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Electronic Filing

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Sirs/Mesdames:

**Re: FortisBC Energy Inc. Biomethane Energy Recovery Charge (BERC) Rate
Methodology - British Columbia Utilities Commission (BCUC) Decision and Order
G-133-16 Compliance Filing – BERC Rate Assessment Report – Reply Argument –
Stage 1**

In accordance with the regulatory timetable in the above proceeding, we enclose for filing the Reply Argument of FortisBC Energy Inc., dated April 16, 2021.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

[Original signed by]

Christopher Bystrom*
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CRB/NR
Encl.



BRITISH COLUMBIA UTILITIES COMMISSION

FORTISBC ENERGY INC.

**BIOMETHANE ENERGY RECOVERY CHARGE (BERC) RATE
METHODOLOGY**

**BRITISH COLUMBIA UTILITIES COMMISSION (BCUC) DECISION
AND ORDER G-133-16 COMPLIANCE FILING**

BERC RATE ASSESSMENT REPORT

REPLY ARGUMENT

OF

FORTISBC ENERGY INC.

April 16, 2021

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Part One: Introduction

1. In its Final Submission, FortisBC Energy Inc. (“FEI”) made two key points: (1) the Biomethane Energy Recovery Charge (“BERC”) rate has been successful; and (2) any changes to the RNG program should be considered in the context of FEI’s Comprehensive Review and the second stage of this proceeding.

2. The four interveners that filed submissions support FEI’s position, as follows:
 - (a) Movement of United Professionals (“MoveUP”) agrees with FEI that “no changes should be made to the BERC methodology at this time, and . . . any changes should be considered as part of the Comprehensive Review to be filed in the second stage of this proceeding.”¹ MoveUP submits that “the purposes of Stage 1 have been fulfilled and that the more significant work of Stage 2 can now get underway.”²
 - (b) The B.C. Sustainable Energy Association (“BCSEA”) supports FEI’s position, including that, respectfully, the BCUC accept the Assessment Report and defer any determinations on the RNG Program to the second stage of this proceeding.³
 - (c) The Commercial Energy Consumers Association (“CEC”) agrees with FEI that the ‘BCUC should accept FEI’s Assessment Report and defer any consideration of potential changes to the RNG Program to the second stage of this proceeding.’⁴
 - (d) British Columbia Old Age Pensioners’ Organization et al (“BCOAPO”) concludes that “there is sufficient evidence to support the Utility’s position that its Assessment Report demonstrates that the revised BERC rate methodology has directionally achieved the objectives set out in Order G-133-16 during the four-year compliance period spanning 2016 to 2020.”⁵

3. FEI respectfully submits that, as supported by the intervener submissions, the BCUC should accept the Compliance Report and defer any action until the second stage of this proceeding.

¹ MoveUP Submissions, p. 1.

² MoveUP Submissions, p. 2.

³ BCSEA Submissions, p. 1.

⁴ CEC Submissions, p. 1.

⁵ BCOAPO Submissions, p. 3.

4. In the remainder of this Reply Argument, FEI responds to the recommendations made by CEC and BCOAPO.

PART TWO: REPLY TO INTERVENER RECOMMENDATIONS

5. The CEC recommends that the BCUC direct FEI to file its comprehensive review and assessment of the RNG Program (“Comprehensive Review”) by the end of December 2021, and to include information related to maximizing the revenues from its RNG program from both long-term and short-term customers.⁶ FEI submits that no such direction is needed:

- (a) FEI has already been directed to provide an update to the BCUC on its comprehensive review and assessment of the RNG Program on or before June 30, 2021.⁷ In the update, FEI will report on the expected timing for the filing of the Comprehensive Review, which currently anticipated late in 2021.⁸ Any further direction on the timing of the Comprehensive Review, if any, should be made after FEI has provided its update on or before June 30, 2021.
- (b) FEI has stated that it is analyzing pricing mechanisms and market factors that could affect the willingness of customers to pay different rates for RNG, including an assessment of different pricing options for the long-term rate.⁹ Different pricing options will affect revenues and FEI will assess the merits of different pricing and revenue strategies and how different offerings pertain to the success of the program.

6. BCOAPO recommends that FEI file quarterly gas cost reports on the status, results, forecasts, projected BVA transfer balances associated with the RNG Program until the BCUC issues a decision on the comprehensive review of the Program.¹⁰ FEI submits that this additional reporting is unnecessary and would be an inefficient drain on resources. FEI will be filing an Annual Biomethane Variance Account Report each April, setting the BVA rate rider through the Annual Review filed each August, and filing its Fourth Quarter Gas Cost Report each November. These reports provide details on actual biomethane purchase costs and sales

⁶ CEC Submissions, p. 2.

⁷ Order G-35-21, dated January 29, 2021.

⁸ Exhibit B-2, p. 4. Exhibit B-8, BCOAPO IR1 13.3.

⁹ Exhibit B-4, BCUC IR1 2.1.3; Exhibit B-7, CEC IR1 8.1.

¹⁰ BCOAPO Submissions, p. 3.

revenues, as well as details for forecast periods.¹¹ Given that the Comprehensive Review will be underway later in 2021, FEI submits that additional reports are unnecessary and would be an inefficient draw on FEI's and the BCUC's resources. Further, additional reporting may only serve to confuse the issue as the timing of the reports may not coincide with the timing of the filing of the Comprehensive Review.

7. BCOAPO also recommends that FEI file the RNG Program review project charter/terms of reference and associated consultation and engagement plan as part of its June 30, 2021 status update and that the BCUC and interveners provide comments and meaningful input into these plans in response.¹² FEI submits that this is unnecessary and would be inefficient. FEI has already received direction from the BCUC on the scope of the Comprehensive Review in this proceeding through Appendix C of Order G-292-20.¹³ The appropriate place for FEI to receive further input from interveners and the BCUC on the scope of the Comprehensive Review is through its consultation and engagement efforts. The consultation and engagement process is an efficient and effective way for FEI to receive feedback from stakeholders, where FEI can engage in dialogue and sharing of information. Further, FEI has already commenced early elements of its consultation and engagement plan,¹⁴ and FEI will incorporate the information, feedback, and scope items identified through its consultation and engagement efforts into the Comprehensive Review.¹⁵ FEI submits that it is more effective for it to consult on these matters in the manner it has planned and that BCOAPO's recommendation should not be accepted.

¹¹ Exhibit B-8, BCOAPO IR1 13.4.1.

¹² BCOAPO Submissions, p. 3.

¹³ Exhibit B-3.

¹⁴ Exhibit B-18, BCOAPO IR1 13.1.

¹⁵ Exhibit B-2, p. 4.

Part Three: Conclusion

8. FEI respectfully requests that the BCUC accept the Assessment Report and defer any determinations on the RNG Program to the second stage of this proceeding.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated:

April 16, 2021

[original signed by Chris Bystrom]

Christopher R. Bystrom

Counsel for FortisBC Energy Inc.