

BC Feed-In Tariff Consultation Summary

<i>Discussion Question</i>	<i>Consultation Feedback</i>	<i>Notes</i>
<i>(3.3.1) Is the proposed limit of five megawatts of nameplate capacity appropriate given the objectives set out for a FIT? If not, what would be an appropriate size limit for projects under a FIT?</i>	Some comments suggested that project capacity cap of 5 megawatts may be too small for some types of projects which require economies of scale to be viable. Others commented that a 5 megawatt limit was appropriate given the focus on emerging technologies.	<i>A FIT would have a limited budget and would not be intended to be a significant source of new electricity supply for BC Hydro. A cap on project size would ensure that, given the overall size of the program, there are opportunities for multiple projects to benefit from a FIT.</i>
<i>(3.3.2) Is the planned availability of a FIT to emerging technologies in all areas of the province served by BC Hydro appropriate given the objectives of the regulation?</i>	Comments indicated the planned FIT for emerging technologies in all areas of the province served by BC Hydro was acceptable. Some parties expressed and interest in a FIT being made available in areas of the province as locations not serviced by BC Hydro.	<i>The provisions of the Clean Energy Act enabling the introduction of a FIT only apply to BC Hydro. Other British Columbian utilities interested in introducing a FIT would need to obtain approval from the BC Utilities Commission.</i>
<i>(3.3.3.1) Are the criteria used for identifying emerging technologies appropriate? What changes to them are necessary?</i>	Comments suggested that a FIT should be as inclusive as possible , and highlighted the need to support efficient resource use. The need for openness and transparency within the criteria was highlighted.	<i>The Clean Energy Act allows a FIT to provide payment for the generation of electricity only, and does not provide for payments for renewable heat production, transportation fuel production, or energy storage through a similar mechanism.</i>
<i>(3.3.3.1) What emerging electricity generation technologies that should be eligible to participate under a FIT have not been identified?</i>	Comments identified hydrogen fuel cell technology using waste hydrogen as an emerging electricity generation technology that should be eligible to participate in a FIT. Interest was also expressed in expanded eligibility for solar photovoltaics and small-scale wind power.	<i>The Ministry is examining options for the participation of hydrogen fuel cell based electricity generation under the FIT. The Ministry is also reviewing a number of the options that were suggested for expanded participation by solar and wind power to determine whether they are consistent with the intent and objectives of the FIT.</i>

BC Feed-In Tariff Consultation Summary

Discussion Question	Consultation Feedback	Notes
<i>(3.3.3.2) In what regions of the province should proven technologies be considered for inclusion in a FIT? Why?</i>	Comments focused on the need to deploy reliable technologies in remote areas to displace diesel power generation. The benefits of proximity to urban areas for demonstration projects using emerging technology projects were also noted.	<i>The Ministry recognizes the need for reliable energy systems in remote locations, and the importance of location for demonstrating emerging technologies.</i>
<i>(3.3.4) Is the target range for project rate of return appropriate? If not, what rate should be available?</i>	Comments suggested the target rate of return in the Consultation Paper would likely be insufficient to allow projects to secure capital investment.	<i>Rates under a FIT program are expected to be developed in a way that provides project developers with a reasonable rate of return.</i>
<i>(3.3.4) Is it preferable for a FIT to offer a higher rate of return available to fewer projects or a lower rate of return available to more projects?</i>	Comments indicated that it would be preferable to offer a rate of return sufficient to make projects financeable.	
<i>(3.3.5) Is a five year term contract under a FIT sufficient to attract investment in projects using emerging renewable energy technologies? If not, what term should be available?</i>	Comments suggested contract terms offered under a FIT should match timelines for project financing to ensure viability. It was indicated that a five year term contract could be acceptable depending on the electricity rate offered, though a general preference was expressed for longer contract terms. A straightforward transition into an Energy Purchase Agreement (EPA) through BC Hydro's Standing Offer Program was seen as a key aspect of the design of a FIT program with a shorter-contract term.	<i>The Ministry anticipates that BC Hydro would include a mechanism under a FIT program to allow projects that have operated successfully to transition to the Standing Offer Program.</i>

BC Feed-In Tariff Consultation Summary

<i>Discussion Question</i>	<i>Consultation Feedback</i>	<i>Notes</i>
<i>(3.3.6) Is a maximum budget of \$25 million of annual incremental costs above prevailing energy prices sufficient for a FIT to achieve the objectives set by the Ministry?</i>	Comments generally supported limiting the impact of the introduction of a FIT on electricity rates, though many questioned whether a budget of \$25 million would enable a FIT program to meet the objectives set out in the Consultation Paper.	<i>One of the key objectives in the development of a FIT program is to minimize its impact on electricity rates while supporting the overall success of the program.</i>
<i>(3.3.7) Is the award of electricity purchase agreements under a FIT on a first come, first served basis the most effective method given the size and objectives of a FIT in British Columbia? (3.3.7) Would a system by which particular technologies or sectors were allocated a portion of the FIT be more effective in achieving the Province’s objectives? How should such an allocation be determined?</i>	Comments generally indicated that a first come, first served approach would not produce a diverse range of projects as specific technologies and locations face longer development periods. Suggestions included a staged call for projects or specific budget allocation for individual technologies or project types.	<i>The Ministry is working with BC Hydro to determine the optimal mechanism for power acquisitions under a FIT program to support the Province’s objectives.</i>
<i>What factors should be taken into account in considering the creation of additional FIT programs?</i>	Comments indicated that additional FIT programs are not seen as necessary at this time.	

BC Feed-In Tariff Consultation Summary

Additional Comments outside the scope of the discussion questions were also received.

Comment	Notes
Comments suggested that environmental attributes not associated with electricity generation should not be acquired by BC Hydro as part of an Electricity Purchase Agreement under a FIT.	<i>The Ministry and BC Hydro are examining options for treatment of project environmental attributes not associated with electricity generation. Environmental attributes associated with electricity generation are expected to be acquired by BC Hydro as a condition of Electricity Purchase Agreements offered under a FIT.</i>
Comments suggested that the ratepayer bear the cost of a FIT	<i>The Ministry intends for a FIT to be funded by the ratepayer.</i>
Comments requested that the development of a FIT include the streamlining of permitting and interconnection issues.	<i>While the streamlining of project permitting cannot be addressed under a FIT Regulation, the Ministry and BC Hydro are considering options related to project interconnection requirements and costs for the implementation of a FIT.</i>
Comments suggested that a FIT program be subject to regular reviews to ensure that its eligibility requirements and budget are appropriate.	<i>It is anticipated that a FIT program would be subject to periodic reviews to ensure that it is meeting its objectives.</i>