



29 April 2021

VIA E-FILING

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

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

Our File: 7100.911

Dear Mr. Wruck,

**Re: Creative Energy Vancouver Platforms Inc. (Creative Energy) - 2021 Long Term
Resource Plan (LTRP)
BCOAPO Information Request No. 2**

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. 2 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: **#2**
TO: **Creative Energy Vancouver Platforms Inc. (Creative Energy)**
DATE: **April 29, 2021**
APPLICATION NAME: **2021 Long Term Resource Plan (LTRP) Application**

A. LOAD FORECAST SCENARIOS

**12.0 Reference: Exhibit B-8, BCUC IR1 – 4.12 and 7.12
Load Forecast Scenarios – Price Elasticity**

Preamble: In response to BCUC IR 4.1.2, Creative Energy stated:

...No price elasticity assumptions are reflected in any of the load forecast scenarios and such are not necessary nor directly applicable based on the means for how the load forecast scenarios were built up.

And in response to BCUC IR 7.12, Creative Energy said:

...The growth scenarios are not based on the impact on existing demand from any rate impacts of a low carbon project and therefore price elasticity assumptions are not applicable.

12.1 Please explain if Creative Energy plans to study price elasticity as part of its expected CPCN on the decarbonization project, its ongoing action plans, and load scenarios as part of the LTRP. If so, please provide the expected parameters of that study, including its projected completion date.

12.2 If Creative Energy does not have any plans to study price elasticity in the near-term planning horizon, please provide a detailed explanation why.

B. DECARBONIZATION PROJECT CPCN

**13.0 Reference: Exhibit B-8, BCUC IR1 – 6.1, 12.1, 12.5 and 12.6.1,
Exhibit B-10, BCOAPO IR1 – 5.3
Decarbonization Project CPCN**

Preamble: In response to BCUC IR 6.1, Creative Energy stated:

...Creative Energy did not engage with customers in the preparation of the load forecast scenarios as the methodological approach did not require nor support such engagement... A comprehensive report into the results of our current customer and stakeholder engagement process into the decarbonization project will be included with the CPCN application for the project.

13.1 Please provide an update on the expected timing of the filing of the CPCN on the decarbonization project, which on page 11 of the LTRP Creative stated was expected to be filed in quarter 2 of 2021?

13.2 Please provide an update on the expected scope and timing of the current customer and stakeholder engagement process?

13.3 Preamble: In response to BCUC IR 12.1, Creative Energy stated:

Creative Energy is undertaking that engagement now, but did not prior to the filing of the LTRP application.

In response to BCUC IR 12.5, Creative Energy asserted the following:

Creative Energy has run a scenario whereby the decarbonization project was not undertaken, and RNG was purchased for existing customers. The result was indicative rates slightly above those of the decarbonization project. Again, please note that RNG demand may already exceed supply and we do not believe there is a scenario where there is sufficient RNG to meet all of CEV's requirements and not on a long-term basis.

And finally, in response to BCUC IR 12.6.1, the Utility said:

...Our plan is to pursue low carbon resource options to attract new customers and retain existing customers who have chosen and could choose other options for their heating needs...As noted in the response to BCUC confidential IR 1.3, Creative Energy has evaluated feasible alternatives to the decarbonization project and intends to submit analysis of the alternatives considered as part of a CPCN application, Creative Energy broadly notes that beyond maintaining the status quo, biomass at large and small scale were considered, as well as the use of biomethane.

Please provide an update on the Utility's engagement activities with FEI regarding potential RNG supply and explain if Creative Energy is aware of FEI's plans to significantly ramp up its supply of RNG commencing in the fall of 2021 as outlined in the FEI Compliance Report on the BERC rate-setting methodology regulatory proceeding currently before the BCUC.

13.4 Preamble: In response to BCOAPO IR 5.3, Creative Energy stated:

The electric capacity is less than 10% of the total installed capacity, but due to base-loading produces well more than 10% of annual energy. We do believe that this electric capacity will strike the right balance between meeting the demand for low carbon energy of existing and new customers while minimizing rate impacts to customers through cost-effective sizing of the requirements.

Please provide the approximate percentage of annual energy discussed above from the electric capacity due to base-loading.

13.5 Please elaborate on how this percentage of capacity will be sufficient to satisfy both existing and new customers' requirements for low carbon energy and aid in retaining existing customers and attracting new customers.

13.5 Please describe how an approach such as this will succeed considering Creative Energy's view that customers will expect more than the minimum requirements of low carbon energy?

C. REGULATORY ACCEPTANCE

**14.0 Reference: Exhibit B-8, BCUC IR1 – 7.7 and Exhibit B-10, BCOAPO IR1 – 3.1
Regulatory Acceptance of LTRP**

Preamble: In response to BCUC IR 7.7 Creative Energy stated:

Creative Energy cannot reasonably estimate the probability of a scenario materializing, but the following may further inform the perspective...Attrition – relatively likely if no low carbon installed...we find this scenario likely if no low carbon capacity is added to the supply mix. The attrition will result from customers seeking alternatives and a lack of new customers... 50% Growth Scenario – relatively likely if low carbon installed...we find this scenario more likely than the either the baseline forecast or the 100% Growth Scenario, as an estimate of the cost of the low carbon energy from the decarbonization project appears to be at or below market prices in other systems. Furthermore, many developers continue to value the overall proposition of connection to Creative Energy's network, as the connection allows developers to avoid some capital costs such as boilers or heat pumps, while freeing up mechanical space within their building.

And in response to BCOAPO IR 3.1 which requested that the Utility list and describe the specific elements of the LTRP that it is requesting the BCUC accept in this proceeding, the Utility said the following:

Creative Energy has provided the form of Commission order requested at Appendix B of the 2021 LTRP.

14.1 Please explain the elements of the 2021 LTRP that Creative Energy is requesting acceptance of by the BCUC as being in the public interest? For instance, is Creative Energy working towards the 50% Growth Scenario, with the decarbonization project as being the most likely/desirable scenario for business and resource planning purposes and/or the action plan outlined in Section 9 of the LTRP Application and is therefore, seeking endorsement of the BCUC of this load growth scenario for planning purposes and the associated action plan?

D. ACTION PLANS & NEXT LTRP

**15.0 Reference: Exhibit B-8, BCUC IR1 – 10.1 and 14.1,
Exhibit B-10 BCOAPO IR1 – 8.1 and 11.2
Action Plans & Next LTRP**

Preamble: BCUC IR 10.1 - Creative Energy's response was as follows:

As noted in section 1.2 of the 2021 LTRP, the LTRP addresses Creative Energy's resource planning for the time period following completion of the Redevelopment Project, which is scheduled to be completed and in service by 2024. Creative Energy plans to investigate cost-effective DSM opportunities with customers during the interim period, however, Creative Energy is a small company and it is important that our staff remain focused on the Redevelopment Project through to its completion.

The Utility's response to BCUC IR 14.1 read:

The LTRP action plan 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, to seek CPCN approval of and implement a decarbonization project, and to engage and develop any DSM and RNG options/offers. Creative Energy would propose that consideration of the timing of a subsequent LTRP be deferred until such projects and efforts are implemented as such will inform the priority and content for future resource planning activities.

BCOAPO IR 11.2

As noted in the 2021 LTRP, section 1.2, this LTRP addresses Creative Energy's resource planning for the time period following completion of the Redevelopment Project, which is expected in 2024. Creative Energy is a small company, and it is important that staff prioritize their work on the

Redevelopment Project through to its completion. For these reasons, the 2021 LTRP does not seek any Commission approvals of specific expenditures or timetables in relation to the action plan...RNG Service Option - ...There are no associated targets with respect to the amount of RNG purchases from FEI at this time...Demand-side Measures - ...there are no associated targets with respect to the amount of DSM energy reductions at this time, nor does Creative Energy expect to use such targets for its DSM...Review of Rate Design - ...any proposed changes to the rate design will have to be submitted to the BCUC for approval.

BCOAPO IR 8.1

Creative Energy's view is that the existing rate design should be reviewed. The discussion in section 7.3.1 of the LTRP, however, is intended to caution against jumping to any conclusions at this time about what changes should be made to rate design.

- 15.1 Please explain if Creative Energy has considered using or engaging external resources to advance progress on the LTRP action plan steps before 2024, including investigating cost-effective DSM, investigating RNG through FEI, reviewing and seeking BCUC approval of changes to its declining block rate design and stakeholder engagement, considering its internal resource constraints and other major priorities?
- 15.2 Please explain if Creative Energy has considered requesting BCUC approval of a deferral account to record external costs of the LTRP action plan steps and recover them over an appropriate period of benefit of these costs to customers in the future?
- 15.3 Please explain the apparent hesitancy on Creative Energy's part, with respect to directional changes required to the declining block rate design considering policy imperatives including decarbonization, GHG emission reductions, and energy efficiency and conservation?
- 15.4 Please explain if Creative Energy has considered filing more specific/detailed action plans, timetables/milestones, engagement and expenditure plans, risk assessments and targets on the LTRP action plan steps with the BCUC on an interim basis as they are developed and before the next formal LTRP (which we note Creative Energy expects will not occur for at least four years).