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ORDER NUMBER
G-339-21

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Creative Energy Vancouver Platforms Inc.
Application for Rates for the Core Steam System and Northeast False Creek Service Areas

BEFORE:
T. A. Loski, Panel Chair
A. C. Dennier, Commissioner
A. Pape-Salmon, Commissioner

on November 19, 2021

ORDER

WHEREAS:

A. On November 1, 2021, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) part one of its application for approval of rates for the core steam system (Core Steam System) and Northeast False Creek (NEFC) service areas, which addresses rate design (Application Part One). Specifically, Creative Energy proposes to consolidate the cost of service and rates of the NEFC service area with the Core Steam System effective January 1, 2022;

B. Creative Energy intends to file the 2022 forecast revenue requirements for the Core Steam System and NEFC service areas on a combined basis and request for approval of interim and permanent rates effective January 1, 2022 in mid-December, which will be based on the rate design proposals presented in Application Part One (Application Part Two). Application Part One and Part Two are collectively referred to as the Application;

C. Creative Energy states that a comprehensive review of the proposed NEFC rate design must be framed as an extension to the Core Steam System that provides the same thermal energy service to additional buildings in accordance with the BCUC's Utility System Extension Test Guidelines arising out of Order G-80-96.

D. By Order C-12-15 and the accompanying decision dated December 8, 2015, the BCUC granted a Certificate of Public Convenience and Necessity (CPCN) to Creative Energy for a new Neighbourhood Energy System, to serve new developments in the NEFC neighbourhood of the City of Vancouver (NEFC CPCN Decision). As part of the NEFC CPCN Decision, the BCUC found that Creative Energy cannot extend its Core Steam System into NEFC without a CPCN as Creative Energy does not have a BCUC approved extension policy and that there was not sufficient evidence on the record to establish whether the proposed NEFC district energy system met the CPCN exclusion criteria outlined in the BCUC's Thermal Energy System (TES) Regulatory Framework Guidelines attached to Order G-27-15 (TES Guidelines);

E. The NEFC CPCN Decision also approved the establishment of a Revenue Deficiency Deferral Account (RDDA) for NEFC to accumulate forecast revenue shortfalls in the initial years and reflect a levelized rate design;

F. By Order G-167-16 dated November 18, 2016, the BCUC approved the revenue requirement for 2016 and 2017 for the NEFC service area including the manner in which the RDDA approved pursuant to Order C-12-15 is to be accounted for;

G. By Order G-227-20 dated September 2, 2020, the BCUC directed Creative Energy to file a comprehensive proposal for a NEFC rate design and for setting 2022 rates by June 30, 2021 (NEFC Rate Design and 2022 Rate Application) to address adjustments to the levelized rate necessary to reflect an updated load forecast as well as the recovery mechanism for the RDDA;

H. By letter dated June 22, 2021 and subsequently by Order G-240-21 dated August 11, 2021, the BCUC granted Creative Energy extensions to file the NEFC Rate Design and 2022 Rate Application to July 31, 2021 and November 1, 2021, respectively; and

I. The BCUC has commenced review of Application Part One and determines that the establishment of a regulatory timetable is warranted, including submissions from Creative Energy and interveners on the proposed regulatory process.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
2. For the reasons set out in Appendix C to this order, the BCUC directs Creative Energy to file the following on December 1, 2021:
    a. Application Part Two;
    b. The 2022 forecast revenue requirements and resulting rates effective January 1, 2022, for each of the Core Steam System and NEFC service areas under the respective, existing rate designs; and
    c. Any available evidence regarding the following items that relate to the BCUC findings in the NEFC CPCN Decision, referred to in recital D of this order:
        i. Any changes in Creative Energy's circumstances that may impact the BCUC finding that Creative Energy cannot extend its Core Steam System into NEFC without a CPCN, as Creative Energy does not have a BCUC approved extension policy; and
        ii. The applicability of the CPCN requirements for extensions to a Stream B TES to the extension of the Core Steam System to NEFC, as outlined in Section 2.4.5 of the TES Guidelines.

3. Creative Energy must provide a copy, electronically where possible, of its Application Part One, including appendices, and this order with accompanying appendices on or before Thursday, November 25, 2021 to:

    a. all customers in the Core Steam System and NEFC service areas; and

    b. all registered interveners in (i) the Creative Energy 2019-2020 Revenue Requirements Application (RRA) for the Core Steam System and NEFC Service Areas proceeding; (ii) the Creative Energy NEFC Rate Proposal and 2021 RRA proceeding; and (iii) the Creative Energy 2021 RRA for the Core Steam System proceeding.

4. Creative Energy must provide a copy, electronically where possible, of its Application Part Two, on or before Monday, December 6, 2021, to those same parties identified in directive 3a. and 3b. of this order.

5. Creative Energy must publish the Public Notice in Appendix B on the following social media platforms, on or before Thursday, November 25, 2021:

    a. Twitter: specifically at https://twitter.com/_creativenergy?lang=en

    b. LinkedIn: specifically at https://www.linkedin.com/company/creative-energy-canada/?originalSubdomain=ca; and

    c. Facebook: specifically at https://www.facebook.com/creativenergyvancouver/.

    Creative Energy must also publish weekly reminder posts, that include the Public Notice, on each of these platforms until the conclusion of the intervener registration period on Monday, December 13, 2021.

6. Creative Energy is directed to make available on its website https://creative.energy/ its Application Part One and this order by Thursday, November 25, 2021; and its Application Part Two by Monday, December 6, 2021.

7. Creative Energy must provide confirmation of compliance with Directives 3 through 6 inclusive, by Wednesday, December 8.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of November 2021.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachments

Creative Energy Vancouver Platforms Inc.
Application for Rates for the Core Steam System and Northeast False Creek Service Areas

REGULATORY TIMETABLE

Action	Date (2021)
Creative Energy to provide notice of Application Part One	Thursday, November 25
Creative Energy to file the items listed in Directive 2 of Order G-339-21, including Application Part Two	Wednesday, December 1
Creative Energy to provide notice of Application Part Two	Monday, December 6
Creative Energy Written Submissions on Items Outlined in Appendix D	Wednesday, December 8
Creative Energy to provide confirmation of compliance with Directives 3, 4, 5 and 6	Wednesday, December 8
Intervener Registration	Monday, December 13
Intervener Written Submissions on Items Outlined in Appendix D	Wednesday, December 15
Creative Energy Reply Submission on Items Outlined in Appendix D	Wednesday, December 22
Further Process	To be determined

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We want to hear from you

Creative Energy Rates Application for the Core Steam System and Northeast False Creek Service Areas

On November 1, 2021, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed part one of its application with the British Columbia Utilities Commission (BCUC) seeking approval to unify the rates of the Northeast False Creek service area with the Core Steam System service area, effective January 1, 2022.

In addition, Creative Energy will file part two of their application by December 1, 2021, which will seek the BCUC's approval of interim and permanent rate changes for the Northeast False Creek and Core Steam System service areas effective January 1, 2022.

HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

IMPORTANT DATES

1. **Monday, December 13, 2021** – Deadline to register as an intervener with the BCUC
2. **Wednesday, December 15, 2021** – Deadline for interveners to file submissions on the proposed regulatory process

For more information about the Application, please visit the **Proceeding Webpage**. For more information on getting involved, please visit our website (**https://www.bcuc.com/get-involved**) or contact us at the information below.

GET MORE INFORMATION

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Creative Energy Vancouver Platforms Inc.
Application for Rates for the Core Steam System and Northeast False Creek Service Areas

REASONS FOR DECISION

Background

By Order G-227-20 dated September 2, 2020, the British Columbia Utilities Commission (BCUC) directed Creative Energy Vancouver Platforms Inc. (Creative Energy) to file a comprehensive proposal for a Northeast False Creek (NEFC) rate design and for setting 2022 rates by June 30, 2021, to address adjustments to the levelized rate based on an updated load forecast, as well as the recovery mechanism for the Revenue Deficiency Deferral Account (RDDA). Subsequently, the BCUC granted Creative Energy extensions to file the NEFC Rate Design and 2022 Rate Application to July 31, 2021, and then to November 1, 2021. Order G-240-21 directed Creative Energy to "file concurrently a comprehensive proposal for NEFC rate design and its NEFC revenue requirements and rates application, for at least 2022, by November 1, 2021."

On November 1, 2021, Creative Energy filed with BCUC part one of its application for rates for the core steam system (Core Steam System) and NEFC (Application Part One). Application Part One includes Creative Energy's rate design proposals, specifically the request for approval to consolidate the NEFC cost of service and rates with the Core Steam System, effective January 1, 2022. Creative Energy requests the BCUC review both Application Part One and Part Two in one proceeding and render one decision on all components. Creative Energy notes that by filing Application Part One on November 1, 2021, the BCUC will have up to three months to consider the matter of rate design for interim rates effective January 1, 2022.[1]

Creative Energy submits that it will file the forecast 2022 revenue requirements and request for approval of interim and permanent rates effective January 1, 2022 by mid-December (Application Part Two).[2] Further, Creative Energy submits that the forecast 2022 revenue requirements and rates effective January 1, 2022 will be based on the rate design proposals presented in Application Part One (i.e. NEFC cost of service and rates will be consolidated with the Core Steam System).[3] Application Part One and Part Two are collectively referred to as the Application.

Panel Determination

The Panel has several concerns with respect to Creative Energy's proposal to file Application Part Two in mid-December. First, the Panel notes that the BCUC originally directed Creative Energy to file a rate design and 2022 rates application for NEFC by June 30, 2022. Subsequently, the BCUC granted two extensions to this filing deadline, to July 1, 2021 and then to November 1, 2021. Order G-240-21, which granted the last extension request, clearly states that the NEFC rate design and rates application, for at least 2022, were to be filed *concurrently* on November 1, 2021.

[1] Exhibit B-1, Application, Section 1.3, p. 4.
[2] Exhibit B-1, Cover Page, p. 1.
[3] Exhibit B-1, Section 1.3, p. 4.

Second, the Panel notes that the BCUC Timing and Guidelines for Filing of Information[4] (Guidelines), state that "[f]ilings should be received by the Commission Secretary a minimum of 30 days in advance of the desired effective date." And where this is not possible, an explanation of why the application cannot be filed under this minimum should be provided. These Guidelines are intended to provide sufficient lead time to enable the BCUC to make and implement decisions efficiently and expeditiously.

Lastly, the Panel notes that the rate design proposals involve the consolidation of the NEFC revenue requirements and rates with the Core Steam System, which will need to be considered in the context of setting interim rates and establishing the appropriate regulatory process for the review of the Application after Application Part Two is filed.

In order to allow adequate time to review the Application in advance of establishing rates on an interim basis and to provide greater flexibility in determining the appropriate effective date for the proposed rate design changes **the Panel directs Creative Energy to file the following on December 1, 2021:**

a. **Application Part Two;**

b. **The 2022 forecast revenue requirements and resulting rates effective January 1, 2022, for each of the Core Steam System and NEFC service areas under the respective, existing rate designs; and**

c. **Any available evidence regarding the following items that relate to the BCUC findings in the NEFC CPCN Decision, referred to in recital D of Order G-339-21:**

   i. **Any changes in Creative Energy's circumstances that may impact the BCUC finding that Creative Energy cannot extend its Core Steam System into NEFC without a CPCN, as Creative Energy does not have a BCUC approved extension policy; and**

   ii. **The applicability of the CPCN requirements for extensions to a Stream B thermal energy system to the extension of the Core Steam System to NEFC, as outlined in Section 2.4.5 of the BCUC's Thermal Energy System Regulatory Framework Guidelines.[5]**

[4] BCUC Letter L-18-09 dated March 24, 2009, Appendix 1, Timing and Guidelines for Filing of Information.
[5] BCUC Order G-27-15, Appendix A, Thermal Energy Systems Regulatory Framework Guidelines.

Creative Energy Vancouver Platforms Inc.
Application for Rates for the Core Steam System and Northeast False Creek Service Areas

REQUEST FOR SUBMISSIONS

Background

On November 1, 2021, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) part one of its application for rates for the Core Steam System and Northeast False Creek (NEFC) service areas (Application Part One). Application Part One proposes to consolidate the cost of service and unify rates of the NEFC system service area with the Core Steam System, effective January 1, 2022.

Creative Energy states in the Application Part One that it will file the forecast 2022 revenue requirements and its request for approval of interim and permanent rates effective January 1, 2022 by mid-December (Application Part Two).[6] Further, Creative Energy states that the forecast revenue requirements and rates effective January 1, 2022 will be based on the rate design proposals presented in Application Part One (i.e. NEFC revenue requirements and rates will be consolidated with those for the Core Steam System). Creative Energy requests the BCUC review both Application Part One and Part Two in one preceding and render one decision on all components.[7] Application Part One and Part Two are collectively referred to as the Application.

By Order G-339-21, the Panel directs Creative Energy to file the Application Part Two by December 1, 2021, rather than mid-December, in addition to the following information:

a. The 2022 forecast revenue requirements and resulting rates effective January 1, 2022, for each of the Core Steam System and NEFC service areas under the respective, existing rate designs;

b. Any available evidence regarding the following items that relate to the BCUC findings in the NEFC CPCN Decision, referred to in recital D of Order G-339-21:

    i. Any changes in Creative Energy's circumstances that may impact the BCUC finding that Creative Energy cannot extend its Core Steam System into NEFC without a CPCN, as Creative Energy does not have a BCUC approved extension policy; and

    ii. The applicability of the CPCN requirements for extensions to a Stream B thermal energy system to the extension of the Core Steam System to NEFC, as outlined in Section 2.4.5 of the BCUC's Thermal Energy System Regulatory Framework Guidelines.[8]

Request for Submissions

The Panel requests submissions from Creative Energy and registered interveners on the following items, in accordance with the deadlines set out in the regulatory timetable attached as Appendix A to Order G-339-21:

[6] Exhibit B-1, Cover Page, p. 1.
[7] Exhibit B-1, Section 1.3, p. 4.
[8] BCUC Order G-27-15, Appendix A, Thermal Energy Systems Regulatory Framework Guidelines.

1. Any issues associated with setting interim rates effective January 1, 2022 based on the rate design changes proposed in Application Part One (i.e. the cost of service and rates for NEFC service area are consolidated with the Core Steam System) and any alternative proposals for a reasonable basis to establish interim rates effective January 1, 2022.
2. The appropriate effective date of any rate design changes for the Core Steam System and NEFC service areas, specifically whether rate design changes should be effective January 1, 2022 or after the BCUC renders its final decision on the Application (e.g. January 1, 2023).
3. Whether the 2022 forecast cost of service and rates effective January 1, 2022 should be reviewed together with the rate design changes proposed in Application Part One, or separately and based on the respective, existing (i.e. status quo) rate design for each of the Core Steam System and NEFC service areas.
4. Proposals for the appropriate regulatory process for the review of each of the rate design changes included in Application Part One and the 2022 forecast revenue requirements and resulting rates effective January 1, 2022.