

CREATIVENERGY

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August 21, 2017
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Mr. Patrick Wruck
Commission Secretary

Dear Mr. Wruck

**Re: Creative Energy Vancouver Platforms Inc. (Creative Energy)
2017 Long-Term Resource Plan (LTRP)**

On June 9, 2017, Creative Energy filed the above referenced Application (Exhibit B-1). By letter dated August 1, 2017 (Exhibit A-2), the British Columbia Utilities Commission requested comments on process for review of the Application. This letter responds to comment letters, which were filed on August 14, 2017, from FEI, FAES, BCSEA-SCBC, CEC and BCOAPO.

FEI submits that it “does not expect it to be practical to conclude consideration of the LTRP in a one day SRP”, and further submits that a “regulatory process is necessary that provides interveners the opportunity to test the evidence filed by Creative Energy through two rounds of information requests, furnish their own evidence, if required, and make legal argument on the question of whether carrying out Creative Energy’s LTRP is in the public interest.” FAES makes similar submissions to those of FEI.

BCSEA-SCBC submits that “a one-day SRP would be a more effective mechanism than a second round of IRs to CE and that one day SRP should be sufficient to accomplish a meaningful exchange of information and argument.” CEC makes similar submissions to those of BCSEA-SCBC.

BCOAPO submits that two rounds of IR’s are appropriate to allow parties to reasonably explore LTRP issues with the full process to be determined after that initial discovery is complete.

No intervener made submissions regarding whether a process for review of the Application is necessary. Instead, all interveners assumed that the Commission would establish a process for review of the Application. Nevertheless, the *Utilities Commission Act* does not require a process

CREATIVE ENERGY VANCOUVER
PLATFORMS INC.

Suite 1 – 720 Beatty Street
Vancouver, Canada
V6B 2M1

604 688 9584 TEL
604 688 2213 FAX
creativeenergycanada.com

before the Commission accepts or rejects the LTRP.¹ Moreover, a Commission determination that carrying out the LTRP would be in the public interest does not first require a process.² Given this legislative scheme, Creative Energy submits that before establishing a process the Commission should first determine whether a process is necessary. On this question, Creative Energy submits that the Commission Panel first give full consideration to the following circumstances of the LTRP:

- 1) **The Fuel Switch Project requires additional financial support and policy support before investments risks are acceptable to Creative Energy.³ The mandate of the Commission does not extend to the additional financial and policy support that is necessary before the investment risks are acceptable to Creative Energy.⁴**
- 2) **The Fuel Switch Project remains the Company's best and preferred option for reducing GHG emissions on the network as a whole... In the absence of enabling mechanisms that reduce the Fuel Switch rate impacts, the investment risks for the Fuel Switch Project are not acceptable to Creative Energy.⁵**
- 3) **If sufficient enabling mechanisms can be secured, Creative Energy will file an Application for a Certificate of Public Convenience and Necessity for the Fuel Switch Project.⁶**
- 4) **The action plan describes the activities that Creative Energy intends to pursue to enable the Fuel Switch Project.⁷**

The Commission directed Creative Energy to file the LTRP.⁸ In accordance with the Commission directions, Creative Energy filed the Application and then stated in the Application,⁹ that it did not object to a process as long as the process reflects the size of Creative Energy and the unique nature and context of this LTRP. However, an alternative to establishing a process for review of the Application is for the Commission to determine, with no process, that carrying out the action plan is in the public interest. Diverting limited resources at Creative Energy from the action plan to the regulatory process as requested by the interveners is unlikely going to be effective given the current uncertainties related to the Fuel Switch enabling mechanisms, especially as compared to Creative Energy continuing to direct its limited resources to achieving the enabling mechanisms. Together with such a determination, the Commission could direct Creative Energy to file an update to the LTRP in two years.

In the event that the Commission agrees with interveners that a regulatory process at this time is necessary, then Creative Energy submits that such a process should be a streamlined review process (SRP) as first proposed by Creative Energy, and now by BCSEA-SCBC and CEC.

¹ Utilities Commission Act, s. 44.1(5)

² Utilities Commission Act, s. 44.1(6)

³ Exhibit B-1, para. 7

⁴ Security of load provided by a franchise agreement with CoV has not been accepted by the Commission.

⁵ Exhibit B-1, para. 8

⁶ Exhibit B-1, para. 9

⁷ Exhibit B-1, para. 53

⁸ Exhibit B-1, para. 11

⁹ Exhibit B-1, para. 60

Creative Energy submits a SRP should follow only one round of information requests, and be held sometime after October 1, 2017.

If the Commission Panel concludes that a SRP is not appropriate and also concludes a process with two rounds of information requests is necessary, then Creative Energy requests that the review of the Application be incorporated into the review of an RRA that Creative Energy has discussed with Commission staff and expects to file by December 1, 2017. Delaying the review of the LTRP, so as to include it in the RRA review, should reduce regulatory costs and at the same time is not expected to affect Creative Energy's efforts to achieve the enabling mechanisms.

In the Application, Creative Energy recommended that the Commission first establish the appropriate scope of the review to inform any determination on process.¹⁰ Creative Energy submits that the scope of the process, if any, for review of the Application be limited to issues relevant to a determination of whether carrying out the action plan is in the public interest. Such issues include whether Creative Energy has selected the most cost-effective resource to pursue in order to reduce GHG emissions over the next 30 years.

Creative Energy does not agree with the submissions of FEI regarding scope. In particular, Creative Energy does not agree that the LTRP raises “novel technical and policy issues” related to Creative Energy’s transition from a steam utility with historically unchanged operations to one with large-scale expansion plans. Creative Energy is not planning for material increases in load. Although the Fuel Switch Project capital costs would increase rate base significantly, issues related to expansion of rate base are more appropriately considered in a review of a CPCN, than in review of this LTRP.

Creative Energy also expressly disagrees with FEI’s suggestion that mandatory connection policies of the CoV are issues that need to be in scope of the process.¹¹ In the proceeding to review the Application for Approval of the Northeast False Creek Connection Agreement, FEI took the position certain matters related to CoV policy issues and agreements between CoV and Creative Energy should be in scope of that proceeding.¹² The Commission disagreed and determined that the issues advanced by FEI were not relevant to that proceeding.¹³ Creative Energy requests that this Commission Panel make a similar determination and conclude that the issues once again advanced by FEI regarding CoV policies be considered out of the scope of this proceeding.

¹⁰ Exhibit B-1, para. 60

¹¹ See FEI comment letter, footnote 7

¹² Application for Approval of Northeast False Creek Agreement, Exhibit C2-5

¹³ Application for Approval of Northeast False Creek Agreement, Exhibit A-7

If further information is required, please contact Anna Peresada at 606 688 9584.

Sincerely,
Creative Energy

(Original signed:)

Robert Hobbs
President and CEO