



October 24, 2019

Via email

British Columbia Utilities Commission
Suite 410, 900 Howe Street, Box 250
Vancouver, British Columbia V6Z 2N3

Attention: Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: British Columbia Utilities Commission – An Inquiry into the Regulation of Municipal Energy Utilities

Corix Utilities Inc. (“**Corix**”) writes in response to Order G-177-19 issued by the British Columbia Utilities Commission (“**BCUC**”) on August 1, 2019, establishing an inquiry into the regulation of municipal energy utilities (“**Inquiry**”).

About Corix

Corix is a wholly owned subsidiary of Corix Infrastructure Inc. (“**CII**”), which is a fully integrated provider of utility infrastructure solutions throughout North America that include energy, water, and wastewater projects. CII has a 100-year history of developing, financing, constructing, operating, and maintaining a range of multi-utility infrastructure for its customers pursuant to a variety of delivery and governance models. CII and its subsidiaries are responsible for the operation and maintenance of over 25 in-service energy systems, ranging in size, scope and technology from large-scale combined heat and power and chilled water plants to low temperature geo-exchange based systems.

Corix and its wholly owned subsidiary Corix Multi-Utility Services Inc. (“**CMUS**”) own and operate natural gas, electric and thermal energy utilities regulated by the BCUC. In addition, Corix and CMUS have experience and expertise in the development, construction, and operation of district energy utilities, the majority of which are located in British Columbia.

Corix’s District Energy Utilities in British Columbia

Corix and CMUS’s district energy utilities in British Columbia include the following:

A. CMUS Utilities Regulated by the BCUC

- i. Dockside Green Energy Utility (“**DGEU**”) in Victoria;
- ii. Burnaby Mountain District Energy Utility (“**BMDEU**”) in Burnaby;
- iii. Neighbourhood District Energy System (“**NDES**”) at the University of British Columbia (“**UBC**”) in Vancouver; and,
- iv. Talasa Village District Energy Utility (“**TVDEU**”), which is comprised of the Belmonte and Talasa systems in the Sun Rivers community in Kamloops.

B. Corix Utilities Administered through Contract (not regulated by the BCUC)

- i. Oval Village District Energy Utility (“**OVDEU**”) under a concession agreement with the Lulu Island Energy Company (“**LIEC**”) in Richmond, and
- ii. Alexandra District Energy Utility (“**ADEU**”) under a service order agreement with LIEC in Richmond.

The BCUC regulates DGEU, BMDEU, and the UBC NDES as Stream B utilities under the BCUC’s Thermal Energy Systems Regulatory Framework Guidelines (“**TES Guidelines**”).¹ The BCUC regulates the TVDEU systems as Stream A utilities under the TES Guidelines.

LIEC is a wholly owned municipal corporation that manages district energy utilities for and on behalf of the City of Richmond. Pursuant to the terms of the concession agreement with LIEC, Corix designs, constructs, finances, operates and maintains certain of the OVDEU infrastructure. LIEC owns the OVDEU assets and sets rates for customers. LIEC also oversees the development of the OVDEU, liaises and coordinates with developers and the City of Richmond and provides customer service. Pursuant to the terms of the service order agreement with LIEC, Corix operates and maintains the ADEU system. Corix does not have any form of ownership interest in and does not set customer rates for either of the OVDEU or ADEU utilities.

Comments on the Inquiry

Corix and CMUS are active in British Columbia’s district energy sector and have a material interest in the outcome of the Inquiry. As noted above, the BCUC regulates some of the utilities Corix and CMUS operate, while others fall outside of BCUC regulation. In Corix’s experience, district energy systems provide reliable, efficient, and cost-effective custom energy solutions for customers, including municipalities and their residents. Where implemented, district energy systems offer a more efficient method of heating and cooling buildings and providing hot water than installing boilers and chillers in individual buildings for the same purpose (“Business as Usual Scenario”). The viability of the district energy system compared to the Business as Usual Scenario is typically tested during the initial assessment. Considering the benefits of district energy systems, Corix submits it is in the public interest that the regulatory framework continues to permit community-tailored solutions in the district energy sector.

While Corix welcomes additional clarity or guidance from the BCUC regarding the definition and scope of “public utility” in the *Utilities Commission Act*, Corix does not have specific comments on the question and forms of affiliation listed in directive 4(1) of BCUC Order G-177-19 at this point in the Inquiry. Corix will continue to monitor the inquiry and participate when necessary.

All of which is respectfully submitted,

Corix Utilities Inc.

Per:



Errol South
Senior Financial Planning Analyst

¹ Appendix A to BCUC Order G-27-15, dated March 2, 2015.