

Suite 410, 900 Howe Street Vancouver, BC Canada V6Z 2N3 bcuc.com P: 604.660.4700TF: 1.800.663.1385F: 604.660.1102

ORDER NUMBER G-31-23

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

and

PodTech Data Centers Inc. Exemption under Section 88 of the *Utilities Commission Act*

BEFORE:

E. B. Lockhart, Panel Chair A. Pape-Salmon, Commissioner

on February 14, 2023

ORDER

WHEREAS:

- A. On January 30, 2022, PodTech Data Centers Inc. (PodTech) filed with the British Columbia Utilities Commission (BCUC) an application for an exemption under section 88(3) of the Utilities Commission Act (UCA) from regulation as a public utility under Part 3, except for sections 25, 38, 42, 43, and section 71 of the UCA. The application is in respect of the resale of electricity, supplied by British Columbia Hydro and Power Authority (BC Hydro) to PodTech's CRC Substation located at 9018 Grainger Road, Canal Flats, BC, to purchasers whose facilities are connected to the CRC Substation (Application);
- B. Under the UCA, a public utility is defined in section 1, in part, as:

A person, or the person's lessee, trustee, receiver or liquidator, who owns or operates in British Columbia, equipment or facilities for the (a) production, generation, storage, transmission, sale, delivery or provision of electricity, natural gas, steam or any other agent for the production of light, heat, cold or power to or for the public or a corporation for compensation;

- C. PodTech is a private Canadian company which designs, builds, and operates data centres to house and operate data processing services;
- D. On January 1, 2020, PodTech was acquired by Iris Energy Limited (Iris Energy);
- E. In the Application, PodTech states that it currently purchases electricity from BC Hydro, which is delivered to PodTech's CRC Substation under Rate Schedule 1823;
- F. Presently, CF Bidco Property Holdings Ltd. (Bidco) is the only purchaser of electricity from PodTech. Under the electricity supply agreement with Bidco (Electricity Supply Agreement), PodTech will share the actual cost of service from BC Hydro on a pro-rata, flow-through basis with no markup;
- G. PodTech acknowledges the service provided to Bidco is the transmission, distribution and resale of electricity;

- H. Pursuant to Section 18 of the BCUC's Rules of Practice and Procedure, PodTech requests that the unredacted Electricity Supply Agreement be kept confidential as the terms, conditions and information therein are commercially sensitive;
- I. By letter dated January 31, 2022, BC Hydro acknowledged receipt of notice from PodTech stating it had no objection to the resale of electricity by PodTech to Bidco;
- J. By Order G-99-22 dated April 11, 2022, the BCUC established a public written comment process and regulatory timetable for review of the Application, which included public notice of the Application, one round of BCUC information requests (IR), and a letter of comment submission period;
- K. By letter dated April 28, 2022, the BCUC issued BCUC IR No. 1 to PodTech. PodTech submitted a response to BCUC IR No. 1 on May 23, 2022;
- L. The BCUC did not receive any letters of comment;
- M. By Ministerial Order M39 dated February 8, 2023, and as attached as Appendix B to this order, the Minister responsible for the administration of the *Hydro and Power Authority Act* granted advance approval to the BCUC to exempt PodTech from section 71 and certain requirements of Part 3 of the UCA; and
- N. The BCUC has reviewed the Application, evidence, and submissions in this proceeding and determines that PodTech's request for exemption from Part 3, except for sections 25, 38, 42, 43 and section 71 of the UCA is warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. Pursuant to section 88(3) of the UCA, the BCUC, having been granted advance approval by the Minister responsible for the administration of the *Hydro and Power Authority Act*:
 - a. Exempts PodTech from the requirements of Part 3 of the UCA except for sections 25, 38, 42, and 43 for its CRC Substation distribution facilities used to supply electric service to its customers.
 - b. Exempts PodTech and its customers from section 71 of the UCA with respect to the resale of electricity provided that PodTech's customers are not reselling electricity to third parties.
- 2. Pursuant to section 43 of the UCA, PodTech is directed to file an annual report within 90 days after fiscal year-end containing the information set out in Appendix A or as the BCUC may other otherwise order.
- 3. The exemption referred to in Directive 1 of this order remains in effect until the BCUC, after conducting a hearing, orders that the exemption no longer applies.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of February 2023.

BY ORDER

Original signed by:

E. B. Lockhart Commissioner Attachment

Final Order

APPENDIX A ANNUAL REPORTING REQUIREMENTS

A report is required for PodTech Data Centers Inc. Resale of Electricity

(Reports are to be filed within 90 days after fiscal year-end)

Annual Submissions

- Current contact information;
- Customer information;
 - \circ ~ Number of total customers; and
 - o Customer names and addresses;
- Customer complaints received in the preceding fiscal year;
- Major company organizational changes, if any;
- Capital expansions in the preceding fiscal year, if any;
- Safety incidents in the preceding fiscal year, if any; and
- Summary of annual maintenance work completed in the preceding fiscal year

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE MINISTER OF ENERGY, MINES AND LOW CARBON INNOVATION

Utilities Commission Act

Ministerial Order No. M39

I, Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation, order that pursuant to section 88(3) of the *Utilities Commission Act*, approval is given to the British Columbia Utilities Commission to make the exemptions from the indicated provisions of the *Utilities Commission Act* (related to PodTech Data Centers Inc.) as set out in the attached draft order of the British Columbia Utilities Commission.

February 8, 2023

Date

Minister of Energy, Mines and Low Carbon Innovation

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

Anthonity under which Order is made:

Act and section: Utilities Commission Act, R.S.B.C. 1996, s. 88(3)

Other:

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APPENDIX A

P: 604.660.4700 TF: 1.800.663.1385 F: 604.660.1102

ORDER NUMBER G-xx-xx

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PodTech Data Centers Inc. Exemption under Section 88 of the *Utilities Commission Act*

BEFORE:

E. B. Lockhart, Panel Chair A. Pape-Salmon, Commissioner

on [date]

ORDER

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> 0 0 0 0 4 0 0 0

bcuc

British Columbia

Utilities Commission

- A. On January 30, 2022, PodTech Data Centers Inc. (PodTech) filed with the British Columbia Utilities Commission (BCUC) an application for an exemption under section 88(3) of the Utilities Commission Act (UCA) from regulation as a public utility under Part 3, except for sections 25, 38, 42, 43, and section 71 of the UCA. The application is in respect of the resale of electricity, supplied by British Columbia Hydro and Power Authority (BC Hydro) to PodTech's CRC Substation located at 9018 Grainger Road, Canal Flats, BC, to purchasers whose facilities are connected to the CRC Substation (Application);
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- C. PodTech is a private Canadian company which designs, builds, and operates data centres to house and operate data processing services;
- D. On January 1, 2020, PodTech was acquired by Iris Energy Limited (Iris Energy);
- E. In the Application, PodTech states that it currently purchases electricity from BC Hydro, which is delivered to PodTech's CRC Substation under Rate Schedule 1823;
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Final Order

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Order G-xx-xx

- H. Pursuant to Section 18 of the BCUC's Rules of Practice and Procedure, PodTech requests that the unredacted Electricity Supply Agreement be kept confidential as the terms, conditions and information therein are commercially sensitive;
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- L. The BCUC did not receive any letters of comment;
- M. By Ministerial Order [XX] dated [XX] and as attached as Appendix A to this order, the Minister responsible for the administration of the *Hydro and Power Authority Act* granted advance approval to the BCUC to exempt PodTech from section 71 and certain requirements of Part 3 of the UCA; and
- N. The BCUC has reviewed the Application, evidence, and submissions in this proceeding and determines that PodTech's request for exemption from Part 3, except for sections 25, 38, 42, 43 and section 71 of the UCA is warranted.

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- 2. Pursuant to section 43 of the UCA, PodTech is directed to file an annual report within 90 days after fiscal year-end containing the information set out in Appendix A or as the BCUC may other otherwise order.
- 3. The exemption referred to in Directive 1 of this order remains in effect until the BCUC, after conducting a hearing, orders that the exemption no longer applies.

DATED at the City of Vancouver, in the Province of British Columbia, this [date] day of [Month, Year].

BY ORDER

E. B. Lockhart Commissioner

Attachment

Final Order

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APPENDIX A to Order G-xx-xx

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