



ORDER NUMBER
C-1-20

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

and

Creative Energy Vancouver Platforms Inc.
Application for a Certificate of Public Convenience and Necessity
For Beatty-Expo Plants and Reorganization

BEFORE:

D. A. Cote, Panel Chair
D. J. Enns, Commissioner
M. Kresivo, Commissioner

on March 5, 2020

ORDER

WHEREAS:

- A. On June 29, 2018, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed an application with the British Columbia Utilities Commission (BCUC) for a Certificate of Public Convenience and Necessity (CPCN) pursuant to sections 45 and 46 of the *Utilities Commission Act* (UCA), to construct and operate new and renovated steam plant works and related facilities at Creative Energy's existing site at 720 Beatty Street in Vancouver and at an adjacent site within BC Place Stadium (Proposed Project), and additional approvals required in connection to the Proposed Project (Application);
- B. In addition, pursuant to sections 50, 52, 53 and 54 of the UCA, Creative Energy sought the approval of the steps related to a corporate reorganization involving Creative Energy;
- C. By Order G-128-18 dated July 13, 2018, the BCUC established a regulatory timetable which included a workshop, the first round of BCUC and intervener information requests (IR) with further process to be determined;
- D. By Order G-194-18 dated October 12, 2018, the BCUC established a further regulatory timetable, including filing of the Land Value Assessment Report by Grover, Elliott & Co. Ltd., BCUC and Intervener IR No. 2, a round of BCUC IRs, Creative Energy and Intervener IR No. 1 on the Land Value Assessment Report as well as Final Arguments from the parties and Reply Argument from Creative Energy. By Order G-216-18 dated November 15, 2018, the BCUC issued an amended regulatory timetable, changing dates for Creative Energy final and reply arguments and intervener final argument;
- E. On February 19, 2019, the BCUC issued its Decision with accompanying Order G-38-19 (February 2019 Decision), with the following determinations:

- Creative Energy's Application is not approved at that time; and
 - Creative Energy is invited to file a revised application addressing the Panel's concerns, within one year from the date of the Decision, failing which, the Application would be dismissed;
- F. On April 26, 2019, in response to the February 2019 Decision, Creative Energy filed revisions to the Application (Revisions to the Application);
- G. In its Revisions to the Application, Creative Energy sought approval for the following:
- Pursuant to sections 45 and 46 of the UCA, a CPCN for the construction and operation of the following components of the Proposed Project at an estimated total capital cost of \$53.1 million:
 - the Expo Plant, including facilities to interconnect steam, condensate and fuel oil services between the Expo and Beatty Plants; and
 - the Beatty Plant renovation;
 - Pursuant to sections 56 and 60 of the UCA, approval to establish a regulatory deferral account to record the undepreciated net book value of the Creative Energy assets that are retired as part of the Proposed Project, excluding lands;
 - Pursuant to sections 60 and 61 of the UCA, approval of a new long-term customer service agreement between B.C. Pavilion Corporation (PavCo) and Creative Energy for heating services to the BC Place Stadium;
 - Approval of the following steps related to a corporate reorganization involving Creative Energy:
 - Amalgamation involving a public utility requiring the BCUC endorsement and Lieutenant Governor in Council (LGIC) consent pursuant to section 53 of the UCA;
 - Corporate structure changes requiring BCUC approval, including:
 - Repurchase and issuance of shares in a public utility, pursuant to section 50 of the UCA;
 - Disposition of shares or other property of a public utility, other than in the normal course of business, pursuant to section 52 of the UCA; and
 - Transfer of shares in a public utility that results in a person acquiring a reviewable interest in the public utility, pursuant to section 54 of the UCA;
 - Disposition of Creative Energy's interest in "Trust Property" (as defined in the Application, the Trust Property is the interest in the lands, spaces and improvements on 720 Beatty Street and 701 Expo Boulevard, Vancouver, including all development rights that are surplus to the requirements of the utility), pursuant to section 52 of the UCA;
- H. By Order G-107-19 dated May 21, 2019, the BCUC established the specified scope (Scope) for this proceeding and the regulatory timetable for continuation of the regulatory process, including BCUC and intervener IR No. 1 on the Scope, Creative Energy responses to IR No. 1 on the Scope and Creative Energy and intervener submissions on further process, with further process to be determined;
- I. By Order G-159-19 dated July 15, 2019, the BCUC established a further regulatory timetable for the proceeding, including the BCUC and interveners IR No. 2 on the Scope, Creative Energy responses to IRs No.2 on the Scope and final and reply arguments. By Order G-196-19 dated August 22, 2019, the BCUC issued an amended regulatory timetable, changing dates for intervener final argument;

- J. On October 7, 2019, the BCUC issued Panel IR No. 1 on the Scope to Creative Energy. On December 23, 2019, the BCUC issued Panel IR No. 2 on the Scope and invited interveners to file submissions on Creative Energy's responses to Panel IR No.2 and Creative Energy to file rebuttal submissions, if any; and
- K. The BCUC has reviewed the Application, Revisions to the Application and evidence filed in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 45, 46, 50, 52, 53, 54, 56, 60, and 61 of the UCA and for the reasons outlined in the decision issued concurrently with this order, the BCUC orders as follows:

1. Creative Energy's Application for a Certificate of a CPCN for the Beatty Expo Plants is approved subject to the following conditions being agreed to and met:
 - (i). Creative Energy providing the BCUC with copies of a Performance Bond based on the confirmations outlined in Section 2.1.2 of the decision issued concurrently with this order. Creative Energy must provide evidence of this Performance Bond being in place prior to any demolition of the exterior walls, foundation or roof of the building within which the existing plant is situated;
 - (ii). 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;
 - (iii). A list of qualified candidates for the Design Engineering and General contractor roles being filed with and approved by the Panel within 60 days of this Decision;
 - (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; and
 - (v). The total cost for the Proposed Project to be added to Creative Energy's rate base after completion of the project is limited to \$15 million. Requests for any expenditures in addition to this must be filed with the BCUC for review and approval.
2. Creative Energy is directed to submit a detailed project schedule as a compliance filing within 60 days of engaging a general contractor, as outlined in Section 2.2.3 of the decision issued concurrently with this order.
3. 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.
4. The new long-term service agreement between Creative Energy and PavCo is approved.
5. Creative Energy is directed to comply with the reporting requirements as outline in Section 2.2.6 of the decision issued concurrently with this order.
6. Once Creative Energy has provided confirmation to condition 1(ii) above, a report summarizing the BCUC findings and its opinion is to be submitted to the LGIC.
7. A new Creative Canada subsidiary, Newco, acquiring all issued and outstanding shares of Creative Energy from Creative Canada in exchange for shares of Newco is approved.
8. Subject to the LGIC approving amalgamation, the following reorganization steps are approved:

- (i). Creative Energy (2018) issuing Property Preferred Shares (with a value equal to the value of surplus assets) and Utility Common Shares (with a value equal to the fair market value of Creative Energy (2018)'s Utility Division inclusive of the property used for operation of the utility) to Creative Canada. In exchange Creative Energy (2018) will acquire all issued and outstanding shares from Creative Canada;
- (ii). Creative Energy (2018) transferring beneficial interest in the surplus real estate property or trust property to the Developer Partnership;
- (iii). The transfer of Creative Energy (2018)'s 99.99 percent interest in the Developer Partnership to Property Development Co., an affiliate of the Developer; and
- (iv). Creative Canada transferring all of its Utility Common Shares of Creative Energy (2018) to Creative Energy Developments LP in exchange for additional LP units in the limited partnership and Creative Canada selling 50 percent of these additional LP units to Emanate Energy.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of March 2020.

BY ORDER

Original signed by:

D. A. Cote
Commissioner