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<b>BRITISH COLUMBIA UTILITIES COMMISSION</b>	
<b>ORDER NUMBER</b>	<b>G-120-14</b>

TELEPHONE: (604) 660-4700  
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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, owned by a Strata Corporation  
and Providing Thermal Energy Exclusively to the Strata Corporation Owners  
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. The draft TES Framework proposes an exemption from active regulation for a Thermal Energy System owned or operated by a strata corporation exclusively for its Strata Owners;
- E. The *Strata Property Act*, Part 10 outlines recourse measures Strata Owners may take against Strata Corporations and arbitration processes to resolve disputes;

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- F. On August 28, 2013, the Commission initiated a public hearing to review the proposed TES Framework including an exemption for certain Thermal Energy Systems;
- G. 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;
- H. By Order in Council No. 401, 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 is a Strata Corporation, 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 exclusively to or for its Strata owners, for compensation; and
- I. The Commission has determined that this exemption from the UCA properly conserves the public interest.
1. **NOW THEREFORE** pursuant to subsections 88(1) and 88(3) of the *Utilities Commission Act*, the Commission orders that a person who is a Strata Corporation, or that 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 exclusively for that person's Strata Owners, for compensation, 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 27<sup>th</sup> 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. 401, Approved and Ordered June 20, 2014

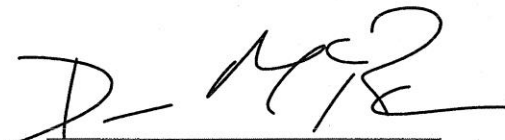
  
Lieutenant Governor

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.)*

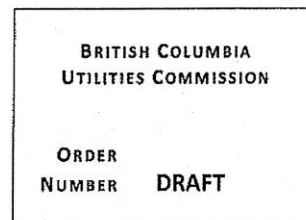
Authority under which Order is made:

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

Other: \_\_\_\_\_

April 10, 2014

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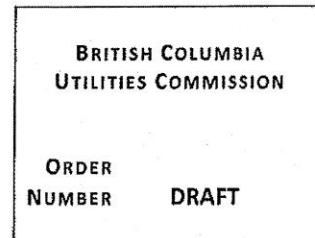
An Application by the British Columbia Utilities Commission  
on behalf of Thermal Energy Systems, owned by a Strata Corporation  
and Providing Thermal Energy Exclusively to the Strata Corporation Owners  
for an Exemption from Regulation as a Public Utility

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. The *Strata Property Act*, Part 10 outlines recourse measures Strata owners may take against Strata Corporations and arbitration processes to resolve disputes;
- D. On May 9, 2013, Commission staff proposed the exemption to the Thermal Energy System Utility Regulatory Framework (TES Framework) stakeholders for comment and held two working sessions;
- E. On August 28, 2013, the Commission initiated a hearing to review the TES Framework including an exemption for certain Thermal Energy Systems;
- F. 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;
- G. 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 is a Strata Corporation, who owns or operates



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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 exclusively to or for its Strata owners, for compensation;

H. 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 as follows:

1. Subject to Directive 2 of this Order, a person, or the person's lessee, trustee, receiver or liquidator, who is a Strata Corporation, who owns or operates in British Columbia, a Thermal Energy System facility exclusively for its Strata owners, for compensation, is exempt from Part 3, except for sections 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:
  - i. the person, or the person's lessee, trustee, receiver or liquidator is a Strata Corporation;
  - ii. the production, generation, storage, transmission, sale, delivery or provision of heat or cold, for compensation, is exclusively to or for its Strata owners.

DATED at the City of Vancouver, in the Province of British Columbia, this                      day of [month] 2013.

BY ORDER

XXXX  
Commissioner

Attachment