



LETTER NO. L-32-05

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VIA FACSIMILE
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April 28, 2005

Mr. Graham Horn
President
Planit Management Inc.
2nd Floor, 1260 Hamilton Street
Vancouver, B.C. V6B 2S8

Dear Mr. Horn:

Re: Request for Net Metering Size Limit Increase

We are in receipt of your letter requesting that the Commission direct BC Hydro to apply to increase the limit on the net metering program from 50kW to 1MW.

You propose the following three options to put all municipalities on an equal footing regarding their ability to find an outlet for their energy:

1. allow retail wheeling;
2. decrease the lower threshold in the BC Hydro Call for Tender process to 50kW; or
3. increase the upper size limit on Net Metering to 1MW.

You recommend the third option, noting your view that it would be the easiest for the Commission to approve, the easiest for BC Hydro to apply for and the lowest in terms of the transaction costs for all parties.

The Commission is of the view that it is untimely to direct BC Hydro to apply to increase the limit on the net metering program from 50kW to 1MW for the following reasons:

- a Commission decision on the British Columbia Transmission Corporation Application for an Open Access Transmission Tariff is pending;
- a negotiated settlement process into the BC Hydro Transmission Service Rate Application will commence on May 16, 2005, with an agreement or decision to follow; and
- BC Hydro has yet to file its Net Metering Tariff – Monitoring and Evaluation Report, as per Commission Order No. G-26-04 approving the Net Metering Tariff – Rate Schedule 1289.

The Commission notes that the BC Hydro Monitoring and Evaluation Report is due by May 19, 2005, in accordance with the Commission directive to BC Hydro in Order No. G-26-04 to file such a report one year after the filing of the permanent tariff pages. The required items to be assessed in the report are set out in Appendix A to Order No. G-26-04.

By copy of this letter the Commission requests that BC Hydro include in its report a discussion of the merits and limitations of increasing the limit on the net metering program from 50kW to 1MW. The Commission encourages

BC Hydro to consult with Planit Management Inc. while preparing its report, and to identify in its report any other options that may also address concerns about the ability of municipalities to find an outlet for their energy.

The Commission will review the Monitoring and Evaluation Report when filed and may provide an opportunity for comment at that time, as appropriate.

Yours truly,

Original signed by:

Robert J. Pellatt

RG/dlf

cc: Mr. Richard Stout
Chief Regulatory Officer
British Columbia Hydro and Power Authority (with attchmt)