



July 26, 2023

Sent via email

Letter L-38-23

Colin Robb
Director, Regulatory Affairs
Suite 1 – 720 Beatty Street
Vancouver, BC V6B 2M1
colin.robbs@creative.energy

Re: Creative Energy Mount Pleasant Limited Partnership – Order C-5-20 – Directive 2 Compliance – Progress Report #4

Dear Mr. Robb:

On December 29, 2022, Creative Energy Mount Pleasant Limited Partnership (CEMP) filed with the BCUC its Progress Report #4 compliance filing regarding the Mount Pleasant District Cooling System in accordance with Directive 2 of Order C-5-20.

In granting the Certificate of Public Convenience and Necessity (CPCN) to CEMP by Order C-5-20, the BCUC attached terms to the CPCN, including Directive 1(b), which states that CEMP may not proceed with Phase 3 of the Project until it has agreed in writing a target in-service date for the expansion and renovation of Building M3 and a target in-service date for Building M5 with the Owner pursuant to section 3.9(h) of the Construction and Purchase Agreement (CPA) and filed that target in-service date with the BCUC.¹

In Progress Report #4, CEMP stated that "...the redevelopment of building M3 has been delayed by the Developer due to market conditions. CEMP is reviewing a plan to advance some of the overall plant controls work initially scheduled as a component of Phase 3 into the Phase 1 work that will be completed in 2023."²

In response to BCUC staff questions No. 1 on CEMP's Progress Report #4, CEMP confirmed that it had not yet agreed to a target in-service date for the expansion and renovation of Building M3 or Building M5 with the building owners.³

In response to BCUC staff questions No. 2 on CEMP's Progress Report #4, CEMP confirmed that expenses had been incurred in relation to a portion of the plant controls work that was to form part of Phase 3. CEMP stated that the expenses were incurred in March and April 2023, and were spent to address emergent issues relating to the reliability of the cooling system. CEMP explained that the reliability issues stem from the failure of one of its chillers in April 2022, after which CEMP had ongoing challenges providing service to its customers in accordance with its contractual obligations. Specifically, CEMP stated that it had been unable to control the chilled water

¹ Order C-5-20, Directive 1(b).

² Progress Report #4, dated December 29, 2020, p. 4.

³ CEMP response to BCUC Staff Questions No. 1, dated March 3, 2023, Question 3.9.

flow to building M2, which had caused the tenants in M2 to experience elevated temperatures in their spaces that are highly sensitive to these excursions. CEMP stated that the plant controls work is needed to support reliable operations to serve existing customers.⁴ CEMP confirmed that is not proceeding with Phase 3.⁵

The BCUC reviewed the compliance material filed to date and agrees that CEMP is not proceeding with Phase 3 at this time. However, the BCUC reminds CEMP that pursuant to Directive 1(b) of Order C-5-20, CEMP may not proceed with Phase 3 of the Project until it has agreed, in writing, on a target in-service date for the expansion and renovation of Building M3 and a target in-service date for Building M5 with the Owner pursuant to section 3.9(h) of the Construction and Purchase Agreement (CPA) and filed that target in-service date with the BCUC.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

LW/dg

⁴ CEMP response to BCUC Staff Questions No. 2, dated April 25, 2023, Question 4.1.

⁵ Ibid., Question 4.3.