



**ORDER NUMBER
G-77-24**

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

and

FortisBC Energy Inc.
Biomethane Energy Recovery Charge Rate Methodology and
Comprehensive Review of a Revised Renewable Gas Program

BEFORE:

D. A. Cote, Panel Chair
M. Jaccard, Commissioner

on March 20, 2024

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 Orders G-3-22, G-103-22, G-165-22A, G-28-23, G-86-23, G-112-23, G-142-23 and G-215-23, the BCUC established and amended a regulatory timetable for the review of the Application, which included public notice and intervener registration, two rounds of BCUC and intervener information requests (IRs) on FEI's evidence, intervener/expert evidence and FEI rebuttal evidence and related IRs, an FEI evidentiary update and related IRs, and written final and reply arguments;
- C. On June 16, 2022, by Order G-165-22A, the BCUC determined that the scope of this proceeding pertains to renewable natural gas (RNG) only;
- D. On August 1, 2023, FEI filed an evidentiary update (Evidentiary Update) amending its approvals sought;
- E. Pursuant to sections 59 to 61 of the *Utilities Commission Act*, FEI seeks approval of the following, as amended in the Evidentiary Update:
 - (i) Effective the first of the month, at least two months after the date the BCUC issues its final decision in this proceeding:
 - a. Approval to implement FEI's proposed renewable gas blend service and the related tariff changes as described in Sections 7 and 8 of the Application and as amended in the Evidentiary Update;

- b. Approval to discontinue the Biomethane Variance Account (BVA) delivery rate rider and to begin to use the Storage and Transport (S&T) Low Carbon rider;
 - c. Approval to discontinue the BVA Balance Transfer Account;
 - d. Approval to change the name of the BVA to the Low Carbon Gas Account;
 - e. Approval to capture any carbon tax credits granted to customers that are not refunded by the Province of BC (the Province) into the Low Carbon Gas Account; and
 - f. Approval to change the name of the Biomethane Energy Recovery Charge (BERC) to the Low Carbon Gas Charge;
- (ii) Effective on an implementation date that FEI will propose in a compliance filing at least 30 days before the effective date:
- a. Approval to implement FEI's proposed renewable gas connections service as described in Sections 7 and 8 of the Application and as set out in the corresponding new rates schedules in Appendix D-2 of the Application; and
 - b. Approval of FEI's proposed changes to the voluntary renewable gas services as described in Sections 7 and 8 of the Application and in the new and amended rate schedules in Appendix D-2 of the Application;

F. The BCUC has reviewed the Application, evidence and arguments filed by all parties in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act* and for the reasons provided in the Decision issued concurrently with this order, the BCUC orders as follows:

1. FEI is approved to do the following, effective July 1, 2024:
 - a. Implement the RNG Blend service as set out in Section 2.1.3 of the Decision;
 - b. Discontinue the BVA delivery rate rider and to begin to use the S&T RNG rider as set out in Section 3.1 of the Decision;
 - c. Discontinue using the BVA Balance Transfer Account as set out in Section 3.2 of the Decision.
 - d. Change the name of the BVA to the RNG Account as set out in Section 3.1 of the Decision;
 - e. Capture any carbon tax credits granted to customers that are not refunded by the Province into the RNG Account as set out in sections 2.1.3 and 3.2 of the Decision; and
 - f. Change the name of the BERC to the RNG Charge as set out in Section 3.1 of the Decision;
2. FEI's proposal to implement the renewable gas connections service is denied.

3. FEI is approved to make the following changes to the voluntary RNG service, with the proposed effective date for all changes to be filed in a subsequent compliance filing at least 30 days prior to the implementation of the changes:
 - a. Set the RNG Charge for Transportation Service customers at the forecast weighted average cost of RNG supply as set out in Section 2.3.3 of the Decision;
 - b. Set the RNG Charge for Natural Gas Vehicle (NGV) Sales Customers at the forecast weighted average cost of RNG supply less the S&T RNG rider as set out in Section 2.3.3 of the Decision;
4. FEI is approved to continue providing voluntary RNG to Non-NGV Sales Customers at a subsidized rate, which is a \$7 per gigajoule (GJ) premium above the Conventional Gas Cost which is defined as the sum of the Commodity Cost Recovery Charge, the carbon tax and any other taxes applicable to conventional natural gas sales, as set out in Section 2.3.3 of the Decision.
5. FEI's proposal to eliminate the \$1 per GJ discount on any future long-term voluntary RNG contract is approved, effective on the date of the Decision.
6. FEI is directed to file a report to the BCUC, by no later than January 31, 2026, on the appropriateness of continuing to offer a subsidized rate and if so, whether the \$7 per GJ premium over the Conventional Gas Cost for voluntary RNG to Non-NGV Sales Customers is appropriate.
7. FEI is directed to file in a compliance filing to the BCUC, at least 30 days prior to the effective dates set out in Directives 1 and 3, amendments to the General Terms and Conditions of FEI's Tariff and rate schedules for each of the RNG Blend service and the approved changes to the voluntary RNG service.
8. FEI is directed to file in a compliance filing to the BCUC, by no later than 90 days after the date of the Decision, the RNG information for the period 2024 to 2030, as set out in Section 3.5 of the Decision.
9. FEI is directed to file, by April 30 of each year, an annual report comparing FEI's actual versus forecast RNG supply, as well as its actual versus forecast RNG Demand from the RNG Blend service and voluntary RNG service for the immediately preceding calendar year, as set out in Section 3.5 of the Decision.
10. FEI must comply with all other directives and determinations set out in the Decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of March 2024.

BY ORDER

Original signed by:

D. A. Cote
Commissioner