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November 17, 2020

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
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Attention: Ms. Marija Tresoglavic, Acting Commission Secretary

Dear Ms. Tresoglavic:

Re: FortisBC Energy Inc. (FEI)

Biomethane Energy Recovery Charge (BERC) Rate Methodology – British Columbia Utilities Commission (BCUC) Decision and Order G-133-16 (BERC Decision) Compliance Filing – BERC Rate Assessment Report
FEI Request to Rescind BCUC Order G-292-20

FEI writes in response to BCUC Order G-292-20, which established a public hearing process related to the BERC Rate Assessment Report (Report) compliance filing.¹ Order G-292-20 requested FEI to publish and distribute broad notice of the Report, in addition to the BCUC setting out a list of preliminary scope items for which it seeks submissions.² The preliminary scope items relate to much broader aspects of FEI’s Biomethane or Renewable Natural Gas (RNG) Program offering than what was reviewed in FEI’s Report. For reasons of regulatory efficiency, FEI respectfully requests the BCUC rescind Order G-292-20 and instead establish a regulatory review process with two stages, or two separate processes. FEI believes that it would be most efficient and cost effective to review the Report first, in a process limited to the scope of the Report, as is discussed further below. A second stage or process would follow subsequent to FEI filing an application for changes to its RNG Program after completing its planned comprehensive review, as is also elaborated on further below.

As Order G-292-20 directs FEI to publish notice by November 27 and the BCUC may not have time to contemplate FEI’s request to rescind the order by that time, FEI requests that the BCUC issue a letter or order suspending the operation of Order G-292-20 pending a decision. As there is no imminent or urgent need for the Report review process to proceed and it generally requires three weeks to finalize notice publications, this suspension would relieve FEI of the obligation to incur the cost to publish notice, estimated to be \$30 thousand,

¹ Filed in compliance with the BCUC’s Decision and Order G-133-16, dated August 12, 2016, in the matter of the *FEI Application for Approval of Biomethane Energy Recovery Charge Methodology*.

² Order G-292-20, Appendix C.

until the BCUC has an opportunity to consider and make a determination on FEI's request to rescind Order G-292-20.

FEI believes that the process established in Order G-292-20 including broad publication of notice and the request for submissions on preliminary scope items is premature at this time for the following two reasons which will be discussed in more detail below. First, the Report is a compliance filing which is very limited in scope in relation to the RNG Program. Second, FEI has already commenced planning a comprehensive review of the RNG Program and any related regulatory review process should occur subsequent to FEI filing an application for changes.

BERC Rate Assessment Report Compliance Filing

The BCUC's list of preliminary scope items are much broader than the scope of the Report and relate to the RNG Program more generally. After reviewing the BCUC's Order G-292-20, FEI has concluded that the manner in which it stated its summary in the Report and neglecting to include discussion of FEI's plan already underway for a more comprehensive review of the RNG Program may have caused the BCUC to believe that FEI was not actively reviewing and considering future changes to the RNG Program. FEI's conclusion in the Report was intended to be specific to the limited scope of the Report. In hindsight, FEI should have indicated, for the information of the BCUC and interveners from the 2015 BERC Rate Methodology Application proceeding who received a copy of the Report, that FEI is undertaking a more comprehensive review of the RNG Program.

In the Report, FEI included its "[r]ecommendations regarding the need for any changes to the BERC rate methodology,"³ in order to specifically address item 9 of Directive 16 in the BERC Decision. Considering FEI's view of the limited scope of the Report, FEI's recommendation stated that "[g]iven the current state of supply and demand, FEI is satisfied that the BERC rate methodology in place remains appropriate and believes that a review or changes are not necessary at this time." Given that we did not provide information on FEI's future plans for the RNG Program in general, we recognize that the recommendation may have been interpreted as applying more broadly to FEI's RNG Program, implying that FEI did not believe a more general review of the RNG Program was required. Rather, FEI intended its conclusion to be limited to the results of the Report in the context of the state of FEI's RNG Program, which is temporarily closed to new participants and current subscribers are being curtailed because the demand for RNG continues to exceed the available supply. As stated in the Report, the current under-supply situation will continue until later in 2021 when newly contracted RNG volumes will start to become available.

The Report itself is very limited in scope because it is a compliance filing intended "to determine whether the revised BERC rate methodology is achieving the directive of the 2013 Decision to minimize the rate impact on customers who have not voluntarily elected to purchase RNG." The BERC rate methodology encompasses only the method for calculating the short term and long term BERC rate, the accounting treatment for any unsold biomethane, and the method for determining the BVA balance and related rate rider. As the Report does not review all aspects of the RNG Program, it does not provide a foundation on which potential interveners could comment more broadly on the RNG Program or its future.

³ BERC Decision, p. 52, and Directive 16, item 9.

Given its limited scope, FEI submits that it would be most appropriate to review the Report in a streamlined manner that is efficient and cost effective, with any outcomes to be incorporated in FEI's comprehensive RNG Program review and upcoming application.

FEI's RNG Program Comprehensive Review

As noted above, FEI has commenced planning for a comprehensive review and assessment of the RNG Program. However, FEI anticipates the review to require significant effort and time to prepare and complete, for the following four reasons.

1. Climate policy is evolving. Following the provincial election, there is now a new majority government in place and there is the potential for policy to evolve and change, particularly as the provincial government considers the implementation of CleanBC's 15 percent renewable gas target. Any evolution of this legislation will be a key foundation required before any comprehensive review of the RNG Program.
2. FEI expects its consultation and engagement activities for changes to the RNG Program will take more time in light of the ongoing COVID-19 pandemic. FEI plans to consult with customers, interveners, government, municipalities, Indigenous and First Nation groups and other stakeholders regarding the RNG Program. However, due to the pandemic, gathering input through virtual meetings and workshops is more challenging. Not only are external parties, such as municipalities, busy with their own COVID-19 response, but FEI's options for engagement are limited to virtual means, using platforms such as Microsoft Teams, to conduct consultation. While these online tools are useful, FEI believes that without the benefit of in-person meetings it will take more time to ensure that consultation is meaningfully conducted.
3. A significant amount of both internal and external resources will be required to gather, assess, and prepare information and evidence, taking into account all aspects of the RNG Program, which will include those identified by the BCUC in its preliminary scope items.
4. FEI will require time to prepare its comprehensive review of the RNG Program and submit its application for changes.

In consideration of an efficient and cost effective regulatory review of the Report followed by a more comprehensive review of an application for changes to the RNG Program, FEI respectfully requests the BCUC rescind Order G-292-20 and establish a staged or separate review processes. FEI believes that doing so will ensure that the evidentiary record for each process is complete but contains only the necessary and relevant evidence. Doing so will simplify and streamline the regulatory review process while minimizing proceeding costs which form part of FEI's RNG Program total costs. The following provides additional information about how FEI proposes each stage or process would proceed.

Stage 1 – BERC Rate Assessment Report Review

FEI proposes that the first stage or process be to review the Report. Given that the BERC rate methodology is a narrow and focused aspect of FEI's overall RNG Program, FEI believes that it would be most efficient and cost effective for that review to include the interveners from the 2015 BERC Rate Methodology Application because they have the related knowledge and context. These interveners are the BC Sustainable Energy

Association and Sierra Club BC (BCSEA), the British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organizations of BC, Disability Alliance BC, and the Tenant Resource and Advisory Centre *et al.* (BCOAPO), and the Commercial Energy Consumers Association of British Columbia (CEC), all of whom are also the consistent interveners in FEI's other RNG Program filings including Section 71 RNG supply related proceedings. FEI submits that a review process for the Report that includes broader publication as set out in Directive 2 of Order G-292-20 is not warranted and would be more appropriate for the second stage or process, particularly given the cost which is estimated at \$30 thousand.

While the Report review process takes place, FEI will continue to advance its work related to the comprehensive review of the RNG Program.

Given the number of current ongoing processes involving the BCUC and interveners, and in recognition of year end fast approaching, FEI proposes a written hearing process for the Report review, with one round of information requests followed by written arguments, as set out in the following regulatory timetable:

Action	Date (2021)
FEI Provides Notice of the Report and BCUC Procedural order to 2015 BERC Application Intervenors	by Friday, January 8
Intervenor Registration	Thursday, January 14
BCUC Information Request No. 1	Thursday, January 21
Intervenor Information Request No. 1	Thursday, January 28
FEI Response to Information Requests No. 1	Thursday, February 11
FEI Written Final Argument	Thursday, February 25
Intervenor Written Final Argument	Thursday, March 11
FEI Written Reply Argument	Thursday, March 25

Stage 2 – RNG Program Review

As discussed above, FEI's plan for a comprehensive review and assessment of the RNG Program is underway and will address all aspects of the program including, but not limited to, the items identified in the BCUC's preliminary scope list. In addition, FEI will incorporate information, feedback, and scope items identified through its consultation and engagement efforts with all stakeholders and informed by the decision and outcomes in the Report review proceeding. The timing for the second stage or proceeding to review the RNG Program will be dependent upon the progress of FEI's comprehensive review. As a result, FEI proposes to provide the BCUC and interveners with a status update on or before June 30, 2021, which will include expected timing for its application for RNG Program changes, currently anticipated late in 2021.

Alternative Request

In the alternative, if the BCUC decides not to rescind Order G-292-20, FEI requests two amendments to the regulatory timetable in Order G-292-20.

First, FEI requests that the BCUC delay publication of notice of the proceeding to occur at least three weeks subsequent to the issuance of an order, in order to allow adequate time to secure space and finalize insertions with the various publications.

Second, FEI requests an opportunity to reply to submissions from interveners on the preliminary scope items. FEI submits that this is procedurally fair, as FEI will likely be the party providing the information within scope and should have the opportunity to comment on submissions that will impact FEI's RNG Program, program costs, and FEI's resources and timing to address in scope items as part of its planned comprehensive review and preparation of a future application for program changes.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

cc (email only): 2015 BERC Rate Methodology Application Registered Intervenors