

## 2022 Long Term Gas Resource Plan (LTGRP) – Kick-off Meeting

January 25, 2021

**Orange** items represent suggestions from RPAG members related to the 2022 LTGRP

**Green** items denote questions for FortisBC to follow-up on

**Bold black font** items represent FortisBC responses to RPAG questions

### 1. Introduction

- a. Members expressed the interest in the following areas:
  - i. Climate action including provincial de-carbonization goals, such as those outlined in CleanBC, and the transition to clean energy. Multiple members highlighted a particular interest in electrification as well as renewable gasses.
  - ii. Learning and providing support to the utility during this exciting and dynamic time of transition. Invested in ensuring a long life for the utility in order to meet the future needs of customers. Interested in how the long term resource planning will impact municipalities and the broader region.
  - iii. Ensuring affordability and accessibility of energy for residential and commercial customers.
  - iv. Exploring new economic opportunities, policy shifts, and utility business model changes.

### 2. Long Term Resource Planning

- a. RPAG Member: In the overview of the 2017 LTGRP Action Plan, why was there no GHG emission target?
  - i. FortisBC: The CleanBC plan had not yet come out when we submitted the last plan. One of our objectives for the 2022 LTGRP will be to align and ensure consistency with provincial energy objectives. However, in an effort to complete and submit the LTGRP by March 2022, we will need to consider a cut-off point whereby we will align with what we know at that time if there are further changes late in the process.

### 3. Energy Planning Landscape in BC

- a. RPAG Member: CleanBC plan relies on 15% renewable natural gas content in the gas system. This is a large jump and while there are opportunities to increase supply through feedstocks such as livestock waste, agricultural waste and food waste, other feedstock options will need to be developed. Is this something that will be explored in depth in the 2022 LTGRP? Also, how will FortisBC account for different carbon intensity of RNG?
  - i. FortisBC: We have committed to achieving that 15% target and reducing the utility's carbon footprint. The renewable gas supply will play a significant role in this plan. With this, we also recognize that there is a lot of learning, development and advancement that needs to happen in this area and thus a lot of uncertainty the further out we look. Looking at the approved contracts and projects that are in development, FortisBC is well on its way to meeting the 30BY30 target for renewable gas. After 2030, FortisBC will need to rely more on alternative feedstocks which is why pilot projects will play a key role in the future. FortisBC is actively pursuing pilots which will provide more information about the production, integration and delivery of renewable gas in the system.

One such example, is the REN Energy International Corporation (REN Energy) project near Fruitvale, BC which will produce renewable natural gas from wood waste. In the 2022 LTGRP, we will bring forward what we know and highlight areas where additional work may need to happen.

- b. RPAG Member: FortisBC's 30BY30 goal is commendable but it is a huge challenge and represents a large financial burden (for example, funding deep energy retrofits) and requires a non-traditional approach. How does FortisBC plan to bring this change about and deal with the cost of it all?
  - i. FortisBC: FortisBC is developing roadmaps for each pillar of the 30BY30 target. In addition, we're building an accountability framework and plan to provide updates on our progress through our Corporate and Sustainability Reporting (see 2019 report highlights relating to 30BY30 [here](#)). FortisBC recognizes that the roadmaps to reaching our 30BY30 goal is not linear and we still have lots to learn along the way. This is an interim step to get to 2050 and an indication of our commitment to climate action and reducing GHG emissions. At this time, we don't have all the answers but we're taking active steps towards filling in the gaps, creating a tracking and reporting framework and holding ourselves accountable.
- c. RPAG Member: There is a high degree of coordination needed between various key players, including the government (with regards to policies), the electric and natural gas utilities, municipalities and other sectors, during this time of transition. How does FortisBC see these pieces coming together?
  - i. FortisBC: FortisBC has a clear role and agrees that various forces need to join and work together in order to enable transformative change. FortisBC will continue to explore partnerships and approaches as we proceed through the development of the LTGRP and include some discussion on this in the 2022 LTGRP.
- d. RPAG Member: We need to contend with the cost implications, especially energy rates, that the transition will bring about and the impact this will have on individuals. It would be prudent to start adjusting the messaging that rates will likely go up in the future and shift the focus to ways we can help customers keep total costs down by reducing consumption through demand side management. The historical message of keeping rates low doesn't help us move forward.
  - i. RPAG Member: Agree, very good points.
  - ii. RPAG Member: Another variable impacting demand side management will be the increasing carbon tax.
  - iii. FortisBC: That is definitely something to take into consideration. We've taken that note and will explore these ideas further.
- e. RPAG Member: Regarding the marine market share (domestic and international), I assume this refers to LNG marine bunkering? If so, this starts getting into reducing carbon emissions internationally. How will this be addressed in the 2022 LTGRP?
  - i. FortisBC: GHG reductions from international marine bunkering are part of our 30BY30 commitment. With regards to how this will be addressed in the LTGRP, we will show carbon reductions from various FortisBC initiatives and how these initiatives are contributing to the overall 30BY30 goal.
  - ii. RPAG Member: In previous BC Utilities Commission proceedings, the international marine bunkering was justified as decreasing rates for customers due to the overall increase in throughput for the system. However, the

contribution to reducing international GHG emissions was not mentioned. It would be really beneficial to include this as it's an important factor that should be discussed.

- iii. FortisBC: We believe there is a big potential for reducing global GHG emissions by enabling LNG and we intend to count and report on such reductions through our 30BY30 initiative.
- iv. RPAG Member: Within this conversation, we are also interested in looking at reducing the number of shipping trips.
- v. FortisBC: This is a good discussion to have, however, the extent to which international trade and overall international shipping trips can be influenced is outside the scope of the LTGRP.

#### 4. Other Questions & Comments

- a. RPAG Member: Is there a process for sharing information and aligning efforts between FortisBC's LTGRP and BC Hydro's Integrated Resource Plan (IRP)? For example, the assumptions used.
  - i. FortisBC: To the extent we can, we try to communicate with other utilities and align scenarios where it makes sense to do so. However, we recognize that there may be areas where alignment may not be possible or necessary. FortisBC representatives do participate in the BC Hydro Technical Advisory Committee (TAC) and we have BC Hydro participating on the RPAG.
- b. RPAG Member: Looking forward to the upcoming Pathways Study presentation and discussion. Would like to request the unpacking of some of the assumption in the study to better understand the modelling and analysis.
  - i. RPAG Member: Knowing and understanding those assumptions (unpacking them) would be helpful. Also within the context of costs, I hope that the dialogue will also include/extend to considerations around energy poverty and equity considerations for communities.
  - ii. RPAG Member: It would be very useful to compare and contrast FortisBC modelling with any BC Government modelling of Zero Carbon 2050 with key milestones at 2030, 2040.
  - iii. FortisBC: We will take these suggestions away and discuss them internally in preparation for the February 12<sup>th</sup> session.
- c. RPAG Member: Has FortisBC considered a transformative business model where the utility shifts beyond being a commodity supplier and becomes a facilitator? For example, look at delivering comfort, managing customer needs, investment in end use assets, etc.
  - i. FortisBC: This is an interesting suggestion and is something that needs continued discussion. We will take this away and discuss it internally.
- d. RPAG Member: May we expect an updated carbon accounting methodology from the Province?
  - i. FortisBC: We will do our best to consistently present lifecycle carbon accounting and are open to feedback about carbon accounting methods.