



R-4169-2021 HQD/Energir Bienergie Phase 2

PRESENTATION

Dr. Roger Higgin SPA Inc

Limited Mandate

OC's participation in Phase 2 of the Distributors' Bi-énergie program for commercial and institutional ("CI") users of gas and other fuels, is limited to examination of the potential collateral impacts on the HQD revenue requirements as affecting residential customers* including:

- **Estimated costs for conversions and the extent to which these costs will be provided by HQD and Energir;**
- **The impacts of making the C/I Bi-énergie offer available to other fuel users - oil, propane and biomass;**
- **Costs to ratepayers from cancellation of costs associated with electrical work for conversion.**

* D-2022-142, R-4169-2021 Phase 2 paragraph 108

B-0166 slides 9 & 10

Estimated Conversions 2023-2030

Commercial Clients 35000

Institutional Clients 6500

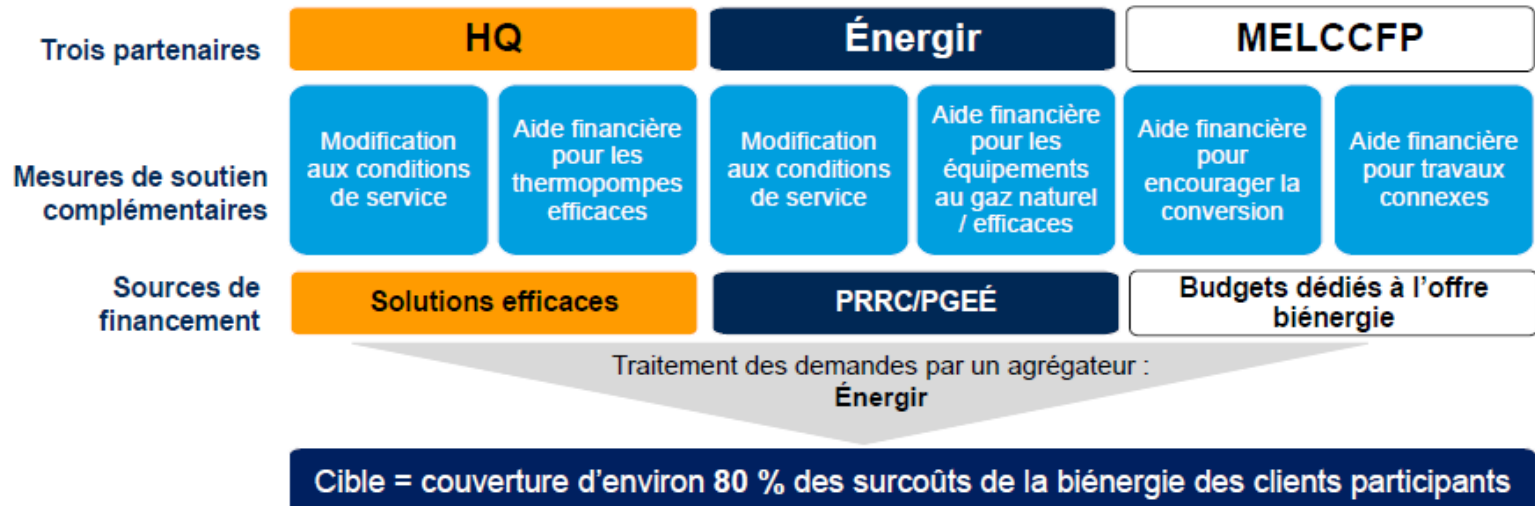
8 cas types étudiés avec leur PRI^{2,3}

| | | |
|-----------------------|------------------------------|---------------|
| Commercial | Commerce – type dépanneur | De 5 à 17 ans |
| | Commerce de petite taille | De 2 à 15 ans |
| | Commerce avec FU faible (G9) | De 2 à 16 ans |
| | Bureau commercial | De 1 à 10 ans |
| Institutionnel | École primaire | 11 ans |
| | Bureau institutionnel | 9 ans |
| | Hôpital | 10 ans |
| | École secondaire | 8 ans |

liés

Inciatifs et traitement adaptés

Essentiels pour augmenter significativement la pénétration de la biénergie et atteindre les cibles de réduction de GES



An estimate of conversion costs and required subsidies, and conversions in each of the 5 subsectors, is required.

OC Estimated Capex Requirements.

| Sub Sector | Estimated No Conversions* | Unit Capex requirement of 80% Based on PRI estimate |
|------------------------|---------------------------|---|
| Commerce Petite Taille | ~20,000 | \$8,543-\$7,762 |
| Bureau Commercial | ~15,000 | Up to \$17,082 |
| Bureau Institutional | ~6250 | \$528,518 |
| Hopital | ~50 | \$1,325,966 |
| Ecole Secondaire | ~200 | \$1,325,966-\$1,747,002 |

*** Sources**

B-0138 DDR RepDDR no 2 de l'AHQ-ARQ Tableau R1.8 &1.9

R-4169-2021-B-0139-DDR-RepDDR AQCIE CIFQ Question 2 Preamble; Question 3 Preamble

R-4169-2021 - Phase 2 B-0141 DDR Rép DDR no 2 de la FCEI Tableau R1.6

Additional cases (Not shown in OC Table)

R-4169-2021-Phase 2 B-0152 HQD-Energir Revised Document 3 Update of Excel File of Test cases Tables 10,11,12

Conversion of Oil, Propane and Other fuel heating systems

- **Similar 80% capex assistance is required to convert heating oil, propane and biomass heating systems, producing 285 GWh of additional electricity demand**

Incremental Cost of Electrical Connections

- **\$8.3 million will be spent annually, HQD estimates ~\$1.9 million would be for residential customers and ~\$6.4 million for non-residential customers.**
- **The total is ~\$60 million***

*Source OC IR Response B-0143 Question 14.3

OC Conclusions

- **Implementing the Tariff Offer for Commercial and Institutional customers of Energir and other fuel suppliers will require major financial support for conversions.**
- **The distributors have not provided the Regie with an estimate of the financial assistance they will provide. The Impact on the revenue requirements and rates has not been provided.**
- **OC estimates the total Capex requirement to be up to \$4.4 billion.**
- **The C/I tariff will produce new revenue for HQD. On the other side there are the additional costs primarily 80% Capex assistance.**
- **OC is concerned that the conversion costs to paid by the Distributors will result in substantial rate increases, including rates for residential customers that OC represents.**

OC Recommendation

If, the Regie is inclined to approve the Distributors' C/I Biénergie Program and Tariff, it should do so subject to the following condition:

The Distributors provide and receive approval of, an estimate of the Capex support they expect to provide for conversions under the CI sector program and the impact on their revenue requirements and rates from 2023-2030.

Thank You for your attention