

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 101, Approved and Ordered March 01, 2017


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg.102/2012, is amended as set out in the attached Schedule.



Minister of Energy and Mines and Minister Responsible
for Core Review



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Clean Energy Act*, S.B.C. 2010, c. 22, s. 35

Other: OIC 295/2012

February 7, 2017

R/54a/2017/27

SCHEDULE

I The Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg.102/2012, is amended by adding the following section:

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.
- (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

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.