



ORDER NUMBER

E-1-26

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

and

British Columbia Hydro and Power Authority
Waste to Energy Facility 2025 Electricity Purchase Agreement Renewal

BEFORE:

M. Jaccard, Panel Chair
E. B. Lockhart, Commissioner

on January 12, 2026

ORDER

WHEREAS:

- A. On June 12, 2025, British Columbia Hydro and Power Authority (BC Hydro) filed an application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to section 71 of the *Utilities Commission Act* (UCA) for acceptance of two electricity purchase agreements with the Greater Vancouver Sewerage and Drainage District (GVS&DD). One short-term agreement (Interim EPA), effective between March 3, 2025 and April 14, 2025, and a longer-term agreement (2025 EPA), with a contract term of April 15, 2025 to March 2, 2045 (together, the EPAs).
- B. By Order G-170-25 dated July 4, 2025, and as amended by Orders G-202-25 and G-223-25, the BCUC established a regulatory timetable for review of the Application, which included, among other things, public notice, BCUC information requests, letters of comment, and BC Hydro responses to letters of comment and final argument;
- C. BC Hydro requests the 2025 EPA, the confidential version of the Interim EPA, and the letter agreement extending the Interim EPA be held confidential, until otherwise determined by the BCUC, as they contain information that is commercially sensitive to BC Hydro and/or GVSⅅ and
- D. The BCUC has considered the Application and evidence submitted in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to section 71 of the UCA and for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

- 1. The EPAs are accepted for filing.
- 2. The BCUC will hold the 2025 EPA, the Interim EPA, and the unredacted version of the Application confidential unless the BCUC determines otherwise.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of January 2026.

BY ORDER

Electronically signed by Mark Jaccard

M. Jaccard
Commissioner

DECISION

1.0 Introduction and Background

On June 12, 2025, British Columbia Hydro and Power Authority (BC Hydro) filed an application (Application) with the British Columbia Utilities Commission (BCUC) pursuant to section 71 of the *Utilities Commission Act* (UCA) for acceptance of two electricity purchase agreements with the Greater Vancouver Sewerage and Drainage District¹ (GVS&DD). One short-term agreement (Interim EPA), effective between March 3, 2025 and April 14, 2025,² and a longer-term agreement (2025 EPA), with an approximately 20-year term from April 15, 2025 to March 2, 2045 (together, the EPAs).³

BC Hydro explains that GVS&DD owns a waste-to-energy facility in South Burnaby (Facility) that has been in operation since 1988 and is one of the facilities in Metro Vancouver's solid waste management plan (Solid Waste Management Plan), approved by the Ministry of Environment and Parks under the *Environmental Management Act*. The Facility processes approximately 25 percent of Metro Vancouver's post-recycled waste and converts about 240,000 tonnes of municipal solid waste into around 890,000 tonnes of waste heat, in the form of steam, each year.⁴

Since 2003, the Facility has been producing electricity using technology that recovers heat from an incineration process that would otherwise be lost to the atmosphere and generates approximately 166 gigawatt hours of electricity per year. BC Hydro has been purchasing electricity generated at the Facility under successive purchase agreements, the first of which was awarded through BC Hydro's Customer Based Generation Call in 2003 and the second of which was an electricity purchase agreement (EPA) renewal executed in 2014 (2014 EPA).⁵

BC Hydro states that when the 2014 EPA expired in March 2025, BC Hydro and Metro Vancouver had not concluded negotiations to execute a new long-term renewal EPA and both parties agreed to enter into a short-term EPA to allow for continued deliveries of electricity from the Facility while negotiations continued. The Interim EPA was in effect for 43 days, until the 2025 EPA was executed.⁶

On July 4, 2025, the BCUC established a regulatory timetable for review of the Application that included public notice, one round of BCUC information requests, a letter of comment period, and an opportunity for BC Hydro to respond to letters of comment and submit final argument.⁷

The BCUC received letters of comment from Zero Waste British Columbia (Zero Waste BC), HSR Zero Waste, BC Sustainable Energy Association, Fraser Valley Regional District (FVRD), kʷikʷəłəm First Nation, Squamish Nation, and 11 members of the public.

¹ GVS&DD, the Metro Vancouver Regional District, the Greater Vancouver Water District, and the Metro Vancouver Housing Corporation together form what is commonly known as "Metro Vancouver". BC Hydro Final Argument, p. 2.

² Exhibit B-1, p. 11.

³ Exhibit B-1, p. 13.

⁴ Exhibit B-1, pp. 7–8.

⁵ Exhibit B-1, pp. 7–9.

⁶ Exhibit B-1, pp. 3, 9.

⁷ Order G-170-25 dated July 4, 2025. The regulatory timetable was subsequently amended to extend the deadline for letters of comment. See Orders G-202-25 dated August 18, 2025, and G-223-25 dated September 15, 2025.

1.1 Legislative Framework

The BCUC reviews EPAs pursuant to section 71 of the UCA and the BCUC's Rules for Energy Supply Contracts for Electricity (ESC Rules).⁸

Pursuant to section 71(2.21) of the UCA, in determining whether an energy supply contract filed by BC Hydro is in the public interest, the BCUC, in addition to considering the interests of persons in British Columbia (BC) who receive or may receive service from BC Hydro, must consider:

- (a) BC's energy objectives;
- (b) the most recent of either an integrated resource plan approved under section 4 of the *Clean Energy Act* (CEA) or long-term resource plan filed by BC Hydro under section 44.1;
- (c) the extent to which the energy supply contract is consistent with the requirements under section 19 of the CEA;⁹
- (d) the quantity of the energy to be supplied under the contract;
- (e) the availability of supplies of the energy referred to in paragraph (d);
- (f) the price and availability of any other form of energy that could be used instead of the energy referred to in paragraph (d); and
- (g) in the case only of an energy supply contract that is entered into by a public utility, the price of the energy referred to in paragraph (d).

BC's energy objectives include¹⁰ the following:

- to achieve electricity self-sufficiency;¹¹
- by 2030, to ensure that 100 percent of the electricity generated in BC and supplied to the integrated grid is generated from clean or renewable resources, and to ensure that the infrastructure necessary to transmit that electricity is built;¹²
- to ensure BC Hydro's rates remain among the most competitive of rates charged by public utilities in North America;¹³
- to reduce waste by encouraging the use of waste heat, biogas and biomass;¹⁴ and
- to ensure BC Hydro has sufficient clean or renewable electricity to meet BC's greenhouse gas (GHG) emission objectives.¹⁵

⁸ ESC Rules attached to BCUC Order G-61-12 dated May 25, 2012.

⁹ Section 19 of the CEA provides that to facilitate achievement of BC's energy objectives, BC Hydro, and other prescribed public utilities, must pursue actions to meet the prescribed targets in relation to clean or renewable resources. At this time, no regulations have been issued for the purposes of section 19 of the CEA and as such, this consideration is not applicable to the 2025 EPA or Interim EPA.

¹⁰ A complete listing of BC's energy objectives can be found under section 2 of the CEA and in British Columbia's Energy Objectives Regulation.

¹¹ BC's Energy Objective (a).

¹² BC's Energy Objective (c).

¹³ BC's Energy Objective (f).

¹⁴ BC's Energy Objective (j).

¹⁵ BC's Energy Objective (g).

Rule 1.2 of the BCUC’s ESC Rules states that in reviewing an energy supply contract filed by BC Hydro, the BCUC will “rely on all information it considers necessary to determine whether an [energy supply contract] is in the public interest” and, in doing so, will “consider and be guided by the factors in section 71(2.21) of the [UCA].”

2.0 The 2025 EPA and Interim EPA

BC Hydro submits that the EPAs are in the public interest, in accordance with the criteria set out in section 71(2.21) of the UCA and should be accepted by the BCUC.¹⁶

BC Hydro states that the EPAs further several of BC’s energy objectives including helping BC Hydro achieve electricity self-sufficiency and ensuring that one hundred percent of the electricity generated in BC is from clean or renewable sources. BC Hydro submits that the Facility is a clean or renewable resource under the Clean or Renewable Resource Regulation of the CEA, because it meets the definition of “waste heat” under the regulation via recovery of heat through a process that was in place prior to February 15, 2024 and is included in a solid waste management plan approved by the Minister of Environment and Parks under the *Environment Management Act*. BC Hydro acknowledges that Metro Vancouver is in the process of updating the Solid Waste Management Plan; however, it submits that it expects the Facility will continue to play a central role in managing Metro Vancouver waste. According to BC Hydro, GVS&DD has indicated that it intends to rely on the Facility as a core component of the region’s solid waste management strategy and also that it intends to act in accordance with necessary permit requirements over the 2025 EPA term.¹⁷

Further, BC Hydro states that the energy and capacity related to the Facility were included in BC Hydro’s load resource balances in the Updated 2021 Integrated Resource Plan, which the BCUC accepted pursuant to section 44.1(6) of the UCA in March 2024.¹⁸

Regarding the quantity and availability of the energy supplied under the EPAs, BC Hydro submits that the Facility has reliably supplied energy for over 20 years and is expected to be capable of continued and reliable operation over the entirety of the 2025 EPA. BC Hydro explains that the 2025 EPA includes financial incentives and consequences for GVS&DD to maintain continued reliable electricity generation. Additionally, BC Hydro notes that the Facility has all material permits needed to operate, including the operational certificate issued by the Ministry of Environment and Parks (Operational Certificate).¹⁹

With respect to price, BC Hydro submits that the EPAs are cost effective and compare favourably to alternative sources, as the levelized unit cost in the 2025 EPA and the unit energy price in the Interim EPA are lower than BC Hydro’s opportunity cost.²⁰

Finally, BC Hydro submits that the Facility has unique benefits in that its location within BC Hydro’s Lower Mainland load centre results in lower line losses and increased system reliability. Further, under the 2025 EPA, the Facility provides contracted firm capacity to support BC Hydro in meeting its customers’ peak winter electricity demand.²¹

Regarding BC Hydro’s duty to consult with First Nations, BC Hydro states that the Facility is located within the traditional territories of several First Nations, including kʷikʷəłəm First Nation and the Squamish Nation. BC

¹⁶ Exhibit B-1, p. 4; BC Hydro Final Argument, p. 2.

¹⁷ Exhibit B-1, pp. 6, 8, 10, 26–27; Exhibit B-3 BCUC IR 1.1.1.

¹⁸ Exhibit B-1, p. 27.

¹⁹ Exhibit B-1, pp. 18, 27; Exhibit B-3, BCUC IRs 1.1.1 and 1.1.2.

²⁰ Exhibit B-1, pp. 16–18, 26–29; Exhibit B-3, IR 1.2.1.

²¹ Exhibit B-1, p. 6.

Hydro notes the duty to consult arises when the Crown has knowledge of the potential existence of Aboriginal rights or title and contemplates conduct that might adversely affect it. BC Hydro submits that because the 2025 EPA is a renewal of an agreement for an existing facility, which will continue to operate regardless of the EPA, there are no incremental adverse impacts on Aboriginal rights and title arising from the EPAs. As such, the decision to enter into the EPAs does not trigger the duty to consult.²²

BC Hydro states that it notified First Nations of the 2025 EPA and that, of the Nations notified, kʷikʷəłəm First Nation and Squamish Nation submitted letters of comment.²³ These and other letters of comment received during the proceeding are summarized below.

Letters of Comment

In total, the BCUC received 21 letters of comment.²⁴ Several letters oppose BCUC acceptance of the EPAs; the most common reason for which is a concern that the incineration of solid waste at the Facility results in significant GHG emissions and the release of pollutants that are harmful to human health and the environment.²⁵ Some letters express concern that acceptance of the EPAs would support continued operation of the Facility, diverting limited funding available under Metro Vancouver's solid waste budget away from actions to meaningfully reduce waste and, as Mr. Schell – a member of Metro Vancouver's Public Technical Advisory Committee – put it, “pre-empting a transparent, evidence-based solid waste planning process”.²⁶

With respect to GHG emissions, several letters allege that the Facility is one of the largest point sources of GHG emissions in BC and that acceptance of the EPAs is not consistent with BC's energy objective to reduce BC GHG emissions.²⁷

Several letters express concern about the impact that operation of the Facility has on human health and the environment.²⁸ For example, FVRD submits that the Facility has been unable to meet discharge limits established in its Operational Certificate, while kʷikʷəłəm First Nation states that the release of toxic pollutants from the Facility poses significant risks to humans and wildlife. Zero Waste BC suggests a tie between operation of the Facility and the presence of dioxins found in sediments along the Fraser River and notes that recent updates to the Operational Certificate mean that Metro Vancouver will need to pay for a public health risk assessment and revisit the emissions levels and testing for the Facility.²⁹

Zero Waste BC and FVRD also disagree with BC Hydro's submission that the Facility is a clean or renewable energy source under the CEA, arguing that the Solid Waste Management Plan is out of date and therefore the Facility is inconsistent with the Clean or Renewable Resource Regulation's definition of waste heat. Zero Waste BC also submits that the electricity being acquired under the 2025 EPA comes primarily from burning plastic made from fossil fuels, which Zero Waste BC alleges is dirtier than burning fossil fuel directly.³⁰

Some letters also question the availability of energy during the term of the 2025 EPA, raising concerns with the age of the Facility, the high and escalating costs of its operation compared to other waste management

²² Exhibit B-1, pp. 20–23; BC Hydro Final Argument p. 12.

²³ Exhibit B-1, pp. 20–23; BC Hydro Final Argument p. 12.

²⁴ Including an initial submission from Zero Waste BC (see Exhibit A2-1) and extension requests from kʷikʷəłəm First Nation and the Squamish Nation (see Exhibits D-2 and D-8, respectively).

²⁵ See, for example, Exhibits D-1, A2-1, D-2-1, D-5, D-6, D-7, and D-8-1.

²⁶ Exhibits D-4, D-5, D-7, D-8-1 and D-13.

²⁷ Exhibits A2-1, D-2-1, D-3, D-4, D-5, D-6, D-7, D-8-1, D-14 and D-16.

²⁸ Exhibits A2-1, D-1, D-2-1, D-3, D-5, D-6, D-7, D-8-1, D-9, D-10, D-11, D-12, D-13, D-15, D-16 and D-17.

²⁹ Exhibit D-7, p. 1; Exhibit D-2-1, p. 1; Exhibit D-6, p. 18; Exhibit D-6-1, p. 1.

³⁰ Exhibit D-6, pp. 3, 11–12; D-7, pdf pp. 2–3.

alternatives, uncertainty around the Facility continuing to be included in the Solid Waste Management Plan, and the Facility's ability to meet air quality requirements established in the recently amended Operational Certificate.³¹

With respect to the price of energy, Zero Waste BC disagrees with BC Hydro's use of long-run marginal costs (LRMC) as a comparator for the value of the 2025 EPA. In Zero Waste BC's view, a more suitable comparison for the value of an existing generating facility would be the unit cost of demand side energy savings, as opposed to the cost of greenfield energy acquisitions.³²

Finally, with respect to First Nation's consultation, k'w'ik'w'əłəm First Nation indicates that it has asserted rights and title over all lands, waters, and resources within its Traditional Territory, and that it expects meaningful consultation prior to the EPAs' acceptance.³³ The Squamish Nation expresses concern that its interests are not fairly considered in EPA renewal processes by proponents and governments, and that renewals overlook the critical need to reassess environmental compliance in light of evolving green standards and climate policies. The Squamish Nation considers EPA renewals to be essential checkpoints to ensure that legacy projects do not become unchecked contributors to the worsening climate crisis.³⁴

BC Hydro Response

BC Hydro filed its responses to letters of comment and final argument on October 17, 2025, in which it reaffirms its position that the Interim EPA and 2025 EPA are in the public interest and should be accepted by the BCUC. BC Hydro states that, in general, the concerns expressed in letters of comment relate to the operation of the Facility, Metro Vancouver's municipal waste management policies and practices, and the environmental and human health impact from emissions, including GHG emissions, resulting from the waste incineration. BC Hydro submits that matters related to municipal or regional solid waste management and the operation of the waste incinerator are more appropriately addressed through the Ministry of Environment and Parks' review of the Solid Waste Management Plan or the Operational Certificate, rather than by the BCUC.³⁵

BC Hydro submits that whether the updated Solid Waste Management Plan will include the Facility is speculative at this time. BC Hydro states that the evidence before the BCUC is that the Facility is "covered by a solid waste management plan that is approved under the Environmental Management Act," which is the requirement for a "clean or renewable resource" under the Clean or Renewable Resource Regulation, and that GVS&DD plans to continue relying on the Facility as an integral part of the region's solid waste management.³⁶

Regarding submissions that the 2025 EPA does not support BC's objectives to reduce GHG emissions, BC Hydro submits that the Facility would continue to operate regardless of the 2025 EPA, and, accordingly, that the 2025 EPA does not contribute to additional GHG emissions. BC Hydro further submits that the 2025 EPA does not alter the Facility's physical footprint or worsen any of the environmental impacts from the Facility's original construction.³⁷

BC Hydro notes that the BCUC has previously accepted BC Hydro's methodology for calculating opportunity cost, including use of the LRMC of new energy acquisitions during periods of energy deficit, and maintains this is an appropriate benchmark for assessing cost-effectiveness of the 2025 EPA.³⁸

³¹ Exhibit A2-1, p. 5; Exhibit D-3, pdf p. 2; Exhibit D-5, p. 1; Exhibit D-6, pp. 4–11, 13–16; Exhibit D-6-1, p. 1; Exhibit D-7, p. 1.

³² Exhibit D-6, p. 3.

³³ Exhibit D-2-1, p. 2.

³⁴ Exhibit D-8-1, p. 1.

³⁵ Final Argument, p. 2.

³⁶ BC Hydro Final Argument, pp. 8–9.

³⁷ BC Hydro Final Argument, p. 10.

³⁸ BC Hydro Final Argument pp. 11–12.

Panel Determinations

For the reasons that follow, **the Panel finds that the 2025 EPA and the Interim EPA are in the public interest and accepts them for filing.**

Our first consideration is whether the EPAs are aligned with the factors that the BCUC must consider under section 71(2.21) of the UCA, including BC's energy objectives, BC Hydro's most recent Integrated Resource Plan, and the quantity, availability and price of the energy being supplied by the EPAs.

BC's energy objectives are listed in the *Clean Energy Act* and in the British Columbia's Energy Objectives Regulation, and several of the objectives focus on the use of clean or renewable resources and the reduction of GHG emissions in BC. The *Clean Energy Act* also lists what qualifies as a clean or renewable resource: biomass, biogas, geothermal heat, hydro, solar, ocean, wind or any other prescribed resource [emphasis added]. The Clean or Renewable Resource Regulation lists the resources that are prescribed for the purposes of the definition of "clean or renewable resource" in the *Clean Energy Act*, one of these resources is 'waste heat'. The Clean or Renewable Resource Regulation defines waste heat:

"waste heat" means heat produced by either of the following processes,

...

a heat recovery process conducted by a facility that

is covered by a solid waste management plan that is approved under the Environmental Management Act, and

began conducting heat recovery processes before February 15, 2024;

The Panel recognizes that the Solid Waste Management Plan is being updated, but the Panel must make a determination under existing regulations and should not speculate on the outcome of a review process. BC Hydro has demonstrated that the Facility is covered by an approved solid waste management plan and that it began operating well before 2024. Therefore, **the Panel finds that the Facility is a clean or renewable resource under the Clean or Renewable Resource Regulation of the CEA, because it meets the definition of "waste heat"**. This means that the EPAs support BC energy objective (c) to ensure that 100 percent of the electricity generated in BC and supplied to the integrated grid is from clean or renewable resources, and BC energy objective (j) to reduce waste by encouraging the use of waste heat.

BC's energy objectives also set targets for GHG emissions reductions, and some letters of comment express concern that the EPAs will contribute to increased GHG emissions. The Panel is persuaded that the Facility would continue to operate regardless of the EPAs, and as such there are no incremental GHG emissions resulting from the EPAs.

Insofar as letters of comment express concern about the impact on human health of burning waste, or whether the Facility contributes to increased dioxins in river sediment, these are matters for Metro Vancouver or the Ministry of Environment and Parks under the statutory framework of the *Environmental Management Act* through their review of the Solid Waste Management Plan and the Facility's Operational Certificate.

Additional factors for the Panel to consider under section 71(2.21) of the UCA are BC Hydro's most recent Integrated Resource Plan, the availability of supplies of the energy, and the price of the energy being supplied by the EPAs.

The Panel acknowledges that BC Hydro's Updated 2021 Integrated Resource Plan, which the BCUC accepted pursuant to section 44.1(6) of the UCA in March 2024,³⁹ included the energy and capacity related to the Facility.

The Panel accepts that the Facility has reliably supplied energy to BC Hydro for more than 20 years. Some parties question whether the age or cost of operation of the Facility compromise its ability to supply energy during the term of the EPAs. However, BC Hydro notes that GVS&DD has indicated that it intends to comply with all permit requirements over the 2025 EPA term, and to rely on the Facility as a core component of Metro Vancouver's solid waste management strategy. Therefore, the Panel considers it reasonable for BC Hydro to continue to expect the Facility to provide reliable supply over the entirety of the 2025 EPA.

The Panel considers the price of energy purchased under the EPAs to be reasonable. We are satisfied that BC Hydro has appropriately considered market prices and cost-effectiveness benchmarks and that BC Hydro's opportunity cost is an appropriate upper benchmark for evaluating the EPAs. We also note that the BCUC has previously accepted BC Hydro's methodology for calculating opportunity cost. In this regard, the Panel is persuaded that the levelized unit energy cost for the 2025 EPA is below BC Hydro's opportunity cost and below the expected cost of greenfield energy supply. Thus, the Panel considers the 2025 EPA to be cost-effective.

The Panel accepts that BC Hydro has identified the First Nations potentially affected by the EPAs. Further, we are satisfied that the EPAs are for an existing facility and do not require any changes to the facility. We are persuaded therefore that there will be no incremental adverse impacts on asserted Aboriginal rights and title arising from the EPAs and that the duty to consult is not triggered.

3.0 Confidentiality

BC Hydro requests that the 2025 EPA and the confidential version of the Interim EPA and letter agreement extending the Interim EPA be kept confidential, until the BCUC determines otherwise. BC Hydro submits that these agreements contain commercially sensitive information to BC Hydro and/or GVS&DD and that the public disclosure of such information would harm BC Hydro's negotiating position with respect to further EPAs.⁴⁰

Given the commercially sensitive nature of the information contained therein, the Panel orders that the 2025 EPA, the Interim EPA, and the unredacted version of the Application remain confidential unless the BCUC determines otherwise.

DATED at the City of Vancouver, in the Province of British Columbia, this 12th day of January 2026.

Electronically signed by Mark Jaccard

M. Jaccard
Panel Chair/Commissioner

Electronically signed by Blair Lockhart

E. B. Lockhart
Commissioner

³⁹ Decision and Order G-58-24 dated March 6, 2024.

⁴⁰ Exhibit B-1, cover letter, p. 2 and Appendix B, pp. 2–3.