



ORDER NUMBER
G-256-25

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

and

Canfor Pulp and Paper Ltd.
Exemption under Section 88(3) of the *Utilities Commission Act*

BEFORE:

B. A. Magnan, Panel Chair
R. E. Murphy, Commissioner

on October 29, 2025

ORDER

WHEREAS:

- A. On October 7, 2025, Canfor Pulp and Paper Ltd. (Canfor) filed an application with the British Columbia Utilities Commission (BCUC) pursuant to section 88(3) of the *Utilities Commission Act* (UCA) seeking approval for a class of persons exemption from section 71 and Part 3 of the UCA in respect of the sale of electricity to parties operating computation-based heating systems (Server Processing Parties) at Canfor's facilities located in Prince George, BC (Application);
- B. Canfor operates three pulp mills located in Prince George, BC (collectively, the Pulp Mills). British Columbia Hydro and Power Authority (BC Hydro) provides transmission voltage electricity service to the Pulp Mills under Tariff Supplement 5 - Electricity Supply Agreement dated October 25, 2024 (ESA). Three 69 kilovolt transmission lines connect the Pulp Mills to the BC Hydro system;
- C. Canfor states that it has underutilized capacity and electrical infrastructure at some of its mills and intends to resell electricity purchased from BC Hydro to Server Processing Parties on a flow-through basis without markup based on actual consumption, plus a monthly contribution payment of up to 15 percent of the cost of its electricity use to compensate Canfor for capital depreciation and maintenance costs associated with the use of its electrical infrastructure;
- D. Canfor requests approval of its proposed rates on an interim and refundable/recoverable basis, effective on or before October 31, 2025, to allow Canfor to proceed with the resale of electricity to Thermo Solutions Ltd. (Thermo), a Server Processing Party with whom Canfor has executed a letter of intent for a pilot project to install computation-based heating systems at the Pulp Mills (Pilot Project) starting on or before November 15, 2025; and
- E. The BCUC determines that the establishment of a public hearing process to review the Application and approval of interim rates for the provision of service to the Pilot Project is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable is established, as set out in Appendix A to this order.
2. On or before November 7, 2025, Canfor is directed to:
 - (i) Publish a copy of this order and the public notice attached as Appendix B to this order in a clearly visible location on its website at: www.canfor.com. The posting must remain in place until a final determination on the Application has been issued; and
 - (ii) Provide notice of the Application and a copy of this order to BC Hydro and Thermo.
3. Canfor is directed to provide written confirmation to the BCUC by November 10, 2025, that it has posted a copy of this order and the public notice on its website and provided a copy of same to BC Hydro and Thermo.
4. Canfor is approved, on an interim basis, to charge a rate effective October 31, 2025, for the resale of electricity by Canfor to Thermo for the Pilot Project, equal to the direct cost of electricity purchased by Canfor from BC Hydro under Rate Schedule 1830 on a flow-through basis, plus a 15 percent mark up.
5. Any difference between the interim rate and the permanent rate effective October 31, 2025, following the BCUC's final decision, will be subject to refund or recovery with interest at the average prime rate of Canfor's principal bank for its most recent year.
6. Canfor is directed to file tariff pages reflecting the interim approval granted in Directive 4 for endorsement by the BCUC within 15 days from the date of issuance of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of October 2025.

BY ORDER

Electronically signed by Bernard Magnan

B. A. Magnan
Commissioner

Attachment

Canfor Pulp and Paper Ltd.
Exemption under Section 88(3) of the *Utilities Commission Act*

REGULATORY TIMETABLE

Action	Date (2025)
Canfor to provide notice of Application	Friday, November 7
Canfor confirmation of compliance with public notice requirements	Monday, November 10
BCUC Information Request (IR) No. 1 to Canfor	Friday, November 21
Canfor responses to BCUC IR No. 1	Friday, December 5
Letters of comment deadline	Friday, December 12
Canfor response to letters of comment, if any, and final argument	Friday, December 19



We want to hear from you

CANFOR PULP AND PAPER LTD. EXEMPTION UNDER SECTION 88(3) OF THE UCA

On October 7, 2025, Canfor Pulp and Paper Ltd. (Canfor) filed an application with the British Columbia Utilities Commission (BCUC) pursuant to section 88(3) of the *Utilities Commission Act* (UCA) for a class of persons exemption from Part 3 of the UCA, which gives the BCUC the authority to oversee a public utility with respect to its commercial operations, rates, reliability, and safety, as well as section 71 of the UCA which gives the BCUC oversight over a public utility's energy purchase agreements.

Canfor operates three pulp mills located in Prince George, BC (collectively, the Pulp Mills), which currently rely primarily on natural gas and biofuel to generate heat for their milling operations. Canfor plans to resell electricity that it purchases from BC Hydro to parties operating computation-based heating systems (Server Processing Parties) on a flow-through basis without markup, plus a monthly contribution of up to 15% of the Server Processing Party's total electricity consumption cost to account for capital depreciation and maintenance costs on Canfor's electricity infrastructure. In turn, Server Processing Parties would supply heat generated as a byproduct of their operations to the Pulp Mills, which Canfor states would enable it to offset heat generated from fossil fuels and help it to meet its decarbonisation goals.

To participate in the proceeding, please see the options below or visit www.bcuc.com/get-involved for more information.

GET INVOLVED

- [Submit a letter of comment](#)
- [Subscribe to the proceeding](#)
to receive email notifications when public documents are posted to the proceeding page

IMPORTANT DATES

1. **Friday, December 12, 2025**
Deadline to submit a letter of comment

Please visit the [proceeding page](#) on bcuc.com under "Our Work" to learn more.

CONTACT INFORMATION

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