



December 20, 2019

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<b>BCUC REVIEW OF TES REGULATORY FRAMEWORK GUIDELINES</b>	<b>EXHIBIT A-2</b>
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**Re: British Columbia Utilities Commission – Review of Thermal Energy Systems Regulatory Framework Guidelines – Project No. 1599043 – Regulatory Timetable Establishment**

The British Columbia Utilities Commission (BCUC) has established a public hearing to review the Thermal Energy Systems Regulatory Framework Guidelines (Review). The Thermal Energy Systems Regulatory Framework Guidelines (TES Guidelines or Guidelines) were approved and issued by the BCUC on August 28, 2014,<sup>1</sup> with further amendments made on March 2, 2015.<sup>2</sup>

Section 1 of the TES Guidelines states that the Guidelines may be revised or updated from time to time in order to incorporate lessons learnt and adjust to evolving market circumstances and changes to the *Utilities Commission Act* (UCA).<sup>3</sup> Given that five years have elapsed since the issuance of the TES Guidelines, the BCUC has determined that a review of the Guidelines is warranted. The Review will focus solely on the TES Guidelines and thermal energy systems, as defined in Section 1.2 of the Guidelines.<sup>4</sup> The Review will provide an opportunity to assess any changes in the thermal energy market, lessons learnt, housekeeping amendments and any other matters relevant to thermal energy systems.

### **Workshops**

The BCUC will be holding transcribed workshops in Vancouver on Wednesday April 1, 2020 and Thursday, April 2, 2020. The workshops are an opportunity for participants to provide input for the Panel's consideration on the matters within the terms of reference of the Review. The workshops will be led by BCUC Staff and the Panel will be in attendance. If desired, participants will be able to provide written submissions at any time up to one week after the workshops.

### **Terms of Reference**

To provide context to the matters that may be addressed in the Review, draft terms of reference are provided in Appendix B to the attached Order G-341-19. The BCUC is seeking written submissions from participants on the draft terms of reference by Friday, February 14, 2020. In preparation for the workshops, the final terms of reference for the Review will be issued on Wednesday, March 11, 2020.

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<sup>1</sup> Order G-127-14, dated August 28, 2014.

<sup>2</sup> Order G-27-15, dated March 2, 2015.

<sup>3</sup> Order G-27-15, Appendix A, p. 5.

<sup>4</sup> Order G-27-15, Appendix A, p. 5.

## **Ongoing Proceedings and Inquiries**

There are currently a number of ongoing proceedings and inquiries before the BCUC, such as the [Inquiry into the Regulation of Municipal Energy Utilities](#) and the [Indigenous Utilities Regulation Inquiry](#), however the Review is a separate and independent public hearing.

## **How to Participate**

The BCUC encourages stakeholders to participate as interveners in this Review and provide insight and perspective to this proceeding. Intervenors are able to file evidence, ask questions and make submissions on process. The BCUC Panel will consider all submissions and filings as it reviews the TES Guidelines. A [Request to Intervene](#) can be submitted on the BCUC website. The deadline to request intervener status is [Friday, January 31, 2020](#).

Stakeholders who do not wish to intervene may participate by submitting a [Letter of Comment](#) on the BCUC Website. Letters of Comment will be posted on the Review's proceeding webpage and will be considered by the Panel in its review of the TES Guidelines. The deadline to submit Letters of Comment is [Friday, February 14, 2020](#).

[Interested parties](#) may register with the BCUC to receive automated email notifications of all documents posted by the BCUC to the Review's webpage.

## **Participant Assistance/Cost Award**

Participant Assistance/Cost Award (PACA) will be made available to support intervenors who wish to attend the workshops and/or file submissions. The Panel has established a funding cap of five days per intervener for the established timetable, comprising one day for submissions on the draft terms of reference, two days for workshop preparation, one day for attendance at the workshop on April 1, 2020, and if required, one day for submissions following the workshop. If a second workshop is required on April 2, 2020, funding for one additional day will be made available to intervenors, increasing the total funding cap to six days. The established timetable allows for further process to be determined following submissions from intervenors. If appropriate, the Panel will review the funding cap at that time.

## **About the BCUC**

The BCUC is an independent regulatory agency of the Government of British Columbia that is responsible for regulating BC's energy utilities, the Insurance Corporation of BC's compulsory automobile insurance rates, intra-provincial pipelines and the reliability of the electrical transmission grid. We work hard to ensure British Columbians get value from their utilities with safe, reliable energy services and fair energy and basic auto insurance rates, while ensuring the entities we regulate have the opportunity to earn a fair return on their capital investments.

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

LJ/jo  
Enclosure



**ORDER NUMBER**  
**G-341-19**

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

and

British Columbia Utilities Commission  
Review of Thermal Energy Systems Regulatory Framework Guidelines

**BEFORE:**

R. I. Mason, Panel Chair  
W. M. Everett, QC, Commissioner  
T. A. Loski, Commissioner

on December 20, 2019

**ORDER**

**WHEREAS:**

- A. On August 28, 2013, by Order G-132-13, the British Columbia Utilities Commission (BCUC) established a written public hearing for the review of a proposed regulatory framework for Thermal Energy Systems (TES);
- B. On December 31, 2013, by Order G-231-13, amended by Order G-231-13A on January 6, 2014, the BCUC found that exemptions from certain provisions of the *Utilities Commission Act* (UCA) for TES providers properly conserves the public interest and the BCUC sought approval from the Lieutenant Governor in Council (LGIC) for certain exemptions, pursuant to section 88(3) of the UCA;
- C. On June 20, 2014, the LGIC approved Orders in Council 399, 400 and 401 giving advance approval to the BCUC to exempt certain TES from certain provisions of the UCA, as requested. On August 27, 2014, the BCUC issued Orders G-119-14, G-120-14 and G-121-14 providing certain exemptions from certain provisions of the UCA for: a) Micro TES providers; b) Strata owned TES; and c) Stream A TES providers, respectively;
- D. On August 28, 2014, by Order G-127-14, the BCUC approved and issued the Thermal Energy System Regulatory Framework Guidelines (TES Guidelines). Revisions to the TES Guidelines were approved on March 2, 2015, by Order G-27-15;
- E. Section 1 of the TES Guidelines states that the TES Guidelines may be revised or updated from time to time in order to incorporate lessons learnt and adjust to evolving market circumstances and changes to the UCA; and
- F. Five years have elapsed since the issuance of the TES Guidelines and the BCUC considers the establishment of a public hearing to review the TES Guidelines (Review of Thermal Energy Systems Regulatory Framework Guidelines) and a regulatory timetable are warranted.

**NOW THEREFORE** the BCUC orders as follows:

1. The BCUC establishes a public hearing for the Review of Thermal Energy Systems Regulatory Framework Guidelines (Review).
2. A regulatory timetable is established for the Review, as set out in Appendix A to this order.
3. Interveners who wish to participate in the Review are to register with the BCUC by completing a [Request to Intervene Form](#), by the date established in the regulatory timetable attached as Appendix A to this order and in accordance with the BCUC's Rules of Practice and Procedure attached to Order G-15-19.
4. The BCUC requests registered interveners provide written submissions on the draft Terms of Reference attached as Appendix B to this order by the date established in the regulatory timetable, attached as Appendix A to this order.
5. Transcribed workshops on the Review will be held on Wednesday, April 1, 2020, and Thursday, April 2, 2020, commencing at 9:00 a.m. in the BCUC Hearing Room on the 12th floor, 1125 Howe Street, Vancouver, BC.
6. Registered interveners may provide written submissions following the transcribed workshops by the date established in the regulatory timetable attached as Appendix A to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        20th        day of December 2019.

BY ORDER

*Original signed by:*

R. I. Mason  
Commissioner

Attachment

British Columbia Utilities Commission  
Review of Thermal Energy Systems Regulatory Framework Guidelines

**REGULATORY TIMETABLE**

Action	Date (2020)
Intervener registration	Friday, January 31
Intervener written submissions on the draft Terms of Reference	Friday, February 14
Letters of comment on the draft Terms of Reference	Friday, February 14
BCUC issues final Terms of Reference	Wednesday, March 11
Transcribed Workshop – Day 1*	Wednesday, April 1 commencing at 9:00 a.m.
Transcribed Workshop – Day 2* (if required)	Thursday, April 2 commencing at 9:00 a.m.
Intervener written submissions within scope of Terms of Reference (if desired)	Thursday, April 9
Intervener submissions on further process	Thursday, April 23
Notification of intent to file Intervener evidence**	Thursday, April 23
Further process	To be determined

\* Location of the workshop:  
BCUC Hearing Room  
12th Floor, 1125 Howe Street  
Vancouver, BC V6Z 2K8

\*\* The notice to file evidence should include a description of the key issues intended to be addressed.

British Columbia Utilities Commission  
Review of Thermal Energy Systems Regulatory Framework Guidelines

**DRAFT TERMS OF REFERENCE**

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**1. Scaled Framework**

- a. Are the current classes for exemptions of thermal energy systems (TES) appropriate? If not, what ought to be the appropriate classes of exemptions for TES and why?

**2. Exemption Thresholds**

- a. Are the current defining characteristics for each exemption class still appropriate?

**3. Complaints**

- a. Is the current complaint process adequate for each class of TES?

**4. Registration**

- a. Should each TES exemption class require registration with the BCUC? If not, why not?

**5. Extensions**

- a. Are there any issues with the current extension test for each class of TES?

**6. Rate Setting Principles**

- a. Are there any issues with the current rate setting principles outlined in the TES Guidelines?<sup>1</sup>
- b. Should rate setting principles apply to each class of TES?

**7. Consultation**

- a. Are the consultation requirements adequate for each class of TES?

**8. Stream A Exemption**

- a. Are there any issues with the Stream A characteristics, as defined in Table 1 of the TES Guidelines?<sup>2</sup>

**9. Stream B**

- a. Are there any issues with the additional Certificate of Public Convenience and Necessity (CPCN) filing requirements outlined in the TES Guidelines?<sup>3</sup>
- b. Should applications for a CPCN include indicative rates and the proposed rate setting mechanism?

**10. Use of the TES Guidelines**

- a. What issues have users of the TES Guidelines encountered?
- b. Are there suggested improvements to the readability and accessibility of the TES Guidelines?
- c. Are the terms, definitions, and descriptions clear and are they representative of the terms used within the TES industry?
- d. What improvements could be made to the following:
  - i. Stream A TES – Registration Form;
  - ii. Stream A TES – Annual Report; and
  - iii. Stream B TES – System Extension Form.

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<sup>1</sup> Order G-27-15, Appendix A, pp. 22–23.

<sup>2</sup> Order G-27-15, Appendix A, p. 12.

<sup>3</sup> Order G-27-15, Appendix A, p. 21.