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15 November 2016

DELIVERED VIA EMAIL (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 preferred¹ and that restricting customer choice is not in the public interest.² The proposed conditions of approval are entirely inconsistent with these principles and should not be adopted.

Sincerely,



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

¹ 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.

² 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.