



**ORDER NUMBER  
G-207-18**

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

and

Creative Energy Vancouver Platforms Inc.  
Stream A Registration for the Extension of the  
1480 Howe Street Thermal Energy System

**BEFORE:**

B. A. Magnan, Commissioner

on November 1, 2018

**ORDER**

**WHEREAS:**

- A. On August 28, 2014, the British Columbia Utilities Commission (BCUC) issued Order G-127-14 approving the Thermal Energy Systems (TES) Regulatory Framework Guidelines (TES Guidelines);
- B. On January 6, 2017, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed a registration form for a Stream A TES to provide heat for construction purposes only to 1480 Howe Street, in accordance with the TES Guideline requirements;
- C. Under Section 2.1 of the TES Guidelines, a Stream A TES is defined as:

An On-Site TES with an Initial Capital Cost above \$500,000 but less than \$15,000,000 is exempt from sections 44.1, 45 and 59-61 of the UCA [*Utilities Commission Act*]. TES Providers are required to register Stream A TES prior to building or otherwise acquiring the Stream A TES;

- D. On March 3, 2017, the BCUC issued Order G-28-17 exempting the 1480 Howe Street TES from section 44.1, 45 and 59 to 61 of the *Utilities Commission Act*. The Order included the following provision:
  - The exemption is provided only for the duration of construction on the site, and Creative Energy is directed to file with the BCUC any changes to the temporary status, location or use of the thermal energy system, in accordance with the TES Guidelines;
- E. On October 16, 2018, Creative Energy filed with the BCUC an application for an extension to the 1480 Howe Street TES to deliver thermal energy to two additional sites;
- F. On October 29, 2018, Creative Energy confirmed that the TES will deliver space heating to the two additional sites beyond the construction period; and

- G. The BCUC has reviewed the application and is not satisfied that the extension to the 1480 Howe Street TES meets the characteristics of a Stream A TES and is therefore not suitable for exemption from sections 44.1, 45 and 59 to 61 of the *Utilities Commission Act*.

**NOW THEREFORE** for the reasons attached as Appendix A to this Order, Creative Energy's application to extend the 1480 Howe Street Stream A TES is denied.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        1st        day of November 2018.

BY ORDER

*Original signed by:*

B. A. Magnan  
Commissioner

Attachment

Creative Energy Vancouver Platforms Inc.  
Stream A Registration for the Extension of the 1480 Howe Street Thermal Energy System

## REASONS FOR DECISION

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### 1.0 Background

#### 1.1 Thermal Energy Systems Guidelines

The Thermal Energy Systems Regulatory Framework Guidelines (TES Guidelines) describe the regulatory framework for Thermal Energy Systems (TES). The TES Guidelines state that any on-site TES with the characteristics described in Table 1 below is considered to be a Stream A TES and is therefore exempt from sections 44.1, 45 to 46 and 59 to 61 of the *Utilities Commission Act* (UCA).<sup>1</sup>

**Table 1 Stream A TES Characteristics**

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| <ol style="list-style-type: none"><li>1. The thermal generation and distribution equipment and facilities are located on the same Site as the thermal load.</li><li>2. The TES is designed to meet the energy demands of a specific Site (one or more customers or buildings).</li><li>3. The Thermal Energy System serves one or more customers or buildings on a single Site but there are no shared or common thermal generation or distribution facilities beyond the boundaries of a single Site.</li><li>4. There is no, or very limited, use of public rights of way or public streets.</li><li>5. The TES provides thermal energy to an existing building(s) or to a new building(s) planned or approved under a municipal building permit process.</li><li>6. The TES has an AACE Class 3 capital cost estimate of equal to or greater than \$500,000 and less than \$15 million.</li></ol> |
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An on-site TES is defined as a TES that consists of thermal energy generation and distribution equipment and fixtures that are physically located on the same site as the thermal load. The TES is designed to meet the energy demands of one or more customers on that site and does not share any generation or distribution facilities beyond the bounds of the site.<sup>2</sup>

#### 1.2 1480 Howe Street Thermal Energy System

Creative Energy Vancouver Platforms Inc. (Creative Energy) filed a Stream A registration form with the British Columbia Utilities Commission (BCUC) for a TES at 1480 Howe Street on January 6, 2017. The application was for a TES designed to provide heat, for construction purposes only, to a development at 1480 Howe Street.

The 1480 Howe Street site includes two buildings; Buildings 1 and 2, and is part of a larger development comprising a total of four buildings split across three sites. Buildings 1 and 2 share a podium and a mechanical

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<sup>1</sup> TES Guidelines, Order G-27-15 dated March 2, 2015, pp. 12–13.

<sup>2</sup> TES Guidelines, Order G-27-15 dated March 2, 2015, p. 8

system and both buildings are located on one parcel of land. The TES is located on an adjacent, City-owned site due to space restrictions. The generation and distribution equipment and facilities are located on a separate site to the thermal load. However, in this instance, the Panel found that the temporary nature of the TES provided a reasonable basis for relaxing the single-site provision of the TES Guidelines.

Creative Energy's Stream A application for the registration of the 1480 Howe Street TES was approved on March 3, 2017 by Order G-28-17, and is thereby exempted from sections 44.1, 45 and 59 to 61 of the UCA. The Panel granted Stream A designation subject to the provision that the exemption is for the duration of the construction on the site. The Order directed Creative Energy to file with the BCUC any changes to the temporary status, location or use of the TES.

## **2.0 Application**

Creative Energy filed an application to extend the 1480 Howe Street Stream A TES on October 16, 2018, to provide space heating to Buildings 3 and 4, located at 710 Pacific Street and 1410 Granville Street, respectively (Application). The existing thermal energy generation and distribution facility is located on a City-owned site between 600-700 block on the North side of Pacific Street. Buildings 3 and 4 are not located on the same site as Buildings 1 and 2 and they are not located on the same site as the existing thermal generation and distribution equipment and facility.

The Application stated that the 1480 Howe Street TES could be further extended to deliver thermal energy to a fifth, medium sized building. Extension to a fifth building would depend on the actual size of the thermal loads for Buildings 1 to 4.

## **3.0 Analysis**

BCUC staff submitted staff questions to Creative Energy on October 29, 2018 requesting clarification on the purpose of the extension. Creative Energy responded stating that the existing thermal generation equipment and distribution facility would deliver space heating to Buildings 3 and 4 beyond the construction period.<sup>3</sup>

The Application was reviewed to assess whether the extension to the 1480 Howe Street TES meets the Characteristics of a Stream A. Analysis of the Application found that the extension to the 1480 Howe Street TES would meet only one of the six Stream A TES Characteristics as defined by the TES Guidelines.

### *Stream A Characteristic 1*

The thermal generation and distribution equipment and facilities are not located on the same site as the thermal load. The Application therefore does not meet the first characteristic of a Stream A TES.

### *Stream A Characteristic 2*

The TES is not designed to meet the energy demand of a specific site because the four buildings are located on three different sites. The Application also outlines that connection to a fifth building is possible depending on the load of Buildings 1 to 4. The Application therefore does not meet the second characteristic of a Stream A TES.

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<sup>3</sup> Creative Energy, email dated October 29, 2018.

### *Stream A Characteristic 3*

The TES is designed to serve four or more buildings on different sites with a shared thermal generation and distribution facilities. The Application therefore does not meet the third characteristic of a Stream A TES.

### *Stream A Characteristic 4*

The TES is located on a City-owned site on the North side of Pacific Street and the distribution pipework crosses a public street. The Application therefore does not meet the fourth characteristic of a Stream A TES.

### *Stream A Characteristic 5*

The Application is for an extension of an existing TES to deliver thermal energy to three sites. Each site has an individual municipal building permit. The Application therefore does not meet the fifth characteristic of a Stream A TES.

### *Stream A Characteristic 6*

The capital cost of the Application is \$2,640,000. This is comprised of the original capital cost of \$1,828,000 and the \$812,000 cost of extension. The Application therefore meets the sixth characteristic of a Stream A TES because the capital cost is between \$500,000 and \$15,000,000.

## **4.0 BCUC determination**

The Panel finds that the application to extend the 1480 Howe Street TES fails to meet five of the six Stream A Characteristics, as defined by the TES Guidelines.

Order G-28-17 grants Stream A designation to the existing 1480 Howe Street TES for the duration of the construction period only. The Panel finds that because Creative Energy intends to deliver thermal energy to Buildings 3 and 4 beyond the construction period, the application to extend the existing 1480 Howe Street TES Stream A is in conflict with the temporary nature of Order G-28-17.

**Creative Energy's application fails to meet the Stream A Characteristics, as defined by the TES Guidelines. Creative Energy's application to extend the 1480 Howe Street Stream A TES is denied.**