

Date Submitted: January 20, 2020

Proceeding name: SSL Stream A Registration - Westhills

Are you currently registered as an intervener or interested party: No

Name (first and last): sam Auerbach

City: Victoria

Province: British Columbia

Email: [REDACTED]

Phone number: [REDACTED]

Comment:

I am a resident of Westhills. Please see the attached letter of comment.

Commission Secretary
British Columbia Utilities Commission
900 Howe Street
Suite 410
Vancouver, BC V6Z 2N3

January 20, 2020

Re: SSL Stream A Registration - Letter of Comment

To whom it may concern:

My name is Sam Auerbach and I am a resident of Westhills. I moved here in 2017 into the newest phase at the time and the last phase to belong to SSL's geothermal system.

The aim of this letter is to outline some of the salient issues affecting Westhills residents, clarify information as I understand it, and put forward a few points for your consideration before you come to a final decision.

When I moved here I was quickly made aware via the Westhills Facebook Group that we were being double charged by SSL, that the system was costing us 3x more than base board heating, it will take weeks for SSL to fix a problem in the system if they are able to fix it at all, and Westhills and SSL advertised the system as being cheaper than alternatives. I have not experienced any of these issues so I began to ask questions to SSL, the residents, the City of Langford and certain departments within the BC Government. What I have learned is there seems to be a great deal of confusion on how our system works as compared to a personal geothermal system installed in a backyard, which feeds the concern about the costs we are paying but does not explain all of them. I want to highlight some of the most pressing concerns from the *community* for your reflection and consideration below;

1. We are paying a lot more than we should. Not by rate but in consumption;
2. SSL has a monopoly on service and has not been transparent about how the system works, who is in charge, and what their financials look like; and
3. Because of these 2 points, they can extract as much profit from us as possible with no recourse to the residents.

I want to address the cost issue first because it seems to be the most pressing. When I moved into the Westhills I was given a leasing contract from SSL as part of my disclosure statement. We had no choice but to sign it. It explained the service provided, the terms and conditions of the lease and outlined some of the costs. I have attached the rate sheet from SSL and a copy of the lease contract I was given. Although I understand the frustration from certain residents about being required to sign the lease for SSL service versus having the option to install their own system, I understand the necessity of having households connected to a system that needs to maintain itself and generate a profit. The issues of cost and profit are vital and concomitant. If residents decide not to renew their leases and move off SSL at their own cost, the system will collapse. As far as I understand, SSL cannot extend service beyond it's current

capacity. In other words, as units drop off the system new ones cannot be added on. Addressing cost either via BCUC or SSL is vital to allay those concerns. The system was marketed to new residents as being cheaper and more cost effective than alternate systems. Unfortunately, it hasn't been substantially cheaper. Transparency here is key.

There are around 5 residents who have moved off SSL and replaced the geothermal heat pump. One of them replaced it with an air to air heat pump. They claim they are paying \$100 less per month with the same usage. I would strongly encourage BCUC to put out a request for those residents to provide their BC Hydro statements and their SSL statements for review. If SSL rates are 12% less and a geothermal system is more efficient than an air to air, how can they be paying \$100 less per month? That question should be one of the most important under consideration by BCUC. If it is not within the scope of your regulation to uncover why we could pay more per month when we are paying 12% less in rate, Stream A could be the best option. If BCUC regulates rates but cannot uncover a potential consumption redundancy than rate regulation will be surface level only and would not help save residents money. The cost of producing the rate reports under Stream B will also be passed onto residents with limited benefit.

Another point of consideration is the monthly maintenance fee residents pay to SSL. The fee is a flat rate that can be adjusted each year by SSL. It is currently \$56 per month. This maintenance fee covers 4 filter changes per year, 2 service calls per year, and any maintenance or replacement costs of the system. SSL has confirmed that some units needed replacement after 10 years, and my own research has confirmed a regular maintenance call for a self-owned air to air heat pump would cost between \$150 - \$250. Although the fee represents a cost to residents we would not otherwise incur with a self-owned system, it does create good value. The system is under warranty by SSL. If regulation under one stream or another would affect this warranty, it could destroy the value of the lease agreement with SSL. If residents are suddenly responsible for the maintenance and replacement costs of the furnace, there could be a large number of people who leave the service when the contract is up or the system needs to be replaced, which could compromise SSL's ability to generate a profit and maintain the system.

Over the last 3 years, the maintenance fee has increased every year with SSL citing increased operating costs. The system is now at capacity so it should be the most profitable it ever was. When I asked for more information about operating costs, or to see the company financials, the requests were declined. I bring this up only if regulation under one stream or another would bring the increases to this charge under regulation.

Some residents believe the owners of SSL are able to extract massive profit from the company either through a redundancy in energy production and consumption, or via the maintenance fee. If BCUC oversees salaries paid and retained earnings disbursed as part of a rate request it should be evaluated if the increased regulatory costs outweigh the savings from salary and profit regulation or not. If BCUC regulation is limited to rate vs. maintenance, capital cost, and profit to ensure viability, regulation should be light in my opinion.

It does not seem as though SSL is gouging residents for profit based on the monthly costs, but we are not seeing the savings that should have been inherent in a geothermal system with a 12% differential on rate. What I find interesting is a geothermal system installed in a backyard has an average lifespan of 25 years due to it being underground away from the elements with fewer moving parts subject to wear and is 300 - 600% more efficient than an air to air heat pump. If that is true, why are units being replaced after only 10 years? Our systems share near identical characteristics in those respects. Searching reviews of my unit confirmed it is one of the lowest ranked and least efficient in the Bosch product line. Should that make a difference if they are so much more efficient and would regulation affect the quality or efficiency of the

systems installed when the current ones fail? Either the geothermal efficiency is being destroyed by large scale production and distribution or the savings are not being passed onto us. Both cannot be true. These issues will not be solved by rate regulation alone, so again it seems to come down to scope of regulation.

In terms of maintenance and service, I have personally always found SSL to be responsive and fast. My system went down once and SSL was there the next day to fix the issue. I have heard from residents though that certain issues have taken weeks to fix but I am not sure if regulation would have affected their service delivery times in those specific cases. I have also heard that SSL covered the increased BC hydro costs when the furnace had to run on electric power because the geothermal system was down. These are the actions of a company that wants to be part of the community, not apart for pure profit in my opinion.

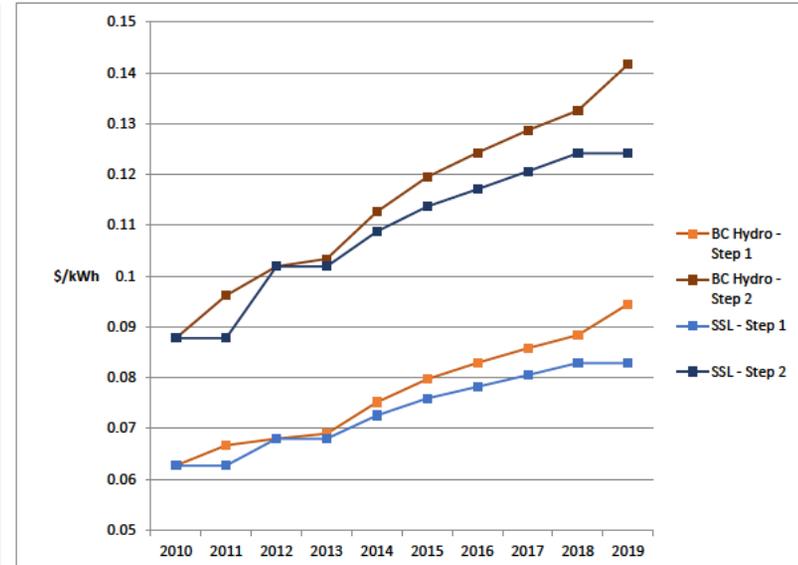
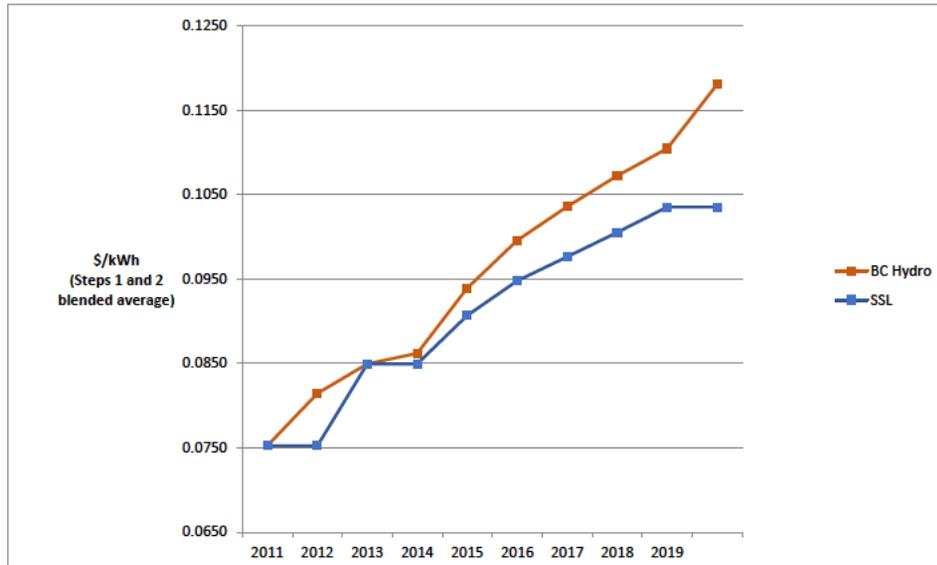
In closing, while we are not seeing significant savings in terms of dollars per month, we do not seem to be paying more with SSL. Their warranty provides good value and I do not see rate regulation reducing our monthly costs. The most pressing question seems to be consumption, not rate. If residents are consuming more power at a lower rate instead of significantly less power at a higher rate that is a problem. If it is not within BCUC's regulatory power to figure out if this is happening, and if it is, to fix it without causing SSL to incur massive capital costs that could be passed onto residents, light regulation would seem to be the most logical choice.

Thank you for your time and consideration.

Regards,

Sam Auerbach

Energy Usage Rates (\$/kWh)		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BC Hydro - Step 1		0.0627	0.0667	0.0680	0.0690	0.0752	0.0797	0.0829	0.0858	0.0884	0.0945
BC Hydro - Step 2		0.0878	0.0962	0.1019	0.1034	0.1127	0.1195	0.1243	0.1287	0.1326	0.1417
SSL - Step 1		0.0627	0.0627	0.0680	0.0680	0.0726	0.0759	0.0782	0.0805	0.0829	0.0829
SSL - Step 2		0.0878	0.0878	0.1019	0.1019	0.1088	0.1137	0.1171	0.1206	0.1242	0.1242
Blended Usage Rates (\$/kWh) (Average of Step 1 & 2 rates)		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BC Hydro		0.0753	0.0815	0.0850	0.0862	0.0940	0.0996	0.1036	0.1073	0.1105	0.1181
SSL		0.0753	0.0753	0.0850	0.0850	0.0907	0.0948	0.0977	0.1006	0.1036	0.1036
% difference		0.0%	-7.6%	0.0%	-1.5%	-3.5%	-4.8%	-5.7%	-6.2%	-6.3%	-12.3%





Appendix D'



Westhills

SSL-SUSTAINABLE SERVICES LTD.

WESTHILLS WATER & ENERGY SERVICES INFORMATION SHEET

Welcome to Westhills! There are some important and exciting things to know about how your energy and water services will be provided at your new home!

SSL-Sustainable Services Ltd. (SSL) is a provider of infrastructure services within the Westhills project. SSL was established to provide delivery of water and, through its Community Energy System (CES), thermal energy. If you are considering purchasing a home in Westhills, we imagine that part of your decision is the issue of sustainability. For a community the size of Westhills, sustainability can come in different forms and SSL has been created to lead responsible development in energy and water delivery. The City of Langford is the main regulatory body for both the water system and the Community Energy System in accordance with the terms of its multi-utility bylaw (No. 1291).

WATER

Through efforts by both Westhills and the City of Langford, the Capital Regional District (CRD) has granted Langford the ability to provide water to Westhills residents. This is consistent with other cities, such as Victoria and Saanich, which have made similar arrangements. Put simply, SSL is the operator of the water distribution system in Westhills under contract with the City of Langford.

COMMUNITY ENERGY SYSTEM (CES)

As part of Westhills' overall strategy to achieve the goals of a sustainable, green community, SSL was formed to become a leader in the provision of heating and cooling services through an innovative Community Energy System (commonly referred to as a district energy system). The CES utilizes a ground source geo-exchange system which harnesses energy from a nearby borefield on the project lands before transferring it to the homes through a water-based distribution network. A water source heat pump in each residence connects to this network and provides the home with reliable energy for heating and cooling. Essentially, residents are sharing energy with the entire community through each pump, and each pump is an integral part of the system as a whole. As an added benefit, the borefield also provides the City with a playing field for the use of the community.

FREQUENTLY ASKED QUESTIONS

Q: WHAT IS GROUND SOURCE GEO-EXCHANGE?

A: The CES can utilize multiple sources of energy for heating and cooling. This system currently uses the natural temperature differential between the surface and the underground, which is augmented by the circulation of liquid through boreholes under the playing field – hence the name *ground source geo-exchange*. The temperature differential is further boosted in a central service station and piped throughout the community, connecting each home to the CES.

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The Westhills Arena also forms part of the Community Energy System. In order to make ice, heat is removed from the arena to cool down the surface of the floor. This energy, which would normally be expelled from the building as "waste heat," is recovered and transferred into the CES so it can be used again by the community. This system was built in partnership with the City of Langford and demonstrates the ability of the CES to harness multiple energy sources.

Q: WHAT IS THE BENEFIT TO THE HOMEOWNER?

A: Part of the overall Westhills sustainability strategy is to reduce greenhouse gas (GHG) emissions and minimize our reliance on fossil fuels and the electricity grid. To this end, ground source geo-exchange is a renewable resource and dramatically reduces the community's carbon footprint when compared to traditional sources. As part of a homeowner's decision to consider sustainability strategies and reduce their environmental impact, our CES is a responsible, viable way of using energy in the home. Over the long term, SSL energy customers will also be buffered from spikes in conventional power rates when compared to homes with conventional electric heating.

Q: WHY DOES SSL HAVE A STATUTORY RIGHT OF WAY OVER THE HOMEOWNER'S PROPERTY?

A: SSL's Statutory Right of Way (SRW) is a mechanism to ensure its infrastructure is accessible for maintenance, repair and optimization, supporting the long-term reliability and efficiency of energy and water systems at Westhills. SRWs are commonly used for many types of utility infrastructure.

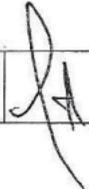
Q: WHAT DOES IT COST?

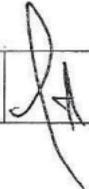
A: Initially, the overall cost of energy for SSL customers will be approximately the same as for other homes heated by conventional energy systems (e.g. electric baseboard). Over time, we expect the cost of energy from our system to be relatively stable while other energy sources become significantly more expensive. Currently, the cost to the homeowner will be comprised of several items. The actual thermal energy use, reported in units of kilowatt-hours (kWh) on your bill, is multiplied by a rate set by the City of Langford, which is comparable to BC Hydro's residential electricity rate. This is *not* a measurement of electricity – it is the amount of heat transferred to the home (during heating) or the amount of heat transferred away from the home (during cooling). This is measured by a thermal energy meter (commonly called a BTU meter) which is installed next to the heat pump itself. There is also a small, fixed monthly charge for providing and maintaining the physical service connection to each property, regardless of usage. This charge, also set by the City of Langford, is based on the size of the connection to each property. Finally, there is a monthly Replacement Reserve Fee for the water source heat pump, which is the appliance provided to each new home by SSL. The monthly Replacement Reserve Fee will initially be \$50 to \$75 per month and covers the cost of servicing, maintenance, insurance and eventual replacement of the unit in the future.

Additionally, all water usage in cubic meters (m³) is multiplied by a rate set by the City of Langford, which will be comparable to the retail water rate set by the CRD for the Westshore Communities & Sooke areas.

Q: WHAT IS A WATER SOURCE HEAT PUMP?

A: The water source heat pump is an electrical appliance in each home which provides thermal energy to the residence for space heating and cooling. The heat pump is an integrally connected component of the CES and the appliance is owned and maintained by SSL. The water source heat pump converts the temperature differential from the CES into either heating or cooling for the home. Note that the heat pump does use some electricity to deliver thermal energy to the home.

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Q: WHAT IS THE AGREEMENT REQUIRED BETWEEN THE HOMEOWNER AND SSL?

A: SSL will enter into an agreement which provides for the use of the appliance by the homeowner, access to the appliance by SSL, and terms for payment. The terms will also cover the replacement reserve fee, maintenance, servicing, meter reading, and reasonable access to ensure seamless and continuous heating and cooling service.

Q: HOW ARE THE SERVICES BILLED?

A: The homeowner can expect a one-time account setup fee, water usage fees (in m³), thermal energy usage fees (in kWh), the replacement reserve fee, and any other fees or charges authorized by the City, plus applicable taxes. Billing will generally occur on a 1- or 2-month cycle. SSL provides the water source heat pump when the homeowner purchases a home in Westhills. The appliance, all ancillary connections and its metering system remain the property of SSL and are not fixtures. Insurance coverage for the appliance and metering system is SSL's responsibility. Any consequential insurance coverage is the homeowner's responsibility. The homeowner is still responsible to set up a service account with BC Hydro.

Q: IS THIS A NEW, UNPROVEN TECHNOLOGY?

A: The short answer is no. The use of geo-exchange is a proven method of obtaining energy and the distribution of that energy through water-based infrastructure is commonly featured in commercial buildings around the world. Heat pumps have also been successful in both residential and commercial settings. Air temperature differential is commonly used as energy in residential structures, but this is less efficient than water. In commercial buildings, heat pumps are more likely to utilize cooling towers (water) and chillers (refrigeration) to provide cooling via liquid distribution for office buildings.

Q: HOW DOES THE CES COMPARE TO CONVENTIONAL HEATING?

A: Conventional heating most commonly means electric baseboard, electric furnace or natural gas furnace heating. SSL's Community Energy System is utilizing temperature differential in water to provide heating and cooling for the home. This system is comparable to a typical household electrical heat pump, but instead of using the temperature differential from the air for energy, our Community Energy System uses water to provide the temperature differential necessary for the heat pump in the home. The goal of the CES, combined with the water source heat pump in the home, is to provide affordable access to local renewable energy which will benefit homeowners and our planet over the long term.

Q: WILL THE WATER SOURCE HEAT PUMP WORK IF THE POWER IS OUT?

A: SSL's CES will continue to function due to standby generators to continue the distribution of energy throughout the community network. However, the water source heat pump within the home relies on electrical energy to function and that part of the system will not work during a power outage.

SHOULD YOU HAVE ANY FURTHER QUESTIONS, PLEASE CONTACT SSL-SUSTAINABLE SERVICES LTD.

957 LANGFORD PARKWAY, LANGFORD, BC V9B 0A5

PHONE: (250) 391-7260

EMAIL: INFO@SSL-BC.COM

WEB: WWW.SSL-BC.COM

J.A. [Signature]



SSL-Sustainable Services Ltd.
957 Langford Parkway
Victoria, BC, V9B 0A5

OFFICE USE ONLY	
Customer #: _____	Date Received: _____
Property Ownership Date: _____	

SERVICE APPLICATION			
APPLICATION FOR:		ENERGY and WATER SERVICE <input type="checkbox"/>	WATER ONLY SERVICE <input type="checkbox"/>
Applicant: Last Name:			Home Phone # _____
First Name:			Business Phone # _____
Service Address:			Cell # _____
			FAX # _____
Billing Address:	Street	Email _____	
	City	Postal _____	
Emergency Contact:			Phone # _____
Preferred method of Invoicing: <input type="checkbox"/> Email (recommended) <input type="checkbox"/> Letter mail <input type="checkbox"/>			

Billing of service will commence on the day the Customer's ownership of the premises commences. Provision of the service to the Customer is subject to approval of this application, and upon such approval, the provisions of this application together with the terms and conditions of the applicable City of Langford Bylaw will form the Service Agreement.

If this application is accepted, the Customer may be required to provide a Security Deposit of \$_____nil.

The initial term of the Service Agreement shall be 5 years (the "Term") with no termination by the Customer except where the Customer ceases to occupy the premises, in which case:

- (a) the Service Agreement shall be deemed cancelled if the new resident applies for and is granted a transfer on the terms and conditions specified in the applicable City of Langford Bylaw; or
- (b) if the new resident does not apply, or is not approved for energy service, the Service Agreement may be terminated by the Customer upon payment of the cancellation fee as provided in the applicable City of Langford Bylaw.

Upon expiry of the initial or any subsequent Term, energy service will continue on the terms and conditions of this Service Agreement, including a renewal of the Term, unless cancelled by the Customer by giving written notice of cancellation to SSL not less than six months prior to the expiry of a given Term.

Whether this property is occupied by the owner, a tenant, or some other occupant, the homeowner acknowledges that any overdue balance (over 30 days) as of December 31st may be transferred to the City of Langford to be collected as real property taxes in arrears. All billing will be addressed to the property owner but copies may be provided to the tenant upon request.

The Applicant consents to SSL using the Applicant's personal information, including financial information, (1) when it is necessary in order to serve the Applicant as a customer, to meet legal and regulatory requirements, and for internal audit, statistical and record keeping purposes; and (2) for obtaining any reports, including any credit information about the Applicant that SSL requires from third parties, including credit bureaus and reporting agencies or other credit grantors, and the Applicant consents to the disclosure and exchange of such information by and among SSL and such third parties (including credit agencies and bureaus and other credit grantors) for the purposes of evaluating the Applicant's eligibility for services or products that are requested by the Applicant.

Signed: _____ Date: _____

Print Name: _____

END OF DOCUMENT

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Lessor: SSL-Sustainable Services Ltd.
957 Langford Parkway
Victoria, BC, V9B 0A5

OFFICE USE ONLY	
Customer #: _____	Date Received: _____
Property Ownership Date: _____	

LEASE AGREEMENT	
Customer: Last Name:	Home Phone: _____
First Name:	Business Phone: _____
Service Address:	FAX #: _____
Billing Address:	Email: _____
Signature:	Date: _____

1. Equipment:
 SSL-Sustainable Services Ltd. ("SSL") hereby leases to the Customer, a Water Source Heat Pump (WSHP) for a monthly fee of \$51.00 plus applicable taxes (the "Monthly Fee") on the following conditions, which conditions the Customer acknowledges it has read and fully understands.

2. Term of Agreement:
 Unless otherwise stated in any other agreement between SSL and the Customer, the term of this Agreement and obligation to pay the rental payments pursuant to this Agreement shall commence:

- (a) in the case of Premises requiring physical connection or re-connection of energy service, on the day when SSL's energy service is connected to the Premises for the purpose of supplying energy; or
- (b) in the case of already connected Premises, on the day the Customer's ownership of the Premises commences;

and shall continue for a term of 5 years with no termination by the Customer (the "Term") unless the Customer ceases to own the Service Address. Upon expiry of the initial or any subsequent Term, the lease of the WSHPs will continue on the terms and conditions set out in this Agreement including a renewal Term, unless cancelled by the Customer by giving written notice of cancellation not less than 6 months prior to expiry of a given Term, or by SSL in accordance with this Agreement.

3. Rental Payments:
 The Customer must pay the monthly fee for the WSHP which will be included on a monthly or bi-monthly billing statement. In consideration of the rental payment, SSL, at its own expense, shall service, maintain and insure the WSHP in good operating condition and repair, and at SSL's sole discretion, replace the WSHP when necessary, except where repair or replacement is required due to willful acts or the negligence of the Customer.

SSL may adjust the rent on May 31 of any year, if SSL so elects.

4. Title, Ownership, Maintenance, Use, etc.:
 Title to, ownership of, and all property in the WSHP and any associated equipment shall at all times be and remain exclusively in SSL. The Customer's rights are to use of the equipment on the terms and conditions of this Agreement while not in default.

5. Access to Premises:
 (1) At all reasonable times, SSL's agents and employees shall have free access to the WSHP, and to SSL's meters, wires and apparatus on the Customer's premises, for the purpose of reading meters and testing, installing, removing, repairing or replacing any of SSL's equipment. If access to meter rooms or other locations where SSL equipment is installed is restricted, the Customer shall supply SSL with lockbox keys or other keys or means of access as may be necessary to provide SSL with ready access to those locations.

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- (2) If access to SSL's equipment on the Customer's premises is denied or obstructed in any manner, including by debris, unsafe walkways or other means of access, or the presence of animals, and the Customer does not remedy the problem upon being requested by SSL to do so, service may be suspended until the problem is corrected.

6. Default:

It shall be a default under this Agreement if:

- (a) A Customer fails to pay any rental payment within 10 days of its due date;
- (b) Any representation or warranty of the Customer made herein or in any instrument or document delivered to SSL in connection herewith is false or materially incorrect or misleading;
- (c) A Customer breaches any other obligation, or any obligation under any other agreement with SSL or any affiliate of SSL, and such default continues for 10 days after notice by SSL or such affiliate, as applicable, to a Customer;
- (d) Any act of bankruptcy takes place respecting a Customer, or any proceeding, petition or notice, voluntary or involuntary, is commenced, made, given or filed, as the case may be, by a Customer or any other person, under any present or future statute or law relating to bankruptcy, insolvency, or relief from or compromise or arrangement with creditors of SSL.
- (e) The Customer or tenant tampers with any part of the WSHP, its ancillary pipes or meters, wires and apparatus.

7. SSL's Remedies on Default:

Upon default, SSL shall be entitled to do one or more of the following, subject to applicable law;

- (a) declare this Agreement to be in default (with or without terminating this Agreement) whereupon all obligations, including all Monthly Fees for the remainder of the then-current Term, shall be immediately due, payable and enforceable without any notice or demand whatsoever;
- (b) terminate this Agreement;
- (c) terminate service.

8. Customer's General Indemnities and Waiver of Liability:

The Customer shall indemnify and save harmless SSL from and against all existing or future loss, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever sustained or suffered by SSL or for which SSL may become liable, resulting from or arising out of:

- (a) SSL's lawful exercise or performance of its rights or obligations under this Agreement;
- (b) Any default by the Customer;
- (c) Any impairment or pollution of or damage to the environment caused by or arising from misuse of the WSHP, or by unauthorized service of or otherwise tampering with any SSL equipment, or any fault of the Customer;
- (d) SSL's inability to access its equipment.

9. Notices:

Any notice, demand, consent or other communication required or permitted hereunder ("Notice") shall be in writing and may be delivered, or sent by prepaid registered mail, or by electronic means which produces a permanent written record. Mailed Notice shall be deemed to have been given two business days after mailing provided there is no disruption or stoppage of postal services; delivered Notice shall be effective upon delivery during business hours to an apparently responsible adult and transmissions shall be deemed to have been received at the opening of the next Business Day. Addresses for Notice shall be those addresses stated on the face hereof and may be changed by written notice.

10. Heat Pump Removal

WSHP may be removed upon termination of the lease agreement at the discretion of SSL. The cost to remove the WSHP, at the request of the Customer and upon approval by SSL, is determined at the time of removal. Charges are calculated based upon actual costs for HVAC technician labour rates as well as the cost to transport and store the heat pump once removed. Information regarding cost of removal provided prior to work being undertaken are estimates only and further charges relating to unforeseen physical constraints at the property or additional work required may be imposed. Customer also agrees to pay any taxes and unbilled or unpaid utility charges at the time of removal.

11. Customer's General Representations, Warranties and Covenants:

The Customer represents and warrants to and covenants with SSL that;

- (a) if Customer is a corporation, it is and will continue to be a corporation or other legal entity duly and validly incorporated or otherwise established, organized and existing in good standing under the laws of its jurisdiction of incorporation or establishment, with all necessary power and authority to execute, deliver and perform this Agreement;
- (b) if Customer is a corporation, all of its actions have been and will be duly authorized by its officers, and will not be in conflict with its constituting documents or by-laws or any indenture, instrument, agreement or undertaking to which it is or will be a party or by which it or its assets are or may become bound;
- (c) this Agreement is and will continue to be the legal, valid and binding obligation of Customer, enforceable against it in accordance with its terms;
- (d) all information provided by a Customer to SSL is accurate; and
- (e) all payments to SSL are and will be derived from legal sources.

12. Forbearance, Indulgence and Waivers:

Forbearance or indulgence by SSL in any instance shall not constitute a general waiver of the obligation to which the same applies. Any waiver by SSL of its rights must be in writing and shall not extend to any other obligation or right waived.

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13. Information:

The Customer hereby consents and authorizes SSL and its affiliates, agents, contractors and representatives, at any time;

- (a) to collect, verify, use, communicate with and disclose to third parties (including credit reporting agencies, financial institutions, creditors, vendors and other persons) any credit, financial and other information, including personal information (as applicable) and information related to the credit rating, financial capacity and payment history, with respect to the Customer ("Information"), as SSL deems necessary to process, complete, service and enforce the transactions hereby contemplated and any other existing or potential transactions, or as required of otherwise permitted by law;
- (b) to respond to inquiries from, and exchange any information with, third parties concerning Customer's credit rating, financial capacity and payment history;
- (c) to provide information to persons to whom SSL considers assigning, granting a participation or otherwise disposing of rights or obligations under the transactions hereby contemplated; and
- (d) to provide to any person copies of this Agreement.
- (e) to utilize data concerning energy use for statistical purposes.

This consent is in addition to and does not replace any other consent given by Customer to SSL.

14. Successors and Assigns:

This Agreement shall inure to the benefit of and be binding upon the Customer and SSL, their respective heirs, executors, administrators, personal representatives, successors and permitted assigns and sub-lessees. The Customer may not assign this Agreement. SSL may assign or transfer in whole or part its rights under this Agreement, and/or pledge its rights hereunder and any assignee, transferee or beneficiary of such pledge ("Assignee") shall be unrestricted in the exercise of such rights. The Customer shall recognize any such assignment, transfer or pledge upon notice from the Lessor or its Assignee.

15. Remedies Cumulative:

All rights and remedies of SSL hereunder are cumulative and not exclusive or alternative and may be exercised by SSL successively, separately or together, in any order, sequence or combination.

16. Time:

Time is and shall remain of the essence of this Agreement.

17. Entire Agreement:

There are no representations, warranties, covenants, agreements or acknowledgments affecting this Agreement other than expressed herein in writing. SSL may amend this Agreement from time to time.

18. Severability:

Any term, condition or provision of this Agreement which is deemed void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severed herefrom and ineffective to the extent of such invalidity, prohibition or unenforceability, without in any way invalidation the balance hereof.

19. Governing Law:

This Agreement shall be governed, construed, performed and enforced in accordance with the laws of the Province of British Columbia.

20. Currency:

Unless otherwise stated on the face of this Agreement, all sums of money payable shall be paid in Canadian dollars.

21. Joint and Several Liability:

If more than one person executes this Agreement as Customer, their obligations are joint and several and, where the context so admits, each reference in this Agreement to Customer shall include reference to any one or more of all of such persons and the acts or omissions of any such persons shall bind all of them.

22. Landlord/Tenant:

Whether the homeowner chooses to live in the property him or herself or rent out the property or otherwise have the property occupied by someone other than the owner, the SSL billing will remain in the name of the homeowner with any outstanding and overdue account balance as of December 31st being transferred to real property taxes to be collected by the City of Langford. All billing will be addressed to the property owner but copies can be provided to the tenant upon request.

END OF DOCUMENT

J.A. 

J.A.			
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Sustainable Services Ltd. - SSL

SSL-Sustainable Services Ltd. is the provider of the infrastructure services (energy and water) within the Westhills Community. The company was created to provide the structured metering and billing of the geothermal energy used in the Community Energy System (CES) as well as the metering and billing of the water used by each home within Westhills. Although SSL provides the metering and billing services, the rates set for the energy and the water are both regulated by the City of Langford and the services are governed by Bylaw no. 1291. All of our rates and fees, except the monthly charge for the heat pump replacement reserve fee, are billed in accordance with the City of Langford Bylaw No. 1291.

- fixed monthly charge for maintaining the physical connection:

Service Charge - This fee is billed monthly and is prorated to be billed at a daily rate. The current rate is \$7.45 per month, prorated to \$0.2449 per day. The Service Charge covers the costs of providing and maintaining an energy service connection to the property, which consists of two runs of underground pipe connecting the home to the distribution lines in the streets. Service charge is based on the size of the energy pipes (typically 25mm, or 1" for most homes).

- one time set up fee:

Administrative Charge, New Account - This is a one-time administrative fee of \$21.80 that is billed upon set-up of any new account.

- monthly charge for a replacement reserve fee:

Heat Pump Rental - Each home comes equipped with a heat pump which is leased from SSL on a monthly basis. The monthly charge is prorated to be billed at a daily rate. The current rate is \$51.00 per month, prorated to \$1.6767 per day. Heat pump rental payment covers the costs of servicing, maintenance, repairs, insurance and eventual replacement of the heat pump equipment in the future.

- water usage fee:

Water Usage - All water used on the property is metered and invoiced every 2 months. The current rate for water is \$1.8101 per cubic meter, or 1,000 litres.

There is also a cost for the energy used for space heating or cooling. This charge is called the Heating/Cooling Energy Step 1 & 2. All energy used at the home is metered

and invoiced monthly. Energy usage charge is billed in 2 tiers- tier 1 is \$.0759 per kWh for up to 22.1918 kWh per day. All additional usage is billed at the tier 2 rate of \$.1137 per kWh. The tier thresholds are prorated based on the number of days in each billing period. This is identical to the way a residential BC Hydro bill is broken down. For example – in February there are 28 days – Tier 1 billing would be a maximum of 621.6 kWh and any usage over and above that amount is billed at the Tier 2 rate of \$.1137.

The average monthly cost for all SSL services is about \$120 for a 1,700 sq ft home when averaged over a one-year period. This does depend greatly though on how warm you like to keep the home in the winter and whether air conditioning is used in the summer months. Water use can also be a larger cost if irrigation is used extensively.

SSL will send you a Welcome Package once you have taken possession of your new home which will include more specific information relating to SSL and the operation of the system. However, in the meantime, if you have any other questions about the services we provide please feel free to contact us at any time.

Thank you,

Katie Hayward
Assistant Manager
SSL-Sustainable Services Ltd.
957 Langford Parkway
Victoria, BC V9B 0A5
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Fax: 250-391-7268
Email: khayward@SSL-BC.com