



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-119-14**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by the British Columbia Utilities Commission
on behalf of Thermal Energy Systems below a Certain Minimum Size Threshold
for an Exemption from Regulation as a Public Utility

BEFORE: D.M. Morton, Commissioner
L.A. O'Hara, Commissioner August 27, 2014
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On December 27, 2012, the British Columbia Utilities Commission (Commission) issued its Report on the Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Inquiry Report);
- B. In the AES Inquiry Report, the Commission recommends the use of exemptions, which are contemplated under the *Utilities Commission Act* (UCA), where the Commission finds regulation is not warranted;
- C. On May 9, 2013, Commission staff proposed a framework for exemption of certain classes of cases where a person, or the person's lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, equipment or facilities for the production, generation, storage, transmission, sale, delivery or provision of any agent for the production of heat or cold (Thermal Energy Systems, TES) from various provisions of the UCA (TES Framework). The Commission initiated a public comment process on the TES Framework which included two working sessions and the opportunity for stakeholders for comments;
- D. On August 28, 2013, the Commission initiated a public hearing to review the proposed TES Framework including an exemption for certain Thermal Energy Systems;
- E. On December 31, 2013, the Commission released its Reasons for Decision on the TES Framework recommending certain exemptions from regulation and on January 2, 2014, the Commission requested that the Lieutenant Governor in Council (LGIC) grant advance approval for exemptions;

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- F. By Order in Council No. 399, dated June 20, 2014, and attached as Appendix A to this Order, the LGIC grants advance approval to the Commission to exempt, from certain provisions of the UCA, the class of cases where a person, or the person's lessee, trustee, receiver or liquidator, owns or operates in British Columbia, a Thermal Energy System for the production, generation, storage, transmission, sale, delivery or provision of any agent for the production of heat or cold, for compensation where the Thermal Energy System capital cost is below a certain minimum dollar threshold as determined from time to time by the Commission after a hearing; and
- G. The Commission has determined that this exemption from the UCA properly conserves the public interest.

NOW THEREFORE pursuant to subsections 88(1) and 88(3) of the *Utilities Commission Act*, the Commission orders that a person, or the person's lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, a Thermal Energy System for the production, generation, storage, transmission, sale, delivery or provision of any agent for the production of heat or cold, for compensation, with a capital cost below a certain minimum dollar threshold as determined from time to time by the Commission after a hearing, is exempt from Part 3, except for sections 42, 43 and 44 of the *Utilities Commission Act*.

DATED at the City of Vancouver, in the Province of British Columbia, this 27th day of August 2014.

BY ORDER

Original signed by:

D.M. Morton
Commissioner

Attachment

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

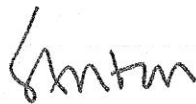
PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 399 , Approved and Ordered June 20, 2014


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that approval is given to the British Columbia Utilities Commission to make the exemptions from the indicated provisions of the *Utilities Commission Act* as set out in the attached draft order of the British Columbia Utilities Commission.



Attorney General and Minister of Justice



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Utilities Commission Act*, RSBC 1996, c. 473, s. 88 (3)

Other:

April 10, 2014



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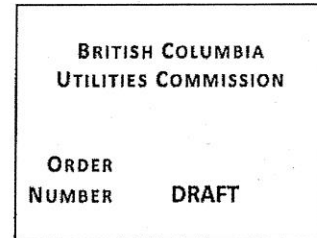
An Application by the British Columbia Utilities Commission
on behalf of Thermal Energy Systems below a Certain Minimum Size Threshold
for an Exemption from Regulation as a Public Utility

BEFORE: [], Commissioner [Date]

O R D E R

WHEREAS:

- A. On December 27, 2012, the British Columbia Utilities Commission (Commission) issued its Report on the Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Inquiry Report);
- B. In the AES Inquiry Report, the Commission recommends the use of exemptions, which are contemplated under the *Utilities Commission Act* (UCA), where the Commission finds regulation is not warranted;
- C. On December 31, 2013, the Commission released its Reasons for Decision on the Thermal Energy Systems Framework recommending certain exemptions from regulation and on January 2, 2014, the Commission requested that the Lieutenant Governor in Council (LGIC) grant advance approval for exemptions;
- D. The threshold for the individual TES facility capital cost will be determined after a hearing from time to time and published by the Commission;
- E. By Order in Council No. [•], dated [•] and attached as Appendix 1 to this Order, the LGIC grants advance approval to the Commission to exempt, from certain provisions of the UCA, the class of cases where a person, or the person's lessee, trustee, receiver or liquidator, owns or operates in British Columbia, a Thermal Energy System for the production, generation, storage, transmission, sale, delivery or provision of any agent for the production of heat or cold, for compensation where the Thermal Energy System facility capital cost is below a certain minimum dollar threshold as determined by the Commission; and
- F. The Commission has determined that this exemption from the UCA properly conserves the public interest.



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NOW THEREFORE pursuant to subsections 88(1) and 88(3) of the *Utilities Commission Act*, the Commission orders as follows:

1. Subject to Directive 2 of this Order, a person, or the person's lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, a Thermal Energy System facility with a capital cost below a certain minimum dollar threshold as determined by the Commission is exempt from Part 3, except for section 42, 43 and 44 of the *Utilities Commission Act*.
2. The exemption of a person referred to in Directive 1 of this Order only applies to that person if the actual capital cost of the equipment or facilities of the Thermal Energy System for the production, generation, storage, transmission, sale, delivery or provision of any agent for the production of heat or cold, for compensation, is below the minimum threshold specified, and amended from time to time by the Commission.

DATED at the City of Vancouver, in the Province of British Columbia, this day of [month] 2014.

BY ORDER

XXXX
Commissioner

Attachment