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March 15, 2021

Commercial Energy Consumers Association of British Columbia
c/o Owen Bird Law Corporation
P.O. Box 49130
Three Bentall Centre
2900 – 595 Burrard Street
Vancouver, BC
V7X 1J5

Attention: Mr. Christopher P. Weafer

Dear Mr. Weafer:

Re: FortisBC Energy Inc. (FEI)

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

Response to the Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1

On August 12, 2020, FEI filed the Application referenced above. In accordance with the BCUC Order G-35-21 setting out the Regulatory Timetable for the review of the Application, FEI respectfully submits the attached response to CEC IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties

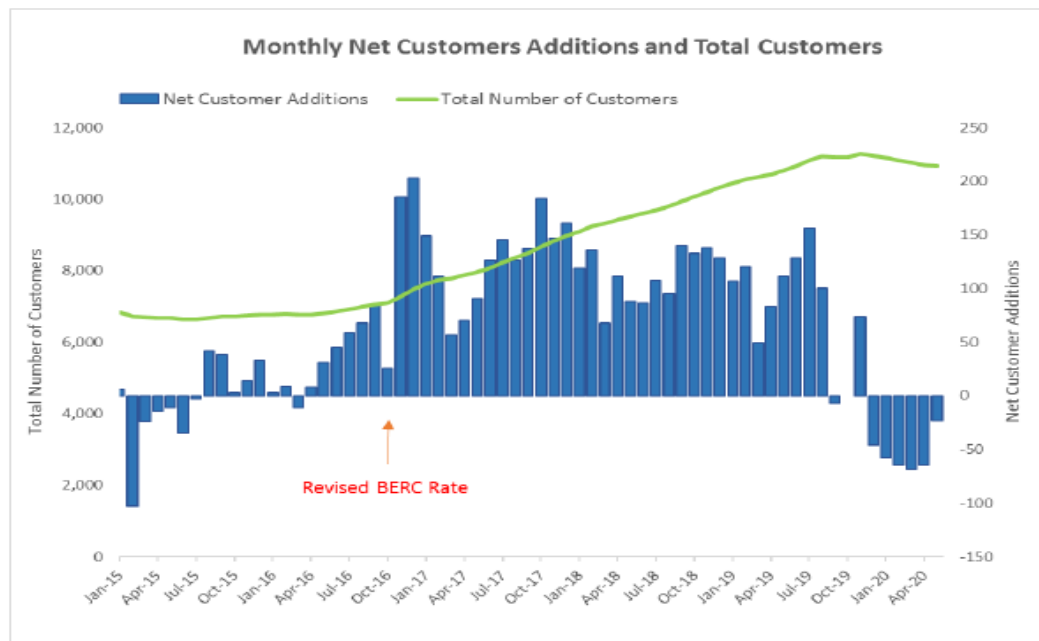
FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 1

1 **1. Reference: Exhibit B-1, page 2 and page 6**

2

1. An assessment of the degree to which the new BERC rate methodology has achieved the objective of maximizing revenues.

Figure 1: Monthly Net Customers Addition and Cumulative Total Customers



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 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.⁴ 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.

3

- 4 1.1 What activities has FEI undertaken to determine whether or not the BERC price
5 maximizes revenues, as opposed to simply increasing them? Please explain.

6

7 **Response:**

8 Since implementation of the Decision in October of 2016, FEI has not conducted any additional
9 research into whether or not customers would be willing to pay a greater premium that may
10 increase the revenues per GJ sold above the level provided by the current BERC rate. FEI
11 suspects that different customer groups may in fact have different tolerances for the RNG
12 premium depending upon their particular circumstances and the structure and conditions of the
13 program that is offered to them. Reviewing the price point(s) is best addressed in the
14 comprehensive review and assessment of the RNG Program that FEI intends to file late in
15 2021.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 2

1

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1.1.1 What evidence, if any, does FEI have that the BERC rate is at the
'sweet' spot in terms of balancing customer willingness to take
Biomethane and maximizing the price they will pay? Please provide the
figures on which the evidence is based.

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Response:

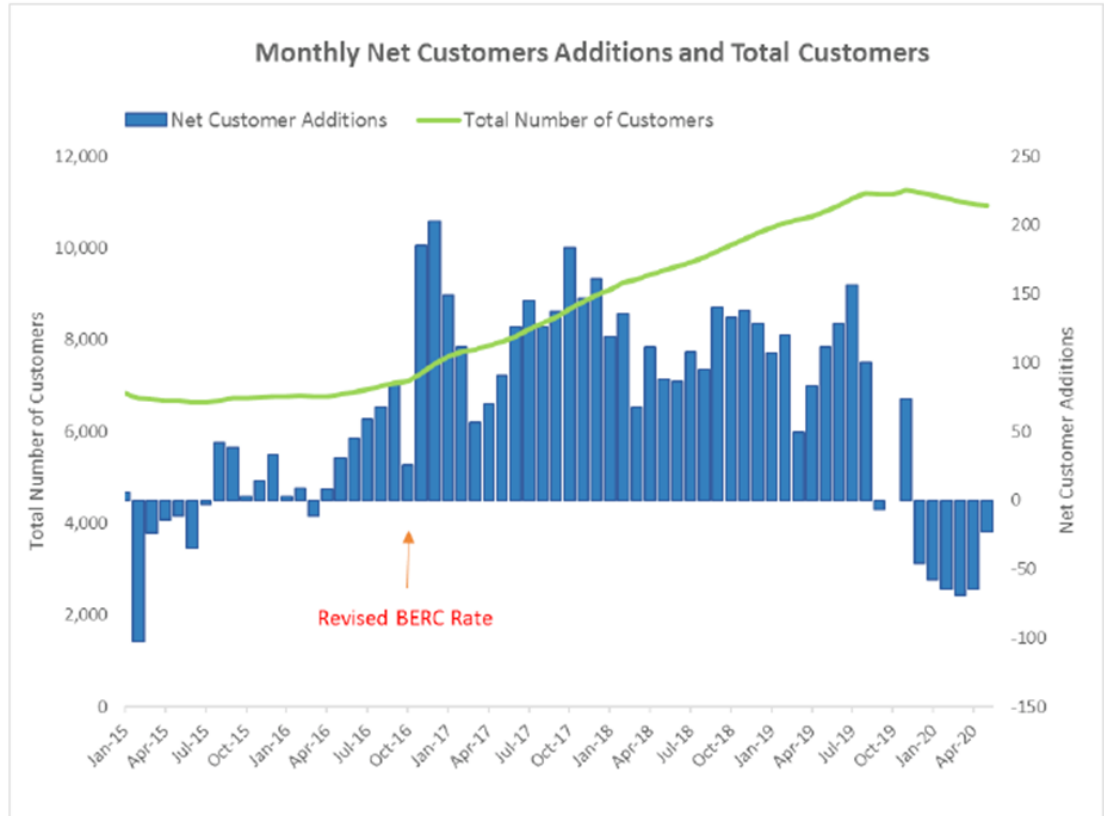
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Please refer to the response to CEC IR1 1.1.

11

1 2. **Exhibit B-1, page 6**

Figure 1: Monthly Net Customers Addition and Cumulative Total Customers



2 Figure 2 shows that customers reacted positively to the revised BERC rate methodology, by the
3 increased customer additions to the program since the price paid by customers for RNG was
4 reduced. Moreover, the increased rate of customer additions has been maintained since the
5 revised BERC rate was introduced.

6 2.1 Please confirm that customer acceptance is but one aspect of appropriate rate
7 design.

Response:

8 Confirmed. Customer acceptance of the price and willingness to pay a given premium is one
9 consideration in the development of the RNG rates. Since 2016, one can infer that there was
10 customer acceptance of the rate as the number of Rate Schedule 1B customers and the
11 volumes sold in the Long Term Rate Schedule 11B offering increased.

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FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 4

2.2 Please confirm that customer additions can reflect whether a price is low enough, but do little to determine whether a price is high enough.

Response:

Absent other information, FEI agrees that customer additions can reflect whether a price is low enough to attract customer interest, but not necessarily that it represents the maximum achievable price. However, in the 2015 BERC Rate Application, FEI presented evidence describing how the appropriate premium for the RNG program was \$7 per GJ or less¹. FEI is currently conducting a comprehensive review and assessment of the RNG Program, and a further review of the price will be addressed in that filing.

2.3 Please confirm that a levelling off of customer additions could reflect market saturation.

Response:

The leveling off of customer additions could reflect market saturation at a particular point in time, given the market conditions that exist at that point. This could be precipitated by regulation, technological change, the availability of alternatives, economic contraction, and/or price, among other variables. Markets are dynamic, and change behavior over time as different variables change. In the case of the RNG program, the leveling off of customer additions in the period prior to October 2016 was largely attributable to the run-up in the price premium of RNG, as FEI outlined in the 2015 BERC Rate Application². As shown in Figure 2, however, when the new BERC rate was implemented in October 2016, the net customer additions to the program increased significantly. The growth of customer additions and the growth of RNG sales volume and revenue indicate that the RNG market has not reached market saturation under today's market conditions. Given that current demand is exceeding the available supply, FEI does not believe the market has reached saturation in 2021.

¹ Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology, Section 5.2, p. 32.

² Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology (the Application), Section 4.1, p 20.

1 **3. Reference: Exhibit B-1, Appendix A page 1**

Table 1: Number of Customers by Rate Classes and by Offering

Date	Short-term					Long-term	
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B Standard	Total	Rate 11B
	# of customers	# of customers	# of customers	# of customers	# of customers	# of customers	# of customers
Jan-16	6,630	125	11	0	4	6,770	0
Feb-16	6,637	127	11	0	4	6,779	0
Mar-16	6,624	128	11	0	5	6,768	0
Apr-16	6,630	130	11	0	5	6,776	0
May-16	6,661	130	11	0	5	6,807	0
Jun-16	6,705	131	11	0	5	6,852	0
Jul-16	6,764	131	11	0	5	6,911	0
Aug-16	6,832	131	11	0	5	6,979	0
Sep-16	6,918	130	11	0	5	7,064	0
Oct-16	6,942	132	11	0	5	7,090	0
Nov-16	7,111	146	13	0	5	7,275	0
Dec-16	7,305	154	14	0	5	7,478	0
Jan-17	7,448	158	15	0	5	7,626	0
Feb-17	7,558	159	15	0	5	7,737	0
Mar-17	7,615	159	15	0	5	7,794	0
Apr-17	7,685	158	16	0	5	7,864	0
May-17	7,767	166	17	0	5	7,955	0
Jun-17	7,894	165	17	0	5	8,081	0
Jul-17	8,036	168	17	0	5	8,226	0
Aug-17	8,158	172	17	0	5	8,352	0
Sep-17	8,296	171	17	0	5	8,489	0
Oct-17	8,481	171	17	0	4	8,673	1
Nov-17	8,625	175	16	0	4	8,820	1
Dec-17	8,781	180	16	0	4	8,981	1
Jan-18	8,900	180	16	0	4	9,100	1
Feb-18	9,035	181	16	0	4	9,236	1
Mar-18	9,104	181	15	0	4	9,304	1
Apr-18	9,216	181	14	0	4	9,415	1
May-18	9,301	184	14	0	4	9,503	1
Jun-18	9,380	191	14	0	4	9,589	1
Jul-18	9,487	192	14	0	4	9,697	1
Aug-18	9,577	197	14	0	4	9,792	1
Sep-18	9,719	195	14	0	4	9,932	1
Oct-18	9,848	198	14	1	4	10,065	2
Nov-18	9,982	202	14	1	4	10,203	2
Dec-18	10,108	205	14	0	4	10,331	2
Jan-19	10,215	203	16	0	4	10,438	2
Feb-19	10,330	208	16	0	4	10,558	3
Mar-19	10,379	207	16	1	4	10,607	3
Apr-19	10,462	206	17	1	4	10,690	3
May-19	10,573	206	17	1	4	10,801	3
Jun-19	10,700	208	17	1	3	10,929	3
Jul-19	10,844	220	17	1	3	11,085	3
Aug-19	10,942	222	17	1	3	11,185	3
Sep-19	10,935	221	17	2	3	11,178	3
Oct-19	10,939	219	17	1	2	11,178	3
Nov-19	11,014	218	17	1	2	11,252	3
Dec-19	10,968	217	17	2	2	11,206	3
Jan-20	10,914	214	16	2	2	11,148	3
Feb-20	10,855	209	16	2	2	11,084	3
Mar-20	10,792	204	15	2	2	11,015	3
Apr-20	10,729	203	15	2	2	10,951	3
May-20	10,706	203	15	2	2	10,928	3

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3 3.1 Please provide Table 1 back to January 2015.

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5 **Response:**

6 FEI has updated the table as requested.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)						Submission Date: March 15, 2021
Response to Commerical Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1						Page 6

1

Table 1: Number of Customers by Rate Classes and by Offering

Date	Short-term						Long-term
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B Standard	Total	Rate 11B
	# of customers	# of customers	# of customers	# of customers	# of customers	# of customers	# of customers
Jan-15	6,682	130	12	0	4	6,828	0
Feb-15	6,577	132	12	0	4	6,725	0
Mar-15	6,557	128	12	0	4	6,701	0
Apr-15	6,543	128	12	0	4	6,687	0
May-15	6,534	126	12	0	4	6,676	0
Jun-15	6,502	123	12	0	4	6,641	0
Jul-15	6,500	123	11	0	4	6,638	0
Aug-15	6,540	124	12	0	4	6,680	0
Sep-15	6,581	121	12	0	4	6,718	0
Oct-15	6,582	123	12	0	4	6,721	0
Nov-15	6,597	122	12	0	4	6,735	0
Dec-15	6,627	125	12	0	4	6,768	0
Jan-16	6,630	125	11	0	4	6,770	0
Feb-16	6,637	127	11	0	4	6,779	0
Mar-16	6,624	128	11	0	5	6,768	0
Apr-16	6,630	130	11	0	5	6,776	0
May-16	6,661	130	11	0	5	6,807	0
Jun-16	6,705	131	11	0	5	6,852	0
Jul-16	6,764	131	11	0	5	6,911	0
Aug-16	6,832	131	11	0	5	6,979	0
Sep-16	6,918	130	11	0	5	7,064	0
Oct-16	6,942	132	11	0	5	7,090	0
Nov-16	7,111	146	13	0	5	7,275	0
Dec-16	7,305	154	14	0	5	7,478	0
Jan-17	7,448	158	15	0	5	7,626	0
Feb-17	7,558	159	15	0	5	7,737	0
Mar-17	7,615	159	15	0	5	7,794	0
Apr-17	7,685	158	16	0	5	7,864	0
May-17	7,767	166	17	0	5	7,955	0
Jun-17	7,894	165	17	0	5	8,081	0
Jul-17	8,036	168	17	0	5	8,226	0
Aug-17	8,158	172	17	0	5	8,352	0
Sep-17	8,296	171	17	0	5	8,489	0
Oct-17	8,481	171	17	0	4	8,673	1
Nov-17	8,625	175	16	0	4	8,820	1
Dec-17	8,781	180	16	0	4	8,981	1
Jan-18	8,900	180	16	0	4	9,100	1
Feb-18	9,035	181	16	0	4	9,236	1
Mar-18	9,104	181	15	0	4	9,304	1
Apr-18	9,216	181	14	0	4	9,415	1
May-18	9,301	184	14	0	4	9,503	1
Jun-18	9,380	191	14	0	4	9,589	1
Jul-18	9,487	192	14	0	4	9,697	1
Aug-18	9,577	197	14	0	4	9,792	1
Sep-18	9,719	195	14	0	4	9,932	1
Oct-18	9,848	198	14	1	4	10,065	2
Nov-18	9,982	202	14	1	4	10,203	2
Dec-18	10,108	205	14	0	4	10,331	2
Jan-19	10,215	203	16	0	4	10,438	2
Feb-19	10,330	208	16	0	4	10,558	3
Mar-19	10,379	207	16	1	4	10,607	3
Apr-19	10,462	206	17	1	4	10,690	3
May-19	10,573	206	17	1	4	10,801	3
Jun-19	10,700	208	17	1	3	10,929	3
Jul-19	10,844	220	17	1	3	11,085	3
Aug-19	10,942	222	17	1	3	11,185	3
Sep-19	10,935	221	17	2	3	11,178	3
Oct-19	10,939	219	17	1	2	11,178	3
Nov-19	11,014	218	17	1	1	11,251	3
Dec-19	10,968	213	17	2	1	11,201	3
Jan-20	10,915	213	17	2	1	11,148	3
Feb-20	10,856	208	17	2	1	11,084	3
Mar-20	10,794	203	16	2	1	11,016	3
Apr-20	10,731	202	16	2	1	10,952	3
May-20	10,669	201	16	2	1	10,889	3
Jun-20	10,582	201	16	2	1	10,802	3
Jul-20	10,498	200	16	2	1	10,717	3
Aug-20	10,412	198	16	2	1	10,629	3
Sep-20	10,326	198	16	2	1	10,543	3
Oct-20	10,247	197	16	2	1	10,463	3
Nov-20	10,167	196	16	2	1	10,382	3
Dec-20	10,115	196	16	1	1	10,329	3
Jan-21	10,045	195	16	3	1	10,260	3

2

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 7

1 **4. Reference: Exhibit B-1, Appendix A page 2**

Table 2: Churn Rate¹ by Rate Classes and by Offering

Date	Short-term					Long-term
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B Standard	Rate 11B Long Term
	Churn Rate	Churn Rate	Churn Rate	Churn Rate	Churn Rate	Churn Rate
Jan-16	1.2%	7.2%	27.3%	0.0%	0.0%	0.0%
Feb-16	1.0%	0.0%	9.1%	0.0%	0.0%	0.0%
Mar-16	0.9%	0.0%	9.1%	0.0%	0.0%	0.0%
Apr-16	1.0%	0.0%	9.1%	0.0%	0.0%	0.0%
May-16	1.2%	1.6%	9.1%	0.0%	0.0%	0.0%
Jun-16	1.5%	0.0%	9.1%	0.0%	0.0%	0.0%
Jul-16	1.4%	0.8%	9.1%	0.0%	0.0%	0.0%
Aug-16	1.3%	1.6%	9.1%	0.0%	0.0%	0.0%
Sep-16	1.0%	0.8%	9.1%	0.0%	0.0%	0.0%
Oct-16	1.8%	0.8%	9.1%	0.0%	0.0%	0.0%
Nov-16	1.4%	0.7%	8.3%	0.0%	0.0%	0.0%
Dec-16	1.0%	0.0%	8.0%	0.0%	0.0%	0.0%
Jan-17	1.1%	1.4%	7.7%	0.0%	0.0%	0.0%
Feb-17	0.9%	2.1%	7.7%	0.0%	0.0%	0.0%
Mar-17	1.0%	2.8%	7.7%	0.0%	0.0%	0.0%
Apr-17	1.2%	0.7%	7.4%	0.0%	0.0%	0.0%
May-17	1.3%	0.0%	7.1%	0.0%	0.0%	0.0%
Jun-17	1.1%	2.1%	7.1%	0.0%	0.0%	0.0%
Jul-17	1.5%	1.4%	7.1%	0.0%	0.0%	0.0%
Aug-17	1.3%	0.0%	7.1%	0.0%	0.0%	0.0%
Sep-17	1.0%	0.7%	7.1%	0.0%	0.0%	0.0%
Oct-17	1.2%	1.3%	14.3%	0.0%	25.0%	0.0%
Nov-17	1.1%	0.0%	14.8%	0.0%	0.0%	0.0%
Dec-17	1.1%	0.0%	7.4%	0.0%	0.0%	0.0%
Jan-18	0.9%	2.0%	7.4%	0.0%	0.0%	0.0%
Feb-18	0.7%	2.0%	7.4%	0.0%	0.0%	0.0%
Mar-18	1.0%	2.6%	15.4%	0.0%	0.0%	0.0%
Apr-18	0.9%	2.6%	16.0%	0.0%	0.0%	0.0%
May-18	1.3%	0.0%	8.0%	0.0%	0.0%	0.0%
Jun-18	1.4%	1.3%	8.0%	0.0%	0.0%	0.0%
Jul-18	1.3%	0.6%	8.0%	0.0%	0.0%	0.0%
Aug-18	1.2%	0.0%	8.0%	0.0%	0.0%	0.0%
Sep-18	1.0%	2.5%	8.0%	0.0%	0.0%	0.0%
Oct-18	1.0%	1.9%	8.0%	0.0%	0.0%	0.0%
Nov-18	1.0%	2.4%	8.0%	0.0%	0.0%	0.0%
Dec-18	0.9%	0.0%	8.0%	0.0%	0.0%	0.0%
Jan-19	1.1%	3.6%	7.4%	0.0%	0.0%	0.0%
Feb-19	0.9%	1.8%	7.4%	0.0%	0.0%	0.0%
Mar-19	1.1%	3.0%	7.4%	0.0%	0.0%	0.0%
Apr-19	0.9%	1.8%	7.1%	0.0%	0.0%	0.0%
May-19	1.0%	1.8%	7.1%	0.0%	0.0%	0.0%
Jun-19	1.1%	1.8%	7.1%	0.0%	25.0%	0.0%
Jul-19	1.0%	1.7%	14.3%	0.0%	0.0%	0.0%
Aug-19	1.2%	0.6%	0.0%	0.0%	0.0%	0.0%
Sep-19	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%
Oct-19	0.9%	1.2%	0.0%	0.0%	25.0%	0.0%
Nov-19	0.7%	1.7%	0.0%	0.0%	0.0%	0.0%
Dec-19	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
Jan-20	0.6%	1.8%	7.4%	0.0%	0.0%	0.0%
Feb-20	0.6%	3.0%	0.0%	0.0%	0.0%	0.0%
Mar-20	0.6%	3.0%	7.7%	0.0%	0.0%	0.0%
Apr-20	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%
May-20	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

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3 4.1 Please provide Table 2 back to 2015.

4
5 **Response:**

6 FEI has updated the table as requested.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)					Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1					Page 8

1

Table 2: Churn Rate by Rate Classes and by Offering

Date	Short-term					Long-term
	Rate 1B Churn Rate	Rate 2B Churn Rate	Rate 3B Churn Rate	Rate 5B Churn Rate	Rate 11B Standard Churn Rate	Rate 11B Long Term Churn Rate
Jan-15	1.0%	1.6%	0.0%	0.0%	0.0%	0.0%
Feb-15	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Mar-15	1.0%	4.7%	0.0%	0.0%	0.0%	0.0%
Apr-15	0.9%	0.8%	0.0%	0.0%	0.0%	0.0%
May-15	1.2%	1.6%	0.0%	0.0%	0.0%	0.0%
Jun-15	1.5%	4.0%	0.0%	0.0%	0.0%	0.0%
Jul-15	1.3%	0.8%	18.2%	0.0%	0.0%	0.0%
Aug-15	1.2%	2.4%	8.7%	0.0%	0.0%	0.0%
Sep-15	1.2%	2.4%	8.7%	0.0%	0.0%	0.0%
Oct-15	1.3%	0.0%	8.7%	0.0%	0.0%	0.0%
Nov-15	0.9%	1.6%	8.7%	0.0%	0.0%	0.0%
Dec-15	0.8%	0.0%	8.7%	0.0%	0.0%	0.0%
Jan-16	1.2%	7.2%	27.3%	0.0%	0.0%	0.0%
Feb-16	1.0%	0.0%	9.1%	0.0%	0.0%	0.0%
Mar-16	0.9%	0.0%	9.1%	0.0%	0.0%	0.0%
Apr-16	1.0%	0.0%	9.1%	0.0%	0.0%	0.0%
May-16	1.2%	1.6%	9.1%	0.0%	0.0%	0.0%
Jun-16	1.5%	0.0%	9.1%	0.0%	0.0%	0.0%
Jul-16	1.4%	0.8%	9.1%	0.0%	0.0%	0.0%
Aug-16	1.3%	1.6%	9.1%	0.0%	0.0%	0.0%
Sep-16	1.0%	0.8%	9.1%	0.0%	0.0%	0.0%
Oct-16	1.8%	0.8%	9.1%	0.0%	0.0%	0.0%
Nov-16	1.4%	0.7%	8.3%	0.0%	0.0%	0.0%
Dec-16	1.0%	0.0%	8.0%	0.0%	0.0%	0.0%
Jan-17	1.1%	1.4%	7.7%	0.0%	0.0%	0.0%
Feb-17	0.9%	2.1%	7.7%	0.0%	0.0%	0.0%
Mar-17	1.0%	2.8%	7.7%	0.0%	0.0%	0.0%
Apr-17	1.2%	0.7%	7.4%	0.0%	0.0%	0.0%
May-17	1.3%	0.0%	7.1%	0.0%	0.0%	0.0%
Jun-17	1.1%	2.1%	7.1%	0.0%	0.0%	0.0%
Jul-17	1.5%	1.4%	7.1%	0.0%	0.0%	0.0%
Aug-17	1.3%	0.0%	7.1%	0.0%	0.0%	0.0%
Sep-17	1.0%	0.7%	7.1%	0.0%	0.0%	0.0%
Oct-17	1.2%	1.3%	14.3%	0.0%	25.0%	0.0%
Nov-17	1.1%	0.0%	14.8%	0.0%	0.0%	0.0%
Dec-17	1.1%	0.0%	7.4%	0.0%	0.0%	0.0%
Jan-18	0.9%	2.0%	7.4%	0.0%	0.0%	0.0%
Feb-18	0.7%	2.0%	7.4%	0.0%	0.0%	0.0%
Mar-18	1.0%	2.6%	15.4%	0.0%	0.0%	0.0%
Apr-18	0.9%	2.6%	16.0%	0.0%	0.0%	0.0%
May-18	1.3%	0.0%	8.0%	0.0%	0.0%	0.0%
Jun-18	1.4%	1.3%	8.0%	0.0%	0.0%	0.0%
Jul-18	1.3%	0.6%	8.0%	0.0%	0.0%	0.0%
Aug-18	1.2%	0.0%	8.0%	0.0%	0.0%	0.0%
Sep-18	1.0%	2.5%	8.0%	0.0%	0.0%	0.0%
Oct-18	1.0%	1.9%	8.0%	0.0%	0.0%	0.0%
Nov-18	1.0%	2.4%	8.0%	0.0%	0.0%	0.0%
Dec-18	0.9%	0.0%	8.0%	0.0%	0.0%	0.0%
Jan-19	1.1%	3.6%	7.4%	0.0%	0.0%	0.0%
Feb-19	0.9%	1.8%	7.4%	0.0%	0.0%	0.0%
Mar-19	1.1%	3.0%	7.4%	0.0%	0.0%	0.0%
Apr-19	0.9%	1.8%	7.1%	0.0%	0.0%	0.0%
May-19	1.0%	1.8%	7.1%	0.0%	0.0%	0.0%
Jun-19	1.1%	1.8%	7.1%	0.0%	25.0%	0.0%
Jul-19	1.0%	1.7%	14.3%	0.0%	0.0%	0.0%
Aug-19	1.2%	0.6%	0.0%	0.0%	0.0%	0.0%
Sep-19	0.8%	0.6%	0.0%	0.0%	0.0%	0.0%
Oct-19	0.9%	1.2%	0.0%	0.0%	25.0%	0.0%
Nov-19	0.7%	1.7%	0.0%	0.0%	0.0%	0.0%
Dec-19	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%
Jan-20	0.6%	1.8%	0.0%	0.0%	0.0%	0.0%
Feb-20	0.6%	3.0%	0.0%	0.0%	0.0%	0.0%
Mar-20	0.6%	3.0%	0.0%	0.0%	0.0%	0.0%
Apr-20	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%
May-20	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%

2

3 Please note there were minor updates to the 2020 customer counts and these updates are
 4 reflected in the table.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 9

1 **5. Reference: Exhibit B-1, Appendix A, page 3**

Table 3: RNG Sales Quantity by Rate Classes and by Offering

Date	RNG Sales Quantity (TJ)							Total
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B	Rate 11B Long term	Rate 30 Off System	
Jan-16	9.0	1.4	1.4	0.00	7.60	0.00	0.00	19.5
Feb-16	7.0	0.6	0.3	0.00	7.52	0.00	0.00	15.4
Mar-16	6.3	0.5	0.8	0.00	7.16	0.00	0.00	14.7
Apr-16	3.3	0.6	0.4	0.00	7.28	0.00	0.00	11.5
May-16	2.4	0.2	0.3	0.00	11.50	0.00	0.00	14.3
Jun-16	1.9	0.2	0.2	0.00	7.02	0.00	0.00	9.3
Jul-16	1.7	0.1	0.2	0.00	6.97	0.00	0.00	9.0
Aug-16	1.6	0.2	0.2	0.00	6.92	0.00	0.00	9.0
Sep-16	2.2	0.2	0.2	0.00	7.07	0.00	0.00	9.7
Oct-16	4.5	0.4	0.3	0.00	7.35	0.00	0.00	12.5
Nov-16	7.0	0.9	0.6	0.00	7.38	0.00	0.00	15.8
Dec-16	13.6	1.5	1.0	0.00	5.79	0.00	0.78	22.7
Jan-17	13.8	2.1	0.9	0.00	5.88	0.00	0.00	22.7
Feb-17	11.6	1.6	0.7	0.00	7.61	0.00	0.00	21.5
Mar-17	9.3	1.4	0.8	0.00	9.43	0.00	0.00	21.0
Apr-17	6.7	0.6	1.5	0.00	11.27	0.00	0.00	20.1
May-17	4.3	0.9	1.0	0.00	8.05	0.00	0.00	14.2
Jun-17	2.6	0.4	0.4	0.00	7.61	0.00	0.00	11.0
Jul-17	2.2	0.3	0.6	0.00	8.24	0.00	0.00	11.3
Aug-17	2.0	0.3	1.0	0.00	6.52	0.00	0.00	9.8
Sep-17	2.4	0.3	1.1	0.00	7.59	0.00	0.00	11.5
Oct-17	7.1	1.0	1.6	0.00	4.95	5.92	0.00	20.5
Nov-17	10.9	1.8	3.1	0.00	9.22	5.68	0.00	30.8
Dec-17	15.4	2.5	3.6	0.00	12.31	5.00	0.00	38.8
Jan-18	13.67	2.34	3.48	0.00	2.15	5.92	0.00	27.6
Feb-18	14.35	2.46	1.08	0.00	15.90	5.92	0.00	39.7
Mar-18	11.88	2.08	4.19	0.00	7.79	5.21	0.00	31.2
Apr-18	7.85	0.88	0.98	0.00	8.86	0.55	0.00	19.1
May-18	3.20	0.62	0.57	0.00	2.68	3.44	0.00	10.5
Jun-18	3.08	0.43	0.42	0.00	2.50	5.92	0.00	12.3
Jul-18	2.66	0.30	0.29	0.00	2.43	5.84	0.00	11.5
Aug-18	2.43	0.47	0.31	0.00	2.02	5.39	0.00	10.6
Sep-18	3.83	0.55	0.41	0.00	1.78	5.92	0.00	12.5
Oct-18	7.96	1.09	0.97	0.00	-0.07	9.47	0.00	19.4
Nov-18	11.24	1.66	1.07	0.07	3.30	23.87	0.00	41.2
Dec-18	14.73	2.31	0.68	0.05	1.90	20.89	0.00	40.6
Jan-19	16.0	2.6	3.1	0.24	1.89	24.09	0.00	47.9
Feb-19	18.7	2.9	0.9	0.56	5.33	19.41	0.00	47.8
Mar-19	12.9	2.1	3.3	0.82	3.51	20.43	0.00	43.0
Apr-19	8.0	0.7	1.4	0.57	1.64	18.93	0.00	31.3
May-19	4.2	1.0	0.9	0.22	1.57	14.93	0.00	22.8
Jun-19	3.2	0.4	0.7	0.12	1.37	13.83	0.00	19.5
Jul-19	3.1	0.4	0.7	0.08	1.42	13.83	0.00	19.6
Aug-19	2.9	0.4	0.4	2.50	0.15	1.38	0.00	7.8
Sep-19	3.9	0.6	0.5	0.98	-0.01	0.00	0.00	6.0
Oct-19	10.2	2.0	1.9	1.89	0.00	0.00	0.00	16.0
Nov-19	13.8	2.6	1.2	2.41	0.00	0.00	0.00	20.0
Dec-19	16.6	3.1	2.1	11.62	0.00	0.00	0.00	33.4
Jan-20	17.8	3.6	2.2	-5.71	0.00	0.00	0.00	17.9
Feb-20	15.5	3.0	2.0	2.95	0.00	23.46	0.00	46.8
Mar-20	13.8	2.9	3.1	1.12	0.00	5.56	0.00	26.5
Apr-20	9.3	1.2	0.7	3.85	0.00	10.76	0.00	25.8
May-20	5.0	1.2	3.0	1.26	0.00	8.93	0.00	19.4

2
3 5.1 Please provide Table 3 back to January 2015.

4
5 **Response:**

6 FEI has updated the table as requested.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 10

1

Table 3: RNG Sales Quantity by Rate Classes and by Offering

Date	RNG Sales Quantity (TJ)							Total
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B	Rate 11B Long term	Rate 30 Off System	
Jan-15	8.3	0.5	0.8	0.0	7.7	0.0	0.0	17.3
Feb-15	6.1	0.8	0.9	0.0	6.9	0.0	0.0	14.8
Mar-15	5.3	0.7	0.4	0.0	7.5	0.0	0.0	13.9
Apr-15	4.4	0.3	0.5	0.0	7.4	0.0	0.0	12.7
May-15	2.1	0.1	0.3	0.0	6.7	0.0	0.0	9.2
Jun-15	1.6	0.1	0.3	0.0	7.0	0.0	0.0	9.1
Jul-15	1.4	0.1	0.2	0.0	7.1	0.0	0.0	8.8
Aug-15	1.4	0.1	0.2	0.0	7.1	0.0	0.0	8.8
Sep-15	2.2	0.2	0.3	0.0	6.8	0.0	0.0	9.5
Oct-15	3.4	0.2	0.3	0.0	7.4	0.0	0.0	11.4
Nov-15	7.6	0.7	0.7	0.0	7.6	0.0	0.0	16.7
Dec-15	8.8	0.8	0.9	0.0	7.6	0.0	0.0	18.2
Jan-16	9.0	1.4	1.4	0.0	7.6	0.0	0.0	19.5
Feb-16	7.0	0.6	0.3	0.0	7.5	0.0	0.0	15.4
Mar-16	6.3	0.5	0.8	0.0	7.2	0.0	0.0	14.7
Apr-16	3.3	0.6	0.4	0.0	7.3	0.0	0.0	11.5
May-16	2.4	0.2	0.3	0.0	11.5	0.0	0.0	14.3
Jun-16	1.9	0.2	0.2	0.0	7.0	0.0	0.0	9.3
Jul-16	1.7	0.1	0.2	0.0	7.0	0.0	0.0	9.0
Aug-16	1.6	0.2	0.2	0.0	6.9	0.0	0.0	9.0
Sep-16	2.2	0.2	0.2	0.0	7.1	0.0	0.0	9.7
Oct-16	4.5	0.4	0.3	0.0	7.3	0.0	0.0	12.5
Nov-16	7.0	0.9	0.6	0.0	7.4	0.0	0.0	15.8
Dec-16	13.6	1.5	1.0	0.0	5.8	0.0	0.8	22.7
Jan-17	13.8	2.1	0.9	0.0	5.9	0.0	0.0	22.7
Feb-17	11.6	1.6	0.7	0.0	7.6	0.0	0.0	21.5
Mar-17	9.3	1.4	0.8	0.0	9.4	0.0	0.0	21.0
Apr-17	6.7	0.6	1.5	0.0	11.3	0.0	0.0	20.1
May-17	4.3	0.9	1.0	0.0	8.1	0.0	0.0	14.2
Jun-17	2.6	0.4	0.4	0.0	7.6	0.0	0.0	11.0
Jul-17	2.2	0.3	0.6	0.0	8.2	0.0	0.0	11.3
Aug-17	2.0	0.3	1.0	0.0	6.5	0.0	0.0	9.8
Sep-17	2.4	0.3	1.1	0.0	7.6	0.0	0.0	11.5
Oct-17	7.1	1.0	1.6	0.0	5.0	5.9	0.0	20.5
Nov-17	10.9	1.8	3.1	0.0	9.2	5.7	0.0	30.8
Dec-17	15.4	2.5	3.6	0.0	12.3	5.0	0.0	38.8
Jan-18	13.7	2.3	3.5	0.0	2.2	5.9	0.0	27.6
Feb-18	14.3	2.5	1.1	0.0	15.9	5.9	0.0	39.7
Mar-18	11.9	2.1	4.2	0.0	7.8	5.2	0.0	31.2
Apr-18	7.8	0.9	1.0	0.0	8.9	0.5	0.0	19.1
May-18	3.2	0.6	0.6	0.0	2.7	3.4	0.0	10.5
Jun-18	3.1	0.4	0.4	0.0	2.5	5.9	0.0	12.3
Jul-18	2.7	0.3	0.3	0.0	2.4	5.8	0.0	11.5
Aug-18	2.4	0.5	0.3	0.0	2.0	5.4	0.0	10.6
Sep-18	3.8	0.6	0.4	0.0	1.8	5.9	0.0	12.5
Oct-18	8.0	1.1	1.0	0.0	-0.1	9.5	0.0	19.4
Nov-18	11.2	1.7	1.1	0.1	3.3	23.9	0.0	41.2
Dec-18	14.7	2.3	0.7	0.1	1.9	20.9	0.0	40.6
Jan-19	16.0	2.6	3.1	0.2	1.9	24.1	0.0	47.9
Feb-19	18.7	2.9	0.9	0.6	5.3	19.4	0.0	47.8
Mar-19	12.9	2.1	3.3	0.8	3.5	20.4	0.0	43.0
Apr-19	8.0	0.7	1.4	0.6	1.6	18.9	0.0	31.3
May-19	4.2	1.0	0.9	0.2	1.6	14.9	0.0	22.8
Jun-19	3.2	0.4	0.7	0.1	1.4	13.8	0.0	19.5
Jul-19	3.1	0.4	0.7	0.1	1.4	13.8	0.0	19.6
Aug-19	2.9	0.4	0.4	2.5	0.2	1.4	0.0	7.8
Sep-19	3.9	0.6	0.5	1.0	0.0	0.0	0.0	6.0
Oct-19	10.2	2.0	1.9	1.9	0.0	0.0	0.0	16.0
Nov-19	13.8	2.6	1.2	2.4	0.0	0.0	0.0	20.0
Dec-19	16.6	3.1	2.1	11.6	0.0	0.0	0.0	33.4
Jan-20	17.8	3.6	2.2	-5.7	0.0	0.0	0.0	17.9
Feb-20	15.5	3.0	2.0	3.0	0.0	23.5	0.0	46.8
Mar-20	13.8	2.9	3.1	1.1	0.0	5.6	0.0	26.5
Apr-20	9.3	1.2	0.7	3.8	0.0	10.8	0.0	25.8
May-20	5.0	1.2	3.0	1.3	0.0	8.9	0.0	19.4

2

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 11

1 **6. Reference: Exhibit B-1, Appendix A page 4**

Table 4: RNG Sales Revenue by Rate Classes and by Offering

	RNG Revenue (\$000)							
Date	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B	Rate 11B Long term	Rate 30 Off System	Total
Jan-16	130.19	20.87	20.02	-	109.54	-	-	280.62
Feb-16	100.56	8.85	4.30	-	108.43	-	-	222.14
Mar-16	90.35	7.63	10.82	-	103.17	-	-	211.96
Apr-16	47.33	8.52	5.62	-	104.89	-	-	166.36
May-16	34.15	2.69	4.00	-	165.78	-	-	206.61
Jun-16	27.34	2.42	3.57	-	101.12	-	-	134.46
Jul-16	24.07	2.11	2.90	-	100.48	-	-	129.56
Aug-16	23.16	3.37	3.19	-	99.70	-	-	129.42
Sep-16	32.11	3.58	2.29	-	101.94	-	-	139.92
Oct-16	46.31	3.74	2.79	-	104.67	-	-	157.52
Nov-16	71.00	8.91	6.59	-	46.58	-	-	133.07
Dec-16	139.29	15.61	10.26	-	59.14	-	11.20	235.49
Jan-17	145.88	21.89	9.21	-	62.26	-	3.52	242.76
Feb-17	121.92	17.10	7.17	-	80.22	-	-	226.42
Mar-17	98.44	15.11	8.47	-	99.44	-	-	221.45
Apr-17	70.87	6.32	15.53	-	118.79	-	-	211.51
May-17	45.74	9.25	10.12	-	84.85	-	-	149.96
Jun-17	26.95	3.72	4.63	-	80.15	-	-	115.46
Jul-17	22.88	3.15	6.54	-	86.81	-	-	119.38
Aug-17	21.22	3.14	10.05	-	68.77	-	-	103.18
Sep-17	25.60	3.55	12.05	-	79.98	-	-	121.19
Oct-17	74.98	10.27	16.70	-	54.35	59.16	-	215.46
Nov-17	115.18	19.24	32.62	-	95.44	56.81	-	319.28
Dec-17	161.89	26.05	38.13	-	128.37	50.00	-	404.43
Jan-18	137.67	23.52	35.14	-	23.36	59.16	-	278.85
Feb-18	144.04	24.65	26.21	-	158.89	59.16	-	412.95
Mar-18	119.27	20.89	26.70	-	78.19	52.12	-	297.17
Apr-18	78.75	8.83	9.87	-	88.91	5.48	-	191.85
May-18	32.08	6.25	5.76	-	26.85	34.37	-	105.32
Jun-18	31.00	4.29	4.25	-	25.12	59.16	-	123.82
Jul-18	26.67	3.04	2.92	-	24.43	58.35	-	115.41
Aug-18	24.38	4.73	3.12	-	20.27	53.88	-	106.38
Sep-18	38.41	5.52	4.12	-	17.88	59.16	-	125.09
Oct-18	79.89	10.92	9.76	-	(0.70)	94.90	-	194.76
Nov-18	112.83	16.62	10.77	0.68	33.17	239.00	-	413.07
Dec-18	147.73	23.20	6.84	0.50	19.09	209.25	-	406.62
Jan-19	164.51	27.15	31.39	2.51	19.43	244.64	-	489.63
Feb-19	192.71	29.49	8.76	5.77	54.80	197.85	-	489.38
Mar-19	132.50	21.36	34.21	8.41	36.15	195.99	-	428.63
Apr-19	82.24	7.39	14.64	5.89	16.86	189.33	-	316.35
May-19	42.82	10.61	9.05	2.23	16.17	149.34	-	230.22
Jun-19	32.55	3.65	7.06	1.26	14.06	138.34	-	196.93
Jul-19	31.73	4.73	7.56	0.80	14.58	138.34	-	197.74
Aug-19	30.20	4.46	4.07	25.75	1.58	13.82	-	79.89
Sep-19	40.09	6.47	5.53	10.09	(0.14)	-	-	62.04
Oct-19	104.97	21.02	19.03	19.39	-	-	-	164.41
Nov-19	141.69	26.43	12.57	95.79	-	-	-	276.47
Dec-19	170.31	31.91	21.60	48.56	-	-	-	272.38
Jan-20	187.67	37.64	23.07	(57.91)	-	-	-	190.47
Feb-20	162.86	31.50	20.65	31.12	-	234.59	-	480.72
Mar-20	145.72	30.18	32.46	11.80	-	55.62	-	275.78
Apr-20	98.31	12.68	6.89	40.54	-	107.61	-	266.03
May-20	52.73	12.17	31.68	13.32	-	89.27	-	199.17

2
3 6.1 Please provide Table 4 back to 2015.

4
5 **Response:**

6 FEI has updated the table as requested.

1

Table 4: RNG Sales Revenue by Rate Classes and by Offering

Date	RNG Revenue (\$000)							Total
	Rate 1B	Rate 2B	Rate 3B	Rate 5B	Rate 11B	Rate 11B Long term	Rate 30 Off System	
Jan-15	120.32	7.77	10.99	-	111.34	-	-	250.42
Feb-15	87.77	11.94	13.65	-	98.77	-	-	212.13
Mar-15	75.88	10.00	6.10	-	108.12	-	-	200.10
Apr-15	64.02	4.80	7.81	-	106.11	-	-	182.73
May-15	30.56	1.95	4.34	-	96.24	-	-	133.09
Jun-15	22.79	2.15	4.70	-	21.88	-	-	51.53
Jul-15	20.07	1.99	3.17	-	181.09	-	-	206.31
Aug-15	20.01	1.84	3.10	-	102.43	-	-	127.38
Sep-15	32.28	2.37	3.85	-	101.56	-	-	140.06
Oct-15	49.72	3.49	4.56	-	101.87	-	-	159.65
Nov-15	110.18	9.90	10.68	-	109.76	-	-	240.51
Dec-15	127.12	12.03	13.31	-	110.27	-	-	262.73
Jan-16	130.19	20.87	20.02	-	109.54	-	-	280.62
Feb-16	100.56	8.85	4.30	-	108.43	-	-	222.14
Mar-16	90.35	7.63	10.82	-	103.17	-	-	211.96
Apr-16	47.33	8.52	5.62	-	104.89	-	-	166.36
May-16	34.15	2.69	4.00	-	165.78	-	-	206.61
Jun-16	27.34	2.42	3.57	-	101.12	-	-	134.46
Jul-16	24.07	2.11	2.90	-	100.48	-	-	129.56
Aug-16	23.16	3.37	3.19	-	99.70	-	-	129.42
Sep-16	32.11	3.58	2.29	-	101.94	-	-	139.92
Oct-16	46.31	3.74	2.79	-	104.67	-	-	157.52
Nov-16	71.00	8.91	6.59	-	46.58	-	-	133.07
Dec-16	139.29	15.61	10.26	-	59.14	-	11.20	235.49
Jan-17	145.88	21.89	9.21	-	62.26	-	3.52	242.76
Feb-17	121.92	17.10	7.17	-	80.22	-	-	226.42
Mar-17	98.44	15.11	8.47	-	99.44	-	-	221.45
Apr-17	70.87	6.32	15.53	-	118.79	-	-	211.51
May-17	45.74	9.25	10.12	-	84.85	-	-	149.96
Jun-17	26.95	3.72	4.63	-	80.15	-	-	115.46
Jul-17	22.88	3.15	6.54	-	86.81	-	-	119.38
Aug-17	21.22	3.14	10.05	-	68.77	-	-	103.18
Sep-17	25.60	3.55	12.05	-	79.98	-	-	121.19
Oct-17	74.98	10.27	16.70	-	54.35	59.16	-	215.46
Nov-17	115.18	19.24	32.62	-	95.44	56.81	-	319.28
Dec-17	161.89	26.05	38.13	-	128.37	50.00	-	404.43
Jan-18	137.67	23.52	35.14	-	23.36	59.16	-	278.85
Feb-18	144.04	24.65	26.21	-	158.89	59.16	-	412.95
Mar-18	119.27	20.89	26.70	-	78.19	52.12	-	297.17
Apr-18	78.75	8.83	9.87	-	88.91	5.48	-	191.85
May-18	32.08	6.25	5.76	-	26.85	34.37	-	105.32
Jun-18	31.00	4.29	4.25	-	25.12	59.16	-	123.82
Jul-18	26.67	3.04	2.92	-	24.43	58.35	-	115.41
Aug-18	24.38	4.73	3.12	-	20.27	53.88	-	106.38
Sep-18	38.41	5.52	4.12	-	17.88	59.16	-	125.09
Oct-18	79.89	10.92	9.76	-	(0.70)	94.90	-	194.76
Nov-18	112.83	16.62	10.77	0.68	33.17	239.00	-	413.07
Dec-18	147.73	23.20	6.84	0.50	19.09	209.25	-	406.62
Jan-19	164.51	27.15	31.39	2.51	19.43	244.64	-	489.63
Feb-19	192.71	29.49	8.76	5.77	54.80	197.85	-	489.38
Mar-19	132.50	21.36	34.21	8.41	36.15	195.99	-	428.63
Apr-19	82.24	7.39	14.64	5.89	16.86	189.33	-	316.35
May-19	42.82	10.61	9.05	2.23	16.17	149.34	-	230.22
Jun-19	32.55	3.65	7.06	1.26	14.06	138.34	-	196.93
Jul-19	31.73	4.73	7.56	0.80	14.58	138.34	-	197.74
Aug-19	30.20	4.46	4.07	25.75	1.58	13.82	-	79.89
Sep-19	40.09	6.47	5.53	10.09	(0.14)	-	-	62.04
Oct-19	104.97	21.02	19.03	19.39	-	-	-	164.41
Nov-19	141.69	26.43	12.57	95.79	-	-	-	276.47
Dec-19	170.31	31.91	21.60	48.56	-	-	-	272.38
Jan-20	187.67	37.64	23.07	(57.91)	-	-	-	190.47
Feb-20	162.86	31.50	20.65	31.12	-	234.59	-	480.72
Mar-20	145.72	30.18	32.46	11.80	-	55.62	-	275.78
Apr-20	98.31	12.68	6.89	40.54	-	107.61	-	266.03
May-20	52.73	12.17	31.68	13.32	-	89.27	-	199.17

2

3

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 13

1 **7. Reference: Exhibit B-1, pages 7-8 and Appendix B**

The Long Term BERC Rate has also been successful in generating participation in the RNG Program. Following the Decision, FEI implemented the Long Term BERC Rate on October 1, 2016, at the approved \$1 discount from the \$10.209 per GJ Short Term BERC Rate in place at that time, with a minimum floor price of \$10 per GJ. Since the implementation of the revised BERC rate methodology, the Long Term BERC Rate has remained at the \$10 per GJ floor price. While the Long Term BERC Rate of \$10 per GJ has not to date offered customers a significant price discount to the Short Term BERC Rate, the long term contracts have been well received. More sophisticated, larger volume customers have shown a preference for securing access to RNG with a 5 or 10 year contract than the standard Rate 11B sales agreement of up to 1 year in length. FEI understands that the long term contracts make it easier for these customers to choose RNG to meet their GHG emission reduction objectives since the contract provides them with RNG supply security. To date, FEI has executed three long term contracts, and has been approached by additional customers interested in signing long term contracts. FEI's ability to enrol additional customers in long term contracts has been hindered by the delay in acquiring additional RNG supply volumes.

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 emissions reduction targets, the price of long term RNG compared to alternatives, and environmental initiatives from different levels of government. For example, among municipalities, the demand for RNG appears to be driven the municipality's climate action policy and GHG reduction targets. Achieving these policies and targets may be most cost effective, both in terms of capital investment and on-going operating costs, by using RNG for their municipal-owned buildings that have gas equipment. A significant driver of RNG demand in the education sector, including UBC, is the provincial government's GHG emissions reduction targets, while RNG demand in the transportation sector appears to be driven by BC's Low Carbon Fuel Standard (BCLCFS).

These additional drivers have primarily affected large volume RNG customers and have not impacted the mass market residential and small commercial customers. 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.

Appendix B

**SUMMARY OF LONG TERM CONTRACTS
TERMS AND CONDITIONS**

7.1 Given that the price reduction is not 'significant', please describe any benefits that the long-term customers receive that is not related to price.

Response:

The price reduction for long-term customers is a driver for customers' participation in long term agreements. Security of RNG committed supply over a pre-determined number of years, along with the ability to specify annual RNG volumes to be delivered during the contract period are

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 14

also benefits that long-term customers receive. Furthermore, long-term customers often have mandated GHG emission reduction targets, and these benefits assist in managing progress towards achieving these objectives.

7.2 Please describe any non-price benefits that FEI could offer to attract long-term customers, such as security of supply etc.

Response:

Please refer to the response to CEC IR1 7.1.

7.3 Appendix B provides a summary of Long Term Contracts Terms and Conditions for 3 customers. Is this all the Long Term Contracts that FEI has, or are there others?

Response:

Confirmed. FEI has three long term contracts in total.

7.4 For each long term contract, please provide FEI's view as to the key drivers that led the customer to sign the long term contract.

Response:

For customer confidentiality reasons, FEI cannot comment on the specifics that motivated an individual customer's decisions, but some of the broader drivers for signing long term contracts include:

- Fulfilling environmental and or/ GHG emission reductions goals set by the Province or municipal governments;
- Addressing corporate emissions reduction targets;
- An attractive long-term BERC rate;
- Employing a cost-competitive approach for achieving significant carbon emissions reductions without the need for mechanical systems replacement;

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 15

- 1 • RNG supply security; and
- 2 • Ability to customize RNG consumption (i.e., increasing volumes in subsequent years) to
- 3 align with annually-increasing provincial, municipal or corporate emissions reduction
- 4 targets.
- 5

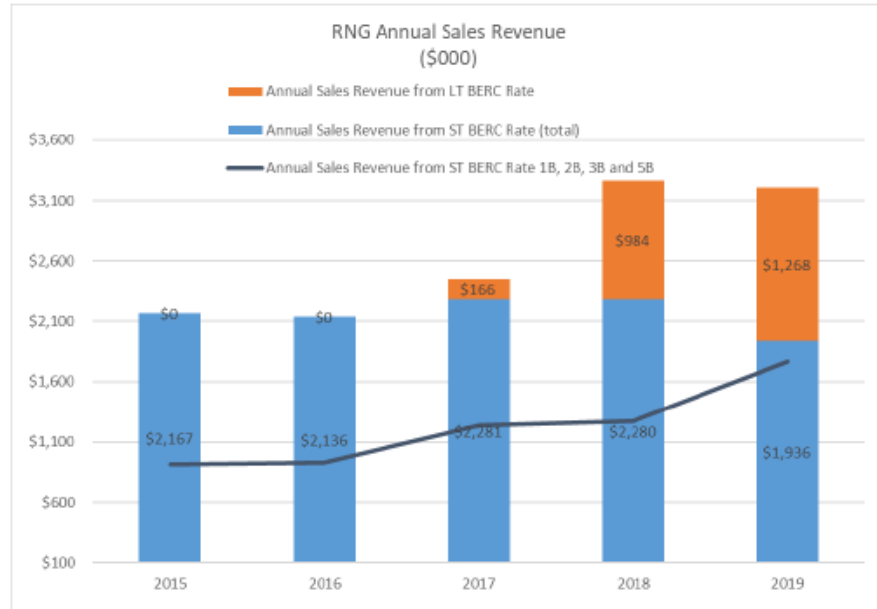
FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 16

1 **8. Reference: Exhibit B-1, page 10**

2.1.3 Total Revenues

Figure 4 below shows the annual revenue from both Short Term BERC Rate and Long Term BERC Rate customers which demonstrates that total revenues have increased since implementation of the revised BERC rate methodology.

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



The annual RNG revenue from Short Term BERC Rate customers increases and then decreases over the period, as shown by the blue bars in Figure 4. This was due to the migration of UBC and the City of Vancouver from the Short Term BERC Rate under RS 11B to the Long Term BERC Rate as discussed above.

8.1 What activities has FEI undertaken to determine whether or not there is value in offering a long-term rate if customers are willing to sign up at the higher rate? Please provide any quantitative evidence and analysis that FEI has undertaken.

Response:

In the 2015 BERC Rate Application, FEI provided evidence that cost was a major barrier to increasing participation in the RNG program. FEI further proposed that a long term contract structure would provide benefits to both FEI and the participating customers³. For FEI, the benefits included revenue certainty, a more predictable demand load throughout the year, and a reduction in marketing efforts. For participating customers, the benefits included a discounted price, and the enhanced ability to manage their RNG supply offered by a long-term contract.

³ Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology (the Application), August 28, 2016, Section 7.2.2, pg. 46.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 17

- 1 FEI has begun internal work and activities to assess the value of the long-term rate, different
- 2 pricing options, and customer willingness to pay. FEI will be using the results of this work to
- 3 inform its comprehensive review and assessment of the RNG Program.

4

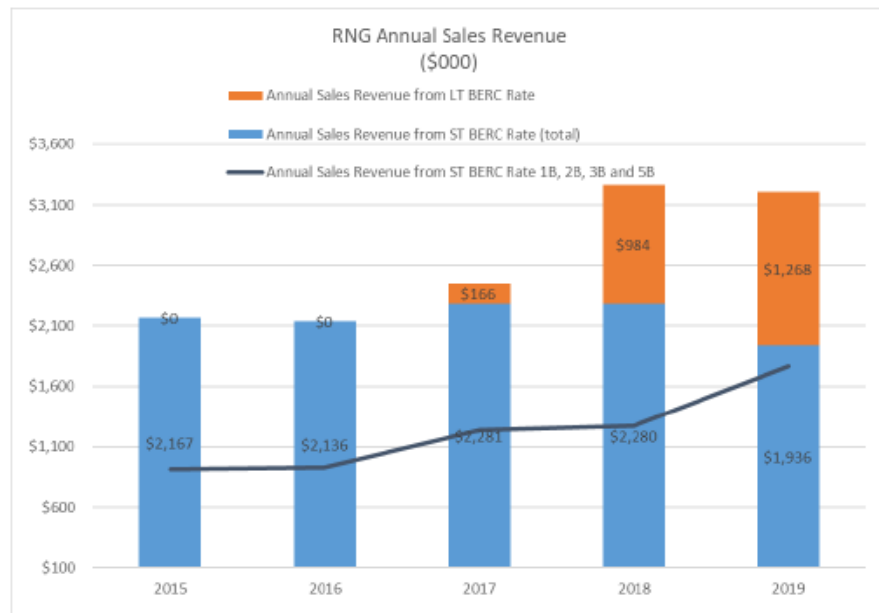
FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 18

9. Reference: Exhibit B-1, page 10

2.1.3 Total Revenues

Figure 4 below shows the annual revenue from both Short Term BERC Rate and Long Term BERC Rate customers which demonstrates that total revenues have increased since implementation of the revised BERC rate methodology.

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. Further, although the price per GJ of RNG declined under the revised BERC rate, the average revenue generated per residential customer was approximately \$110 per customer in 2016 and remained the same by the end of 2019. This indicates that the new Short Term BERC rate has not reduced the per customer revenues for the majority of customers. When coupled with the increased number of customers enrolled, the effect is increased revenues.

9.1 Is the \$110 in constant dollars? Please explain.

9.1.1 If not, please provide the value in constant dollars.

9.1.2 Is the \$110 per customer an annual figure, or monthly figure? Please explain.

Response:

The \$110 is an annual amount. This total is a subset of the average residential customers' overall natural gas bill and represents what they pay for the portion of their gas supply delivered as RNG. The statement indicating that the figure was also approximately \$110 at the end of

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 19

1 2019 is based on nominal dollar calculations only. In constant dollars, with 2016 as the base
2 year, and adjusting for changes in the Consumer Price Index (All Items)⁴, \$110 becomes:

Year	Dollar Amount
2016	\$ 110.00
2017	\$ 108.31
2018	\$ 105.88
2019	\$ 103.85

3

4

5

6

7 9.2 Is it reasonable to conclude that residential and commercial customers (RS 1B,
8 2B, 3B and 5B) are not willing to exceed about \$110 per customer? Please
9 explain why or why not.

10

11 **Response:**

12 It is not reasonable to conclude that customers are not willing to exceed about \$110 given the
13 available analysis. Such a conclusion would appear, for example, to be undermined at least
14 somewhat by the fact that mass market customers sign up for a fixed percentage of RNG, as
15 opposed to a fixed cost. Given that the BERC rate changes from year to year, as may a
16 customer's heating requirements and potentially even the customer's behavior, there is no
17 expectation that the billed amount for RNG would not exceed \$110 under the current program
18 construct.

19 Though the conclusion would not be reasonable given the available evidence, as a hypothesis it
20 would be entirely reasonable. The question of the willingness of customers to pay for RNG is
21 best addressed in the forthcoming comprehensive review and assessment of the RNG Program.

22

23

24

25 9.3 Please provide the average \$ per customer for each year since 2015 by rate
26 class.

27

28 **Response:**

29 Please refer to the following table.

⁴ Accessed March 1, 2021 at: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000413>.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 20

Average \$ Per Customer by Year and Rate Class

Year	Rate 1B-ST	Rate 2B-ST	Rate 3B-ST	Rate 5B-ST	Rate 11B-ST	Rate 11B-LT	Total
2015	\$ 114	\$ 551	\$ 7,187	\$ -	\$ 312,342	\$ -	\$ 319
2016	\$ 110	\$ 633	\$ 6,108	\$ -	\$ 267,872	\$ -	\$ 301
2017	\$ 115	\$ 821	\$ 11,047	\$ -	\$ 230,982	\$ 331,940	\$ 295
2018	\$ 102	\$ 792	\$ 9,698	\$ -	\$ 252,084	\$ 655,991	\$ 336
2019	\$ 110	\$ 936	\$ 10,635	\$ 226,451	\$ 69,396	\$ 507,061	\$ 296
2020	\$ 112	\$ 1,104	\$ 11,993	\$ 106,979	\$ -	\$ 465,338	\$ 294

9.4 When were UBC and the City of Vancouver enrolled in the program? Was it before the new BERC rate was introduced?

Response:

UBC has been enrolled in the RNG program since April 2013. This was before the new BERC rate was introduced. The City of Vancouver has been enrolled in the RNG Program since September 2012. This also was before the new BERC rate was introduced. Over the years, both customers have scaled up their participation in the program, and ultimately both chose to pursue long term contracts.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 21

1 **10. Reference: Exhibit B-1, page 4 and page 11**

1. **Maximize the recovery of program costs from RNG customers.** This objective was laid out in the previous Commission decision. In order to maximize the recovery of program costs, it may not be sufficient to maximize the number of RNG customers, reduce the number of net RNG customer drops or to maximize the volume of RNG sold. The revenue received from biomethane customers must be maximized. This is an important distinction, as there has been discussion in this proceeding of all of these metrics. When considering an appropriate BERC price setting mechanism, the Panel will consider whether the proposed pricing mechanism is expected to maximize revenues. If it isn't possible to make a determination about maximizing revenues, the Panel will then consider whether the proposed pricing mechanism is expected to at least increase revenues relative to what revenues are expected to be in the absence of a change in the BERC pricing methodology.

2 **2.2 CONCLUSION**

The evidence supports the conclusion that the revised BERC rate methodology has enhanced revenue and the recovery of RNG Program costs from RNG customers. FEI has seen growth in customer enrolments, volumes sold and revenues collected since the implementation of the revised BERC rate methodology, thereby avoiding the need to transfer some RNG Program costs to non-RNG customers that would otherwise have been triggered by unsold RNG volumes.

Presently the RNG Program is fully subscribed, meaning that all RNG supply volumes purchased by FEI are being sold to RNG customers. This is partially due to the revised BERC rate methodology contributing to increasing demand from customers, but also because RNG supplies did not materialize as originally forecast. As discussed further in Section 3 below, FEI is expecting to see significant growth of RNG supply becoming available in late 2021.

At this time, FEI believes that the revised BERC rate methodology as approved in the Decision remains appropriate as it contributes to ensuring that the demand for RNG remains strong and will support new RNG supply volumes as they become available. FEI will continue to monitor the market and RNG Program as new supply becomes available and as drivers of demand in the market evolve, such as government policy. Given 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.

- 3
4 10.1 Please identify the activities FEI has undertaken to determine whether or not
5 customers would be willing to pay a greater premium, and provide the quantified
6 results of any evidence FEI has gathered with respect to that issue.

7
8 **Response:**

9 Since implementation of the Decision in October 2016, FEI has not conducted any additional
10 research into whether or not customers would be willing to pay a greater premium. The market
11 premium of RNG is better addressed in the upcoming comprehensive review and assessment of
12 the RNG Program.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 22

10.2 Please confirm that the BERC rate methodology has not necessarily 'maximized' revenues, or provide evidence that the revenues are maximized.

Response:

FEI cannot confirm whether the current BERC rate methodology has necessarily 'maximized' BERC revenues (recoveries). FEI provided evidence in the 2015 BERC Rate Application describing how the appropriate premium for the RNG program was \$7 per GJ or less⁵, and how at prices which exceed this level the number of RNG program additions declined markedly. FEI also demonstrated that the optimum premium to maximize participation appeared to be \$6 per GJ based on customer feedback. This evidence suggests that revenue (cost recovery) was maximized, at least in the early part of the current BERC rate period, and indicated that at prices beyond this level the program was at risk of not selling all of its supply of RNG, ultimately triggering a transfer cost to non-bypass customers. FEI has not updated the research into the price premium since then, and it is possible that the premium customers are willing to pay has shifted with changing market conditions. FEI is currently conducting a comprehensive review and assessment of the RNG Program, and believes that an updated review of the pricing structure would be most appropriately addressed in that filing.

10.3 Please confirm that the BERC rate methodology has not necessarily 'maximized' the recovery of program costs from RNG customers, or provide quantitative evidence to the contrary.

Response:

Maximizing BERC revenues is the same as maximizing the recovery of program costs from RNG customers. Please refer to the response to CEC IR1 10.2.

⁵ Application for Approval of Biomethane Energy Recovery Charge (BERC) Rate Methodology (the Application), Section 5.2, pg 32.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 23

1 **11. Reference: Exhibit B-1, page 4 and page 11-12 and page 12**

- 2 **2. Manage biomethane inventory.** FEI expressed concern that the longer the inventory ages, the more difficult it may be to sell. To the extent this is an issue, an exception to the principle of maximizing revenue may be required, and instead a BERC that maximizes sales volume may be more appropriate. However, as FEI points out, it also needs to ensure that sufficient inventory is available in the event a large long term customer signs up. Inventory aging issues will be addressed in section 4.3 of this Decision.

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

The demand for RNG currently exceeds the available supply from FEI's suppliers. 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. 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.

The temporary closure of the RNG Program to new participants and the curtailment of volumes under RS 11B are likely to be maintained until late 2021. FEI forecasts that in the later part 2021 the available supply of RNG will increase significantly and will exceed the demand of all customers currently enrolled in the RNG Program. This increase in supply is due to the progress FEI has made in growing the RNG supply portfolio over the past year. Table 2

presents the new supply projects FEI expects to be completed over the three year period from 2020 through 2022. This table includes supply projects contracted to date.

The current maximum amount of RNG that FEI can contract and remain within the existing Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) is approximately 8,900 TJs per year. FEI further anticipates that it will enter into additional biomethane supply agreements before the end of 2020, such that the total maximum supply under executed agreements could reach maximum volume currently set in the GGRR.

- 6 **11.1** Please provide further details of why, in FEI's view, inventory age affects its
7 saleability.

9 **Response:**

10 With respect to inventory age ("vintage" or "shelf-life") of biomethane, FEI has consistently
11 indicated that there are no definitive requirements within the Canadian market to track vintage
12 and there is no regulation related to the expiry of biomethane environmental attributes.

13 However, the renewable energy market continues to evolve and there may be customers or
14 government regulation pertaining to age or vintage that could impact the FEI program. In the
15 US, there are already requirements on renewable energy vintage. The RIN market in the US
16 and the renewable electricity market both have limits on vintage. Renewable Energy Certificates
17 (RECs) trading in the US have varying "shelf-lives" across the country with some states having

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 24

1 vintage requirements as low as three months⁶. This means that the renewable energy loses its
2 value to its customers and may not be saleable as renewable energy.

3 In FEI's case, this may mean that the ability to sell biomethane at the full price could be
4 compromised if the biomethane vintage becomes too great. This will have a negative impact on
5 the value of biomethane and therefore a rate impact in an over-supply situation.

6 This concept was discussed in the 2015 Biomethane Energy Recovery Charge Application.
7 Comparisons were made to the RIN system in the US, which has an inventory vintage limit of
8 two years⁷. Further, FEI indicated that this concept was only applicable in an event of over-
9 supply and only after all other options to recover the maximum value were exhausted.

10 At the time, the BCUC determined that if FEI chose to transfer aging notional biomethane
11 inventory into its conventional gas supply, an application would be required⁸.

12 The vintage of biomethane is only of concern in the event that FEI cannot sell its notional
13 inventory. This has not occurred in the history of the RNG program.

14
15
16
17 11.2 Please confirm or otherwise explain that FEI is not experiencing an issue with the
18 saleability of aged inventory.

19
20 **Response:**

21 Confirmed. FEI currently has no aged inventory awaiting sale.

22
23
24
25 11.3 Please confirm or otherwise explain that continually purchasing supply at a price
26 that cannot be recovered from customers will ultimately result in increased costs
27 to non-participant ratepayers.

28
29 **Response:**

30 Confirmed that, with the currently approved mechanisms, if the cost to acquire RNG supply is
31 greater than the BERC (cost recovery) rate, non-participants bear the difference.

32

⁶ https://www.epa.gov/sites/production/files/2016-03/documents/background_paper_3.pdf, Page 5.

⁷ 2016 BERC Rate Application, FEI Final Argument, Page 13.

⁸ 2016 BERC Rate Decision, Page 38.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 25

1 **12. Reference: Exhibit B-1, page 12-13**

The current maximum amount of RNG that FEI can contract and remain within the existing Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR) is approximately 8,900 TJs per year. FEI further anticipates that it will enter into additional biomethane supply agreements before the end of 2020, such that the total maximum supply under executed agreements could reach maximum volume currently set in the GGRR.

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. Table 3 below shows the expected total RNG supply volumes for the years 2020 through 2024, taking this ramp up time and the timing of the new supply volumes, into account. This table includes supply from all of FEI's existing suppliers, as well as all new suppliers expected to be providing RNG between the present time and the end of 2022 as shown in Table 2.

Table 3: Total Expect RNG supply volumes 2020-2024

1	2
Year	Expected Total RNG Supply (TJ)
2020	290
2021	950
2022	3,850
2023	5,120
2024	5,580

12.1 Please confirm or otherwise explain that supply acquired from projects under the GGRR is generally considered to be a Prescribed Undertaking.

12.1.1 Was all FEI supply acquired under a Prescribed Undertaking?

12.1.1.1 If not, please provide the amount that was not acquired as Prescribed Undertaking.

12.1.1.2 Please confirm that all the new supply will be acquired as a Prescribed Undertaking.

Response:

On March 21, 2017, by way of an Order in Council, the BC Government issued amendments to the Greenhouse Gas Reduction (Clean Energy) Regulation, which classified the acquisition of RNG for no more than \$30 per GJ as a prescribed undertaking.⁹ Since this date, FEI has filed all biomethane purchase agreements as prescribed undertakings in accordance with the regulation.

⁹ Pursuant to Order in Council (OIC) 161/2017 issued by the Lieutenant Governor in Council (LGIC) on March 21, 2017, and deposited on March 22, 2017 under B.C. Reg. 114/2017.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 26

Prior to the March 21, 2017 GGRR amendment, biomethane purchase agreements were not filed as a prescribed undertakings.

The following table summarizes the maximum contractual volumes and expected volumes approved by the BCUC either as a prescribed undertaking or otherwise.

Table 1: Biomethane Projects Prescribed Undertaking Volume

Approved Biomethane Projects	Contract Max. Annual Volume (TJ/Yr)	Expected Annual Volume (TJ/Yr)
Non-Prescribed Undertaking	449	260
Prescribed Undertaking	7,723	5,795
Total	8,172	6,055

12.2 Please confirm that the Commission has the discretion to establish the price at which RNG is provided to FEI's customers.

Response:

The BCUC approves FEI's rates pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA).

On August 12, 2016, the BCUC issued a decision and Order G-133-16 (Decision) on FEI's 2015 BERC Rate Methodology Application, which approved changes to the BERC rate methodology, including a Short Term BERC Rate, and a Long Term BERC Rate for FEI's customers.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 27

13. Reference: Exhibit B-1, page 13 and 14

Figure 5 below provides a visual representation of the monthly forecast of supply versus the monthly forecast of demand from FEI's currently enrolled RNG customers to the end of 2022. In this figure, the sum of the area under the total monthly supply line between the start of January and the end of December 2022 is equivalent to the 3,850 TJ shown in Table 3 above. Figure 5 demonstrates how the supply of RNG, including all current and expected future suppliers, will outgrow the current demand from existing customers, leading to an excess supply which will allow FEI to add new customers to the RNG Program. The total monthly supply includes RNG volumes from all new projects listed in Table 2, which also takes into account a ramp up period in production. The total monthly demand shows the un-curtailed contracted volumes of FEI's current RS 11B Long Term BERC Rate customers as well the forecasted demand from all other currently enrolled customers, but does not include any incremental demand from potential new customer enrolments under any RNG rate schedule. As discussed below, FEI has additional customers interested in entering Long Term BERC Rate contracts once additional supply is available.

Figure 5: Monthly RNG Supply and Demand 2020-2022

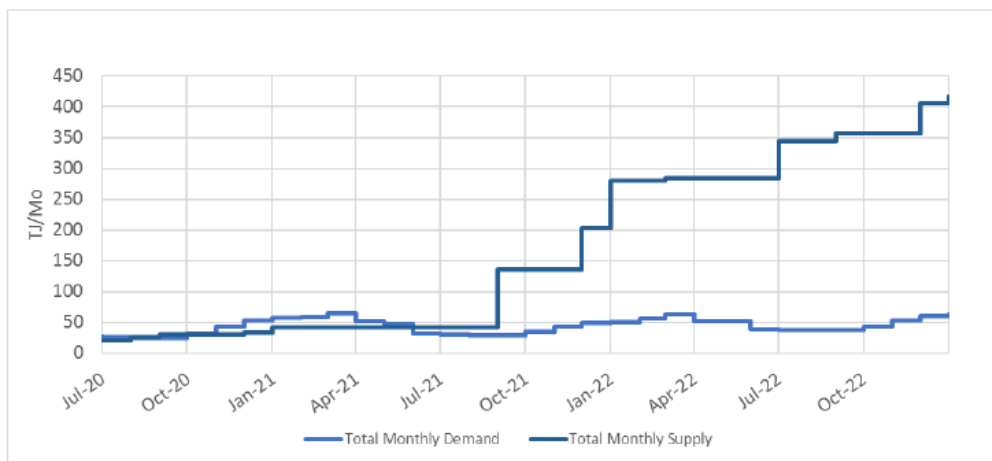


Figure 5 shows how, beginning in September of 2021, the available supply will grow beyond the demand from FEI's currently enrolled customers. In 2022, FEI expects the demand from currently enrolled customers to be approximately 580 TJs for the year, while the volume of supply is expected to exceed 3,800 TJs, or nearly seven times the volume of demand. This excess supply represents the volumes available to serve new customers.

13.1 Does FEI have an obligation to maximize supply of RNG, or does FEI have discretion in doing so? Please explain.

Response:

FEI is not obligated to maximize the supply of RNG. FEI does, however, expect an increase in the demand for renewable gases by its customers and therefore plans to correspondingly increase the total expected renewable gas purchases to serve that demand.

Moreover, there will be increasing competition for the procurement of RNG as other utilities embrace lower carbon emissions. For example: the province of Quebec has created incentives

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 28

1 for RNG supply and the primary gas utility, Energir, issued a call for RNG projects in 2019;
2 Enbridge Gas in Ontario, received regulatory approval for a voluntary RNG program; Pacific
3 Northern Gas (PNG) in BC has recently issued an Expression Of Interest for RNG supply; and
4 North West Natural, the gas utility in Oregon, has similarly launched an RNG program. In light
5 of the increasing competitive market, it will be important for FEI to secure supply sooner to get
6 the most cost-effective supply.

7

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 29

1 **14. Reference: Exhibit B-1, page 14**

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. The revised BERC Rate has been successful in increasing customer enrolment, sales volume and revenue. 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.

2
3 14.1 Please provide a breakdown of volume per customer for each of the large
4 customers that FEI is aware of. Customer names are not required.

5 14.2 Please provide FEI's characterization of the level of commitment for each
6 customer.

7 14.3 For each customer, please identify FEI's view of how price sensitive they are.
8

9 **Response:**

10 This response addresses BCUC IR1 14.1, 14.2 and 14.3. The requested information is
11 provided in tabular format below. Volume requests are presented for three years, starting 2022,
12 as the program is expected to remain closed for at least the majority of 2021.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 30

Customer	Annual Volume Requested (GJ)			FEI View of Commitment	FEI View of Price Sensitivity
	2022	2023	2024		
1	75,000	100,000	100,000	High	Medium
2	100,000	100,000	100,000	Very High	Medium
3	50,000	50,000	50,000	High	Medium
4	2,000	2,000	2,000	High	High
5	25,000	25,000	25,000	Very High	Medium
6	20,000	20,000	20,000	High	Medium
7	20,000	20,000	20,000	High	High
8	115,000	115,000	115,000	High	Very High
9	12,000	15,000	17,000	High	Very High
10	14,000	14,000	14,000	Medium	Very High
11	10,000	10,000	10,000	Very High	Low
12	10,000	10,000	10,000	High	High
13	100,000	100,000	100,000	Very High	High
14	50,000	50,000	50,000	Medium	High
15	2,000	2,000	2,000	High	High
16		80,000	80,000	Medium	Very High
17		100,000	100,000	High	Very High
18	100,000	100,000	100,000	High	Very High
19	50,000	50,000	50,000	High	Very High
20			60,000	Medium	Very High
21			20,000	Medium	Very High
22			20,000	Medium	Very High
23	6,000	6,000	6,000	High	High
24	3,500	3,500	3,500	Very High	Medium
25	11,000	11,000	11,000	Medium	High
26	20,000	35,000	55,000	Very High	Very High
27	6,000	6,000	6,000	Very High	High
28	400,000	400,000	400,000	Unsure	Unsure
29	-	-	825,000	High	High
30	-	965,000	965,000	High	High
31	-	260,000	260,000	High	High
32	4,000	4,000	4,000	High	High
33	29,000	29,000	29,000	Very High	Very High
34	7,000	7,000	7,000	Low	Very high
35	10,000	10,000	10,000	Very High	Very High
36	40,000	40,000	40,000	Medium	Very High
37	5,000	10,000	20,000	Medium	Very high
38	5,000	5,000	5,000	High	Very high
39	3,000	4,000	5,000	High	Very high
40	200,000	250,000	250,000	Very High	Very high
41	29,000	32,000	35,000	Very High	Very Low
42	93,000	95,000	100,000	High	Medium
43	250,000	500,000	500,000	Very High	Low
44	3,600	4,800	5,000	Very High	Low
45	10,000	12,000	14,000	High	Medium
46	8,400	16,800	25,200	Medium	Low
47	28,000	28,000	28,000	Very High	Low
48	130,900	130,900	130,900	Very High	Low
49	82,500	82,500	82,500	Medium	Very High
TOTALS	2,139,900	3,910,500	4,887,100		

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 31

15. Reference: Exhibit B-1, page 14 and 15

**4. BVA BALANCE, BERC RATES, CCRA RATE, AND CARBON TAX
FOR THE PERIOD JANUARY 1, 2016 TO JANUARY 1, 2020**

4.1 BVA BALANCE

The following tables present the BVA balances for January 1 of each year from the date of implementation of the revised BERC rate methodology to date. The January 1 balance represents the value of RNG inventory at the start of each year, valued at the Short Term BERC Rate in effect at that time. 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.

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

15.1 Please extend the Table 4 BVA Balance back to 2015.

Response:

A revised version of Table 4, providing the data back to 2015, is included below. The revised version of Table 4 also includes a minor correction, amounting to \$ (0.3), to the 1-Jan-18 balance shown in the table to reconcile to the balance reported in the 2017 and 2018 BVA Status Reports.

Item	1-Jan-15	1-Jan-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The BVA balance (\$000)	\$ 1,843.6	\$ 1,784.3	\$ 341.0	\$ (471.3)	\$ -	\$ 1.5

The Short Term and Long Term BERC Rate Methodology was approved pursuant to BCUC Order G-133-16, dated August 12, 2016. The first transfer of BVA amounts via the BVA Balance Transfer Mechanism was completed at year end 2016. Thus, the 2015 and 2016 opening BVA balances reflected in the revised version of Table 4 above include the unsold biomethane inventory as well as the under recovered biomethane supply costs embedded in the BVA balance at the end of 2014 and 2015, respectively.

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 32

1 **16. Reference: Exhibit B-1, page 15**

4.2 SHORT TERM AND LONG TERM BERC RATE

Following the Decision, FEI implemented the revised BERC rate methodology, resulting in a Short Term BERC Rate on October 1, 2016 of \$10.209 per GJ. On January 1 of the following years, the Short Term BERC rate was changed to reflect the change in the CCRA Rate and the Carbon Tax rate. The Long term BERC Rate is based on the higher of the \$1 discounted rate from the Short Term BERC Rate, or the \$10 per GJ floor rate. The Long Term BERC Rate has been set at \$10 per GJ since implementation of the Decision, which is the approved floor rate.

The following tables present the Short Term BERC Rate and Long Term BERC Rate for January 1 of each year from the date of implementation of the revised BERC rate methodology to date.

Table 5: Short Term and Long Term BERC Rates

Item	1-Oct-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The Short Term BERC Rate	\$10.209	\$ 10.540	\$ 10.039	\$ 10.287	\$ 10.535
The Long Term BERC Rate	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000

4.3 CCRA RATE

The following tables present the CCRA Rate for January 1 of each year from the date of implementation of the new BERC rate methodology to date.

Table 6: CCRA Rates

Item	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The CCRC	\$ 2.050	\$ 1.549	\$ 1.549	\$ 1.549

16.1 Please provide the rates for Tables 5 and 6 dating back to 2015.

Response:

The following tables provide updates for Table 5 and Table 6.

Table 5 Update: Short Term and Long Term BERC Rate

Item	1-Jan-15	1-Oct-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The Short Term BERC Rate	\$ 14.414	\$ 10.209	\$ 10.540	\$ 10.039	\$ 10.287	\$ 10.535
The Long Term BERC Rate	NA	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000

Table 6 Update: CCRA Rates

Item	1-Jan-15	1-Jan-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The CCRA	\$ 3.781	\$ 1.719	\$ 2.050	\$ 1.549	\$ 1.549	\$ 1.549

FortisBC Energy Inc. (FEI or the Company) Biomethane Energy Recovery Charge (BERC) Rate Assessment Report (Report)	Submission Date: March 15, 2021
Response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 1	Page 33

17. Reference: Exhibit B-1, page 16

4.5 BVA BALANCE TRANSFER RATE BASE DEFERRAL ACCOUNT

The following tables present the costs transferred from the BVA to the BVA Balance Transfer rate base deferral account, as of January 1 of each year from the date of implementation of the new BERC rate methodology to date.

Table 8: BVA Balance Transfer

Item	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The costs transferred from the BVA to the BVA balance Transfer rate base deferral account (\$000)	2,977.0	2,522.0	3,701.8	2,625.6

17.1 Please provide the data in Table 8 back to 2015.

Response:

A revised version of Table 8, providing data back to 2015, is provided below.

Item	1-Jan-15	1-Jan-16	1-Jan-17	1-Jan-18	1-Jan-19	1-Jan-20
The costs transferred from the BVA to the BVA balance Transfer rate base deferral account (\$000)	\$ -	\$ -	\$ 2,977.0	\$ 2,522.0	\$ 3,701.8	\$ 2,625.6

As discussed in the response to CEC IR1 15.1, the first transfer of BVA amounts via the BVA Balance Transfer Mechanism was completed at year end 2016.