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VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-192-13**

TELEPHONE: (604) 660-4700
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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**An Application by Fortis BC Alternative Energy Services Inc. (FAES)
for a Certificate of Public Convenience and Necessity for a Thermal Energy System
and
Rate Approvals for Thermal Energy Services for the SOLO District Development**

BEFORE: N.E. MacMurchy, Commissioner
D.M. Morton, Commissioner
R.D. Revel, Commissioner

November 22, 2013

ORDER

WHEREAS:

- A. On October 7, 2013, FortisBC Alternative Energy Services Inc. (FAES) submitted an Application for a Certificate of Public Convenience and Necessity (CPCN) to the British Columbia Utilities Commission (Commission) pursuant to sections 45-46 of the *Utilities Commission Act* (Act) for the purchase of the thermal energy system for the SOLO District development (Development) and for approval under sections 59-60 of the Act for the proposed service agreements and rates to provide Thermal Energy Service (TES) to the eventual owners and tenants of the Development (the Application);
- B. The Development will consist of a 45 storey residential condominium tower and a commercial podium including a supermarket located at Lougheed Highway and Willingdon Avenue and is being developed by Appia Developments (2001) Ltd. (Appia) under the municipality of Burnaby Building Permit number BLD12-01098;
- C. Appia selected a renewable energy system for the Development including geo-exchange to help it meet LEED Gold equivalency for the Development and will construct the energy system along with the Development. FAES and Appia have entered agreements for FAES to purchase, own, operate and maintain the TES system and charge rates to one residential strata customer and one commercial strata customer through service agreements accepted by the developer on behalf of the strata customers;

- D. The energy system will provide space heating, cooling and domestic hot water to meet the thermal energy demands for the Development including the commercial retail units (CRU) and comprises of a geo-exchange loop field, pumps, domestic hot water tanks, heat pumps, natural gas boilers, meters and controls and necessary ancillary systems for heat recovery from the CRU and heat rejection through a cooling tower;
- E. The construction cost for the thermal energy system is estimated to be \$7.3 million, though the purchase agreement includes a guaranteed maximum purchase price of \$4.4 million with approximately \$2.9 million of the costs to be treated as a non-refundable contribution in aid of construction provided by Appia. Annual Operating and Maintenance expense is forecast at \$92,000 in 2016, not including fuel and electricity costs;
- F. FAES requests the Application be considered in the same (or similar) manner as contemplated under the “Stream A” framework as proposed in the ongoing Regulatory Framework and Guide for Thermal Energy Services (TES) Utilities Proceeding, including that the Application will not be subject to the Commission’s CPCN Guideline requirements;
- G. On October 31, 2013, the Commission issued a letter stating it would be willing to consider the Application in the context of the “Stream A” framework provided FAES was agreeable to make certain amendments to its Application and service agreements consistent to the proposed “Stream A” TES Framework;
- H. On November 7, 2013, FAES responded that it would be agreeable to a regulatory review process that would follow the proposed “Stream A” TES Framework and would make the necessary amendments to its Application that the Commission may require to facilitate an efficient review and granting of the Application;
- I. The Commission has determined that a public hearing process is necessary to review the Application .

NOW THEREFORE, pursuant to sections 45-46 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. The establishment of a Streamlined Review Process for the review of the Application in the context of the proposed TES Regulatory Framework according to the Regulatory Timetable that is attached as Appendix A to this Order.
- 2. FAES must post the Application and the Notice of Public Hearing, attached as Appendix A, on its website, cause the Notice of Public Hearing to be posted at the Development sales/display centre and confirm that a copy of the Notice is provided to all pre-purchasers of units at the Development as of the date of this Order. FAES is to confirm to the Commission Secretary in writing by November 29, 2013 that Notice, as ordered, was provided.

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3. Persons wishing to participate as Interveners or as Interested Parties, as described in Appendix B, should register with the Commission by Wednesday, December 4, 2013.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of November, 2013.

BY ORDER

Original Signed By:

N.E. MacMurchy
Commissioner

Attachments

FORTISBC ALTERNATIVE ENERGY SERVICES

An Application by Fortis BC Alternative Energy Services Inc. (FAES)
for a Certificate of Public Convenience and Necessity to Construct and Operate a Thermal Energy System
and
Rate Approvals for Thermal Energy Services for the SOLO District Development

REGULATORY TIMETABLE

ACTION	DATE (2013)
Intervener/Interested Party Registration	Wednesday, December 4
Participant Assistance/Cost Award Budget Submission	Wednesday, December 4
Commission Information Request No. 1	Friday, December 6
Intervener Information Request No. 1	Monday, December 9
FAES Response to Commission and Intervener Information Request No. 1	Thursday, December 12
Streamlined Review Process and Final Submissions	Tuesday, December 17



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NOTICE OF PUBLIC HEARING PROCESS

THE APPLICATION

On October 7, 2013, FortisBC Alternative Energy Services Inc. (FAES) applied to the British Columbia Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity for a thermal energy system to provide energy service as a public utility to the SOLO District Development (Development). The Application also seeks approval of the proposed rates for the first 5 years and a rate design that determines future rates over a 20 year service agreement. The service agreements are made between FAES and the developer Appia Developments Ltd. and assigned to the residential strata and commercial strata customers. The Development is to be built on lands at the intersection of Lougheed Highway and Willingdon Avenue in Burnaby, British Columbia under Burnaby Building Permit number BLD12-01098.

The thermal energy system will provide space heating, cooling and domestic hot water for the Development and its occupants and comprises of a geo-exchange ground loop, pumps, heat pumps, natural gas boilers, meters and controls and necessary ancillary equipment for heat recovery from commercial refrigeration and excess heat rejection through a cooling tower. The thermal energy system will be constructed by the developer and purchased by FAES for \$4.4 million. FAES will own and operate the thermal energy systems to provide Thermal Energy Service (TES) to the occupants of the Development. The Commission, by the province of British Columbia and through the *Utilities Commission Act* (Act or UCA), has the authority to approve an application for a Certificate of Public Convenience and Necessity to construct and operate a public utility plant or system in the province and to approve rates that are just, fair and non-discriminatory.

THE REGULATORY PROCESS

Commission Order G-192-13 establishes a Regulatory Timetable for the review of the Application by way of a Written Public Hearing.

The detailed Regulatory Timetable can be reviewed on the Commission's website at www.bcuc.com>Current Proceedings>FAES SOLO TES Rates CPCN.

REGISTERING TO PARTICIPATE

Persons who wish to actively participate in this proceeding should register as Interveners with the Commission in writing by Wednesday December 4, 2013. Interveners will receive a copy of the Application as well as all correspondence and filed documents. An email address should be provided if available.

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as Interested Parties with the Commission in writing, by Wednesday December 4, 2013, identifying their interest in the Application. Interested Parties will receive an Executive Summary of the Application and a copy of the Commission's Decision when issued.

PUBLIC INSPECTION OF DOCUMENTS

This Application and supporting material will be made available on the FortisBC website and on the Commission's website at www.bcuc.com.

All submissions and/or correspondence received from active participants or the general public relating to the Application will be placed on the public record and posted to the Commission's website.

FURTHER INFORMATION

For further information, please contact Erica Hamilton, Commission Secretary, by telephone (604) 660-4700 or B.C. Toll Free at 1-800-663-1385, by fax (604) 660-1102, or by Email Commission.Secretary@bcuc.com.