



**ORDER NUMBER
G-14-19**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.
Application for Acceptance of the Biogas Purchase Agreement
Between FortisBC Energy Inc. and the City of Vancouver

BEFORE:

D. M. Morton, Panel Chair
A. K. Fung, QC, Commissioner
R. I. Mason, Commissioner

on January 22, 2019

ORDER

WHEREAS:

- A. On September 21, 2018, FortisBC Energy Inc. (FEI) filed with the British Columbia Utilities Commission (BCUC), on a confidential basis, an application for acceptance of a Biogas Purchase Agreement (BPA) between FEI and the City of Vancouver (CoV) pursuant to section 71 of the *Utilities Commission Act* (Application);
- B. Under the BPA, FEI intends to: purchase raw biogas (such as landfill gas) from the CoV; construct and operate facilities to upgrade landfill gas to biomethane (i.e. renewable natural gas); and construct interconnection facilities including a 500 metre pipeline to connect to FEI's existing natural gas distribution system;
- C. Pursuant to Section 18.01(b) of the BCUC's Rules of Practice and Procedure, the BCUC issued a letter dated October 31, 2018, requesting FEI to file a non-confidential redacted version of the Application and the BPA to allow for a public hearing process;
- D. On November 2, 2018, FEI filed a non-confidential redacted version of the Application and the BPA;
- E. By Order G-219-18 dated November 16, 2018, the BCUC established a regulatory timetable which included intervener registration, one round of information requests, a procedural conference and further process to be determined;
- F. By Order G-234-18 dated December 7, 2018, the BCUC amended the regulatory timetable, which included intervener written submissions, an FEI written reply, a deadline extension for the first round of information requests and amending the date of the procedural conference;

- G. On January 16, 2019, the BCUC held a procedural conference and requested parties to provide comments on: the need for intervenor information requests to FEI; the appropriate issues to be included in Final Arguments; and each party's proposed regulatory timetable for the remainder of the proceeding;
- H. FEI and the following interveners provided submissions on the three areas identified by the BCUC:
1. Commercial Energy Consumers Association of British Columbia (CEC);
 2. Ministry of Energy, Mines & Petroleum Resources (MEMPR); and
 3. CoV
- I. FEI and the CoV submitted that intervenor information requests are not required. The MEMPR took no position. CEC submitted that information requests could be avoided if the BCUC proceeded with a Streamlined Review Process (SRP);
- J. FEI submitted that the appropriate issue to be included in final argument is whether the BPA and facilities constitute a prescribed undertaking, specifically whether the maximum price and maximum supply requirements are satisfied per the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR). The CoV supported FEI's submissions while the MEMPR submitted that British Columbia's climate change objectives would be appropriate for final argument. The CEC proposed that submissions be made during the SRP;
- K. BCUC staff submitted that the appropriate issues to be addressed in submission or argument were:
1. The need or desire for the MEMPR to provide a definition of "acquire";
 2. With respect to the \$30 per gigajoule (GJ) price cap as per section 3.8(a) of the GGRR;
 - i. Whether calculating the price per GJ based on a levelized cost or an annual cost is appropriate;
 - ii. Whether FEI should be subject to a reporting requirement in the event that the cost per GJ exceeds the \$30 cap once the project is complete; and
 - iii. Whether there are consequences in the event that the cost per GJ exceeds the \$30 cap once the project is complete.
- L. Neither FEI nor interveners objected to the BCUC staff submission on issues to be addressed;
- M. FEI proposed that the regulatory process move directly to final argument and argued the issues are either too technically or legally complex for an SRP and would be better addressed through information requests. The CoV supported FEI's proposal while MEMPR had no comment for the proposed regulatory timetable;
- N. The BCUC considered the arguments concerning an SRP and agrees with FEI and the CoV's position regarding the complexity of the issue; and
- O. The BCUC has determined that an amended regulatory timetable is warranted for further review of the Application.

NOW THEREFORE the BCUC orders as follows:

1. A further regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
2. Within the context of the GGRR, arguments are to address the following issues:
 - a. Whether the BPA and facilities are a prescribed undertaking;
 - b. The definition of “acquire”;
 - c. Whether calculating the price per GJ based on a levelized cost or an annual cost is appropriate;
 - d. Whether FEI should be subject to a reporting requirement; and
 - e. Whether there are consequences in the event that the cost per GJ exceeds the \$30 cap once the project is complete.

DATED at the City of Vancouver, in the Province of British Columbia, this 22nd day of January 2019.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

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REGULATORY TIMETABLE

Action	Date (2019)
Intervener Information Request (IR)	Thursday, January 31
FEI responses to Intervener IR	Friday, February 15
FEI written Final Argument	Friday, March 1
Intervener written Final Argument	Friday, March 8
FEI written Reply Argument	Friday, March 15