



March 9, 2020

Sent via email

BCUC REVIEW OF TES REGULATORY FRAMEWORK GUIDELINES EXHIBIT A-7

Re: British Columbia Utilities Commission – Review of Thermal Energy Systems Regulatory Framework Guidelines – Project No. 1599043 – Terms of Reference

On December 20, 2019, by Order G-341-19 the British Columbia Utilities Commission (BCUC) established a public hearing for the Review of Thermal Energy Systems (TES) Regulatory Framework Guidelines (Review). To provide context to the matters that may be addressed in the Review, the BCUC provided draft Terms of Reference (ToR) as Appendix B to Order G-341-19. Participants were invited to provide submissions on the draft ToR by Friday, February 14, 2020.

Thirteen interveners registered to participate in the Review. The following seven interveners provided submissions on the draft ToR: BC Sustainable Energy Association (BCSEA); BC Old Age Pensioners' Organization et al.; the City of Abbotsford; Creative Energy Vancouver Platforms Inc.; Corix Multi-Utility Services Inc. (Corix); FortisBC Alternative Energy Services Inc.; and FortisBC Energy Inc.

Eleven participants registered as interested parties. One submission was provided by Mr. Flintoff.

The Panel has reviewed the submissions received and, with the exception of the items discussed below, suggestions made by interveners have been incorporated into the ToR.

Corix proposes that the Complaints scope item of the draft ToR be amended to address whether the current scope of review for Stream A TES customer complaints allows the BCUC to fulfil its role as defined in section 1.4 in the TES Guidelines.¹ In the Panel's view, the role of the BCUC as it relates to complaints is encompassed within the Complaints scope item and therefore the Panel does not consider Corix's proposed amendment to be necessary. As such, no amendments have been made to the Complaints scope item.

BCSEA submits that the inclusion of energy sources at a descriptive level would be useful for the Review.² Both the City of Abbotsford and Mr. Flintoff support BCSEA's suggestion³. By letter dated March 5, 2020, BCSEA clarified its submission, stating that it recommends information be provided on TES that have been approved by the BCUC to date.⁴ BCSEA notes that the BCUC's website only provides information on Stream B TES. The Panel believes that it would be beneficial for participants in the Review to be able to view approved Stream A applications, therefore all approved Stream A applications to date will be filed as an A2 Exhibit in the proceeding, prior to the scheduled workshop. As noted, Stream B applications are posted on the BCUC's website.

¹ Exhibit C11-2, p. 2.

² Exhibit C4-2, p. 1.

³ Exhibit C5-2, p. 1; Exhibit D11-1, p. 1.

⁴ Exhibit C4-3, p. 1.

Mr. Flintoff proposes the inclusion of TES greenhouse gas (GHG) emissions. On March 5, 2020, Mr. Flintoff clarified his submission stating that it would be useful for the Review to have comparative information on the various energy sources of TES and their current GHG emissions per kWh produced by energy source.⁵ However, the BCUC does not require the reporting of GHG emissions for Stream A TES, and thus does not have this information and cannot provide it. Stream B TES typically provide information on GHG emissions as part of Certificate of Public Convenience and Necessity applications, and this information is posted on the BCUC's website.

The final ToR are attached as Appendix A to this letter.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

LJ/jo
Enclosure

⁵ Exhibit D-11-2, p. 1.

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

TERMS OF REFERENCE

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. Stream A Exemption

- a. Are there any issues with the Stream A characteristics, as defined in Table 1 of the TES Guidelines?⁶

4. Registration

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

5. Application for Approval

- a. How can the BCUC ensure that all TES Providers⁷ are applying for approval at the appropriate time, where applicable?
- b. Should the TES Guidelines discuss the implications of a thermal energy system operating without registration if it would have been classed by the BCUC as a Stream A or Stream B TES?

6. Consultation

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

7. Rate Setting Principles

- a. Are there any issues with the current rate setting principles outlined in the TES Guidelines?⁸
- b. Should rate setting principles apply to each class of TES?

8. Complaints

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

9. Extensions

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

10. Annual Reports

- a. Are the current annual reporting requirements outlined in the TES Guidelines, and/or in letters L-36-94 and L-14-95, later amended by L-45-15, appropriate?⁹

⁶ Order G-27-15, Appendix A, p. 12.

⁷ As defined in Order G-27-15, Appendix A, p. 5.

⁸ Order G-27-15, Appendix A, pp. 21–22.

⁹ Order G-17-15, Appendix A, pp. 14, 24; L-36-94, dated December 15, 1994; L-14-95, dated April 10, 1995; L-45-15, dated December 18, 2015.

11. Stream B

- a. Are there any issues with the additional Certificate of Public Convenience and Necessity (CPCN) filing requirements outlined in the TES Guidelines?¹⁰
- b. Should applications for a CPCN include indicative rates and the proposed rate setting mechanism?
- c. Are there any issues with, or recommendations for, the filing requirements for Revenue Requirements and Rate Application as outlined in TES Guidelines?¹¹

12. 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.

¹⁰ Order G-27-15, Appendix A, p. 21.

¹¹ Order G-27-15, Appendix A, pp. 22–23.