



Clean Energy Act

GREENHOUSE GAS REDUCTION
(CLEAN ENERGY) REGULATION

B.C. Reg. 102/2012

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Consolidated Regulations of British Columbia

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**GREENHOUSE GAS REDUCTION
(CLEAN ENERGY) REGULATION
B.C. Reg. 102/2012**

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Definitions

1 In this regulation:

“**Act**” means the *Clean Energy Act*;

“**eligible vehicle or machine**” means

- (a) a specified vehicle,
- (b) a marine vehicle,
- (c) an asphalt paver,
- (d) a fracture pump unit,
- (e) a mine haul truck, and
- (f) a locomotive

that uses, as a fuel source, compressed natural gas or liquefied natural gas;

“**heavy-duty vehicle**” means a truck, other than a mine haul truck, or tractor-trailer with a manufacturer’s gross vehicle weight rating of 11 793 kg or more;

“**medium-duty vehicle**” means a vehicle, including a waste-haulage truck, with a manufacturer’s gross vehicle weight rating of more than 5 360 kg but less than 11 793 kg;

“**non-bypass customer**” means a customer of a public utility that receives service under a rate that is not specific to the customer;

“**operating costs**”, in relation to a fuelling station or to distribution or storage infrastructure, means

- (a) operating and maintenance expenses,
- (b) electricity expenses,
- (c) interest expenses,
- (d) taxes, including property taxes,
- (e) return on equity,
- (f) extraordinary retirement costs, and
- (g) amounts with respect to the depreciation of the
 - (i) capital costs,

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- (ii) construction carrying costs,
- (iii) feasibility and development costs,
- (iv) sustaining capital costs, and
- (v) decommissioning and salvaging costs

determined with reference to the remaining service life of the fuelling station or distribution or storage infrastructure, as approved by the commission in setting rates;

“safety guidelines” means safety guidelines adopted by the British Columbia Safety Authority;

“shore-side asset” means any of the following:

- (a) boil-off gas recovery equipment;
- (b) an LNG cryogenic loading manifold;
- (c) an LNG cryogenic pipeline and vessel loading berth;
- (d) an LNG cryogenic storage tank;
- (e) an LNG measurement apparatus;

“specified vehicle” means a heavy-duty vehicle, medium-duty vehicle, school bus or transit bus;

“tanker truck load-out” means equipment for transferring liquefied natural gas from a storage tank to a liquefied natural gas tank trailer;

“undertaking period” means the period that ends on March 31, 2022.

[am. B.C. Regs. 235/2013, s. 1; 98/2015, s. 1; 214/2016, s. 1; 114/2017, s. 1; 84/2018, s. 1.]

Prescribed undertakings

2 (0.1) In this section:

“contracted demand” means the total compressed natural gas and liquefied natural gas demand under take-or-pay agreements with the public utility during the undertaking period;

“early adopter vehicle or machine” means an eligible vehicle or machine, other than a vehicle referred to in subsection (3.1) (a), used primarily in a market segment set out in column 1 of the following table, if

- (a) the contracted demand for the market segment does not exceed, in any of years 5 through 11 of the undertaking period, the annual amount set out in the corresponding row of column 2 of the table, or

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- (b) the total number of persons who receive grants or zero-interest loans does not exceed, in the undertaking period, the number set out in the corresponding row of column 3 of the table:

Column 1 Market Segment	Column 2 Contracted Demand (GJ)	Column 3 Number of Persons who Receive Grants or Zero-Interest Loans
Wholesale distribution of food or beverages by truck	100 000	5
Short-haul trucking between a port and any of a railway, warehouse or trucking depot	100 000	5
Medium-duty vehicle and heavy-duty vehicle leasing	100 000	5
Passenger transportation by charter bus, other than a transit bus or school bus	100 000	5
Package courier service by truck	200 000	5
Off-highway mine hauling by truck	1 million	3
Transportation of goods or passengers by rail	1 million	3
Dump truck services	100 000	5
Transportation of cement in cement-mixing trucks	100 000	5
Bucket and digger trucking services	100 000	5
Pipe cleaning or hydro-vacuum excavation trucking services	100 000	5
On-highway hauling in trucks with a manufacturer's gross vehicle weight rating of more than 36 000 kg	1 million	10
Off-highway earth excavation, grading and moving for construction or mining	1 million	5
Asphalt paving services	100 000	6
Fracture pump unit services	200 000	4
Shipping, passenger transportation or commercial services by marine vehicle that will use fuel purchased from a public utility	10 million	13
Street sweeping services	100 000	5

“major transportation corridor” means Highway 1, 3, 3A, 4, 5, 7, 16, 19, 33, 37, 91, 95, 97 or 99.

- (1) Subject to subsection (3.3), a public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:

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- (a) the public utility provides, through an open and competitive application process,
- (i) grants or zero-interest loans to persons in British Columbia for the purchase of an eligible vehicle or machine to be operated in British Columbia, or
 - (ii) grants to persons in British Columbia
 - (A) to implement safety practices, or
 - (B) to improve maintenance facilities
 to meet safety guidelines for operating and maintaining an eligible vehicle or machine;
- (b) subject to subsection (1.2), an expenditure on a grant or zero-interest loan for an eligible vehicle or machine does not, in any year of the undertaking, exceed the percentage difference as indicated in the following table:

	Year of Undertaking										
	1	2	3	4	5	6	7	8	9	10	11
Percentage of the difference between the cost of the eligible vehicle or machine and the cost of a comparable vehicle that uses gasoline or diesel	100	80	70	60	50	40	30	25	20	10	0

- (c) total expenditures on the undertaking during the undertaking period, including expenditures on administration, marketing, training and education, do not exceed \$177.9 million less the total expenditures, if any, on an undertaking described in subsection (3.1), and
- (i) Repealed. [B.C. Reg. 98/2015, s. 2 (e).]
 - (ii) expenditures on the undertaking during the undertaking period
 - (A) Repealed. [B.C. Reg. 214/2016, s. 3 (e).]
 - (B) on grants referred to in paragraph (a) (ii) do not exceed \$6 million.
- (1.1) Despite the reference in subsection (1) (a) to an open and competitive application process, a public utility may, in carrying out the undertaking described in subsection (1), give priority to a person in British Columbia who fuels an eligible vehicle or machine using natural gas delivered through the public utility's pipeline system.
- (1.2) The percentage difference indicated in the table in subsection (1) (b) may be increased
- (a) by up to 50 for each of years 5 through 11 of the undertaking period if the eligible vehicle or machine is an early adopter vehicle or machine, and

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- (b) by up to 20 for each of years 5 through 11 of the undertaking period if the vehicle is a specified vehicle, is not an early adopter vehicle or machine or a vehicle referred to in subsection (3.1) (a) and is owned or operated by a person who agrees, as a condition of receiving a grant or zero-interest loan, to
 - (i) complete or arrange for the completion of, within 3 years of the agreement, the construction of a compressed natural gas or liquefied natural gas fuelling station that
 - (A) is within 25 km of a major transportation corridor, and
 - (B) provides fuelling services to one or more other persons, or
 - (ii) operate or arrange for the operation of a fuelling station described in clauses (A) and (B).
- (1.3) Despite subsections (1) (a) (i) and (1.1), grants or loans referred to in subsection (1) in relation to an early adopter vehicle or machine respecting the market segment described in the table in paragraph (b) of the definition of “earlier adopter vehicle or machine” as “Shipping, passenger transportation or commercial services by marine vehicle that will use fuel purchased from a public utility” may be made to persons who are not in British Columbia.
- (1.4) Despite subsection (1) (c), the total expenditures referred to in that subsection may exceed \$177.9 million by \$40 million if the \$40 million is for expenditures in relation to eligible vehicles or machines operated on liquefied natural gas or compressed natural gas all of which is derived from biogas or biomass.
- (2) A public utility’s undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
 - (a) the public utility, before March 31, 2022, enters into a binding commitment to
 - (i) construct and operate, or
 - (ii) purchase and operateone or more compressed natural gas fuelling stations, including storage, compression and dispensing equipment and facilities, within the service territory of the public utility for the purposes of providing compressed natural gas fuel and fuelling services to owners of vehicles that operate on compressed natural gas;
 - (b) the average expenditure on stations, in any year of the undertaking period, does not exceed \$3 million per station;
- (b.1) expenditures, during the undertaking period, on administration and marketing do not exceed \$240 000;
- (c) at least
 - (i) 80% of the station’s forecast total operating costs for the first 5 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 5 years, or

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- (ii) 60% of the station's forecast total operating costs for the first 7 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 7 years.
- (3) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
 - (a) the public utility, before March 31, 2022, enters into a binding commitment to construct and operate, or purchase and operate, one or more of the following:
 - (i) one or more liquefied natural gas tank trailers or liquefied natural gas fuelling stations for the purposes of providing within British Columbia liquefied natural gas fuel and fuelling services to owners of vehicles that operate on liquefied natural gas;
 - (ii) one or more tanker truck load-outs for the purposes of providing within British Columbia liquefied natural gas fuel and fuelling services to owners of vehicles that operate on liquefied natural gas or to owners or operators of marine vehicles that operate on liquefied natural gas;
 - (b) in any year of the undertaking period an expenditure on a station does not exceed \$2.75 million;
 - (b.1) expenditures, during the undertaking period, on a tanker truck load-out do not exceed \$10 million, and on administration and marketing do not exceed \$250 000;
 - (c) at least
 - (i) 80% of the station's forecast total operating costs for the first 5 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 5 years, or
 - (ii) 60% of the station's forecast total operating costs for the first 7 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 7 years.
- (3.01) The amount determined by adding the following must not exceed \$62.5 million:
 - (a) total expenditures during the undertaking period on the undertaking described in subsection (2), including expenditures on administration and marketing;
 - (b) total expenditures during the undertaking period on the undertaking described in subsection (3), including expenditures on administration and marketing.
- (3.1) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
 - (a) the public utility provides, through an open and competitive application process, grants or zero-interest loans to owners or operators in British

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Columbia of specified vehicles for the conversion of those vehicles to operate on compressed natural gas or liquefied natural gas;

- (b) total expenditures on the undertaking during the undertaking period, including expenditures on administration, marketing, training and education,
 - (i) do not exceed the lesser of the following amounts:
 - (A) the amount required for the conversion of 50 vehicles;
 - (B) \$5 million, and
 - (ii) expenditures on the undertaking during the undertaking period on administration, marketing, training and education do not exceed \$1.5 million.
- (3.2) Subject to subsection (3.3), a public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
- (a) the public utility provides, through an open and competitive application process, grants or zero-interest loans to persons in British Columbia for
 - (i) the purchase or lease of generators, boilers, burners or kilns that use, as a fuel source, compressed natural gas or liquefied natural gas, or
 - (ii) the conversion of generators, boilers, burners or kilns to use, as a fuel source, compressed natural gas or liquefied natural gasif the generators, boilers, burners or kilns will be operated at a location that, at the time of the expenditure, is not
 - (iii) within the authority's integrated area, or
 - (iv) connected to a natural gas transmission or distribution system;
 - (b) the total expenditures on the undertaking during the undertaking period, other than expenditures on administration, marketing, training and education, do not exceed \$6.1 million.
- (3.3) The undertakings referred to in subsections (1) and (3.2) are prescribed undertakings for the purposes of section 18 of the Act only if the total combined expenditures on the two undertakings, during the undertaking period on administration, marketing, training and education, do not exceed \$8.1 million.
- (3.4) A public utility's undertaking that is in the class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:
- (a) the public utility, before March 31, 2022, enters into a binding commitment to
 - (i) construct and operate, or
 - (ii) purchase and operateLNG distribution and storage infrastructure, other than liquefied natural gas fuelling stations, in British Columbia, including LNG rail tank cars, ISO

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- containers and shore-side assets, for the purpose of reducing greenhouse gas emissions;
- (b) total expenditures on the undertaking during the undertaking period, including expenditures on administration, marketing, training and education, do not exceed \$40 million, and
- (c) at least
- (i) 80% of the forecast total operating costs of the distribution and storage infrastructure for the first 5 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 5 years, or
- (ii) 60% of the forecast total operating costs of the distribution and storage infrastructure for the first 7 years of the operation are recovered from one or more persons under a take-or-pay agreement with a minimum term of 7 years.
- (3.5) A public utility's undertaking that is in the class defined in subsection (3.6) is a prescribed undertaking for the purposes of section 18 of the Act.
- (3.6) The public utility, during the undertaking period, expends amounts on feasibility and development costs in relation to shore-side assets that do not exceed \$5 million.
- (3.7) A public utility's undertaking that is in the class defined in subsection (3.8) is a prescribed undertaking for the purposes of section 18 of the Act.
- (3.8) The public utility acquires renewable natural gas
- (a) for which the public utility pays no more than \$30 per GJ, and
- (b) that, subject to subsection (3.9), in a calendar year, does not exceed 5% of the total volume of natural gas provided by the public utility to its non-bypass customers in 2015.
- (3.9) The volume referred to in subsection (3.8) (b) does not include renewable natural gas acquired by the public utility that the public utility provides to a customer in accordance with a rate under which the full cost of the following is recovered from the customer:
- (a) the acquisition of the renewable natural gas;
- (b) the service related to the provision of the renewable natural gas.
- (4) In subsections (1), (2), (3), (3.1), (3.2) and (3.4), “**expenditures**” includes, except with respect to expenditures on administration and marketing, binding commitments to incur expenditures in the future.

[am. B.C. Regs. 235/2013, s. 2; 98/2015, s. 2; 214/2016, ss. 2 to 8; 114/2017, ss. 2 to 8; 84/2018, s. 2.]

3 Repealed. [B.C. Reg. 235/2013, s. 3.]

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Prescribed undertaking – electrification**4** (1) In this section:

“**benefit**”, in relation to an undertaking in a class defined in subsection (3) (a) or (b), means all revenues the public utility reasonably expects to earn as a result of implementing the undertaking, less revenues that would have been earned from the supply of undertaking electricity to export markets;

“**cost**”, in relation to an undertaking in a class defined in subsection (3) (a) or (b), means costs the public utility reasonably expects to incur to implement the undertaking, including, without limitation, development and administration costs;

“**cost-effective**” means that the present value of the benefits of all of the public utility’s undertakings within the classes defined in subsection (3) (a) or (b) exceeds the present value of the costs of all of those undertakings when both are calculated using a discount rate equal to the public utility’s weighted average cost of capital over a period that ends no later than a specified year;

“**natural gas processing plant**” means a facility for processing natural gas by removing from it natural gas liquids, sulphur or other substances;

“**specified year**”, in relation to an undertaking within a class defined in subsection (3), means

- (a) a year determined by the minister with respect to an identified public utility, or
- (b) if the minister does not make a determination for the purposes of paragraph (a), 2030;

“**undertaking electricity**” means electricity that is provided to customers in British Columbia as a result of an undertaking and is in addition to electricity that would have been provided had the undertaking not been carried out.

(2) A public utility’s undertaking that is in a class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:

- (a) for the purpose of reducing greenhouse gas emissions in British Columbia, the public utility constructs or operates an electricity transmission or distribution facility, or provides for temporary generation until the completion of the construction of the facility, in northeast British Columbia primarily to provide electricity from the authority to
 - (i) a producer, as defined in section 1 (1) of the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation, B.C. Reg. 495/92, or
 - (ii) an owner or operator of a natural gas processing plant;
- (b) the public utility reasonably expects, on the date the public utility decides to carry out the undertaking, that the facility will have an in-service date no later than December 31, 2022.

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- (3) Subject to subsection (4), a public utility's undertaking that is in a class defined in one of the following paragraphs is a prescribed undertaking for the purposes of section 18 of the Act:
- (a) a program to encourage the public utility's customers, or persons who may become customers of the public utility, to use electricity, instead of other sources of energy that produce more greenhouse gas emissions, by
 - (i) educating or training those customers respecting energy use and greenhouse gas emissions, carrying out public awareness campaigns respecting those matters, or providing energy management and audit services, or
 - (ii) providing funds to those persons to assist in the acquisition, installation or use of equipment that uses or affects the use of electricity;
 - (b) a program to encourage the public utility's customers, or persons who may become customers of the public utility, to use electricity instead of other sources of energy that produce more greenhouse gas emissions, by
 - (i) educating, training, providing energy management and audit services to, or carrying out awareness campaigns respecting energy use and greenhouse gas emissions for, or
 - (ii) providing funds to
persons who
 - (iii) design, manufacture, sell, install or, in the course of operating a business, provide advice respecting equipment that uses or affects the use of electricity,
 - (iv) design, construct, manage or, in the course of operating a business, provide advice respecting energy systems in buildings or facilities, or
 - (v) design, construct or manage district energy systems;
 - (c) a project, program, contract or expenditure for research and development of technology, or for conducting a pilot project respecting technology, that may enable the public utility's customers to use electricity instead of other sources of energy that produce more greenhouse gas emissions;
 - (d) a project, program, contract or expenditure supporting a standards-making body in its development of standards respecting
 - (i) technologies that use electricity instead of other sources of energy that produce more greenhouse gas emissions, or
 - (ii) technologies that affect the use of electricity by other technologies that use electricity instead of other sources of energy that produce more greenhouse gas emissions;
 - (e) a project for the construction, acquisition or extension of a plant or system, that the public utility reasonably expects is necessary to meet the public utility's incremental load-serving obligations arising as a result of an

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undertaking defined in paragraph (a), (b), (c) or (d), if the public utility reasonably expects any one such project to cost no more than \$20 million.

- (4) An undertaking is within a class of undertakings defined in paragraph (a) or (b) of subsection (3) only if, at the time the public utility decides to carry out the undertaking, the public utility reasonably expects the undertaking to be cost-effective.

[en. B.C. Reg. 76/2017.]

Prescribed undertaking – electric vehicle charging stations

- 5 (1) In this section:

“eligible charging site” means a site where one or more eligible charging stations are located;

“eligible charging station” means a fast charging station that

- (a) is available for use 24 hours a day by any member of the public,
- (b) does not require users to be members of a charging network, and
- (c) is capable of charging electric vehicles of more than one make;

“fast charging station” means a fixed device capable of charging an electric vehicle using a direct current;

“limited municipality” means a municipality with a population of 9 000 or more;

“site limit”, in relation to a limited municipality, means the number calculated by

- (a) dividing the population of the municipality by 9 000, and
- (b) if applicable, rounding the quotient up to the nearest whole number.

- (2) A public utility’s undertaking that is in a class defined as follows is a prescribed undertaking for the purposes of section 18 of the Act:

(a) the public utility constructs and operates, or purchases and operates, an eligible charging station;

(b) the public utility reasonably expects, on the date the public utility decides to construct or purchase an eligible charging station, that

- (i) the station will come into operation by December 31, 2025, and
- (ii) if the station will be located in a limited municipality, the number of eligible charging sites in the municipality on the date the station will come into operation will not exceed the site limit for the municipality on that date;

(c) if an eligible charging station comes into operation on or after January 1, 2022, the station uses or is configured to use the Open Charge Point Protocol.

[en. B.C. Reg. 139/2020.]