



BCPIAC
Public Interest Advocacy Centre

Reply to: Leigha Worth
ED@bcpiac.org
Ph: 604-687-3034

Our File: 7100.911

11 March 2021

VIA E-FILING

Patrick Wruck
Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck,

**Re: Creative Energy Vancouver Platforms Inc. (Creative Energy) - 2021 Long Term
Resource Plan (LTRP)
BCOAPO Information Request No. 1**

We represent the BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre, known collectively in this process as "BCOAPO et al."

Enclosed please find the BCOAPO's Information Request No. 1 with respect to the above-noted matter.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by:

Leigha Worth
Executive Director | General Counsel

Encl.

REQUESTOR NAME: **BCOAPO ET AL.**
INFORMATION REQUEST ROUND: **#1**
TO: **Creative Energy Vancouver Platforms Inc. (Creative Energy)**
DATE: **March 11, 2021**
PROJECT NO:
APPLICATION NAME: **2021 Long Term Resource Plan (LTRP) Application**

Table of Contents	Page
A. INTRODUCTION	2
B. REGULATORY CONTEXT	2
C. STEAM PLANT AND SERVICES PROVIDED	3
D. LONG TERM LOAD FORECAST	5
E. DEMAND SIDE MEASURES	6
F. ACTION PLAN	8

A. INTRODUCTION

- 1.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP, Section 1 - Introduction
Section 1.3 – Creative Energy’s Long Term Resource Planning Objectives,
page 3
Policy Drivers for LTRP**

Preamble: On the referenced page, Creative Energy states:

Creative Energy continues to pursue initiatives to add customers and extend the system to serve them. A further and interrelated objective of Creative Energy’s long term resource planning is to maintain existing customers.

- 1.1. Please explain if Creative Energy’s dominant policy driver related to the Decarbonization Project is maintaining of existing customers/load or adding new customers?
- 1.2 Section 4 – Planning and Policy Environment is almost exclusively focused on energy emissions policy considerations. Please explain whether there are any other significant policy considerations driving Creative Energy’s 2021 LTRP?

B. REGULATORY CONTEXT

- 2.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP, Section 2 - Regulatory Context
Section 2.1.3 – BCUC Resource Planning Guidelines,
Table 3 - Commission Resource Planning Guidelines, pages 9-10
Resource Planning Guidelines**

Preamble: In Table 3, Creative Energy states that the following components of the BCUC Resource Planning Guidelines are not applicable to its operations:

- 5. Development of multiple resource portfolios
- 6. Evaluation and selection of resource portfolios

- 2.1 Please explain why Creative Energy believes that components 5 and 6 of the BCUC Resource Planning Guidelines are not applicable to its operations?
- 2.1.1 Are there circumstances under which Creative Energy could see that components 5 and 6 of the BCUC Resource Planning Guidelines would be applicable to its operations? If so, please discuss in detail.
- 2.2 Please confirm whether Creative Energy is of the view that its 2021 LTRP is complete and complies with all aspects of the BCUC resource planning guidelines? If not, please list all ways in which the Utility’s LTRP is not fully compliant and explain why.

**3.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP, Section 2 - Regulatory Context
Section 2.2 – Approvals Sought, page 10
Regulatory Approvals**

Preamble: On the referenced page, Creative Energy states:

Creative Energy submits this long-term resource plan pursuant to section 44.1(2) of the UCA for the Commission's review and acceptance pursuant to section 44.1(6) of the UCA.

- 3.1 Please list and describe those specific elements of the LTRP that Creative Energy is requesting acceptance of by the BCUC in this proceeding?
- 3.2 Please explain if it is necessary for the BCUC to accept the 2021 LTRP for Creative Energy to continue with the feasibility study associated with its Decarbonization Project (assuming BCUC approval of this aspect of the LTRP)?

C. STEAM PLANT AND SERVICES PROVIDED

**4.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP,
Section 3 - Steam Plant and Services
Section 3.1.1- Boiler Capacities, page 15
Capacity Reserves**

Preamble: On the referenced page, Creative Energy states:

Creative Energy has carried a capacity reserve of approximately 8 percent in recent years, though that has declined due to a decision by Creative Energy operations staff to reduce the functional capacities of Boilers #1 and #2, which are being decommissioned and removed in the Redevelopment Project.

Creative Energy's capacity reserve will increase under the Redevelopment Project to 29 percent assuming that Creative Energy can continue to rely on Boiler #3 to its current functional capacity. If Boiler #3 fails or its capability is substantially de-rated, Creative Energy's reserve margin would still be approximately 11.7 percent supported by overall much newer equipment following the Redevelopment Project.

- 4.1 Has Creative Energy conducted an analysis, industry survey, or study with respect to the appropriate capacity reserve level? If yes, please summarize the findings from this analysis, survey or study. If not, please explain why the utility has not engaged in this activity.
- 4.2 Please specify the lowest level of capacity reserve that Creative Energy expects to operate under during the Redevelopment Project.

- 4.3 Please explain if Creative Energy has conducted analysis of the risks associated with capacity reserves in the event that the Redevelopment Project is significantly delayed beyond its expected in-service dates? If so, please file those on the evidentiary record along with a summary of the projected delays and the related risks/risk levels in a format allowing for easy visual comparison.
- 4.4 Please explain Creative Energy's capacity reserve contingency plans if its Redevelopment Project is significantly delayed and what the impact would be on its GHG emissions?
- 5.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP
Section 3 - Steam Plant and Services
Section 3.2 – Existing Customers Served by Steam Plant,
Figure 2 – page 21
Section 4.2.3.2 – Current and Future City Initiatives Applicable to Customers, page 32
Section 4.2.4 - Conclusions, pages 36-37**
- Exhibit B-3, February 18, 2021 Compliance Letter - Order G-40-21 Directive 6, page 7
Required Level of Low Carbon Energy**

Preamble: On page 32 of its 2021 LTRP, Creative Energy states:

As outlined in section 3.2, Creative Energy's customers consist of buildings in downtown Vancouver. In order to maintain this customer base and also attract new customers, Creative Energy must be alive to the policies applicable to existing buildings and new construction.

On pages 36-37 of its 2021 LTRP, Creative Energy states:

Creative Energy must move toward low carbon energy in order to serve new developments in its service area of downtown Vancouver and also to retain existing customers. The City's Rezoning Policy requires new buildings to implement some form of renewable energy and the BC Provincial Step Code limits the carbon footprint of new buildings with limits ratchetting down over time. As a consequence, some large customers are looking to reduce emissions inventories and prospective customers are looking for low carbon sources of thermal energy. In time, customers will look to be net-zero carbon energy. New developments in Creative Energy's service area of downtown Vancouver will be limited in the options available to them for thermal energy for space heating and DHW heating. Such developments will not be able to obtain their thermal energy requirements from Creative Energy unless Creative Energy offers low carbon energy at least as an optional service.

On page 7 of February 18, 2021 Compliance Letter, Creative Energy states:

The LTRP establishes the policy imperative that doing nothing is not an option to achieve this outcome. The decision between doing nothing and a decarbonization project is a decision into the load to be served by Creative Energy.

- 5.1 In the above noted preamble (pages 36-37), Creative Energy concludes that some large customers are looking for low carbon sources of thermal energy. However, in its letter of February 18, 2021 (page 7), Creative Energy makes a much more assertive statement that “doing nothing is not an option”. Please reconcile the conclusion with Creative Energy’s February 18, 2021 assertion.
- 5.2 Please confirm that the forecast Electric Capacity included in Figure 2 between 2023 and 2030 is the only planned no-carbon resource in Creative Energy’s supply portfolio as part of its 2021 LTRP? If not confirmed, please provide all no-carbon resources in the Utility’s portfolio for the LTRP.
- 5.3 It appears from the scale provided in Figure 2 that forecast Electric Capacity would be serve less than 10% of the total supply requirements of Creative Energy’s system. Please explain if this magnitude of low-carbon energy (i.e. less than 10%) is sufficient to be a solution to the policy concern that Creative Energy is raising with respect to the need to offer low-carbon energy to its customers?

D. LONG TERM LOAD FORECAST

6.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP

**Exhibit B-3, February 18, 2021 Compliance Letter with Order G-40-21
Directive 6, page 4
Load Forecast Scenarios**

Preamble: On page 4 of February 18, 2021 Compliance Letter, Creative Energy states:

The load forecast scenarios were developed in several steps, which are described below.

a. Creative Energy’s billing data was extracted and used to generate a three-year average customer steam demand, the **Weather Normal Baseline**.

b. There are a handful of known upcoming customer connections and disconnections. Using energy estimates for these customer buildings and the expected year of connection/disconnection, a forecast was generated of future steam demand, the **Weather Normal Forecast**.

- 6.1 Please confirm if the Weather Normal Forecast and the Baseline Forecast (Figure 5) are the same scenario? If not, please explain how these two forecasts differ.
- 6.2 Please elaborate on what the intended purpose is of the Baseline Forecast in the LTRP.
- 6.3 Please discuss the likelihood of the Baseline Forecast materializing (similar to the assessment of the other three scenarios provided in Creative Energy’s letter of February 18, 2021)?

E. DEMAND SIDE MEASURES

7.0 Reference: **Exhibit B-1, Creative Energy 2021 LTRP Section 7- Demand Side Measures Section 7.1 – Introduction, page 42 DSM Program Development**

Preamble: On the referenced page 42, Creative Energy states:

It is important to note at the outset that Creative Energy has not historically undertaken any DSM programs. Going forward, Creative Energy is investigating cost-effective DSM opportunities with its customers. The challenge is to identify the DSM opportunities and, in particular, those that are cost-effective for Creative Energy to support.

- 7.1 Please explain why Creative Energy historically has not undertaken any DSM programs? In particular, in Creative Energy's view, what are the barriers to the Utility undertaking DSM initiatives?
- 7.2 Please explain Creative Energy's views on which regulatory mechanisms (i.e. such as the funding of DSM initiatives through rates of all customers) are required or which impediments need to be removed to facilitate cost-effective DSM opportunities?
- 7.3 Please explain what Creative Energy means by "cost-effective" DSM opportunities? That is, does cost-effectiveness in this context relate to Creative Energy, its customers, or both? Please explain.

Preamble: On the referenced page 42, Creative Energy states:

In the overall context of the service Creative Energy provides, the customer base and how customers use the service, the strong focus on energy efficiency in the City of Vancouver already, the relatively low marginal cost of natural gas to produce steam and Creative Energy's rate structure, we consider that there are some but likely not many opportunities for cost effective DSM.

- 7.4 Please elaborate on each factor listed in the above noted preamble and how each factor impacts Creative Energy's ability to pursue cost-effective DSM?

**8.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP
Section 7- Demand Side Measures
Section 7.3.1 – Rate Design, page 43
Rate Design Changes**

8.1 Given the apparent contradictory nature of a declining rate structure in an energy conservation and GHG policy environment and the apparent price inelasticity of Creative Energy's customers, would it be fair to assume a change to Creative Energy's rate design will be necessary? Please explain.

8.2 As indicated on page 3 of 2021 LTRP, low rates for thermal energy have historically been Creative Energy's competitive advantage. Given Creative Energy's conclusion that its customer base is price inelastic, what does Creative Energy believe its competitive advantage will be in its longer-term planning horizon?

**9.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP
Section 7- Demand Side Measures
Section 7.3.2 – Data to Support DSM Program Development, page 43
DSM Customer Data**

9.1 Please specify what types of customer data that Creative Energy would require to design DSM programs that it does not already possess.

**10.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP
Section 7 – Demand Side Measures
Section 7.3.3 DSM Initiatives, page 44
DSM Funding**

Preamble: On the referenced page, Creative Energy states:

Creative Energy is looking into initiatives and programs to provide information to customers to that enables them to make informed choices about their energy consumption, and possibly partial funding to assist with implementing cost effective energy conservation opportunities.

10.1 Please elaborate on the potential sources of partial funding to assist with implementing cost-effective DSM initiatives.

10.2 Please explain whether Creative Energy is aware of and pursuing any funding available through the three levels of government with respect to DSM initiatives.

F. ACTION PLAN

11.0 Reference: Exhibit B-1, Creative Energy 2021 LTRP, Section 9 – Action Plan, page 46 LTRP – Action Plan

Preamble: On the referenced page, Creative Energy states:

The following Action Plan therefore describes the resource planning activities that Creative Energy intends to pursue over the next four years, which timing integrates with the current priority and imperative to successfully deliver the Redevelopment Project:

1. Creative Energy will continue to evaluate a low carbon energy project, and seeks the Commission's acceptance of the expenditure schedule in respect of the project pursuant to section 44.2(1) of the UCA.
2. Creative Energy will continue to evaluate the option of purchasing RNG from FEI to displace natural gas use in Creative Energy's existing steam plant and support a low carbon steam service, noting however that availability of RNG is an issue, particularly over the long-term, with demand for RNG potentially exceeding supply.
3. Creative Energy will investigate opportunities for cost-effective DSM with customers, noting however that DSM does not change the carbon intensity of Creative Energy's steam and that such initiatives should coordinate with and support those of the City that might be designed to improve the energy efficiency of the very same buildings.

11.1 Please provide an update on the status of the implementation of the Redevelopment Project including expected in-service dates and all utility-generated cost estimates, specifying any relevant probabilities.

11.2 With respect to Creative Energy's action plans to 1) evaluate the option for purchasing RNG from FEI and 2) investigating opportunities for cost-effective DSM with customers, please provide the following details:

- a. The scope and steps of the action plan;
- b. The timetable or milestones associated with each step of the action plan;
- c. A description and dollar amount of the associated expenditures, including the use of external service providers by Creative Energy;
- d. Details of the engagement plan;
- e. Project barriers and risks;

- f. The high-level target with respect to the amount of RNG purchases from FEI; and
- g. The high-level targets with respect to the amount of DSM energy reductions.

11.3 With respect to the rate design aspects of the DSM initiatives, please also provide action plan details as requested in question 11.2 above (items a-e).