

## Castro, Maria

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**From:** Pickell, Grace (Fortis Energy)  
**Sent:** Tuesday, November 15, 2016 4:11 PM  
**To:** Correspondence Group, City Clerk's Office  
**Subject:** FortisBC Alternative Energy Services: letter regarding Public Hearing Meeting, Nov. 15  
**Attachments:** FAES CoV - Doug Stout (2).pdf

Sent on behalf of Douglas Stout, President, FortisBC Alternative Energy Services Inc. pertaining to the rezoning proposals 2,3, and 4 for the Public Hearing Meeting taking place November 15<sup>th</sup>.

Regards,

**Grace Pickell**

Government Relations and Public Affairs Manager

FortisBC

Tel: 604-328-2544

[Grace.Pickell@fortisbc.com](mailto:Grace.Pickell@fortisbc.com)

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\*"FortisBC" refers to the FortisBC group of companies which includes FortisBC Holdings. Inc., FortisBC Energy Inc., FortisBC Inc., FortisBC Alternative Energy Services Inc. and Fortis Generation Inc.

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**Douglas L. Stout**  
**President**  
**FortisBC Alternative Energy Services Inc.**

10<sup>th</sup> floor – 1111 West Georgia Street  
Vancouver, BC V6E 4M3  
Tel: 604-592-7911  
Email: Douglas.Stout@fortisbc.com

15 November 2016

DELIVERED VIA EMAIL ([mayorandcouncil@vancouver.ca](mailto:mayorandcouncil@vancouver.ca))

Mayor Gregor Robertson & Council  
City of Vancouver  
453 West 12th Avenue  
Vancouver, BC  
V5Y 1V4

Dear Mayor and Council,

**Re: Rezoning Applications**

FortisBC Alternative Energy Services Inc. (FAES) writes with respect to the City of Vancouver Council public hearing scheduled for November 15, 2016 at 6:00 PM and specifically in regard to the rezoning applications identified as agenda items 2, 3 and 4 at that public hearing.

FAES specializes in designing, owning, operating and maintaining thermal energy systems (TES) to help its customers reduce greenhouse gas emissions, support sustainability objectives and improve the performance of existing TES in buildings. FAES owns and operates these alternative energy systems throughout the City of Vancouver, lower mainland and other parts of British Columbia.

Over the past few years, FAES has worked with developers in various municipalities related to on-site TES for new developments as well as retrofits. FAES operates in a competitive marketplace which fosters innovation by requiring it to demonstrate that it is providing a low-carbon, low GHG emission TES at rates attractive to the market. It is against this backdrop that FAES strongly objects to certain elements of the rezoning proposals before council.

To be clear, FAES has no concern with the rezoning of the parcels of property that are the subject of these agenda items to permit the proposed developments. Rather, FAES objects to a number of the "Conditions of Approval of the Form of Development" and "Conditions of Enactment" identified in the staff reports that are on the meeting agenda and are generally consistent across the three properties that are the subject of the rezoning applications.

As FAES understands the proposals before council, each of these three properties are proposed to be rezoned, subject to various conditions that act to: (a) require that the developments are designed to accommodate future connection to a "City-Designated NES"; (b) prohibit the owners of the properties from entering into any supply contract for thermal energy services with a third party supplier (such as FAES); and (c) mandate that the developments connect to the "City-Designated NES" once it is established.

The effect of these conditions is to preclude FAES from being able to provide thermal energy to these developments. In FAES's submission, it is beyond the City of Vancouver's jurisdiction to dictate how and to which public utility a development will obtain service. In this regard, FAES has reviewed the comments of FortisBC Energy Inc. respecting this jurisdictional conflict between the City of Vancouver and the British Columbia Utilities Commission (BCUC) and supports them.

FAES also notes that the BCUC - which has exclusive jurisdiction over public utilities - has held that a competitive marketplace for TES is preferred<sup>1</sup> and that restricting customer choice is not in the public interest.<sup>2</sup> The proposed conditions of approval are entirely inconsistent with these principles and should not be adopted.

Sincerely,

"s.22(1) Personal and Confidential"



Douglas Stout, President  
FortisBC Alternative Energy Services Inc.

cc: Councillor George Affleck  
Councillor Elizabeth Ball  
Councillor Adriane Carr  
Councillor Melissa De Genova  
Councillor Heather Deal  
Councillor Kerry Jang  
Councillor Raymond Louie  
Councillor Geoff Meggs  
Councillor Andrea Reimer  
Councillor Tim Stevenson  
Sadhu Johnston, City Manager

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<sup>1</sup> See, for example, the BCUC's Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives Report, December 27, 2012 which concludes that competition among energy providers is beneficial for consumers and should not be hindered.

<sup>2</sup> BCUC's Reasons for Decision for Order G-88-16, released September 26, 2016 which reject a proposed monopoly over TES service on the basis that it is not in the public interest to restrict customer choice.

## Castro, Maria

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**From:** Correspondence Group, City Clerk's Office  
**Sent:** Tuesday, November 15, 2016 5:03 PM  
**To:** Public Hearing  
**Subject:** FW: FortisBC Energy Inc. comments: Nov. 15 Rezoning Applications  
**Attachments:** 20161115163912936.pdf

-----Original Message-----

From: Pickell, Grace (Fortis Energy)  
Sent: Tuesday, November 15, 2016 4:52 PM  
To: Correspondence Group, City Clerk's Office  
Subject: FortisBC Energy Inc. comments: Nov. 15 Rezoning Applications

Sent on behalf of Roger Dall'Antonia, Executive Vice-President of Customer Service and Technology, FortisBC, pertaining to the rezoning proposals 2,3, and 4 for the Public Hearing Meeting taking place November 15th.

Regards,

Grace Pickell  
Government Relations and Public Affairs Manager FortisBC  
Tel: 604-328-2544  
[Grace.Pickell@fortisbc.com](mailto:Grace.Pickell@fortisbc.com)

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This email was sent to you by FortisBC\*. The contact information to reach an authorized representative of FortisBC is 16705 Fraser Highway, Surrey, British Columbia, V4N 0E8, Attention: Communications Department. You can unsubscribe<<http://www.fortisbc.com/About/Newsletters/Unsubscribe/Pages/default.aspx>> from receiving further emails from FortisBC or email us at [unsubscribe@fortisbc.com](mailto:unsubscribe@fortisbc.com)<<mailto:unsubscribe@fortisbc.com>>.

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Executive Vice President  
Customer Service and Technology  
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Burnaby, BC  
V5C 0G5  
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15 November 2016

DELIVERED VIA EMAIL ([mayorandcouncil@vancouver.ca](mailto:mayorandcouncil@vancouver.ca))

Mayor Gregor Robertson & Council  
City of Vancouver  
453 West 12th Avenue  
Vancouver, BC  
V5Y 1V4

Dear Mayor and Council,

**Re: Rezoning Applications**

FortisBC Energy Inc. ("FEI") provides these comments with respect to Agenda items 2, 3 and 4 of the November 15, 2016 6:00PM City of Vancouver Council public hearing.

Each of these agenda items relate to the proposed rezoning of various parcels of land in the City of Vancouver. FEI takes no issue with the merits of rezoning these parcels, but objects to certain conditions proposed to be attached to the enactment of the rezoning bylaws (if approved) that impose restrictions on the developments related to how those developments obtain space heating and domestic hot water service. Specifically, these conditions act to preclude these developments from contracting for a thermal energy system ("TES") from any third party TES provider other than the "City-designated TES", prohibit the inclusion of secondary heating appliances (such as fireplaces) in the development and act to obligate the developments to connect to the City-Designated TES once available.

The effect of these conditions is to mandate the owners of these properties to connect to a public utility chosen by the City and to obtain service from that public utility for the entirety of its heating and domestic hot water load, to the exclusion of any other alternative. This represents an unlawful intrusion by the City of Vancouver into the exclusive jurisdiction of the British Columbia Utilities Commission ("BCUC").

The *Utilities Commission Act* provides that "[t]he commission has exclusive jurisdiction in all cases and for all matters in which jurisdiction is conferred on it by this or any other Act." The conditions proposed to be attached to these re-zonings that relate to how and on what terms these developments will be permitted to obtain public utility service are "matters in which jurisdiction is conferred on" the Commission. This makes it clear that the Commission is the only body with jurisdiction over when, and on what terms, a public utility provides service or discontinues service.

Given that the City of Vancouver does not possess the jurisdiction to impose the conditions related to connection (or future connection) to a public utility that it purports to, FEI respectfully requests that these re-zonings be approved with those conditions deleted.

Sincerely,

"s.22(1) Personal and Confidential"

Roger Dall'Antonia  
Executive Vice President  
Customer Service and Technology

cc: Councillor George Affleck  
Councillor Elizabeth Ball  
Councillor Adriane Carr  
Councillor Melissa De Genova  
Councillor Heather Deal  
Councillor Kerry Jang  
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Sadhu Johnston, City Manager