Colwood

May 16, 2017

1. **Introductions**
    a. Attendees are interested in the following topics:
        i. Coordinating with FortisBC Energy Inc. (FEI) to support economic and population growth while also helping to meet Greenhouse Gas (GHG) emissions reduction targets.
        ii. Renewable Natural Gas (RNG) and biomass.
        iii. Reducing GHG emissions in transportation fleets; attendees are concerned that transfer fleets are growing which may cause GHG emissions increases even if fleet emissions intensity decreases.
2. **About FEI**
    a. FEI's natural gas compressor stations currently do not include cogeneration (waste heat recovery or electricity generation in addition to compression) but FEI is monitoring the business case for such an approach.
    b. Depending on system and demand conditions, FEI's Mount Hayes LNG storage facility can sustain Vancouver Island natural gas demand for about ten days.
    c. Historically, FEI was able to recover the cost of its conservation and energy management programs from natural gas ratepayers; under current BC regulations, FEI is able to treat program expenditures similarly to investments in natural gas infrastructure.
    d. Some attendees were unaware that FEI's current rates for RNG program participants are subsidized by FEI's overall natural gas customer base.
3. **Planning Environment**
    a. Official Community Plans usually span a horizon of more than 20 years:
        i. The lifetime of civil and energy infrastructure exceeds 20 years, so opportunities for making the right choice are limited.
        ii. We need to adopt a new mindset to enable economic growth under declining GHG emissions because we cannot expect the approach that created the problem to be able to deliver its solution.
        iii. A truly long term approach may enable us to leapfrog one step in public infrastructure evolution; in order for this to work, a central and transparent entity needs to coordinate our approach at a higher level because finding the right energy source for the right end use is key and this presents a coordination challenge.
        iv. Denser communities enable more cost effective service delivery for both municipalities as well as FEI.
    b. The Capital Regional District has a regional growth strategy (which contains principles for smart growth) and a regional climate action strategy:
        i. Municipalities in the district are required to demonstrate how their individual plans mesh with the regional plan but this has caused contention between stakeholders.
        ii. Many municipalities in the southern Vancouver Island have emerged from districts; they lack long term planning literacy to follow the path of large cities, such as Victoria or Vancouver.

iii. Municipalities are also reluctant to rely on single energy sources only when considering their approach towards GHG emissions reductions;
    1. Some stakeholders are concerned that BC electricity prices do not reflect the true cost of electricity service and that prices will rise in the future.
    2. This provides an opportunity for FEI to provide alternatives via decarbonized natural gas supply or low carbon thermal energy solutions (FEI may also benefit from helping to raise communities' capacity for long term planning).
    3. In the southern Vancouver Island, residents are very willing to use wood as their space heating fuel source but this may negatively impact air quality.

4. Demand Forecasting

a. BC residents still appear to prefer sprawling low density housing:
    i. As long as this demand persists, energy demand is likely to increase.
    ii. Low density housing is also likely to depress housing affordability.
b. Institutional customers, such as health authorities or educational facilities, may present good case studies for investigating the energy, GHG, and cost implications of high density growth.

5. Demand Side Management

a. Attendees note that the BC Energy Step Code is a rational method for promoting energy efficiency:
    i. The Step Code helps bridge the split incentive dilemma between entities that incur capital costs for new construction and entities that incur the operations costs of the newly constructed buildings.
    ii. The Step Code impacts a small proportion of building stock only because the rate of new construction is low relative to the size of the existing building stock.
    iii. Municipalities in the southern Vancouver Island are now considering how they can support their residents and businesses to adopt steps in the BC Energy Step Code.

6. Closing Observations and Workshop Feedback

a. Attendees generally expressed strong satisfaction with the workshop and provided the following suggestions:
    i. For future workshops, FEI should consider preparing a table which lists costs and GHG intensity per energy unit for the various space heating and transportation fuels.
    ii. FEI should consider notifying community engagement workshop attendees about its long term planning regulatory filings.