evidentiary record thus far is sufficient and, therefore, supports proceeding to written argument.

The British Columbia Old Age Pensioners’ Organization et al. (BCOAPO) argues that a FEI-led workshop or streamlined review process (SRP) would be more efficient and effective at this stage of the regulatory process to address the “broad policy concerns” it has with the Application.² However, FEI submits that BCOAPO has not identified a compelling rationale for further evidentiary process. FEI responds to each of BCOAPO’s comments in the table below:

BCOAPO Submission	FEI Response
The DSM Plan includes “profound changes in the Utility’s DSM programming (advanced DSM)”	The changes to the DSM Plan are required by the amendments to the DSM Regulation. As this change is compelled by legislation, further evidence is not required.

¹ Exhibits C2-3, C4-3 and C5-3, respectively.

² Exhibit C3-3.

BCOAPO Submission	FEI Response
FEI is requesting an approximately 10% average annual increase over the 2023 DSM Plan's requested spend.	FEI has explained the basis of its DSM Plan and the annual level of funding, with the increase being driven primarily by the need to fund advanced DSM in line with the DSM Regulation. ³
The DSM Plan is for a four-year period “while we are quite early in a period of significant and accelerating climate action and its associated statutory and regulatory changes”.	The provincial government has just recently amended the DSM Regulation and these amendments provide detailed guidance and requirements for FEI's DSM Plan in the context of the accelerating climate action taken by government. While FEI has no reason to expect material changes to the DSM Regulation in the near future, if further changes were made that required adjustment to FEI's DSM Plan, FEI would file amendments to its DSM Plan with the BCUC as needed.
BCOAPO states that its “broad policy concerns” are “preliminarily identified in our broad reviews of FEI's IR responses”.	FEI is concerned that BCOAPO's concerns are preliminary and informed only by a “broad review”. Given the nature of the evidence in this proceeding, and similar to other BCUC proceedings, a detailed review of the Application and IR responses is required to identify issues and assess the need for further process. Detailed review may demonstrate that issues identified on a preliminary basis have in fact been addressed.
BCOAPO requests a workshop or SRP “to hear FEI's position on these issues and to explore them in a Q&A”.	FEI's positions on these issues are already set out in detail in its Application and IR responses. The purpose of any further evidentiary process should be to gather further information. Debating positions on issues is a matter for argument.
BCOAPO requests a workshop or SRP “so all parties can go into written final submissions with a clear understanding of how this Plan does or does not sufficiently contribute to the mitigation of climate-change policy and cost risks risk FEI (and by extension, its ratepayers) face.”	<p>Regarding climate-change policy risk, FEI is complying with the DSM Regulation and has provided detailed evidence on the GHG reductions estimated to be provided by its DSM Plan. The DSM Regulation sets explicit policy on what DSM FEI can pursue and, therefore, what GHG reductions are possible through FEI's DSM Plan. FEI does not see how further evidentiary process can resolve this constellation of issues, which are fundamentally a matter of government policy.</p> <p>Regarding cost risk, FEI has provided detailed evidence of the costs of the DSM Plan and its ability to execute on the plan.⁴ FEI has also described the DSM deferral account mechanisms that are in place, which effectively mitigate any cost risk for ratepayers.⁵</p>

Should the Panel nonetheless consider that additional process is required before proceeding to written argument, FEI agrees with BCSEA that a second round of IRs would more properly balance the need for an efficient yet fulsome regulatory process than a workshop or SRP. FEI supports a second round of IRs rather than an SRP/workshop for two key reasons:

- FEI's responses to the first round of IRs required detailed analysis and calculations, as demonstrated by the numerous tables and figures provided in those responses. FEI expects that further IRs on its DSM Plan will continue to be detailed in nature and require calculations and analysis that cannot be completed in an SRP/workshop environment.

³ Exhibit B-2, Application, pp. 14-16.

⁴ E.g., Exhibit B-3, BCUC IR1 2.2.

⁵ Exhibit B-2, Application, p. 41.

- FEI expects that a further round of IRs is more likely to lead to a decision being rendered by the Panel by the end of 2023 (or soon thereafter), which FEI submits remains a relevant consideration for the reasons set out in its letter of June 15, 2023 (Exhibit B-1). A workshop or SRP would result in a delay of at least six weeks or more to a decision to accommodate the scheduling of an appropriate date for the Panel and interveners who are also involved in other ongoing proceedings (one of which has hearing dates in September and October), allow the BCUC to issue a procedural order, ensure adequate time for FEI to prepare, while also allowing 1-2 weeks following the workshop/SRP for responses to undertakings.

In summary, FEI is prepared to move to final argument at this time, but, if the BCUC determines that further process is required, FEI submits that a second round of IRs is more efficient and preferable to an SRP/workshop.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

cc (email only): Registered Intervenors