



OFFICE OF THE CITY MANAGER
Sadhu A. Johnston, City Manager

July 8, 2019

Deputy Minister Dave Nikolejsin
Ministry of Energy, Mines and Petroleum Resources
PO Box 9319, Stn Prov Govt
Victoria, BC
V8W 9N3

Dear Deputy Minister Nikolejsin:

RE: Vancouver Landfill Renewable Natural Gas Project Approval

This letter expresses the City of Vancouver's interest to resolve the barriers to BCUC approval of the Vancouver Landfill Project. On September 21, 2018 FortisBC submitted the Biogas Purchase Agreement with the City of Vancouver (the Agreement) to the BC Utilities Commission (BCUC) for approval. The Agreement outlines plans for the Vancouver Landfill Renewable Natural Gas Project (Vancouver Landfill Project).

On June 6, 2019 the BCUC issued a Decision and Order G-122-19 adjourning the hearings for 60 days to allow FortisBC to restructure and resubmit the Vancouver Landfill Project and/or Agreement in a way that provides the required certainty to the FortisBC acquisition costs.

The City of Vancouver is supportive of renewable natural gas (RNG) as an important solution in the transition away from fossil fuels. The BC Government commitment to require 15% renewable gas by 2030 is a critical element in the CleanBC plan and one that must be met or exceeded for the Province to have a reasonable chance of reaching its 2030 climate targets. The City would like to see the Vancouver Landfill Project proceed as part of that overall plan.

From the City's perspective, the Vancouver Landfill Project, as proposed by FortisBC to the BCUC, met the spirit of the \$30/GJ RNG price limit articulated in the Greenhouse Gas Reduction Regulation (GGRR). With an anticipated levelized cost of \$22/GJ, and a series of risk mitigation measures (including FortisBC and the City agreeing to supply-based reviews of the Vancouver Landfill Project over the 20 year term to ensure continued viability), the likelihood of the costs exceeding the \$30/GJ is very low.

If FortisBC is not able to convince the BCUC that reasonable cost controls are in place then the City sees two potential changes that the BC Government could make to the GGRR to allow the Vancouver Landfill Project (and others like it) to proceed:

1. Eliminate the \$30/GJ price cap within the GGRR, which would be similar to the province's policy frameworks for renewable electricity and renewable fuels.
2. Modify the GGRR language to allow RNG projects to proceed when FortisBC demonstrates with a reasonable degree of confidence that a given project would fall below the price cap.

We see the opportunity to use landfill gas for production of RNG as a significant benefit to both the City of Vancouver and the Province of British Columbia in achieving our mutual goals of transitioning away from fossil fuels. Thank you for considering the City's perspectives on how best to resolve the barriers to BCUC approval of the Vancouver Landfill Project. Please don't hesitate to contact me if I can be of any help on this issue.

Yours truly,



Sadhu A. Johnston
City Manager

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cc: Mark Zacharias, Deputy Minister of Environment, Ministry of Environment and Climate Change Strategy
Roger Dall'Antonia, President and CEO FortisBC
David M. Morton, Chair and Chief Executive Office, BCUC