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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-40-13**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Energy Inc.
Biomethane Service Offering: Post Implementation Report and
Application for Approval of the
Continuation and Modification of the Biomethane Program on a Permanent Basis
(2012 Biomethane Application)

BEFORE: D.M. Morton, Panel Chair/Commissioner
D.A. Cote, Commissioner March 18, 2013
L.A. O'Hara, Commissioner
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. On December 19, 2012, FortisBC Energy Inc. (FEI) filed an application with the British Columbia Utilities Commission (Commission) seeking approvals for the continuation of the Biomethane Program on a permanent basis with certain modifications (the 2012 Biomethane Application);
- B. In the 2012 Biomethane Application, in addition to a number of other approvals, FEI seeks acceptance, pursuant to section 71 of the *Utilities Commission Act (the Act)*, of four Biomethane Purchase Agreements between FEI and the following suppliers:
 - EarthRenu Energy Corp. (Earth Renu),
 - Greater Vancouver Sewerage and Drainage District (GVS&DD),
 - Seabreeze Farm Ltd. (Seabreeze), and
 - Dicklands Farms (Dicklands);
- C. FEI also seeks acceptance, pursuant to section 44.2 of the *Act*, of the capital costs related to the facilities required for the four biomethane supply projects as described in Section 7 of the 2012 Biomethane Application;
- D. On January 8, 2013, by Order G-1-13, the Commission issued a Preliminary Regulatory Timetable establishing a Workshop on the Post-Implementation Report and a Procedural Conference. The Workshop was held on January 17, 2013, and the Procedural Conference was held on January 22, 2013;

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2

- E. On February 5, 2013, the Commission issued Order G-18-13 that established a Regulatory Timetable and provided an opportunity for FEI, Interveners and other stakeholders to make comments on a number of issues regarding the biomethane suppliers regulatory process;
- F. Submissions from Interveners and other stakeholders on the issues regarding to the biomethane suppliers regulatory process were received from B.C. Pensioners' and Seniors' Organization *et al.*, B.C. Sustainable Energy Association, Commercial Energy Consumers Association, Dicklands, Earth Renu, GVS&DD, Paradigm Environmental Technologies Inc., Seabreeze and FEI;
- G. The Commission reviewed the submissions regarding the biomethane suppliers regulatory process and on February 18, 2013 issued Commission Order G-29-13. In Order G-29-13, the Commission determined that the supply cap set in Commission Order G-194-10 would be increased by an amount sufficient to accommodate the supply from the four new biomethane suppliers provided FEI confirmed to the Commission by March 6, 2013, that the natural gas non-bypass customers bear no actual or potential risk for unsold biomethane pending the outcome of the 2012 Biomethane Application;
- H. On March 6, 2013, FEI filed its response to Commission Order G-29-13, stating FEI would not assume the economic risk for the unsold biomethane from the four new supply contracts over the lives of the contracts. FEI further requested that the Commission reconsider the need for FEI to assume this risk;
- I. The Commission issued Letter L-14-13 dated March 11, 2013, and noted that FEI had not fully elaborated on its reasons for a reconsideration in its March 6, 2013 response. However, in order to accommodate the timelines of the third party biomethane suppliers, the Commission acknowledged it would proceed directly to Phase 2 of the reconsideration provided FEI filed a fulsome amended reconsideration application by March 15, 2013, and the application included all necessary evidence required in Phase 2 of a reconsideration;
- J. FEI submitted its Application for Reconsideration of Commission Order G-29-13 (Reconsideration Application) on March 15, 2013; and
- K. The Commission reviewed the Reconsideration Application and determined that the criteria set out in Letter L-14-13 were met and the Reconsideration Application will proceed to Phase 2.

NOW THEREFORE the Commission suspends the Regulatory Timetable set out in Order G-29-13 pending the outcome of the Reconsideration Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of March 2013.

BY ORDER

Original signed by:

D.M. Morton
Panel Chair/Commissioner