



**ORDER NUMBER
G-3-22**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Stage 2 Comprehensive Review and Application for Approval of a Revised Renewable Gas Program

BEFORE:

D. M. Morton, Panel Chair
D. A. Cote, Commissioner
R. I. Mason, Commissioner

on January 7, 2022

ORDER

WHEREAS:

- A. On December 17, 2021, in accordance with British Columbia Utilities Commission (BCUC) Orders G-35-21 and G-242-21, FortisBC Energy Inc. (FEI) filed its Stage 2 Comprehensive Review and Application for Approval of a Revised Renewable Gas Program (Application);
- B. By Order G-133-16 and accompanying decision dated August 12, 2016, the BCUC approved the FEI Biomethane Energy Recovery Charge (BERC) Rate Methodology Application and directed FEI to file an assessment report. The BERC is the rate FEI charges for biomethane, also referred to as Renewable Natural Gas (RNG), purchased on a voluntary basis by customers on the FEI system;
- C. On August 12, 2020, in accordance with BCUC Order G-133-16, FEI submitted the BERC Rate Assessment Report;
- D. By Order G-35-21, dated January 29, 2021, the BCUC established a two-stage review process for the review of the BERC Rate Methodology Assessment Report as follows:
 - i. Stage 1 – Review of FEI’s BERC Rate Assessment Report as a compliance filing;
 - ii. Stage 2 – Review of FEI’s Comprehensive RNG Program including, but not limited to the items identified in the BCUC’s preliminary scope list as identified in Order G-292-20;
- E. By Order G-242-21 and accompanying decision dated August 12, 2021, the BCUC accepted FEI’s BERC Rate Assessment Report;
- F. In the Stage 2 Application, FEI seeks approval of the following proposals, which include:

- i. a new Renewable Gas blend for sales customers under which all customers who purchase their gas from FEI in Rate Schedules (RS) 1, RS 2, RS 3, RS 4, RS 5, RS 6, and RS 7 will be provided with a base level of Renewable Gas as part of their regular gas service. Subject to available supply, FEI expects to begin a one percent blend on January 1, 2024;
 - ii. a new Residential Gas Connections service under which FEI will permanently provide 100 percent Renewable Gas to new residential dwellings attaching to the system, allowing FEI to provide a low carbon gas service to the new residential construction sector that satisfies local and provincial government requirements for new buildings. Renewable Gas Connection customers will pay a Low Carbon Gas Charge equal to the combination of the Commodity Cost Recovery Charge plus carbon tax, i.e. the equivalent rate as other gas customers;
 - iii. modifications to FEI's existing Voluntary Renewable Gas offering whereby customers in all rate schedules can choose to purchase up to 100 percent Renewable Gas, increase the price for Natural Gas Vehicle and Transportation Service to equal the weighted average cost of Renewable Gas supply, and eliminate the \$1 per gigajoule discount for long-term contracts;
- G. The specific approvals sought by FEI, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), to take into effect the beginning of the first quarter that is at least 5 months after the issuance of a final Order in this proceeding, are as follows:
 - i. Approval of the Renewable Gas Connections service as described in Sections 7 and 8 of the Application and as set out in the corresponding new rate schedules in Appendix D-2;
 - ii. Approval of changes to the Voluntary Renewable Gas service as described in Sections 7 and 8 of the Application, and the corresponding new and amended rate schedules in Appendix D-2;
 - iii. Approval to change the name of the Biomethane Variance Account to the Low Carbon Gas Account, and approval of the Low Carbon Gas Account;
 - iv. Approval to change the name of FEI's Biomethane Energy Recovery Charge to the Low Carbon Gas Charge;
 - v. Approval to cease the Biomethane Delivery rate rider and to begin the use of the Storage and Transport Low Carbon (S&T LC) rider;
 - vi. Approval to discontinue the Biomethane Variance Account Balance Transfer Account;
 - vii. Approval to discontinue the Unsold Biomethane Premium deferral account;
- H. As part of the Application, FEI also seeks approval of a new Rate Schedule (RS) 7B for General Interruptible Renewable Gas Service and corresponding amendments to FEI's General Terms and Conditions, effective February 1, 2022, pursuant to sections 59 to 61 of the UCA;
- I. On January 4, 2022, FEI submitted responses to BCUC Staff Questions dated December 24, 2021 (Exhibit B-12). FEI submits that the approval of RS 7B would allow FEI to offer Renewable Gas service to customers in RS 7 who would like to participate in the voluntary program, consistent with FEI's current Renewable Gas service available to all other sales customers; and

- J. The BCUC has commenced its review of the Application, including the consideration of FEI's request for the approval of a new RS 7B for General Interruptible Renewable Gas Service, and determines that approval of RS 7B and the establishment of a regulatory timetable are warranted.

NOW THEREFORE the BCUC orders as follows:

1. The regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
2. FEI must provide a copy of this order within three business days of its issuance, electronically where possible, to all registered interveners and interested parties who participated in the following proceedings:
 - a. FEI BERC Rate Methodology Application (Order G-133-16)
 - b. FEI BERC Rate Methodology Assessment Report (Order G-242-21)
 - c. FEI Revised/Renewal Rates for the Langford Compressed Natural Gas Fueling Station under the Greenhouse Gas Reduction (Clean Energy) Regulation in Langford, BC (Order G-331-21)
 - d. FEI Annual Review for 2022 Delivery Rates (Order G-366-21)
 - e. BCUC's Inquiry into the Regulation of Municipal Energy Utilities
 - f. all Section 71 FEI proceedings from 2020 and 2021 involving Renewable Natural Gas and counterparties in the Biomethane Purchase Agreements, including
 - i. Tidal Energy Marketing Inc. (Orders G-40-20 and E-23-21)
 - ii. REN Energy International Corp. (Order G-60-20)
 - iii. Matter Global Solutions BC Ltd. (Order E-12-20)
 - iv. Dicklands Farms (Order E-13-20)
 - v. Faromor CNG Corporation (Order E-14-20)
 - vi. EPCOR RNG Limited Partnership (Order E-24-20)
 - vii. Shell North America (Canada) Inc. (Order E-14-21)
 - viii. Capital Regional District (Order E-15-21)
 - ix. Greater Vancouver Sewerage and Drainage District (Order E-16-21)
 - x. Assai Energy, LLC (Order E-20-21)
 - xi. Net Zero Waste Abbotsford Inc. (Order E-21-21)
 - xii. Grow the Energy Circle Ltd. (Order E-22-21)
 - xiii. Evergreen Environmental (Oshawa) Inc. (Order E-24-21)
 - xiv. Walker RNG Inc. (Order E-28-20)
3. FEI must also provide a copy of this order within three business days of its issuance, electronically where possible, to all customers under the Natural Gas Vehicle and Transportation Service, as well as Tariff Supplement No. K-1, K-2, and K-3 Biomethane Long Term Large Volume Interruptible Sales Agreements.
4. FEI must make the Application and this order available on its website at <https://www.fortisbc.com/> within two business days of the issuance of this order.

5. FEI must publish the Public Notice, attached as Appendix B to this order, in display-ad format in appropriate news publications, such as but not limited to, local and community newspapers to provide adequate notice to those parties who may have an interest in or be affected by the Application, as soon as reasonably possible, but no later than Wednesday, January 19, 2022.
6. FEI must publish the Public Notice, attached as Appendix B to this order, on its social media platforms, no later than Wednesday, January 19, 2022. FEI must also publish weekly reminder notices on each of these platforms until the conclusion of the intervenor registration period on Wednesday, February 9, 2022.
7. Parties who wish to actively participate in the proceeding are to register with the BCUC by completing a [Request to Intervene Form](https://www.bcuc.com/get-involved/get-involved-proceeding.html), available on the BCUC's website at <https://www.bcuc.com/get-involved/get-involved-proceeding.html>, by the date established in the regulatory timetable, and in accordance with the BCUC's Rules of Practice and Procedure attached to Order G-15-19.
8. Registered intervenors who participated in the FEI Biomethane Energy Recovery Charge Rate Methodology Assessment Report in Stage 1 are not required to submit an additional request to intervene in Stage 2.
9. The proposed RS 7B for General Interruptible Renewable Gas Service and corresponding amendments to FEI's General Terms and Conditions of its Tariff are approved on a permanent basis, effective February 1, 2022.
10. FEI is directed to file with the BCUC the executed version of RS 7B and the amended tariff pages within 10 business days of issuance of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this7thday of January 2022.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

FortisBC Energy Inc.
Application for Approval of Revisions to FortisBC Energy Inc.'s Renewable Gas Program

REGULATORY TIMETABLE

Action	Date (2022)
FEI to provide Public Notice	Wednesday, January 19
Intervener Registration Deadline	Wednesday, February 9
BCUC Information Request (IR) No. 1	Thursday, February 17
Intervener IR No. 1	Thursday, February 24
FEI Responses to IR No. 1	Monday, April 11
Procedural Conference	To be determined



We want to hear from you

FORTISBC ENERGY INC.'S APPLICATION FOR APPROVAL OF REVISIONS TO THE RENEWABLE GAS PROGRAM

On December 17, 2021, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (BCUC) seeking approval for revisions to its Renewable Gas Program (formerly referred to as the Biomethane Program). The application requests changes to FEI's tariff, cost recovery methods, and accounting treatment in order to provide new and revised Renewable Gas service to its customers, including:

- a new Renewable Gas blend for all FEI sales customers as part of their regular gas service, beginning at 1% on January 1, 2024;
- connections for new residential dwellings attaching to FEI's gas system to be connected as 100% Renewable Gas. Renewable Gas connection customers will pay the same rate as other gas customers.
- All customers participating in the voluntary Renewable Gas offering can choose to purchase up to 100% Renewable Gas; increase the price for Natural Gas Vehicle and Transportation Service to equal the weighted average cost of Renewable Gas supply; and eliminate the \$1 per gigajoule discount for long-term contracts.

HOW TO PARTICIPATE

- **Submit a letter of comment**
- **Register as an interested party**
- **Request intervener status**

IMPORTANT DATES

- **Wednesday, February 9, 2022** – Deadline to register as an intervener with the BCUC.

For more information about the Application, please visit the [Proceeding Webpage](#) on bcuc.com under "Our Work – Proceedings". To learn more about getting involved, please visit our website at www.bcuc.com/get-involved or contact us at the information below.

GET MORE INFORMATION

FortisBC Energy Inc. Regulatory Affairs



16705 Fraser Highway
Surrey, BC Canada V4N 0E8



E: gas.regulatory.affairs@fortisbc.com



P: 604.592.7664

British Columbia Utilities Commission



Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3



E: Commission.Secretary@bcuc.com



P: 604.660.4700