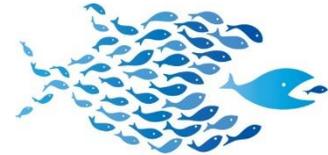


October 18, 2019

VIA E-FILING

Patrick Wruck
Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3



BCPIAC
Public Interest Advocacy Centre

Reply to: Leigha Worth
ED@bcpiac.org
Ph: 604-687-3034
Our File: 7310.410

Dear Mr. Wruck,

Re: FortisBC Energy Inc. Application for Acceptance of Biomethane Purchase Agreements between FortisBC Energy Inc. and Tidal Energy Marketing Inc. BCOAPO Information Requests No. 1

We represent the BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and Tenant Resource and Advisory Centre, known collectively in regulatory processes as "BCOAPO et al." ("BCOAPO").

Enclosed please find the BCOAPO's Information Request No. 1 with respect to the above-noted matter.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by:

Leigha Worth
Executive Director | General Counsel

Encl.

REQUESTOR NAME: BCOAPO *et al.*
INFORMATION REQUEST ROUND NO: #1
TO: FortisBC Energy Inc. (FEI)
DATE: October 18, 2019
APPLICATION NAME: Biomethane Purchase Agreements between FEI and Tidal Energy Marketing Inc. (Tidal)

1.0 Reference: Exhibit B-1, Application Cover Letter, Draft Order

The Cover Letter reads (in part):

With respect to the application letter, commercial information regarding the upstream parties not directly contracting with FEI, the exact address, acquisition price, termination payments, volumes and carbon intensity have been redacted. Each of these items is described below.

Commercial relationships and address: FEI has redacted any reference to Tidal Energy's existing relationship with its counterparties and the project addresses because FEI does not have explicit permission from Tidal Energy to disclose the locations and relationships publicly. [Emphasis added.]

Price: Given that FEI enters into commercial negotiations regarding supply projects in order to obtain the lowest possible price for RNG supply, public disclosure of this commercially sensitive information will hamper FEI's ability to negotiate favourable pricing for future RNG supply. As such, public disclosure of this sensitive financial information has the potential to increase the overall costs of the Biomethane Program to the detriment of all FEI non-bypass customers.

...

Volumes: The production volume is not necessary in any public disclosure. When combined with price, the volume can be used to estimate total annual purchase costs. [Emphasis added.]

- 1.1 Did FEI request, at any time, explicit permission from Tidal Energy to disclose the owners/operators and locations of the London and Niagara projects publicly?
- 1.2 In FEI's view, is it unusual to not reveal the owners/operators and locations of the subject projects publicly in an application such as this?
- 1.3 Is it, in FEI's view, in the public interest to not reveal (i) the owners/operators and (ii) locations of the subject projects publicly in an application such as this? If so, please explain.
- 1.4 Can FEI confirm that none of the unnamed owners/operators or other unnamed counterparties are related to FEI, Enbridge, and Tidal?

- 1.5 Given that FEI is not publicly disclosing the price of RNG supply, please confirm that public disclosure of the subject volumes would not allow estimation of annual purchase costs.
- 1.6 Please explain how, In FEI's view, it is in the public interest to keep the subject volumes confidential given that the unit prices are being kept confidential?
- 1.7 In FEI's view, does FEI's assertion that "the production volume is not necessary in any public disclosure" mean that it is never in the public interest to disclose production volume?
- 1.8 Can FEI confirm that none of the parties whose names are redacted in the public version of this application are related to or affiliated with the named parties of FEI and Tidal Energy?

2.0 Reference: Exhibit B-1, page 4, Table 1 and Exhibit A-3, BCUC IR 1.5.1.

- 2.1 Can FEI confirm that RNG from the subject sources will be delivered to FEI at Huntingdon?
- 2.2 If FEI is unable to confirm delivery of the subject-sourced RNG at Huntingdon, can FEI confirm that it will receive delivery of RNG from the subject sources elsewhere on its system? If so, please indicate where the subject sourced RNG will be physically received by FEI.
- 2.3 If unable to confirm as per the IRs 2.1 or 2.2, please specify where and to whom the subject volumes of RNG sourced from Niagara Falls and London will be physically delivered.
- 2.4 If unable to confirm as per the IRs 2.1 or 2.2, please specify the source(s) of the RNG physically delivered to FEI at Huntingdon pursuant to the proposed BPAs.

3.0 Reference: Exhibit B-1, pages 11-12, Exhibit A-3, BCUC IR 1.1.0 Preamble

FEI states on pages 11–12 of FEI's Application for Acceptance of the Biomethane Purchase Agreements (BPAs) between FortisBC Energy Inc. (FEI) and Tidal Energy Marketing Inc. (Tidal Energy) (Application):

On March 22, 2017, the Province of BC deposited LGIC OIC 161/2017 under BC Reg. 114/2017 (OIC 161) approving an amendment to the GGRR, a copy of which is provided in Appendix D. Section 2 (3.7) and (3.8) of the GGRR as amended by OIC 161-2017 state:

(3.7) A public utility's undertaking that in the class defined in subsection (3.8) is a prescribed undertaking for the purposes of section 18 of the Act.

*(3.8) The public utility acquires renewable natural gas
(a) for which the public utility pays no more than \$30 per GJ, and*

(b) that, subject to subsection (3.9), in a calendar year, does not exceed 5% of the total volume of natural gas provided by the public utility to its non-bypass customers in 2015.

- 3.1 BCOAPO seeks to determine or get an approximation of the commodity rate impacts on two “typical residential customers,” - one electing the RNG option and the other not electing the RNG option - in a “worst case hypothetical” situation. Since 2019 is still in progress and actuals are not yet available for the whole year, please use a blend of 2019’s most recently available actuals and forecasts for prices and volumes in responding to this IR.

Please use the assumptions that (i) FEI paid the maximum allowed \$30 per GJ for the RNG, (ii) RNG constituted the maximum allowed proportion of FEI’s gas supply portfolio, and (iii) the typical customers from each class took volumes and blends that reflected 2019 volumes and blends that the average customer of each type for 2019 has actually taken in 2019 or is forecast to take for the remainder of 2019.

Explicitly stating any other assumptions that FEI needs to make to respond, please provide the impacts for the RNG and the non-RNG residential customers in terms of annual commodity charges in this hypothetical case.

- 3.2 For each year that FEI has been providing the RNG option to residential customers, please provide (i) the total number of its residential customers, (ii) the number of residential customers choosing the RNG option, (iii) the volume of traditional natural gas supplied to residential customers, (iv) the volume of RNG supplied to residential customers, (v) the annual commodity charges for a typical residential non-RNG customer, and (vi) the annual commodity charges for a typical residential RNG customer.

4.0 Reference: Exhibit A-3, BCUC IR 1.6.1, 1.6.2, and 1.6.3

The referenced IRs consider situations where RNG demand exceeds or may exceed RNG supply.

- 4.1 In the case of a situation in which contracted RNG supply materially exceeds RNG demand, please discuss fully the potential commodity rate impacts on (i) residential customers who choose traditional gas supply and on (ii) residential customers who choose a typical RNG blend. Please use and explicitly state any assumptions required to respond to this IR.