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Sent via email/eFile

<b>FEI – BERC RATE ASSESSMENT REPORT</b> <b>EXHIBIT A-7</b>
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Ms. Diane Roy  
Vice President, Regulatory Affairs  
FortisBC Energy Inc.  
16705 Fraser Highway  
Surrey, BC V4N 0E8  
[gas.regulatory.affairs@fortisbc.com](mailto:gas.regulatory.affairs@fortisbc.com)

**Re: FortisBC Energy Inc. – Biomethane Energy Recovery Charge (BERC) Rate Methodology – British Columbia Utilities Commission Decision and Order G-133-16 Compliance Filing – BERC Rate Assessment Report – Regulatory Timetable**

Dear Ms. Roy:

Further to your August 12, 2020 filing of the above-noted matter, enclosed please find British Columbia Utilities Commission Order information request No. 1. In accordance with the regulatory timetable, please file your responses by **Monday, March 15, 2021**.

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

/ae



FortisBC Energy Inc.  
Biomethane Energy Recovery Charge Rate Methodology Assessment Report

**INFORMATION REQUEST NO. 1 TO FORTISBC ENERGY INC.**

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**A. SUMMARY OF REPORTING REQUIREMENTS**

- 1.0 Reference: SUMMARY OF REPORTING REQUIREMENTS**  
**Exhibit B-1, Section 1, Table 1, p. 2**  
**Compliance reporting requirement**

On page 2 of FortisBC Energy Inc.’s (FEI) Biomethane Energy Recovery Charge (BERC) Rate Methodology Assessment Report (Report), FEI states that:

FEI is directed to file a comprehensive assessment report for Commission approval at the earlier of the application by FEI for a transfer of biomethane inventory from the BVA to the MCRA or four years after the date of issue of this decision, whichever comes first (Assessment Report). In the event FEI commits all available supply through the Long-Term Contract offering prior to the earlier of these two events, FEI is directed to file the Assessment Report at that time. [Emphasis added]

- 1.1 Please confirm, or otherwise explain, that FEI committed all available supply through the Long-Term Contract offering prior to the earlier of these two events.
- 1.1.1 If confirmed, please clarify why FEI did not file the Report at that earlier time.

**B. BERC RATE METHODOLOGY**

- 2.0 Reference: BERC RATE METHODOLOGY**  
**Exhibit B-1, pp. 3–4, 6, 8**  
**Price of the Short Term and Long Term BERC Rates**

On pages 3 to 4 of the Report, FEI states:

In the 2015 Application, FEI proposed a floating BERC Rate based upon a fixed premium on conventional natural gas, and a lower priced option for customers willing to enter into long-term agreements with FEI that met certain volume and term commitments. The Decision approved the two options proposed by FEI: the Short Term BERC Rate and the Long Term BERC Rate. The Short Term BERC Rate is equal to the BCUC [British Columbia Utilities Commission] approved January 1st Commodity Cost Recovery Charge (CCRA Rate) each year, plus the approved Carbon Tax rate, plus a premium of \$7.00 per gigajoule (GJ). The Long Term BERC Rate is set at a \$1.00 discount to the Short-Term BERC Rate...

On page 6 of the Report, FEI states:

The reduction in customer additions towards the end of 2019, as shown in Figure 1 above, was due to a temporary closure of the Biomethane Program to new participants as RNG [Renewable Natural Gas] supply was oversubscribed. This situation was due to a number of factors, including increased enrolment of residential and small commercial customers, increased enrolment and volume from large long term contract customers, and variability in the expected timing and volume of RNG delivered from new supply projects during this time. [footnote omitted]

- 2.1 Please discuss in what ways, if any, the price of the Short Term BERC Rate and Long Term BERC Rate may have contributed to oversubscription of the available RNG supply.
- 2.1.1 Does FEI consider the over subscription of the available RNG supply to be an indication that the price of the Short Term BERC Rate and/or Long Term BERC Rate was set too low? Please explain why or why not.
- 2.1.2 To what extent does FEI believe government policies may have contributed to oversubscription of the available RNG supply?
- 2.1.3 Please discuss whether the use of a more dynamic pricing structure than the current BERC Rate methodology would have allowed FEI to generate greater revenues.

On page 8 of the Report, FEI states:

The demand for long term access to large volumes of RNG is also driven by factors that are specific to particular industries or customers. These drivers include GHG [greenhouse gas] emissions reduction targets, the price of long term RNG compared to alternatives, and environmental initiatives from different levels of government...

FEI continues to monitor these drivers of demand for large volumes of RNG and may propose RNG Program modifications in the future if required to ensure the long term balance of supply and demand.

- 2.2 Does FEI believe that modifications to the Biomethane Program are also warranted in light of the existing oversubscription of RNG supplies. Please discuss.

**3.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, pp. 6, 12  
New RNG supply**

On page 6 of the Report, FEI states that there has been “variability in the expected timing and volume of RNG delivered from new supply projects during this time” and notes that the in-service date of the approved City of Surrey Biofuel Facility was delayed by over a year and “took longer than anticipated to deliver expected volumes of RNG.”

Table 2, reproduced below, presents FEI’s contracted RNG supply projects.

**Table 2: Contracted RNG Supply Projects**

	1	2	3	4
	Project	Contract Status	BCUC Approval Status	Anticipated Start Date (Month-Year)
Existing	Fraser Valley Biogass	Contacted	Approved	N/A
	Seabreeze Farms	Contacted	Approved	N/A
	Kelowna Landfill	Contacted	Approved	N/A
	Columbia Shushwap Regional Dist.	Contacted	Approved	N/A
	City of Surrey	Contacted	Approved	N/A
	<b>Contract Max Annual Volume (TJ/Yr)</b>			<b>529</b>
	<b>Expected Annual Volume (TJ/Yr)</b>			<b>310</b>
<b>Proportion of Total Expected Volume</b>			<b>5.3%</b>	
Future	Tidal Stormfisher	Contacted	Approved	Aug-20
	Project #1	Contacted	In Progress	Sep-20
	Lulu Island Waste Water	Contacted	Approved	Dec-20
	Faromor	Contacted	Approved	Jan-21
	Dicklands Farm	Contacted	Approved	Sep-21
	Lethbridge Biogas	Contacted	Approved	Sep-21
	Bradam Hamilton	Contacted	Approved	Sep-21
	Tidal Niagara	Contacted	Approved	Dec-21
	City of Vancouver	Contacted	Approved	Dec-21
	Project #2	Contacted	In Progress	Dec-21
	Bradam Napanee	Contacted	Approved	Jan-22
	Matter	Contacted	Approved	Mar-22
	REN Energy	Contacted	Approved	Jul-22
	GSE	Contacted	Approved	Dec-22
	<b>Contract Maximum Annual Volume (TJ/Yr)</b>			<b>7,307</b>
	<b>Expected Annual Volume (TJ/Yr)</b>			<b>5,493</b>
	<b>Proportion of Total Expected Volume</b>			<b>94.7%</b>
<b>Grand Total Maximum Annual Volume (TJ/Yr)</b>			<b>7,836</b>	
<b>Grand Total Expected Annual Volume (TJ/Yr)</b>			<b>5,803</b>	

- 3.1 Please provide an update on the anticipated start dates for the RNG supply projects listed in Table 2.
- 3.2 Please describe the factors that contributed to the delay in the in-service date of the City of Surrey Biofuel Facility.
  - 3.2.1 Does FEI anticipate similar delays to the anticipated start dates for the RNG supply projects listed in Table 2? Please explain why or why not.
  - 3.2.2 Please discuss what impact, if any, FEI anticipates the COVID-19 pandemic will have on the start dates of the RNG supply projects listed in Table 2.
  - 3.2.3 Please describe any mitigation measures FEI has implemented to minimize impacts to the Biomethane Program resulting from delays to the in-service dates of the RNG supply projects FEI has contracted with.
- 3.3 Please discuss whether FEI’s concerns regarding the management of biomethane inventory have lessened as a result of FEI’s decision to enter into contracts for notional delivery of RNG from outside of British Columbia, rather than physical delivery.

On page 12, FEI states that:

The expected volumes indicated in the table take into account FEI's experience that, on average, new RNG supply projects typically take time to ramp up their production to the maximum RNG volumes.

- 3.4 Given that Table 2 considers the time it takes for projects to ramp up, is Table 2 a snapshot of FEI's contracted RNG supply situation at a specific point in time?
- 3.4.1 If so, in what year does FEI expect the "existing" projects to reach the "expected annual volume" of 310 TJ (as opposed to their "contract maximum annual volume" of 529 TJ) and in what year does FEI expect the "future" project to reach the "expected annual volume" of 5,493 TJ (as opposed to their "contract maximum annual volume" of 7,307 TJ).
- 3.5 For 2021, please provide the maximum contracted volume and expected annual volume for each project listed on Table 2, as well as any additional projects that FEI has contracted for after the filing date of the Report.
- 3.6 Please indicate whether FEI has now reached the maximum volume of approximately 8,900 TJs per year currently set in the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR). If not, please indicate how much room is left for new contracts.

On page 13, FEI states that:

As shown by the Grand Total Expected Volume at the bottom of Table 2, when all of FEI's supply projects are completed and supplying RNG, FEI's expected annual supply volume is approximately 5,800 TJs per year. For newly completed supply projects, there can be a ramp-up period before the full expected annual volumes of RNG can be delivered. [Emphasis added]

- 3.7 When all FEI's supply projects are completed and delivering RNG, why would FEI's annual supply of RNG not be approaching the 7,836 TJ noted as the Grand Total Maximum Annual Volume in Table 2 instead of the Grand Total Expected Annual Volume of 5,800 TJ?
- 3.8 In what year does FEI expect the projects listed in Table 2 to produce their "contract maximum annual volume"?
- 3.9 Please revise Table 3 to show the entire ramp-up to arrive at the "grand total maximum annual volume" of 7,836 TJ shown in Table 2.
- 3.10 In the event that projects are not expected to produce their "contract maximum annual volume" but rather produce the "expected annual volume", which of those two figures are imperative to ensuring that FEI remain within the existing GGRR maximum volume?

**4.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, p. 6  
Impacts from the temporary closure of the Biomethane Program**

On page 6 of the Report, FEI states:

The temporary closure of the RNG Program led to the steady erosion of the total number of customers enrolled, due to the ordinary level of customers exiting the program not being replaced by new participants. FEI expects that new RNG supply projects will begin delivering significant additional volumes of RNG beginning in late 2021, at which time FEI will again be actively engaged in enrolling new customers.

- 4.1 Please discuss any impacts FEI anticipates as a result of the temporary closure of the Biomethane Program, including but not limited to, impacts to customer engagement, awareness, and participation in the program.
  - 4.1.1 Please describe any measures FEI has implemented, or plans to implement, to mitigate any negative impacts associated with the temporary closure of the Biomethane Program.
- 4.2 Please confirm, or otherwise explain, that the Biomethane Program is still closed to new participants.
- 4.3 Please update Figure 1 to include monthly data up to the end of 2020 or later, if available.
- 4.4 Please indicate what is the ordinary rate of erosion, in a scenario where there is a steady supply.
  - 4.4.1 Please discuss whether the COVID-19 pandemic has accelerated the rate of erosion of the total number of customers enrolled. If so, please indicate which types of customers have seen their rate of erosion accelerate the most under the pandemic.

**5.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, p. 11  
Carbon offset purchases**

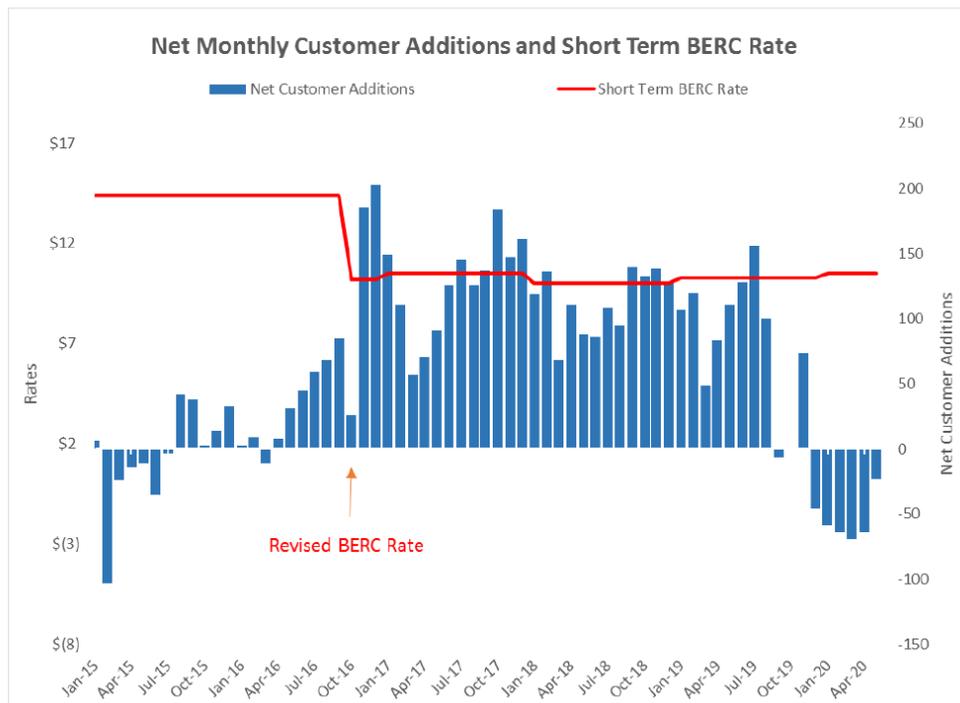
On page 11 of the Report, FEI states “In 2019, the total volume of RNG sold to meet customer demand was 315 TJs [terajoules]. The total RNG supply from existing RNG production facilities was 225 TJs.... The shortfall of 90 TJs between RNG supply versus RNG sold was fulfilled with the purchase of carbon offsets.”

- 5.1 Please provide (i) the purchase cost; and (ii) the ratepayer impact associated with the 90 TJs of carbon offsets purchased in 2019.
  - 5.1.1 Please discuss how the cost and ratepayer impact of purchasing carbon offsets compares to the cost of purchasing RNG for the Biomethane Program.
- 5.2 Please discuss the difference(s) between purchasing carbon offsets to meet FEI’s Biomethane Program commitments and purchasing RNG that is notionally delivered to British Columbia.
- 5.3 Please discuss whether it may be possible that customers (e.g. large volume customers) would request to recognize the carbon offsets for their own benefit. How would FEI address this request and have these requests occurred to date?

**6.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, Section 2, p. 3 and Figure 2, p. 7  
RNG premium under prior BERC rate methodology**

FEI states that “[...] in 2015, the BERC Rate, and the associated premium as compared to conventional natural gas, had reached a point that discouraged customers from voluntarily enrolling in the RNG Program.”

**Figure 2: Monthly Net Customers Addition and Short Term BERC Rate**



- 6.1 For each of the years leading up to the change in BERC rate methodology on October 1, 2016, please provide the level of the BERC rate and the associated RNG premium compared to conventional natural gas.
- 6.2 Please confirm, or otherwise explain, that the BERC Rate prior to the change in methodology on October 1, 2016 was set at a level that recovered all RNG Program costs.
  - 6.2.1 If so, please confirm, or otherwise explain, that the level of cross-subsidy from FEI’s non-bypass customers to RNG customers is approximately in the range of \$4.00-\$4.50/GJ (i.e., the difference between the BERC Rate of about \$14.50/GJ prior to the change in methodology and the revised Short Term BERC Rate that oscillated between \$10.039/GJ \$10.54/GJ after the change).

**7.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, Section 2.1.2, Figure 3, p. 9  
Sales volumes**

On page 9 of the Report, FEI states that:

The increase in short-term sales volumes in 2017, and the subsequent decrease in 2018, as shown in the blue bars in the figure above, is due to the migration of UBC [University of British Columbia] and City of Vancouver from the Short Term BERC Rate to the Long Term BERC Rate in 2017 and 2018. The short-term volumes sold in 2017 increased compared to 2016 when the City of Vancouver began consuming a significant volume of RNG.

- 7.1 Please update Figure 3 with 2020 data, if available.
- 7.2 In FEI’s view, is the significant increase in demand from the City of Vancouver, starting in 2017, attributable to the lower BERC rate or is it the result of the City of Vancouver’s climate action policies, which could have led to this large increase in demand even without a change in BERC rate?

**8.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, Section 2.1.2, p. 9  
Price elasticity**

On page 9 of the Report, FEI states that:

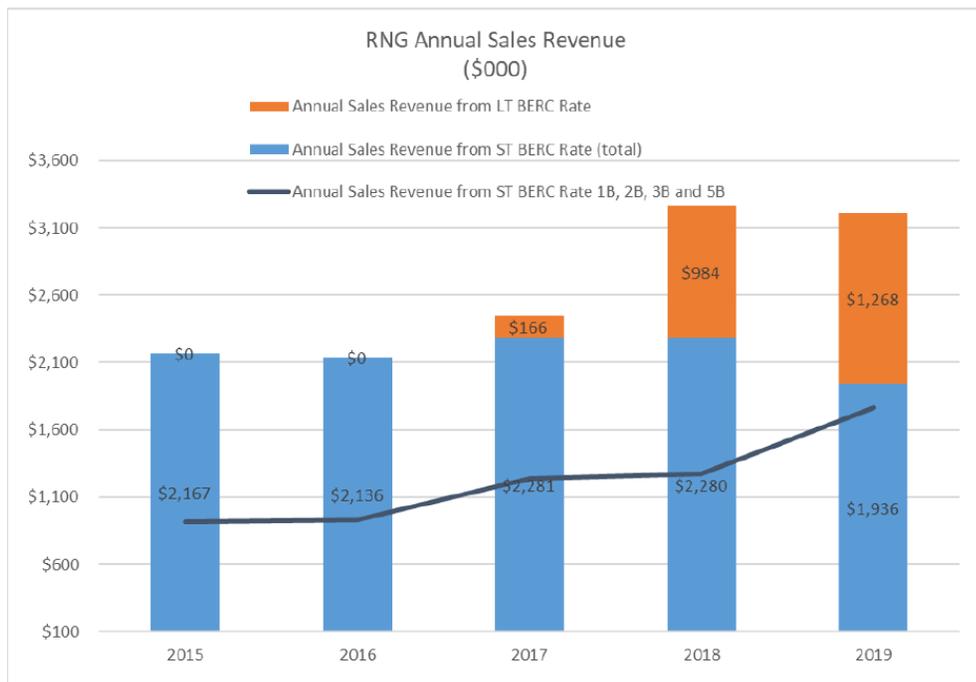
The average volume of RNG sold per residential customer over the period has seen a modest increase since the revised Short Term BERC Rate was introduced. At the end of 2016, RNG sales volumes were approximately 60,500 GJs for approximately 6,968 residential customers, for an average volume per customer of approximately 8.7 GJs. By the end of 2017, the average volume per customer had increased to approximately 10.9 GJs and has remained above 10 GJ per customer since.

- 8.1 What is the price elasticity of RNG demand for residential customers (Rate 1B)?
- 8.2 Please indicate if FEI also noticed a similar trend in the average volume of RNG sold per commercial customer over the same period (Rate 2B, 3B and 5B)?
  - 8.2.1 What is the price elasticity of RNG demand for small and large commercial customers?
  - 8.2.2 What is the percentage of RNG uptake for an average small and large commercial customer?
- 8.3 What is the price elasticity of RNG demand for large volume interruptible sales customers (Rate 11B Standard)?
- 8.4 What is the price elasticity of RNG demand for long-term contract customers (Long-term Rate 11B)?
- 8.5 Please discuss whether the price elasticity of RNG demand could differ among classes of customers due to factors such as the obligation for some customers to meet GHG emissions reduction targets while others adopt RNG on a purely voluntary basis, or that some customers have entered long-term contracts.

**9.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, Section 2.1.3, Figure 4, p. 10  
Total revenues**

On page 10 of the Report, FEI states that:

**Figure 4: Annual RNG Revenue by Short Term and Long Term Customers**



As shown in the black line in Figure 4 above, the total revenues generated from mass market residential and commercial customers (RS 1B, 2B, 3B and 5B) grew over the period as sales volumes and customer participation steadily increased.

- 9.1 Please add another line to Figure 4 to show the total revenues generated from the Short Term BERC Rate 11B Standard.
  - 9.1.1 Please confirm, or otherwise explain, that the decrease in revenues generated from the Short Term BERC Rate 11B Standard is solely due to the migration of UBC and the City of Vancouver from RS 11B to the Long Term BERC Rate.
- 9.2 Does FEI anticipate the migration of more customers currently taking RNG service under RS 11B Standard to the Long Term BERC Rate as more supply becomes available? Please discuss.

**10.0 Reference: BERC RATE METHODOLOGY  
Exhibit B-1, p. 14  
BERC rate methodology**

On page 14 of the Report, FEI states:

FEI believes that maintaining the current BERC rate methodology will be essential to maintaining the interest of new customers enrolling in the RNG Program in 2021 and increasing demand for this new RNG supply.

- 10.1 Please explain why FEI believes maintaining the current BERC rate methodology is “essential to maintaining the interest of new customers enrolling in the RNG Program in 2021...”
- 10.2 Please explain what challenges, if any, FEI has faced with using the current BERC rate methodology, and how FEI intends to address these challenges if the current methodology is maintained.
- 10.3 Please discuss the learnings that FEI has experienced using the current methodology in the past

few years, that could be applied to future years.

**C. SUPPLY/DEMAND BALANCING FOR THE RNG PROGRAM**

**11.0 Reference: SUPPLY/DEMAND BALANCING FOR THE RNG PROGRAM  
Exhibit B-1, Section 3, p. 11  
Interruptible sales (RS 11B)**

On page 11 of the Report, FEI states that:

In 2019, as demand was exceeding the available supply, FEI ceased accepting new enrolments in the RNG Program and curtailed the volume of RNG available for sale to large volume, interruptible RNG rate customers under Long Term BERC Rate contracts served through Rate Schedule (RS) 11B.

11.1 In light of the steady erosion of the total number of customers enrolled due to the temporary closure of the RNG Program, has FEI been able to reduce or eliminate the need to curtail the volume available for sale to RS 11B customers? Please discuss.

**12.0 Reference: SUPPLY/DEMAND BALANCING FOR THE RNG PROGRAM  
Exhibit B-1, Section 3, p. 11; Section 4.1, p. 14  
Carbon offsets**

On page 11, FEI states that:

In 2019, the total volume of RNG sold to meet customer demand was 315 TJs. The total RNG supply from existing RNG production facilities was 225 TJs. This represents a 28 percent increase in RNG supply over the 2018 total of 176 TJs. The shortfall of 90 TJs between RNG supply versus RNG sold was fulfilled with the purchase of carbon offsets.

On page 14, FEI states that:

In 2017 FEI sold more RNG than it had available, while there was a timing difference with its purchase of carbon offsets in 2018, which resulted in the negative opening value for January 1, 2018.

12.1 Please complete the following table:

		2017 (actual)	2018 (actual)	2019 (actual)	2020 (actual)	2021 (forecast)
A	Total RNG supply (TJ)					
B	Purchase of carbon offsets (TJ)					
C	Total RNG sales (TJ) [C = A + B]					
D	Average price of carbon offsets (S/GJ)					

12.2 Please confirm, or otherwise explain, that the 315 TJ referenced in the first quote above is a curtailed volume.

12.3 For each of the years when carbon offsets were purchased, did FEI need to also curtail the

contracted volumes of FEI’s large volume, interruptible customers under Long Term BERC Rate contracts served through RS 11B? If so, by how much?

12.4 Please explain why FEI chose to purchase carbon offsets instead of increasing the curtailment of its large volume interruptible customers.

**13.0 Reference: SUPPLY/DEMAND BALANCING FOR THE RNG PROGRAM  
Exhibit B-1, Section 3, Figure 5, p. 14  
Monthly RNG supply and demand 2020–2022**

13.1 Please update Figure 5 of the Report with monthly actual data until December 2020 or later, if available.

13.2 For the forecast portion of the graph, please explain if FEI has taken into consideration the supply and demand factors, such as the COVID-19 pandemic and its related impact on industry and the economy.

On page 14, FEI states that:

Although FEI has not permitted new participants to enrol in the RNG Program since 2019, a number of large volume customers have made their interest in RNG known to FEI. FEI is currently aware of up to 4 PJs of potential incremental demand for RNG from such customers.

13.3 Please elaborate on the reasons these large volume customers are interested to procure RNG from FEI, such as possible requirements to meet certain GHG emissions reduction targets from municipalities or the provincial government, or any other reasons.

**D. BVA BALANCE, BERC RATES, CCRA RATE AND CARBON TAX**

**14.0 Reference: BVA BALANCE, BERC RATES, CCRA RATE AND CARBON TAX  
Exhibit B-1, Section 4.1, Table 4, pp. 14–15; Exhibit B-10, Slide 16 in FEI Application for Approval of BERC Rate Methodology  
Biomethane variance account balance**

On page 15 of the Report, FEI presents the biomethane variance account (BVA) balances in Table 4:

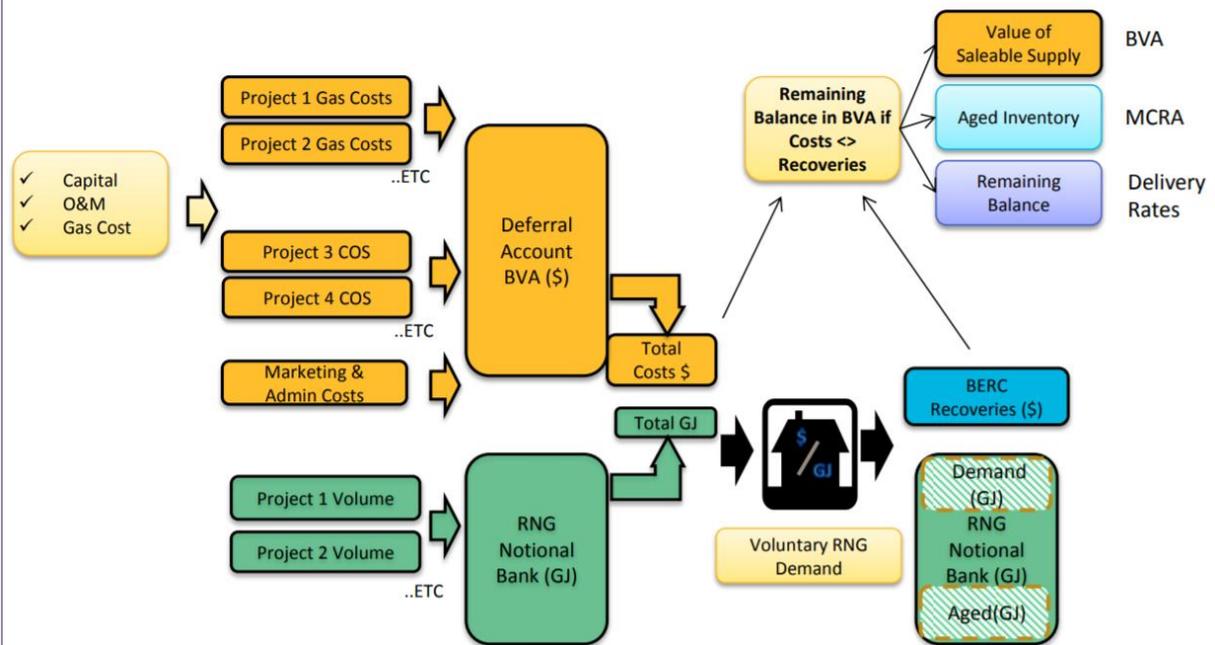
**Table 4: BVA Balance**

Item	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The BVA balance (\$000)	\$ 341.0	\$ (471.0)	-	\$ 1.5

On page 14, FEI states that “[i]n 2017 FEI sold more RNG than it had available [sic], while there was a timing difference with its purchase of carbon offsets in 2018, which resulted in the negative opening value for January 1, 2018.”

On slide 16 of Exhibit B-10 in FEI Application for Approval of BERC rate methodology, FEI presents the following diagram, where it states that there will be a remaining balance in the BVA if costs are higher or lower than recoveries:

# RNG Program Costs & Recovery



BVA = Biomethane Variance Account  
 COS = Cost of Service  
 BERC = Biomethane Energy Recovery Charge

- 14.1 Please revise Table 4 by adding the BVA balance for 2021.
- 14.2 Does a negative BVA balance in 2018 due to carbon offsets imply that carbon offsets are lower cost than procuring RNG for FEI?
- 14.3 For each year that FEI purchased carbon offsets, how does the average price of carbon offset compare with FEI's actual cost of supplying RNG to customers (in \$/GJ)?
- 14.4 Please explain how the BVA balance on January 1, 2019 was exactly zero and near zero on January 1, 2020, when FEI sells RNG at a BERC rate that is set at a level lower than that required to recover the cost to procure the RNG.
- 14.5 Please provide a table with the average age of inventory balances for each year since the implementation of the Short Term and Long Term BERC Rate.

**15.0 Reference: BVA BALANCE, BERC RATES, CCRA RATE AND CARBON TAX**  
**Exhibit B-1, Section 4.2, Tables 5–8, pp. 15–16; BCUC Decision in the FortisBC Application for Approval of a Multi-Year Rate Plan for the Year 2020-2024 (Decision), Footnote 245,<sup>1</sup> p. 70**  
**Short Term and Long Term BERC Rate, BVA balance transfer rate base deferral account**

- 15.1 Please revise Table 5 on page 15 of the Report, by adding the Short Term and Long Term BERC Rate for 2021.
- 15.2 If the BERC rate methodology is maintained for the foreseeable future as proposed by FEI, what

<sup>1</sup> [https://www.bcuc.com/Documents/Decisions/2020/DOC\\_58466\\_2020-06-22-FortisBC-MRP-2020-2024-Decision.pdf](https://www.bcuc.com/Documents/Decisions/2020/DOC_58466_2020-06-22-FortisBC-MRP-2020-2024-Decision.pdf)

would happen if the Short Term BERC Rate dipped lower than the \$10/GJ floor price of the Long Term BERC Rate?

- 15.3 Please revise Table 6 on page 15 of the Report by adding the CCRA Rate for 2021.
- 15.4 Please revise Table 7 on page 16 of the Report by adding the carbon tax rate for 2021.
- 15.5 Please revise Table 8 on page 16 of the Report by adding the BVA balance transfer rate base deferral account for 2021.
- 15.6 Please clarify the relationship between this deferral account and the BVA balances presented in Table 4.

In its Decision dated June 22, 2020, the BCUC states in footnote 245 on page 70:

The BVA transfer mechanism records all capital and operating costs for FEI's renewable natural gas program (RNG Program) in the BVA and the balance in the BVA is then recovered from biomethane customers through the Biomethane Energy Recover Charge (BERC). Any unrecovered BVA balance is transferred to the BVA Rider deferral account and recovered from non-bypass customers through the BVA rider (Exhibit B-1, p. C-112).

- 15.7 Please clarify the relationship between the BVA balance transfer rate base deferral account and the BVA Rider deferral account.
- 15.8 Please provide a table showing the annual balance in the BVA rider deferral account from the date of implementation of the new BERC rate methodology to date.

#### **E. MONTHLY CUSTOMER DATA FOR THE PERIOD JANUARY 1, 2016 TO JANUARY 1, 2020**

**16.0 Reference: MONTHLY CUSTOMER DATA FOR THE PERIOD JANUARY 1, 2016 TO JANUARY 1, 2020 Exhibit B-1, Section 5, p. 16; Appendix A, Tables 1 and 2, pp. 1–2 Monthly net customer addition and cumulative total customers**

- 16.1 Please update Table 1 and Table 2 in Appendix A to include monthly data up to the end of 2020 or later, if available.
- 16.2 For each of the rate schedules, please provide a graph similar to Figure 1 on page 6 that would show monthly net customer addition and cumulative total customers.
- 16.3 Please discuss if there are similarities or differences in trends of customer additions across the rate schedules.

**17.0 Reference: MONTHLY CUSTOMER DATA FOR THE PERIOD JANUARY 1, 2016 TO JANUARY 1, 2020 Exhibit B-1, Section 5, p. 16; Appendix A, Table 3, p. 3 RNG annual sales volumes**

- 17.1 Please update Table 3 in Appendix A to the Report to include monthly data up to the end of 2020 or later, if available.
- 17.2 Please revise Figure 3 on page 9 that would show, for each bar, the breakdown of RNG annual sales volume by rate schedule.
- 17.3 Please discuss if there are similarities or differences in trends of RNG annual sales volume across the rate schedules.

**18.0 Reference: MONTHLY CUSTOMER DATA FOR THE PERIOD JANUARY 1, 2016 TO JANUARY 1, 2020 Exhibit B-1, Section 5, p. 16; Appendix A, Table 4, p. 4; Figure 4, p. 10 RNG annual sale revenues**

- 18.1 Please update Table 4 in Appendix A to the Report to include monthly data up to the end of 2020 or later, if available.
- 18.2 Please revise Figure 4 on page 10 that would show, for each bar, the breakdown of RNG annual sales revenue by rate schedule.
- 18.3 Please discuss if there are similarities or differences in trends of RNG annual sales revenue across the rate schedules.

**F. LONG-TERM CONTRACTS SUMMARY OF TERMS AND CONDITIONS**

**19.0 Reference: LONG-TERM CONTRACTS SUMMARY OF TERMS AND CONDITIONS Exhibit B-1, Section 2, p. 4; Section 6, p. 16; Appendix B, Table 1, pp. 1–3 Summary of long-term contracts terms and condition for UBC**

On page 4, FEI states that “[t]he Long Term BERC Rate is set at a \$1.00 discount to the Short-Term BERC Rate to reflect the benefits to FEI and its non-RNG customers, including long-term revenue certainty, a more predictable load throughout the year, and reduced marketing efforts required to reach this customer group.”

In Tables 1, 2 and 3 of Appendix B to the Report, FEI states that the rate escalation is: “Annual Adjustment of the Contract Price equals: \$10 per GJ multiplied by 50% increase of the Consumer Price Index (Canada) over the previous year.

- 19.1 Please clarify why the contract price is set at \$10 per GJ rather than set at the Long-Term BERC Rate, which is \$1 discount from the Short-Term BERC Rate.
- 19.2 Please clarify how the rate escalation works in relation to the Long-Term BERC Rate?
- 19.3 Please provide a table showing the annual price in \$/GJ that UBC, the City of Vancouver, and Translink are billed for their purchase of RNG since the inception of their respective long-term contracts.
- 19.4 Did FEI mean to describe “floor price” and “price adjustment after the 5<sup>th</sup> year” identically in Table 1 of Appendix B for UBC? If not, please revise as necessary?

Floor Price	The higher of: (a) the Long Term BERC rate or (b) the sum of the following: (i) the approved January 1st CCRA RATE; (ii) carbon tax; (iii) any other taxes applicable to conventional natural gas sales.
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- 19.5 The description provided by FEI for “floor price” for the City of Vancouver and Translink does not seem to reflect what the floor price is. Please revise as necessary.

Floor Price	the sum of the following: (i) the approved January 1st CCRA RATE in each year of the Renewal Term; (ii) carbon tax; (iii) any other taxes applicable to conventional natural gas sales.
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- 19.6 If the Long-Term BERC Rate is \$10/GJ while the sum of the approved January 1 CCRA rate, plus carbon tax and all other applicable taxes to conventional natural gas is lower than \$10/GJ, please confirm, or otherwise explain, that UBC’s RNG price would be set at \$10/GJ.

- 19.6.1 If confirmed, please clarify why a long-term contract customer such as UBC would not benefit from a \$1/GJ discount relative to the Short-Term BERC Rate when FEI benefits from having such long-term contract customers, as explained in the first quote above.
- 19.7 Please clarify what is referred to by the “Adjusted Long Term BERC Rate” for the City of Vancouver and Translink.
- 19.8 Given FEI’s curtailment of its large volume interruptible customers, was FEI able to deliver:
- (i) the minimum annual quantity of 71 TJ to UBC?
  - (ii) the minimum annual quantity shown in Table 2 of Appendix B to the City of Vancouver?
  - (iii) the minimum annual quantity shown in Table 3 of Appendix B to Translink?
- If not, please provide the curtailed volume delivered annually to each customer.

## **G. CUSTOMER AWARENESS AND EDUCATION**

**20.0 Reference: CUSTOMER AWARENESS AND EDUCATION  
Exhibit B-1, p. 17  
Customer awareness campaign**

On page 17 of the Report, FEI states:

- In 2016, FEI contracted a customer research company to garner a better understanding of customer perceptions and knowledge of RNG... the research identified certain customer segments that had a higher potential for program participation. The customer research study provided insights into the development of new customer outreach and awareness campaigns and delivery of those campaigns through different media channels. This new campaign was developed and launched into market in 2017...
- 20.1 Please explain what it means for a particular customer segment to have a “higher potential for program participation.”
- 20.2 Please specify the customer segments that were identified as having a higher potential for program participation.
- 20.2.1 For each customer segment identified, please describe the unique factors or characteristics that are responsible for the higher potential for program participation.
- 20.3 Please explain whether FEI’s 2017 outreach and awareness campaign targeted customers that were likely to maximize revenues under the BERC rate methodology.
- 20.3.1 If yes, please explain how.
- 20.3.2 If not, why not?

**21.0 Reference: CUSTOMER AWARENESS AND EDUCATION  
Exhibit B-1, Section 7, Tables 9 and 10, pp. 17–18  
Marketing metrics and expenditures**

On pages 17 to 18 of the Report, FEI states that:

Once additional supply volumes become available to customers in 2021 and the RNG program reopens for customer enrolment, FEI will be able to relaunch its customer education and awareness campaigns to encourage increases in future enrolments as well as retain currently enrolled customers.

- 21.1 Please update Tables 9 and 10 to include data for the year 2020.
- 21.2 Please provide an update on FEI's plans to relaunch its customer education and awareness campaigns, including a forecast of the RNG Program Customer Awareness expenditures once the program is relaunched.