



bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

Creative Energy Vancouver Platforms Inc.

Expo-Beatty Plants Redevelopment Project
Order C-1-20 Compliance Filing

Decision
and Order G-360-22

December 13, 2022

Before:
T.A. Loski, Panel Chair
A. Pape-Salmon, Commissioner

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BCUC Order G-360-22

APPENDIX A EXHIBIT LIST

Executive summary

On April 26th, 2022, Creative Energy Vancouver Platforms Inc. (Creative Energy) submitted a filing with the British Columbia Utilities Commission (BCUC) seeking approval to proceed with a design for its new steam plant that is different than the design approved as part of the Certificate of Public Convenience and Necessity (CPCN) granted by BCUC Order C-1-20.

By Order C-1-20, the BCUC granted a CPCN to Creative Energy to construct a new and renovated steam plant at 720 Beatty Street in Vancouver and at an adjacent site within BC Place Stadium (Original Design)(Proposed Project or Project). Creative Energy has decided not to pursue the Original Design, and instead proposes to pursue an alternative configuration which includes all new boilers located within a new plant enclosure on the Beatty Street site (New Beatty Plant or Final Design).

Pursuant to Order C-1-20, Creative Energy seeks approval for the changes to boiler configuration under the Final Design and approval to add a revised amount of undepreciated assets to its established Regulatory Deferral Account. Creative Energy also seeks confirmation that, under the Final Design, a temporary boiler is not required during the Project construction period.

Following review of the evidence and submissions in this proceeding, the Panel grants the approvals sought by Creative Energy in its compliance filing. The Panel finds that the Final Design is in compliance with Order C-1-20 and accepts that the configuration of the New Beatty Plant offers several potential benefits to Creative Energy's customers.

1.0 Introduction

On April 26th, 2022, Creative Energy Vancouver Platforms Inc. (Creative Energy) submitted a filing with the British Columbia Utilities Commission (BCUC) seeking approval to proceed with a design for its new steam plant that is different than the design approved as part of the Certificate of Public Convenience and Necessity (CPCN) granted by BCUC Order C-1-20. Creative Energy submitted its filing because Order C-1-20 had established conditions which required Creative Energy to seek approval from the BCUC prior to changing specific design elements of the new steam plant. The following section provides further background information.

1.1 Background

The BCUC issued a CPCN to Creative Energy, by Order C-1-20 dated March 5, 2020, to construct and operate the proposed new and renovated steam plant and related facilities at 720 Beatty Street in Vancouver and at an adjacent site within BC Place Stadium (Original Design)(Proposed Project or Project). Order C-1-20 set approval of the CPCN to be subject to the several conditions being agreed to and met, including:

- i. Creative Energy's confirmation that at Westbank Projects Corp.'s (Developer) cost there will be one temporary boiler with 82,500 PPH capacity in place and operational at the Beatty Plant prior to first planned restart date; and
- iv. BCUC approval is required for any changes from what is stated in the Amended and Restated Trust and Development Agreement (TDA) with respect to boiler numbers, any individual or total boiler capacity or their location within or between the Beatty and Expo Plants.

Directive 3 of Order C-1-20 states "Creative Energy is approved to establish a regulatory deferral account to record the undepreciated net book value of the Creative Energy assets that are to be retired as part of the Proposed Project, excluding land." Order C-1-20 also directs Creative Energy to, among other things, file semi-annual progress reports with the BCUC until the Project is completed.

Creative Energy stated in its Semi-Annual Progress Report #3, dated October 31, 2021, that a final design of the Beatty Street component of the Project is under review by the Developer, the Project design engineer, and the Project general contractor.¹ In Semi-Annual Progress Report #3, Creative Energy provided further information regarding the final design it states is under review: "An alternative configuration to the Beatty Plant component is being considered that would involve replacing the existing boilers and equipment at the Beatty Plant with new equipment located on the Beatty property but outside the footprint of the existing plant."² Creative Energy noted that a decision regarding whether to pursue this alternative configuration would be made in November 2021 and that the material changes to the Project will be brought forward for BCUC approval in accordance with Order C-1-20.

On March 3, 2022, the BCUC issued a letter to Creative Energy requesting information regarding the alternative configuration to the Beatty Plant under consideration by Creative Energy (Final Design). On April 26th, 2022, Creative Energy submitted a compliance filing (Compliance Filing) to the BCUC seeking approval to proceed with the Final Design for the Project, in compliance with the conditions established by Order C-1-20.

¹ Exhibit A2-2, p. 1

² Exhibit A2-2, p. 2

In the Compliance Filing, Creative Energy stated that it is not seeking any amendment to Order C-1-20, as it is not required.³ Creative Energy submits that the approvals sought with respect to the Final Design can be provided by way of a letter from the BCUC, and that no further regulatory process is required.⁴ However, in the event that further regulatory process is required, Creative Energy confirms that any regulatory costs would not be absorbed by ratepayers.⁵

1.2 Approvals Sought

Creative Energy seeks the following approvals:

- Approval of the changes to boiler number, capacity and location in accordance with Directive 1(iv) of Order C-1-20;
- Confirmation that the Final Design satisfies Directive 1(ii) of Order C-1-20, as the Final Design does not require a temporary boiler; and
- Approval to add the undepreciated net book value of retired assets based on the Final Design to the Regulatory Deferral Account established by Directive 3 of Order C-1-20.

1.3 Regulatory Process

By Order G-145-22A, the BCUC established a written public hearing process and regulatory timetable for the review of the Compliance Filing, which consisted of public notice, intervenor registration and one round of information requests (IRs).

Two parties registered as intervenors in the proceeding:

- Commercial Energy Consumers Association of British Columbia (the CEC); and
- BC Old Age Pensioners' Organization et al. (BCOAPO).

By Order G-230-22, the BCUC established a further regulatory timetable for review of the Compliance Filing to include Creative Energy and intervenor written final arguments, and Creative Energy written reply argument.

One interested party registered in the proceeding: British Columbia Hydro and Power Authority (BC Hydro).

2.0 Impact of the Project Final Design

Pursuant to Order C-1-20, Creative Energy requires approval to pursue the Project Final Design since the number, capacity and location of the boilers has changed as compared to the Original Design. The Original Design of the Project included the following components:⁶

- Two new gas boilers within unused space in BC Place Stadium (Expo Plant), including facilities to interconnect steam, condensate and fuel oil services between the Expo Plant and the existing steam plant at 720 Beatty Street (Beatty Plant); and
- Renovation of the Beatty Plant, including the removal of boilers #1, #2 and #4 and retention of existing boilers #3, #5 and #6, replacement of ancillary equipment and a new structure housing the renovated plant.

³ Exhibit B-1, p. 12

⁴ Ibid.

⁵ Exhibit B-5, CEC IR 2.1

⁶ Exhibit B-1, p. 1

Creative Energy has decided not to pursue the Original Design, and instead proposes to pursue an alternative Final Design configuration. The Final Design includes the following components:

- All new boilers and steam plant equipment located in a new Beatty Plant (New Beatty Plant), situated on the Beatty property but outside of the footprint of the existing Beatty Plant and outside of the envelope of the office tower to be constructed on the Beatty property.⁷

Under the Final Design, Creative Energy will not be proceeding with the development of the Expo Plant.⁸ Also as part of the Final Design, Creative Energy will not require the use of temporary boilers during the construction period as the existing Beatty Plant will only be shut down, demolished and abated after the New Beatty Plant is completed and in service.⁹

Creative Energy provides the following comparison of the Original Design and the Final Design:¹⁰

Table 1: Comparison of the Original Design and the Final Design of the Project

	Original Design	Final Design
Installed Boiler Capacity	740,000 PPH	750,000 PPH (2024)
Number of Boilers	Expo: 2 new (200,000 PPH each) Beatty: 3 existing (170,000, 100,000 and 70,000 PPH)	Expo: N/A Beatty (2024): 4 new (three at 200,000 PPH and one at 150,000 PPH)
Boiler Ages	Expo: 0 years Beatty: 27-51 years	Expo: N/A Beatty: 0 years
Total Project Cost	~\$50M	\$74M (Class 1 2022)
Creative Energy Cost	\$15.0M	\$15.0M
Project Completion	Expo: Q4 2023 Beatty: Q4 2024	Expo: N/A Beatty: Q1 2024
Boiler Efficiencies	Expo: Approximately 88% Beatty: Approximately 85%	Expo: N/A Beatty: Approximately 88%
Beatty Shutdowns	Two shutdowns during the Project	None
Temporary Boilers	2 to 3 large industrial rental boilers needed to meet peak demand for 2 winter seasons	Not needed
Future Boiler Replacement	Challenges at existing Beatty Plant due to location of plant within office tower	New Beatty Plant space designed to allow boiler replacement
Maintenance	Aged boiler plant requires significant ongoing maintenance	Fully new plants expected to reduce maintenance requirements
Impact of Asset Retirement	Anticipated addition to Regulatory Deferral Account: ~\$2.7 million Anticipated impact on rates: nil	Anticipated addition to Regulatory Deferral Account: ~5.4 million Anticipated impact on rates: nil

⁷ Exhibit B-1, p. 3

⁸ Exhibit B-1, p. 4

⁹ Exhibit B-1, p. 3

¹⁰ Exhibit B-1, p. 4

Project Cost Impacts

The total cost estimate for the Final Design is approximately \$74 million.¹¹ However, Creative Energy states that its costs, which are to be included in rate base under the Final Design, remain the same (\$15 million) as under the Original Design.¹² The remaining approximately \$59 million of Project costs will be borne by the Developer, as required by Directive 1(v) of Order C-1-20. The Developer is providing this financial assistance in exchange for Creative Energy ceding to the Developer its rights to the property on which the Project is housed.¹³

The \$15 million owed to the Developer by Creative Energy is to be paid in two increments:¹⁴

- The lesser of \$9 million or the amount of such advances as at the Temporary Service Commencement Date, and
- The lesser of \$6 million or the amount of such advances as at the Final Service Commence Date.

Project Schedule Impacts

Creative Energy anticipates commissioning of the New Beatty Plant under the Final Design to be complete by January 2024.¹⁵ The New Beatty Plant is proposed to be constructed in two Phases; at the conclusion of Phase 1 in January 2024, the New Beatty Plant will be completed and in service. At this point in the Project, the New Beatty Plant will operate with a temporary control room, temporary utility (e.g. water, power) connections and a temporary flue stack.¹⁶ Phase 2 of the Project includes the demolition of the existing Beatty plant and the installation of permanent connections to the utilities and flue stack, as well as transfer to a permanent control room in the New Beatty Plant. Transfer to these permanent components of the Final Design cannot occur until the demolition of the existing plant and construction of the Developer's tower above grade are completed.¹⁷ Final Technical Safety BC sign-off on the plant and transfer to the permanent connections to the utilities and flue stack are scheduled to occur by June 2026.¹⁸

Revenue Requirement and Customer Bill Impacts

Creative Energy prepared a comparison of the indicative revenue requirements and bill impacts of the Final Design to that of the Original Design, using 2023 as a baseline for comparison purposes. Under the Final Design, the revenue requirement is \$10,477,900 as compared to \$10,662,300 under the Original Design. The overall bill impact of the Final Design is 1.5% lower than the overall bill impact of the Original Design in the same year.¹⁹ Creative Energy attributes the lower bill impact associated with the Final Design to, in part, improved fuel efficiency of the new boilers and the avoidance of lease payments to BC Pavillion Corporation (PavCo), owner of the BC Place Stadium.²⁰ Table 2 below summarizes the incremental revenue requirement and bill impact of the Final Design as compared to the Original Design.²¹ Creative Energy identified other ways in which the Final Design would directionally lower revenue requirements which are not accounted for in Table 2, such as future

¹¹ Exhibit B-1, p. 7

¹² Ibid.

¹³ Creative Energy CPCN Application for Beatty-Expo Plants and Reorganization, p. 47;
https://docs.bccub.com/Documents/Proceedings/2019/DOC_53461_Creative-Energy-CPCN-Restructuring-Decision.pdf

¹⁴ Exhibit B-4, BCUC IR 7.2

¹⁵ Exhibit B-4, BCUC IR 4.5

¹⁶ Exhibit B-4, BCUC IR 3.5

¹⁷ Ibid.

¹⁸ Exhibit B-4, BCUC IR 3.1

¹⁹ Exhibit B-4, BCUC IR 12.3

²⁰ Exhibit B-1, p. 9

²¹ Exhibit B-4, BCUC IR 12.3

avoided costs to comply with stricter air quality requirements and improved plant performance due to process control automation.²²

Table 2: Incremental Revenue Requirement and Bill Impact of the Final Design

	Original Design – CPCN Decision Table 1	Final Design – Comparable Incremental Change	Notes
2023 Baseline Revenue Requirement	9,225,400	9,225,400	
Contribution Payment Depreciation	375,000	375,000	No incremental change related to Final Design
Net Change in Interest	331,900	331,900	
Net Change in ROE	568,500	568,500	
Net Change in Income Taxes	199,700	199,700	
Net Change in Electricity Cost	159,900	159,900	No material incremental change expected
Expo Lease Payment	178,400	-	Lease payments not applicable under Final Design
Net Change in Beatty St. Property Tax	(474,600)	(474,600)	No applicable incremental change can be determined at this time absent an assessment and given that the CPCN Application assumed a plug value of 50% of land in 2020; not tied to design
Net Change in Insurance	51,400	51,400	No material incremental change expected given that insuring the aged boilers is based on replacement value. Impact cannot be determined at this time
Net Change in MAA Payments	46,700	40,700	Formulaic in relation to cost of service impact of lease payment savings
2023 New Revenue Requirement	10,662,300	10,477,900	
% Change in Revenue Requirement	+15.6%	+13.6%	
2023 Baseline Fuel Cost	13,563,000	13,563,000	
Change in Fuel Cost	(484,400)	(638,300)	1% efficiency improvement in Final Design
2023 New Fuel Cost	13,078,600	12,924,700	
% Change in Fuel Cost	-3.6%	-4.7%	
Change in Total Bill	952,500	614,300	
% Change in Total Bill	+4.2%	+2.7%	

Creative Energy states that the cost of design development in support of the Final Design was approximately \$330,000.²³ However, Creative Energy's share of overall capital costs remains fixed at \$15 million and therefore these incremental costs will not be recovered from ratepayers. Similarly, costs already incurred for the Project

²² Exhibit B-4, BCUC IR 10.1 & 11.1

²³ Exhibit B-1, p. 11

are included within the fixed \$15 million limit, and any costs above that limit are to be borne by the Developer pursuant to the terms of the TDA²⁴, and will not be recovered from ratepayers.

A present value of the costs and benefits of the Final Design, as compared to the Original Design, was also completed by Creative Energy, showing an improvement under the Final Design. The present value of the costs and benefits of the Final Design increases by approximately \$5.35 million as compared to the Original Design.²⁵ Similar to the indicative revenue requirement and bill impact analysis, the change in present value between the Final and Original Designs is as a result of lease payment savings and improved plant efficiency.

Other Project Impacts

Creative Energy states that the Final Design meets the needs of the Developer and of PavCo. For example, the Developer determined that having utility-scale boilers within the envelope of a modern highly efficient building would pose significant challenges.²⁶ The Final Design meets the needs of PavCo as it addresses its concern communicated to Creative Energy with having fossil-fueled combustion equipment within its site.²⁷ In addition to meeting the needs of the Developer and PavCo, Creative Energy provides other key benefits of the Final Design, including:²⁸

Table 3: Benefits of the Final Design

Reduced developer construction risk	Construct and commission New Beatty Plant before decommissioning existing plant.
Reduced construction schedule	Six to nine month reduction, as there is no need to sequence plant shutdowns/start-ups with Developer's tower construction.
Reduced service interruption risk	No need for temporary boilers.
Improved plant efficiency	All new equipment, including electrification of all pumping and installation of economizers on all boilers.
Air quality permitting	Final Design compliant with anticipated Metro Vancouver air quality requirements.
Reliability and ease of maintenance	All new equipment, with modern control systems and availability of spare parts.
Integration with the Decarbonization Project	Final Design allows for design of Decarbonization Project equipment, improving operator ergonomics.
Process control and metering	Final Design allows for detailed automated metering and reporting on process.

Creative Energy confirms that the firm steam production capacity under the Final Design will meet the forecasted peak demand with a 10 percent capacity reserve, through to the end of the forecast period.²⁹ Similarly, the steam boiler configuration under the Final Design will permit capacity turn down to reliably meet minimum demand requirements.³⁰ Creative Energy states its customers will benefit or be no worse off by pursuing the Final Design, as compared to the Original Design.³¹

²⁴ Exhibit B-1, p. 12

²⁵ Exhibit B-4, BCUC IR 15.2; Final Design Present value is a benefit of \$53,200; Original Design Present value is a cost of \$5,295,600.

²⁶ Exhibit B-1, p. 6

²⁷ Ibid.

²⁸ Exhibit B-1, p. 5

²⁹ Exhibit B-4, BCUC IR 1.5

³⁰ Exhibit B-4, BCUC IR 1.6

³¹ Exhibit B-4, BCUC IR 2.3

With respect to anticipated maintenance costs changes as a result of pursuing the Final Design, Creative Energy notes that its consultant, HH Angus, estimates a 15 to 20 percent reduction in maintenance expenses will be realized with all new steam production equipment.³² However, Creative Energy stated that the exact decrease has not been estimated at this time and therefore it is not reflected in the comparison of the incremental revenue requirements of the Final Design to the Original Design,³³ which is reviewed above.

Amended Trust and Development Agreement

Creative Energy has executed an amended Trust and Development Agreement (TDA) with Westbank Holdings Ltd., the Developer, and Emanate Energy Solutions Inc. to reflect the Final Design (Amended and Restated TDA).³⁴ The Amended and Restated TDA continues to include a term requiring the Developer to obtain a performance bond equal to a maximum of 50% of the cost of the construction of the Project, to a maximum of \$10,000,000.³⁵

Although the cost of the construction of the Project is currently estimated to be \$74 million, Creative Energy states that the performance bond amount will not be adjusted under the Amended and Restated TDA.³⁶ Creative Energy notes that the intent of the performance bond was to protect its interests during the period where the Developer was doing work on the existing plant and where the value to complete the work under the Original Design was likely to exceed the final \$6 million payment by Creative Energy to the Developer.³⁷ Under the Final Design, Creative Energy states that the rationale for the performance bond appears to be somewhat precluded because the New Beatty Plant will be complete before demolition of the existing plant begins – therefore the value of work associated with the final payment is well below \$6 million.³⁸ The performance bond will likely end once the permanent flues are complete.³⁹

Additions to the Regulatory Deferral Account

Directive 3 of Order C-1-20 approved the establishment of a Regulatory Deferral Account to record the undepreciated net book value of assets to be retired as part of the Original Design. Creative Energy's estimate of the balance to be moved to the Regulatory Deferral Account under the Original Design was \$2,589,400, which was equivalent to the retirement of approximately half of Creative Energy's steam production assets.⁴⁰

Under the Final Design, Creative Energy intends to retire nearly all of its steam production assets. As a result, Creative Energy reports that "the current actual balance" of the existing steam plant assets is approximately \$5,413,149, as shown in the table below.⁴¹

³² Exhibit B-4, BCUC IR 8.1

³³ Exhibit bB-4, BCUC IR 8.2.

³⁴ Exhibit B-1, p. 8

³⁵ Exhibit B-1, Appendix D, Section 9.4

³⁶ Exhibit B-4, BCUC IR 17.1

³⁷ Exhibit B-4, BCUC IR 17.1.1

³⁸ Ibid.

³⁹ Exhibit B-4, BCUC IR 17.3

⁴⁰ Exhibit B-1, p. 15

⁴¹ Ibid.

Table 4: Estimated Retired Assets – Final Design

Steam Production Plant	Plant in Service (\$)	Accumulated Depreciation (\$)	Net Balance (\$)
Structures & Improvements	2,140,565	(940,960)	1,199,605
Boiler Plant Equipment	8,537,762	(5,668,949)	2,868,814
Boiler Tanks Equipment	356,990	(113,665)	243,325
Boiler Auxiliary Equipment	1,694,141	(948,182)	745,959
Accessory Electric Equipment	450,189	(413,074)	37,114
Other Steam Production Equipment	6,896	(6,896)	(0)
Total Steam Production Plant	13,186,543	(8,091,726)	5,094,817
General Plant			
Structures & Improvements	415,350	(108,316)	307,034
Office Furniture & Equipment ⁴	80,159	(68,861)	11,298
Total General Plant	495,509	(177,177)	318,332
Total Estimated Retired Assets	13,682,052	(8,268,903)	5,413,149

Creative Energy submits, however, that the actual amount that will retired and added to the Regulatory Deferral Account will be determined at the time of retirement.⁴² In addition, the amount noted in the category “Office Furniture & Equipment” in the table above is intended for completeness, but Creative Energy acknowledges that there may be certain assets which are retained as used and useful.⁴³

Creative Energy submits that there will be no rate impact on customers as a result of increasing the balance in the Regulatory Deferral Account, stating, “[w]hile the timing of amortization of the deferral compared to the timing of amortization of the plant in service could differ (as the timing of the amortization of the deferral has not yet been confirmed), timing differences in amortization will not impact rates over the entire project as both the deferral and the rate base would earn interest and ROE.”⁴⁴ In other words, Creative Energy notes that instead of the balance being recovered through the amortization and cost of capital in the cost of service, the balance is recovered through the amortization of the regulatory deferral account; both recovery methods earn equivalent interest expense and ROE on the balance each year.⁴⁵ Creative Energy expects to propose an amortization period for the deferral account that would be based off of the remaining useful life of the disposed assets and that it would likely confirm this amortization proposal in the first revenue requirement application filed after the new assets are in service.⁴⁶

⁴² Exhibit B-4, BCUC IR 13.1

⁴³ Exhibit B-1, p. 16, Table 6, Footnote 4.

⁴⁴ Exhibit B-4, BCUC IR 13.2

⁴⁵ Exhibit B-4, BCUC IR 13.2.1

⁴⁶ Exhibit B-4, BCUC IR 13.2.1.2

Positions of the Parties

The CEC submits that the proposed Final Design offers several quantifiable cost benefits, as well as other potential benefits to both ratepayers and the Developer.⁴⁷ The CEC submits that the costs included in the rate impact analysis completed by Creative Energy are adequately supported.⁴⁸ The CEC further submits that the improved efficiency of the plant and the avoided lease payments are important benefits to Creative Energy ratepayers.⁴⁹ Lastly, the CEC accepts that there will be no rate impact as a result of the increase in the net balance to be moved to the Regulatory Deferral Account.⁵⁰

BCOAPO agrees that there is evidence indicating there are improved benefits flowing from the Final Design sufficient to justify its support of the Project.⁵¹ However, BCOAPO states that Creative Energy failed to provide an indicative revenue requirement impact analysis with its Application or in responses to information requests. BCOAPO submits that an indicative revenue requirement impact analysis is equally important as a net present value analysis.⁵² BCOAPO further notes that a project with a positive net present value (NPV) often results in a large negative revenue requirement impact in the early years and both are important considerations to a BCUC determination.⁵³ BCOAPO requests that the BCUC instruct Creative Energy to ensure all such analyses be provided as part of future applications.

With respect to the requested addition to the deferral account, BCOAPO submits that the addition is reasonable however it disagrees with Creative Energy's assertion that the uncertainty of the specific net balance to be moved has no consequence on the approvals currently sought.⁵⁴ Further, BCOAPO submits that the disposition of the undepreciated net book value into rates and the impacts on customer rates is appropriately reviewed as part of a future general rate proceeding.⁵⁵

In reply, Creative Energy states that the review of this compliance filing should not be held to the same standard as a CPCN application.⁵⁶

Panel Determination

The Panel finds the Final Design to be in compliance with Order C-1-20.

The Panel considers the forecast cost estimates associated with the Final Design to be reasonable. The Panel accepts that forecast revenue requirements and customer rates are expected to be lower under the Final Design as compared to the Original Design, benefitting ratepayers. The Panel is satisfied that the capital cost to be included in Creative Energy's rate base under the Final Design is limited to \$15 million, as it was under the Original Design.

The Panel is satisfied with the financial analysis provided by Creative Energy regarding the Final Design. The Panel considers that an indicative revenue requirement over the Project life was not necessary for its review of the Application as submitted by BCOAPO. The Panel notes this proceeding was not a review of a CPCN application, as a CPCN has previously been approved by the BCUC for the project, thereby precluding the need for the same breadth of financial analysis typically required with a CPCN application.

⁴⁷ CEC Final Argument, para 76

⁴⁸ CEC Final Argument, para. 29

⁴⁹ CEC Final Argument, para. 38 & 45

⁵⁰ CEC Final Argument, para 53

⁵¹ BCOAPO Final Argument, p. 7

⁵² BCOAPO Final Argument, p. 6

⁵³ Ibid.

⁵⁴ BCOAPO Final Argument, p. 6

⁵⁵ BCOAPO Final Argument, p. 6

⁵⁶ Creative Energy Reply Argument, para 9

The Panel accepts that the Final Design offers several other potential benefits to ratepayers. Under the Final Design, Creative Energy will maintain adequate steam production capacity to meet the forecasted peak demand and will be able to reliably accommodate turndown conditions. Further, the Panel notes that the Project will be completed sooner and will not face the same capacity sequencing risks of the Original Design, which necessitated the use of temporary boilers. Accordingly, the Panel:

- **Approves the changes to boiler number, capacity and location in accordance with Directive 1(iv) of Order C-1-20; and**
- **Confirms that the Final Design satisfies Directive 1(ii) of Order C-1-20, as the Final Design does not require a temporary boiler.**

The Panel considers the Amended and Restated TDA to be in the public interest. The Panel notes the Amended and Restated TDA continues to include a term requiring the Developer to obtain a performance bond equal to a maximum of 50% of the cost of the construction of the Project, to a maximum of \$10,000,000.

The Panel finds that the current net book value of assets to be retired under the Final Design to be reasonable. The Panel is persuaded that an amortization of the Regulatory Deferral Account based on the remaining useful life of the asset would have the same effect on rates over that time frame as would occur if the assets remained in service and amortized over that period. The Panel notes that the carrying costs to be recovered through rates would not be substantially different if the assets remained in service or if they are included in Regulatory Deferral Account, if it is a rate base deferral account. **Accordingly, the Panel approves the addition of the undepreciated net book value of retired assets based on the Final Design to the Regulatory Deferral Account established by Directive 3 of Order C-1-20.** The disposition of the deferral account is to be reviewed as part of a future Creative Energy revenue requirement application. **The Panel confirms that the Regulatory Deferral Account is to be treated as a rate-base deferral account.**

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of December 2022.

Original signed by:

T. A. Loski
Panel Chair / Commissioner

Original signed by:

A. Pape-Salmon
Commissioner



bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

**ORDER NUMBER
G-360-22**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Creative Energy Vancouver Platforms Inc.
Expo-Beatty Plants Redevelopment Project Final Design

BEFORE:

T. A. Loski, Panel Chair
A. Pape-Salmon, Commissioner

on December 13, 2022

ORDER

WHEREAS:

- A. On April 24, 2022, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed a compliance filing (Compliance Filing) with the British Columbia Utilities Commission (BCUC) with respect to its project to construct and operate a new and renovated steam plant works and related facilities at 720 Beatty Street in Vancouver and at an adjacent site within BC Place Stadium (Project). The Project was granted a Certificate of Public Convenience and Necessity (CPCN), subject to certain conditions, pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA), by Order C-1-20, dated March 5, 2020;
- B. Creative Energy, in its Compliance Filing, proposes to proceed with a different design (Final Design) for the Project and requests that the BCUC:
 - i) confirm that it approves the changes to boiler number, capacity and location pursuant to the Final Design, as provided for under condition (iv) of Directive 1 of Order C-1-20;
 - ii) confirm that for the Final Design, a temporary boiler is not required under condition (ii) of Directive 1 of Order C-1-20; and
 - iii) confirm that the undepreciated net book value associated with the retirement of additional assets pursuant to the Final Design may be added to the Regulatory Deferral Account established pursuant to Directive 3 of Order C-1-20;
- C. By Order G-145-22A, dated May 30, 2022, the BCUC established a public hearing process and regulatory timetable for review of the Compliance Filing, which consisted of public notice, intervenor registration, BCUC and intervenor information requests (IRs) and Creative Energy responses to IRs;
- D. By Order G-230-22, dated August 17, 2022, the BCUC further established the regulatory timetable to include Creative Energy and intervenor written final arguments, and Creative Energy's written reply argument; and

- E. The BCUC has considered the evidence and submissions in this proceeding and determines that certain approvals are warranted.

NOW THEREFORE, for the reasons set out in the Decision issued concurrently with this order, the BCUC orders as follows:

1. Creative Energy is approved to change the boiler number, capacity, and location pursuant to the Final Design;
2. Creative Energy's Final Design satisfies Directive 1(ii) of Order C-1-20; and
3. Creative Energy is approved to add the undepreciated net book value of retired assets based on the Final Design to the Regulatory Deferral Account established by Directive 3 of Order C-1-20.

DATED at the City of Vancouver, in the Province of British Columbia, this 13th day of December, 2022.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Creative Energy Vancouver Platforms Inc.
Beatty-Expo Plants Redevelopment Project - Final Design

EXHIBIT LIST

Exhibit No.	Description
<i>COMMISSION DOCUMENTS</i>	
A-1	Letter dated May 25, 2022 – Appointing the panel for the review of the Creative Energy Beatty-Expo Plants Redevelopment Project – Final Design
A-2	REPLACED - Letter dated May 30, 2022 – BCUC Order G-145-22 establishing a regulatory timetable
A-2-1	Letter dated June 22, 2022 – BCUC issuing Order G-145-22A amending the regulatory timetable
A-3	Letter dated June 21, 2022 – BCUC providing scope for the proceeding
A-4	Letter dated July 14, 2022 – BCUC Information Request No. 1 to Creative Energy
A-5	Letter dated August 17, 2022 – BCUC issuing Order G-230-22 establishing a further regulatory timetable
<i>COMMISSION STAFF DOCUMENTS</i>	
A2-1	Letter dated July 11, 2022 – BCUC submitting Creative Energy’s Responses to BCUC Staff Questions on Semi-Annual Report No. 1 dated December 14, 2020
A2-2	Letter dated July 11, 2022 – BCUC submitting Creative Energy’s Semi-Annual Report No. 3 dated October 29, 2021

APPLICANT DOCUMENTS

- B-1 **CREATIVE ENERGY VANCOUVER PLATFORMS INC. (CREATIVE ENERGY)** - Beatty-Expo Plants Redevelopment Project - Final Design dated April 26, 2022
- B-1-1 Letter dated June 9, 2022 – Creative Energy Appendix Schedules to the Application
- B-1-2 **CONFIDENTIAL** - Submission dated June 24, 2022 – Creative Energy confidential Appendix C to the Application
- B-1-3 Letter dated July 19, 2022 – Creative Energy refiling Appendix D to the Application
- B-2 Letter dated June 10, 2022 – Creative Energy submission regarding scope of hearing
- B-3 Letter dated August 4, 2022 – Creative Energy responding to BCOAPO Information Request No. 1
- B-4 Letter dated August 4, 2022 – Creative Energy responding to BCUC Information Request No. 1
- B-5 Letter dated August 4, 2022 – Creative Energy responding to CEC Information Request No. 1
- B-6 Letter dated August 11, 2022 – Creative Energy submission on further process

INTERVENER DOCUMENTS

- C1-1 **COMMERCIAL ENERGY CONSUMERS ASSOCIATION OF BRITISH COLUMBIA (CEC)** – Letter dated June 30, 2022 submitting request to intervene by David Craig
- C1-2 Letter dated July 21, 2022 – CEC submitting Information Request No. 1 to Creative Energy
- C1-3 Letter dated August 11, 2022 – CEC submission on further process
- C2-1 **BRITISH COLUMBIA OLD AGE PENSIONERS' ORGANIZATION ET AL. (BCOAPO ET AL.)** – Letter dated June 30, 2022 submitting request to intervene by Irina Mis
- C2-2 Letter dated July 21, 2022 – BCOAPO submitting Information Request No. 1 to Creative Energy
- C2-3 Letter dated August 11, 2022 – BCOAPO submission on further process

INTERESTED PARTY DOCUMENTS

- D-1 **British Columbia Hydro and Power Authority (BC Hydro)** – Submission dated July 4, 2022 Request for Interested Party Status by Chris Sandve