



From: the BC Sustainable Energy Association and the Sierra Club of BC

From: Thomas Hackney, Policy Analyst
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To: the Industrial Electricity Policy Review Task Force of the Ministry of Energy, Mines and Natural Gas

Date: 16 May 2013

Re: Industrial Electricity Policy Review;

Notes on the Task Force's Summary of Initial Comments by Stakeholders

BCSEA and SCBC have reviewed the IEPR Task Force's document, *Industrial Electricity Policy Review Task Force Consultation Summary: Draft, May 1, 2013*, as circulated on May 6, with a revised appendix of stakeholders ("Draft Summary").

BCSEA-SCBC appreciate the opportunity to review and comment on the document, and they offer these comments and suggested changes (proposed changes also inserted as "comments" to the .pdf file of the consultation summary document, attached):

General comment:

The Draft Summary uses the term "consensus" frequently. This may be misleading, as BCSEA-SCBC understand "consensus" to refer to the outcome of a process in which various parties discuss the topic with each other. In contrast, the Task Force's process did not involve discussions between the stakeholders, but bilateral discussions between the various stakeholders and the Task Force.

Page 1, last paragraph, first sentence:

"There was general consensus that safe, reliable electricity supply at the lowest reasonable cost supports economic development."

Based on the written materials, BCSEA-SCBC does not see that this topic was generally addressed by the stakeholders or that there was consensus reached.

Suggested alternative text:

"Much concern was expressed about the rising cost of supply. There was support for minimizing the cost of supply to encourage economic development. There was also acknowledgement that minimizing impact on the environment should be considered along with cost. There was support for using pricing to maximize energy conservation, and there was some support for having large new loads pay the marginal cost of new supply."

Page 2, third full paragraph, first sentence:

“There was general consensus that taxpayers, rather than ratepayers, should bear the costs when Government determines it is appropriate to encourage economic development, whether it is on a provincial, regional, sector or company basis.”

BCSEA-SCBC do not find this issue generally broached in the written materials, or evidence of a consensus.

Suggested alternative text:

“Some parties stated that ...”

Page 3, second paragraph from the bottom, last sentence:

Suggested addition at the end of the sentence:

“... and that the “clean or renewable” standard should be redefined to exclude gas-fired generation.”

Page 4, first paragraph under Regulatory Approach, first sentence:

“There was general consensus that Governments have historically used their legislative powers to achieve provincial policy goals through BC Hydro.”

BCSEA-SCBC did not address this point in their written submissions and do not see this point specifically addressed in most other written submissions. However, it is a fact, not needing agreement of the stakeholders.

Suggested change:

“The provincial government has historically used BC Hydro to implement policy goals.”

Page 4, second paragraph under Regulatory Approach, third & fourth sentences:

Suggested changes:

change “the majority” to “some,” i.e.: “However, some stakeholders believe ...”
and change “This has ...” to “Some stakeholders believe this has ...”

Page 5, second paragraph, first sentence:

Suggested change:

“Some stakeholders did not support ...” to “Some stakeholders opposed ...”

Page 5, last paragraph, end of paragraph:

Suggested addition at the end of the paragraph:

“One stakeholder suggested that the Utilities Commission should review the rate.”

Page 7, paragraph under “Projected BC Hydro Surplus”:

BCSEA-SCBC do not see a consensus per se, as the issue was not generally discussed, at least not in the written materials.

Suggested change:

change “consensus” to “some agreement”

Page 7, paragraph under “LNG Power Supply”:

Suggested addition:

“One stakeholder said that the environmental assessments of projects with large new electricity loads should include the environmental effects of the new generation and transmission reinforcement or extension that the new loads would necessitate.”

Page 7, paragraph under “Cost of Future Electricity Procurement,” first sentence:

Suggested addition to the end of the sentence:

“... or that mitigating cost increases should be paramount over other industrial electricity policy objectives, although this was naturally a high priority for the industrial stakeholders.”