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April 29, 2021

VIA ELECTRONIC MAIL

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**Attention: Patrick Wruck, Commission Secretary
and Manager, Regulatory Support**

Dear Sirs/Mesdames:

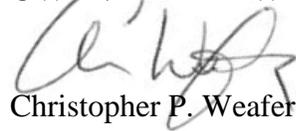
**Re: Creative Energy Vancouver Platforms Inc. - 2021 Long Term Resource Plan
Project No. 1599175**

We are counsel to the Commercial Energy Consumers Association of British Columbia (the "CEC"). Attached please find the CEC's second set of Information Requests with respect to the above-noted matter.

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

Yours truly,

OWEN BIRD LAW CORPORATION



Christopher P. Weafer

CPW/jj
cc: CEC
cc: Creative Energy
cc: Registered Interveners

**COMMERCIAL ENERGY CONSUMERS ASSOCIATION
OF BRITISH COLUMBIA (“CEC”)**

INTERVENER INFORMATION REQUEST #2

**Creative Energy Vancouver Platforms Inc. (“Creative Energy”) - 2021 Long Term
Resource Plan (“LTRP”) - Project No. 1599175**

April 29, 2021

39. Reference: Exhibit B-1, page 43 and Exhibit B-9, CEC 1.17.1 and 1.17.4

We caution, though, that recent experience suggests that our customers are much more sensitive to general trends in the economy such as the economic impacts of the COVID-19 pandemic, than they are to Creative Energy’s rates. For example, the increase to Fuel Cost Adjustment Charges to customers following the extreme natural gas prices incurred during the winter of 2018/2019 – comprising an effective rate impact of approximately 20 percent – did not have a discernable impact on customer steam consumption; whereas, the economic impacts of the COVID-19 pandemic have had a significant impact on steam consumption.

17.1 Please confirm or otherwise explain that the large size of the district energy system confers economies of scale that may be passed on to customers.

RESPONSE:

Confirmed.

17.2 Please confirm or otherwise explain that Creative Energy customers do have price sensitivity to their thermal energy costs.

RESPONSE:

It is common for our customers to contact us about upcoming rate changes to support their budgeting processes and we thus confirm that customers are aware of their thermal energy costs. However, we do not observe any overall indication that customers are sensitive to changes in Creative Energy’s rates as compared to changes in the economy impacting their business.

17.4 Would Creative Energy agree that customer steam consumption cannot be easily reduced in the short term in response to rate increases? Please explain.

RESPONSE:

Yes. Please refer to the response to CEC IR 17.2.

39.1 Has Creative Energy conducted any customer surveys to determine their view of the importance of pricing?

39.1.1 If yes, please provide the details and results of the surveys.

39.1.2 If no, please explain why not.

40. Reference: Exhibit B-1, page 2 and Exhibit B-9, 1.17.8

17. Reference: Exhibit B-1, page 2 and page 43

The Creative Energy system is one of the largest district energy systems in Canada in terms of connected floor area. Creative Energy provides customers with the lowest cost thermal energy in Vancouver, and taking service from Creative Energy allows customers to forgo in-building boilers, fuel supply and stacks freeing space that the customer can use for other beneficial purposes.

17.8 Does forgoing in-building boilers also reduce operational costs for customers? Please explain and provide estimated quantification for the savings that may be generated.

RESPONSE:

Creative Energy does not understand the nature and context of this question nor what ought to be assessed or compared. We cannot discern a response in regard to the references above or to the other IRs in this series, other than to confirm as per the response to CEC IR 17.1 that district energy systems confer economies of scale.

40.1 The CEC is seeking clarification as to whether forgoing in-building boilers results in operational, as well as capital savings for a business owner versus the alternative, and a quantitative estimate of those cost savings. Economies of scale is an insufficient answer, please quantify the expected operational and capital savings versus the alternatives or explain that Creative Energy has not done such an assessment.

41. Reference: Exhibit B-9, CEC 1.18.2

18.2 Does Creative Energy consider cost management for customers to be an important objective? Please explain why or why not.

RESPONSE:

The LTRP by definition concerns long-term resource planning; it is not an annual budgeting for cost of service. Please refer also to the response to CEC Confidential IR 3.2, which is a near duplicate question but set in a different contextual reference. We copy that response here below for ease of reference:

As discussed in the 2021 LTRP, there are differing expectations and priorities among customers (among both current and potential new customers). The regulatory policy regime sets the minimum standards; however, some existing customers and potential new customers are looking for environmental performance that is better than the minimum standards. These customers are not looking for least cost energy, they are looking for energy that helps them to achieve their net zero commitments.

41.1 Please provide Creative Energy's long-term view of the additional costs per unit of environmental performance that the utility considers is appropriate for the customers looking to support commitments to net zero environmental impacts and supply the evidence upon which the utility relies for such planning criteria or confirm that Creative Energy has not done such analysis nor set such planning criteria.

42. Reference: Exhibit B-9, CEC 1.24.1

24. Reference: Exhibit B-1, page 17 and 18

3.1.4 Distribution Systems (Core and NEFC)

The existing distribution network forms the basis for what can be described as Creative Energy's service area. It is reasonable to expect that any new development in downtown Vancouver within reasonable proximity to the Creative Energy steam and hot water distribution networks will at least consider Creative Energy as an option for serving their heating needs.

Presently, Creative Energy has connected a total of four buildings in the NEFC, served by two hot water plants, with a total connected floor area of 162,481 m² and hot water demand of

19,162 MWh forecast for 2020, the first full year of forecast consumption for all four buildings in total.

24.1 Please provide an estimate of the number of buildings and total floor area that will become available in the next 10 years and could potentially connect to Creative Energy.

RESPONSE:

Creative Energy's forecast identifies 27 development sites becoming available in the coming 10 years, based on publicly available information, totalling 15 million square feet of real estate.

Note that the number of buildings will likely be higher, as some sites, such as the existing St Paul's hospital for example, may have multiple buildings upon completion.

42.1 Has Creative Energy identified a percentage of the 15 million square feet of real estate that it expects, or has targeted, for connection to Creative Energy for their heating needs? Please explain and provide quantification with time frames of the expected additions.

43. Reference: Exhibit B-9, CEC 1.29.1

29.1 Please provide quantification of the difference between Creative Energy rates and the next lowest option.

RESPONSE:

This difference can only be quantified on a building-by-building basis, by evaluating the potential for heat recovery, availability of space for mechanical equipment and the potential for geo-exchange on the site, including soil conductivity on that property.

Creative Energy intends to have a study prepared in support of a CPCN application that analyses the costs of building-scale low carbon solutions.

43.1 When does Creative Energy expect to start and complete the study on the costs of building-scale low carbon solutions?

43.2 Please provide a brief description of the future CPCN application and when the application might be made public.

44. Reference: Exhibit B-9, CEC 1.36.1

36.1 Please provide the credentials of the corporations or persons responsible for the load forecasts.

RESPONSE:

Creative Energy staff produced the load forecast scenarios, as per the methodology outlined in the LTRP and in Exhibit B-3.

44.1 The CEC does not find the credentials of the staff responsible for the load forecasting. Please provide the titles and relevant credentials of the Creative Energy staff responsible for the load forecasting or identify where this is in the evidence.

45. Reference: Exhibit B-9, CEC 1.38.1.1

38.1.1 Please quantify the potential reductions in carbon emissions from using RNG and provide maximum and minimum reductions that might be achieved.

RESPONSE:

If RNG is available in sufficient quantities to displace 100% of CEV's natural gas requirements, reductions of 100% of carbon emissions are hypothetically possible, noting however that there are

supply limitations, this might not meet the City's definition of a LCES, and steam produced from RNG may not be attractive to some customers.

45.1 Please explain and provide evidence to support a case that steam produced from RNG would not qualify as a solution to GHG reduction and any evidence that the province would not so recognize RNG.

- 45.2 Please provide the information which Creative Energy has with respect to the availability of RNG in the future and the potential in the future that FortisBC Energy Inc. may additionally have a synthetic natural gas available as it might be produced from H₂ and CO₂.
- 45.3 Please provide a summary of Creative Energy's understanding of the FortisBC Energy Inc. long-term planning and investigation of GHG reduction opportunities and comment on the degree to which Creative Energy is working with FortisBC Energy Inc. on these issues.