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April 29 2021

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

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)

Section 71 of the *Utilities Commission Act* (UCA) and British Columbia Utilities Commission (BCUC) Rules for Natural Gas Energy Supply Contracts
Filing of a Biomethane Purchase Agreement (BPA) between FEI and SHELL NORTH AMERICA (CANADA) INC. (SHELL)

In accordance with section 71 of the UCA and the BCUC's Rules for Natural Gas Energy Supply Contracts (Rules), FEI respectfully files, for acceptance by the BCUC, the attached fully executed BPA between FEI and SHELL (SHELL BPA). A copy of the executed SHELL BPA is provided in Appendix A.

The SHELL BPA establishes the terms and conditions for SHELL's provision of finished biomethane to FEI at the Huntingdon delivery point. The biomethane will be produced at an anaerobic digestion facility located in [REDACTED], USA which is owned and operated by [REDACTED].

The acquisition of biomethane, also referred to as renewable natural gas (RNG)¹, under the SHELL BPA qualifies as a prescribed undertaking under section 18 of the *Clean Energy Act* (CEA) and section 2(3.7) to (3.9) of the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR).

¹ RNG or Renewable Natural Gas is interchangeable with the term "biomethane" for this Application. In previous regulatory decisions, FEI and the BCUC have used biomethane and RNG, while the GGRR uses the term renewable natural gas.

Confidentiality Request

The SHELL BPA contains confidential and commercially sensitive terms, including negotiated rates and volumes. The public disclosure of this information could compromise FEI's ability to negotiate favourable terms with other Biomethane suppliers which could serve to increase overall costs of the Biomethane Program and potentially impact rates for all non-bypass customers. FEI has redacted the confidential information from the public version of this Application.

FEI requests that the confidential, unredacted version of this Application, including the unredacted version of the SHELL BPA attached as Appendix A, and the confidential financial schedules attached as Appendix B, be treated as confidential by the BCUC, pursuant to section 71(5) of the UCA, Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents adopted by Order G-15-19, and Section 6.0 of the Rules for Natural Gas Energy Supply Contracts. FEI believes this will ensure that market sensitive information is protected, preserving FEI's ability in the future to negotiate competitive pricing.

1. LEGISLATIVE AND REGULATORY FRAMEWORK

On April 18, 2010, the Province of BC enacted the CEA. The CEA established a number of energy objectives and provided that the Lieutenant Governor in Council (LGIC) can prescribe undertakings to encourage public utilities to pursue certain greenhouse gas (GHG) reducing initiatives.

On May 14, 2012, the LGIC issued Order in Council (OIC) 295/2012 approving the GGRR, which described classes of prescribed undertakings pursuant to section 18 of the CEA.

On March 21, 2017, the LGIC issued OIC 161/2017 approving an amendment to the GGRR related to RNG as follows:

(3.7) A public utility's undertaking that is in the class defined in subsection (3.8) is a prescribed undertaking for the purposes of section 18 of the Act.

(3.8) The public utility acquires renewable natural gas

(a) for which the public utility pays no more than \$30 per GJ [gigajoule], and

(b) that, subject to subsection (3.9), in a calendar year, does not exceed 5% of the total volume of natural gas provided by the public utility to its non-bypass customers in 2015.

The Ministry has stated that the "amendments were made to the Greenhouse Gas Reduction (Clean Energy) Regulation in the spring of 2017 to increase incentives for using renewable natural gas in transportation and to establish measures to increase the supply of RNG."²

² In the Matter of FEI's Application for Acceptance of the Biogas Purchase Agreement between FEI and the City of Vancouver, Exhibit C1-2.

The BCUC in its Decision and Order G-122-19³ determined that for a project to qualify as a prescribed undertaking under section 2(3.8) of the GGRR, it must satisfy the following three-part test:

- The public utility must be acquiring renewable natural gas (as opposed to some other form of commodity);
- The utility must pay no more than \$30 per GJ for that renewable natural gas; and
- Subject to certain exceptions, the annual volume of renewable natural gas acquired must not exceed 5% of the total volume of natural gas the utility provided to its non-bypass customers in 2015.⁴

FEI submits that the SHELL BPA satisfies the three-part test and qualifies as a prescribed undertaking based on the following:

- FEI is acquiring RNG through the SHELL BPA;
- The acquisition price for RNG in the SHELL BPA is below the \$30 per GJ maximum acquisition price in section 2(3.8)(a) of the GGRR. The terms of the SHELL BPA dictate that the maximum price payable by FEI to SHELL for finished biomethane cannot exceed the GGRR maximum acquisition cost; and
- FEI's expected total volume of annual RNG acquisitions from its RNG supply portfolio when all projects are operational, including the SHELL BPA, is approximately 6,900,000 GJs annually, which is well below the calculated maximum volume set out in section 2(3.8)(b) in the GGRR for FEI of approximately 8,900,000 GJs. The contractual maximum volume of RNG under the SHELL BPA is ██████ GJs and the current maximum supply contracted by FEI totals ██████ GJs annually⁵. The total maximum contracted RNG volume, if the SHELL BPA is accepted, would be ██████ GJs annually. However, FEI's contractual maximum amounts do not reflect what FEI will actually acquire in a given year. FEI expects annual volumes of ██████ GJs under the SHELL BPA and its total annual acquisitions are expected to be well below the GGRR maximum volume, as discussed in Section 1.1 below.

As FEI has demonstrated above, and will further explain in this Application, the SHELL BPA satisfies the three-part test under Section 2(3.8) of the GGRR.

In Order G-40-20, the BCUC first determined that an acquisition of RNG from out-of-province can be a prescribed undertaking, as it accepted FEI's BPAs with Tidal Energy Marketing Inc. (Tidal) which acquired RNG from Ontario. The BCUC has subsequently approved other out-of-province RNG acquisitions in Orders G-40-20, E-14-20, E-16-20, E-17-20, E-18-20, E-24-20 and E-28-20. Consistent with these Orders, FEI submits that the fact that the RNG is

³ In the Matter of FEI's Application for Acceptance of the Biogas Purchase Agreement between FEI and the City of Vancouver.

⁴ Decision and Order G-122-19, page 8.

⁵ Figure is inclusive of the Metro Vancouver BPA amendments and Capital Regional District BPA which are currently pending BCUC approval.

from out of province does not impact the three-part test under section 2(3.8) of the GGRR, as set out above.

Increasing biomethane supply aligns with a number of the energy objectives in the CEA. The acceptance of the SHELL BPA will contribute to achieving these objectives.

1.1 RNG SUPPLY CAP

Based on FEI's actual and expected RNG volumes from its portfolio of suppliers, the SHELL BPA does not result in FEI's RNG acquisitions being above the maximum supply volume in the GGRR. In short, the maximum volume specified in the GGRR applies to the amount of RNG that FEI acquires in a calendar year, not the contractual maximum that FEI could theoretically acquire under its portfolio of RNG supply contracts.

The contractual maximum volume of RNG is the maximum volume that FEI can be obligated to purchase under its BPAs. The contractual maximum volume is often based on the maximum output an RNG plant could theoretically deliver. FEI's experience has shown that it is unlikely that a project will produce at its maximum output year over year. The volume that an RNG plant will actually produce is based on many factors including, but not limited to, feedstock availability, system capacity constraints, operating limitations or a forecast growth in volume over time, such as increased gas production at a landfill due to increased waste over time. Due to factors such as these, FEI's RNG supply projects have produced on average about 70 percent of the total maximum supply. Further, none of FEI's RNG projects have reached their maximum volume. Therefore, FEI does not expect that its portfolio of projects will all produce at their maximum outputs in any given year. Indeed, given the variation in production from year to year, it would be highly unlikely for that ever to occur. This is reflected in FEI's expected RNG volumes, as discussed below.

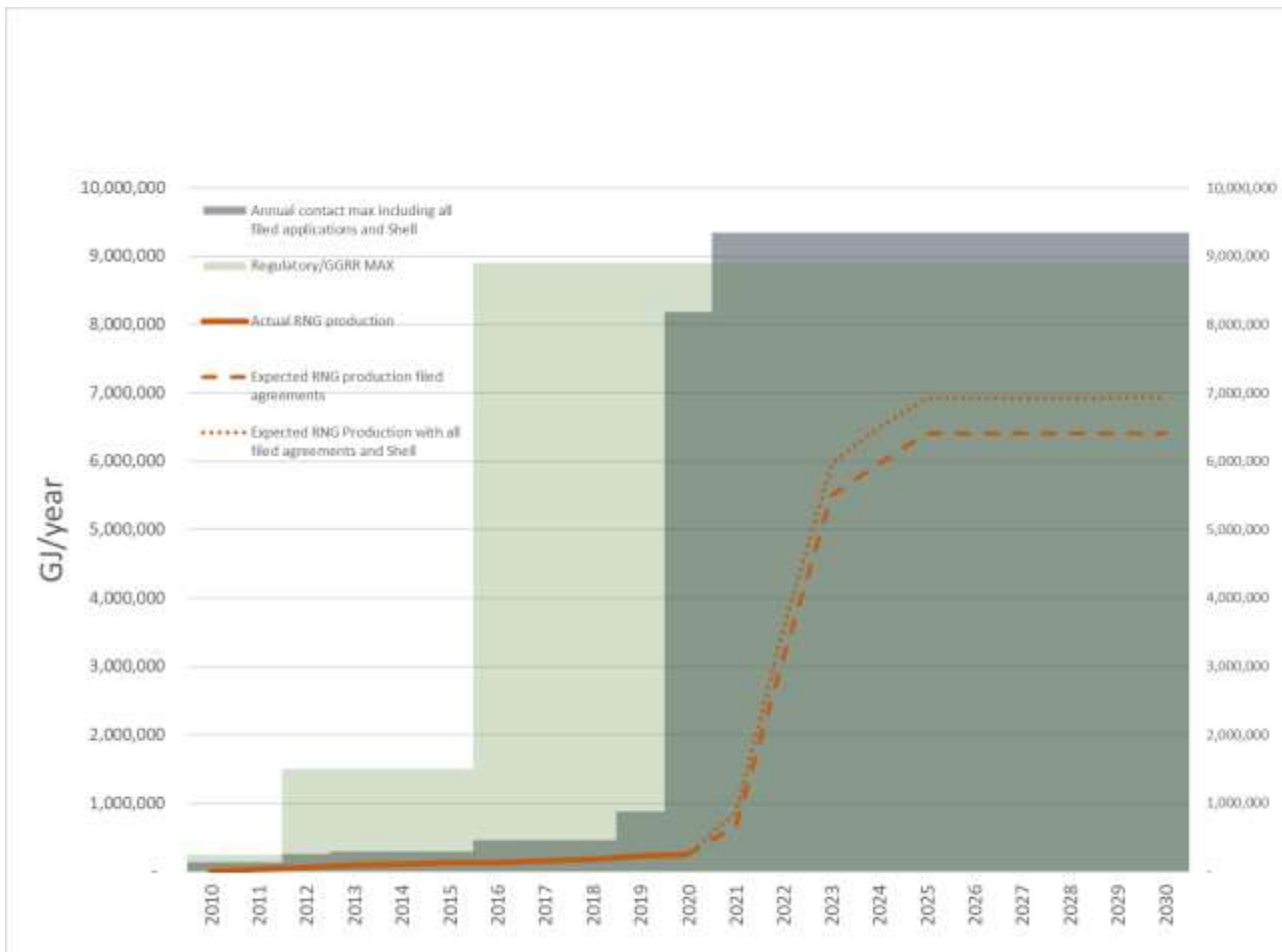
Though historical operations average about 70 percent of maximum volume, FEI is expecting 75 percent of contracted maximum going forward. This higher expectation takes into account some lessons learned by FEI with respect to setting lower contractual maximums but it remains largely based on experience and actual data from operating projects. Although FEI expects some projects to produce greater than 75 percent of the maximum volume, others will produce less than that amount. There is also some delay in the ramp up of volume based upon FEI's experience. As a portfolio, FEI assumes actual volumes will ramp up to the expected volume over about eighteen months.

Based on information provided by SHELL regarding the current RNG production at the RNG facility, FEI's expected annual volume over the duration of the SHELL BPA term is ██████ GJs. As SHELL is already producing RNG, FEI has confidence in this expected volume. The plant first came online on Oct 14, 2020, and it has been producing an average of approximately ██████ GJs per month since, with expectations that this will steadily increase to just over ██████ GJs per month.

Figure 1 shows FEI's contractual maximum volumes and expected volumes compared to the GGRR Maximum out to 2030. The contractual maximum volume line was plotted by using the full contractual maximum volume of each project in the year when the project is expected to first come online. The volumes level off in 2025 when it is expected that all of the currently

operating projects, approved projects, filed agreements and volumes from the SHELL project will be online.

Figure 1: Contractual Maximum and Expected RNG Volumes



As seen above, with the SHELL BPA included, FEI’s expected volume from its portfolio of projects, at approximately 6,900,000 GJs annually, is well under the GRR maximum volume of approximately 8,900,000 GJs. To exceed the GRR maximum volume, FEI’s entire portfolio of supply projects would need to be producing at or near contractual maximums at the same time and for an entire year, which is highly unlikely to occur.

The concept of managing the RNG supply cap was explored in FEI’s 2012 Application for approval of a permanent RNG Program. At that time, FEI observed that actual supply of RNG was consistently below contracted maximum volumes and the BCUC agreed that the total contracted volume could be above the cap at that time. More specifically, when it established the initial RNG supply cap of 1.5 PJ annually, the BCUC stated⁶:

The Panel notes FEI’s submission regarding lower than expected volumes from existing supply contracts. Accordingly, when calculating the maximum

⁶ Page 85 Decision, Biomethane Services Offering: Post Implementation Report and Application for the Approval of the Continuation and Modification of the Biomethane Program on a Permanent Basis.

amount that can be contracted for the purpose of determining if the Supply Cap has been reached, the Panel directs that the total contracted maximum amount must not exceed 2 PJ.

The language in the GGRR supports taking a similar approach. Section 3.8 of the GGRR refers to the maximum amount a utility **acquires** in a calendar year, rather than a maximum contract amount:

- (3.8)The public utility acquires renewable natural gas
- (a) for which the public utility pays no more than \$30 per GJ, and
 - (b) that, subject to subsection (3.9), in a calendar year, does not exceed 5% of the total volume of natural gas provided by the public utility to its non-bypass customers in 2015.

Given the wording of the GGRR, and FEI’s expected annual RNG volumes, the SHELL BPA will not result in FEI’s RNG acquisitions exceeding the GGRR maximum volume.

FEI will be reporting each year to the BCUC on the volume of RNG acquisitions in its Annual Biomethane Variance Account Report filed in April, when setting the BVA rate rider through the Annual Review, and in its Fourth Quarter Gas Cost Report each November. Accordingly, the BCUC will have complete transparency into FEI’s RNG volumes. This reporting will provide opportunities for the BCUC to review the acquired volumes on a regular basis.

2. PROJECT OVERVIEW

This section provides a high-level overview of the project that will supply finished biomethane to FEI under the SHELL BPA (Project).

2.1 PROJECT SUMMARY

The following table summarizes the Project and its concordance with the GGRR’s three-part test.

Table 1: Table of Concordance

Project Characteristic	Description
Is FEI acquiring biogas or biomethane?	Yes - FEI is purchasing finished biomethane from SHELL
Is FEI making a capital investment?	No
Are the costs of the capital investment recovered from the producer (if applicable)?	Not Applicable
Does the price to acquire biomethane (including any capital or operating costs incurred by FEI) exceed the \$30 per GJ maximum price at any time during the Project term?	No – Section 9 of the Transaction Confirmation in the SHELL BPA stipulates that the Maximum Price payable to SHELL for RNG cannot exceed the GGRR maximum (currently set at \$30 per GJ)

Bradam Canada Inc., Lethbridge Biogas LP, Faromor CNG Corporation, EPCOR, and Walker RNG. This form of contract is similar to FEI's Rate Schedule (RS) 30 – Off-System Sales and Purchases Rate Schedule and Agreement (Canada and U.S.A.). FEI has experience using RS 30 for acquiring conventional natural gas from within or outside BC. The GasEDI standard form of contract offers an industry standard form of contract for FEI to purchase out-of-province and/or off-system RNG.

The elements of the contract specific to RNG are captured in a Transaction Confirmation (the Confirm) that is subject to the General Terms and Conditions (including special provisions) of the GasEDI. The terms and conditions of the GasEDI cover the elements of the SHELL BPA that are common to all conventional natural gas transactions, while the Confirm addresses the following items:

- **Term of agreements, delivery point and quantities.** The Confirm sets out a minimum and maximum daily and annual volume which the supplier must meet. FEI has exclusive ownership of the biomethane up to the maximum annual amount.
- **Nominations.** SHELL must give FEI advance notice (2 days) for the amount of biomethane that it will deliver to FEI at the delivery point each month.
- **Environmental attributes and Carbon Intensity.** All environmental attributes, namely GHG emissions reduction benefits, of the biomethane purchased under the SHELL BPA will be transferred to FEI. This ensures the full value of the RNG will be received by FEI and its customers and is the same as FEI's agreements to purchase RNG from projects located within BC. The environmental attributes, namely GHG reductions, associated with RNG are an essential element of the RNG program for customers. SHELL will ensure that the carbon intensity of the biomethane will not exceed █ grams of CO₂ equivalent per megajoule. In the SHELL BPA, the avoided methane emissions arise from capturing and processing methane from the wastewater treatment process along with the digestion of organics. The biogas from the wastewater treatment process would have otherwise been flared and the organics would have otherwise been landfilled.
- **Reports and Audit rights.** FEI will receive regular meter data to confirm biomethane volumes and has the right to request and receive records from the Project. FEI may also physically access the Project.
- **Default termination payment.** In the event of default, there is a reciprocal termination payment over the term of the SHELL BPA. FEI wishes to ensure that SHELL meets its long-term commitments to supply RNG while SHELL wishes to ensure FEI purchases RNG for the term of the BPA. In the event of supplier default, SHELL is obligated to supply an equal amount of RNG from the market (if available) or pay FEI an amount equal to the value of that RNG up to the maximum limits established. In the event of FEI default, SHELL is entitled to payment for the unpurchased RNG if it cannot find another buyer. This is different from some RNG projects within BC, where FEI has stranded asset risk. In the SHELL BPA, FEI does not have physical assets that are at risk of being stranded; this risk is borne by the supplier.

3. ANALYSIS OF THE PROJECT

This section provides an analysis of the Project, including the terms of the SHELL BPA, the risks and mitigation measures associated with the Project, and the incremental rate impact of the Project for FEI’s non-bypass customers.

3.1 SUMMARY OF THE SHELL BPA

The SHELL BPA is a [REDACTED] agreement that allows FEI to acquire RNG from SHELL. The key elements of the SHELL BPA are summarized in the table below.

Table 2: SHELL BPA Summary

Item	SHELL	Confirm Contract Clause	Comment
Contract Term	[REDACTED]	Section 3	
Minimum Annual Volume	[REDACTED]	Section 5 (b)	Represents the minimum biomethane volume that FEI agrees to purchase annually from SHELL.
Maximum Annual Volume	[REDACTED]	Section 5 (d)	Represents the maximum biomethane volume that FEI agrees to purchase annually from SHELL.
Price (per GJ) delivered to Huntingdon	[REDACTED]	Section 10 (a)	Represents the price (in CAD), including delivery to BC, that FEI will pay to SHELL for biomethane, subject to the maximum acquisition price in Section 10 of the Confirm.
Inflation Factor on Price	[REDACTED]	Section 10 (b)	[REDACTED]
Maximum Price	BCUC or BC Government RNG Supply Purchase Price	Section 10 (c)	Maximum Price as determined by FEI will not exceed the GRR maximum acquisition cost.
Delivery Point	Huntingdon	Section 4	Receipt point in BC for biomethane, including environmental attributes.
Carbon Intensity (CI)	≤ [REDACTED]	Section 11	CI of the biomethane will be less than or equal to [REDACTED]

3.2 RISKS AND MITIGATION

FEI is not providing any capital investment to SHELL as part of the SHELL BPA and is thus assuming no capital risk. FEI has obtained contractual assurances from SHELL within the BPA on the biomethane volume and quality. FEI also has the ability to audit the Project in order to ensure accuracy of volumes, gas quality and carbon intensity.

FEI has included measures to mitigate risk to ensure that the SHELL BPA is consistent with previous biomethane projects and established criteria for biogas or biomethane purchase agreements. The risks and associated mitigation measures are summarized in Table 3.

Table 3: Risks and Mitigation

Risk Item	Description of Risk Item	Risk Mitigation	Description of Risk Mitigation
Biomethane Purchase from Out-of-province Supply	FEI is purchasing RNG in the same manner as it purchases conventional natural gas from out-of-province.	Gas EDI	The GasEDI standard form of contract for the SHELL BPA relies on established and tested terms and conditions used for many years across North America.
Acquisition Price	The purchase price and associated costs of acquiring RNG must not exceed the regulated maximum.	Section 10, Contract Price	Section 10 of the Confirm states that the purchase price must not exceed the maximum regulated purchase price established by the Province of BC. There are no other associated costs of acquiring RNG for the Project.
Supplier Default	In the event the supplier defaults and is unable to deliver Biomethane to FEI, FEI may be at risk of being in a supply deficit for its voluntary program.	Section 16, Remedies for Default	In the event of default by SHELL, it is obligated to pay a termination payment. FEI requires security that covers the termination payment.
Technical Risk	Project underperformance.	Confirm Section 1 (Default) (iv)	SHELL will be required to supply the Minimum Annual Volume or be considered in default whereby FEI may terminate and be entitled to the termination payment.
Stranded Assets	FEI assets not recoverable in the event the agreement is terminated.	Gas EDI/Confirm	FEI is not providing any capital investment in the Project; therefore, there is no risk to FEI of stranded assets.

3.3 INCREMENTAL RATE IMPACT

The costs associated with the SHELL BPA includes the price paid to SHELL for biomethane, which is ██████ escalated annually by █ percent up to the maximum supply purchase price established by the Province of BC, as specified in Section 10 of the Confirm.

To calculate the incremental rate impact, FEI used the expected annual volume of ██████ GJs for the duration of the SHELL BPA term. This assumption regarding volumes is based on information provided by SHELL.

The incremental rate impact associated with the SHELL BPA is the difference between the biomethane acquisition cost and the amount recovered from biomethane customers at the current Biomethane Energy Recovery Charge (BERC) rate. FEI has calculated the initial delivery rate impact to non-bypass residential customers due to the difference between costs and recoveries to be 0.687 percent or \$0.034 per GJ⁷, resulting in an average annual bill impact of \$3.04. This analysis is based on an average residential customer consuming 90 GJs per year.

4. APPROVALS SOUGHT

In this Application, FEI respectfully seeks acceptance from the BCUC of the SHELL BPA, pursuant to section 71 of the UCA and the Rules, as a prescribed undertaking under section 18 of the CEA and the GRR.

FEI further requests, as explained on page 2 of the Application, that the confidential, unredacted version of this Application, including the unredacted version of the SHELL BPA attached as Appendix A, and the confidential financial schedules attached as Appendix B, be treated as confidential by the BCUC pursuant to section 71(5) of the UCA, Section 18 of the BCUC's Rules of Practice and Procedure regarding confidential documents adopted by Order G-15-19, and Section 6.0 of the Rules for Natural Gas Energy Supply Contracts.

A draft form of Order sought is provided in Appendix C.

5. CONCLUSION

Given the growing demand and the policy direction in BC to increase renewable gas supply to 15 percent by 2030, RNG supply obtained from out-of-province projects is a vital part of FEI's supply mix. RNG supply from outside of BC provides a further opportunity to grow the program and reach the CleanBC target of 15 percent renewable gas. Based on responses FEI received for its 2018 Request for Expression of Interest, FEI sees an opportunity to secure multiple long-term contracts ahead of other jurisdictions that have been slower in their adoption of RNG. Because FEI is one of the first utilities to acquire RNG, it has the advantage of securing RNG at better prices than if it were competing for the gas with other jurisdictions. A lower price of acquisition from outside of BC will provide an opportunity to secure an overall lower average RNG supply pool cost.

⁷ Appendix B, Schedule 12, Line 10.

The SHELL BPA enables FEI to acquire RNG for its customers in 2021, thus expediting FEI's ability to re-open the RNG Program to new enrollments and meet demand for RNG from its customers.

Finally, the Project meets the requirements of the three-part test as a prescribed undertaking under the GGRR. The Project is to acquire RNG, at a maximum acquisition price not exceeding the GGRR maximum price, and FEI's annual volumes of biomethane supply are expected to remain below the maximum volume. As such, the SHELL BPA should be accepted by the BCUC under section 71 of the UCA as a prescribed undertaking under the GGRR.

If further information is required, please contact Scott Gramm, Manager, Renewable Gas Supply, at (604) 576-7242.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

Appendix A

FEI-SHELL BIOMETHANE PURCHASE AGREEMENT

**GasEDI BASE CONTRACT FOR SHORT-TERM SALE AND PURCHASE OF NATURAL GAS
COVER SHEET**

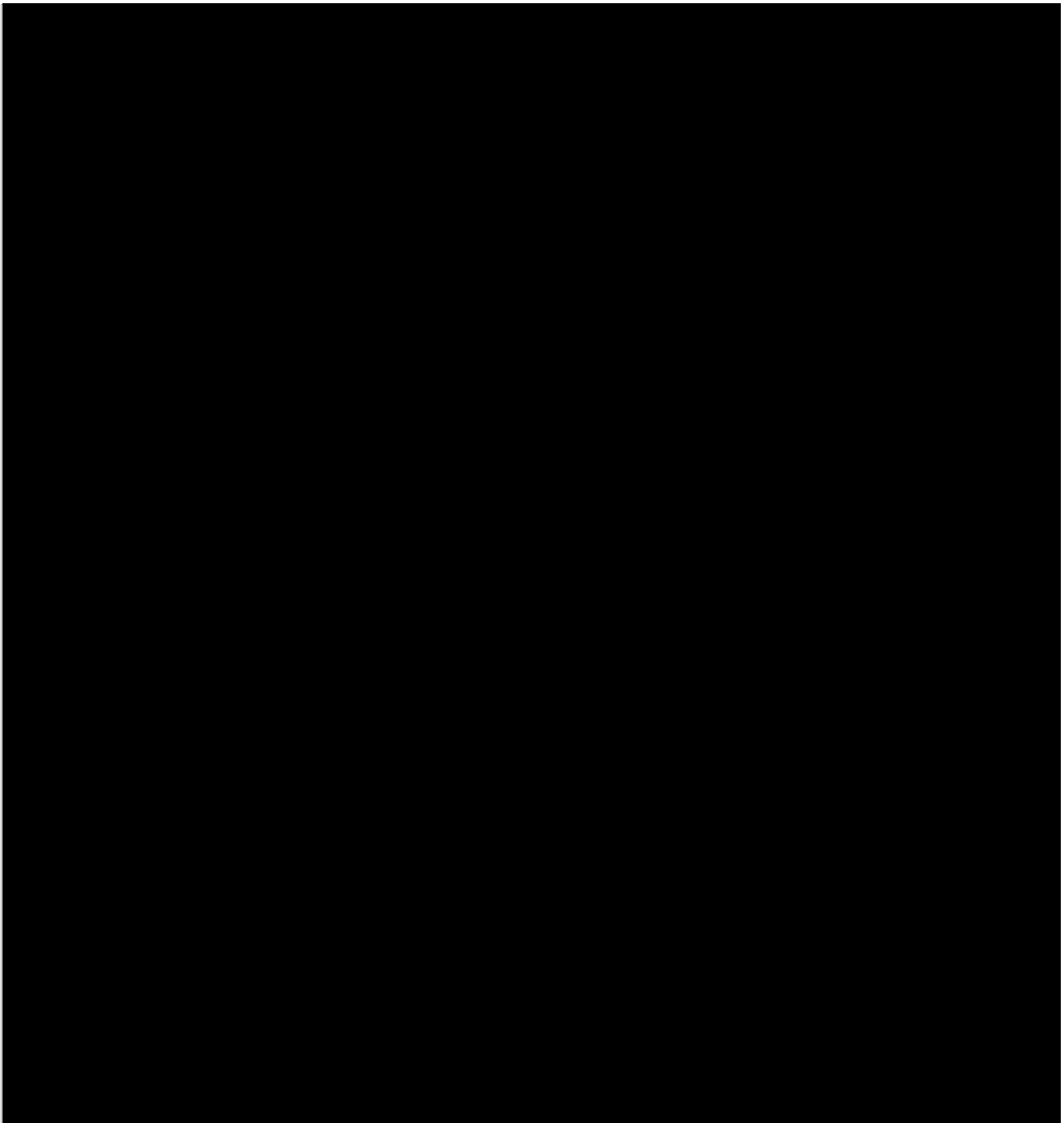
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Page 1 of 3
October 26, 2000

**GasEDI BASE CONTRACT FOR
SHORT-TERM SALE AND PURCHASE OF NATURAL GAS**

COVER SHEET

This Base Contract is entered into as of the following date:
The parties to this Base Contract are the following:



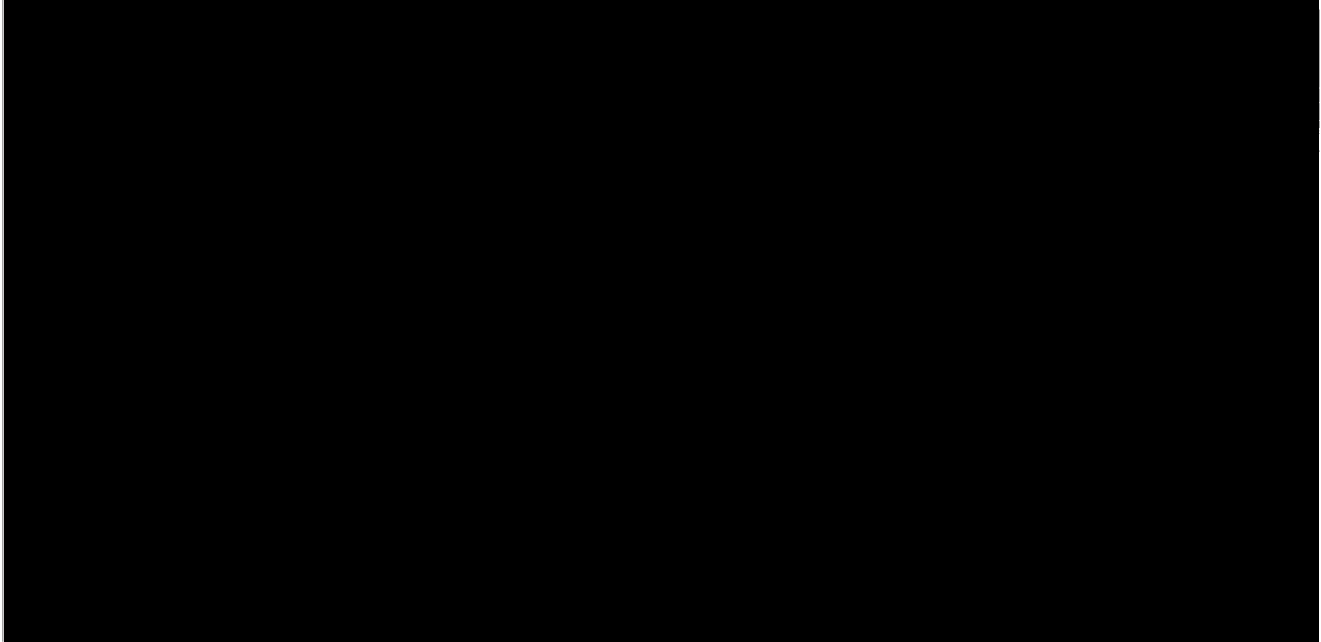
GasEDI BASE CONTRACT FOR SHORT-TERM SALE AND PURCHASE OF NATURAL GAS**COVER SHEET**

Page 2 of 3


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October 26, 2000

This Base Contract incorporates by reference for all purposes the General Terms and Conditions of the GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas as published by GasEDI. The parties hereby agree to the following provisions offered in said General Terms and Conditions (select only one from each box, but see "Note" relating to Section 3.2.):



IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

PARTY A		PARTY B
Shell Energy North America (Canada) Inc. DocuSigned by:	Party	FortisBC Energy Inc.
<i>Greg Chownyk</i> Greg Chownyk	Signature	
553ACDC3324147E...	Name	Roger Dall'Antonia
Vice President	Title	President & CEO
3/25/2021	Date	MAR 24 2021

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of sale, purchase or exchange of natural gas. This Contract is intended for interruptible transactions or firm transactions of one year or less and may not be suitable for transactions of longer than one year. Further, GasEDI does not mandate the use of this Contract by any party. GasEDI DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO GasEDI's DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT GasEDI KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL GasEDI BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

**GasEDI BASE CONTRACT FOR SHORT-TERM SALE AND PURCHASE OF NATURAL GAS
COVER SHEET**

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Page 3 of 3
October 26, 2000

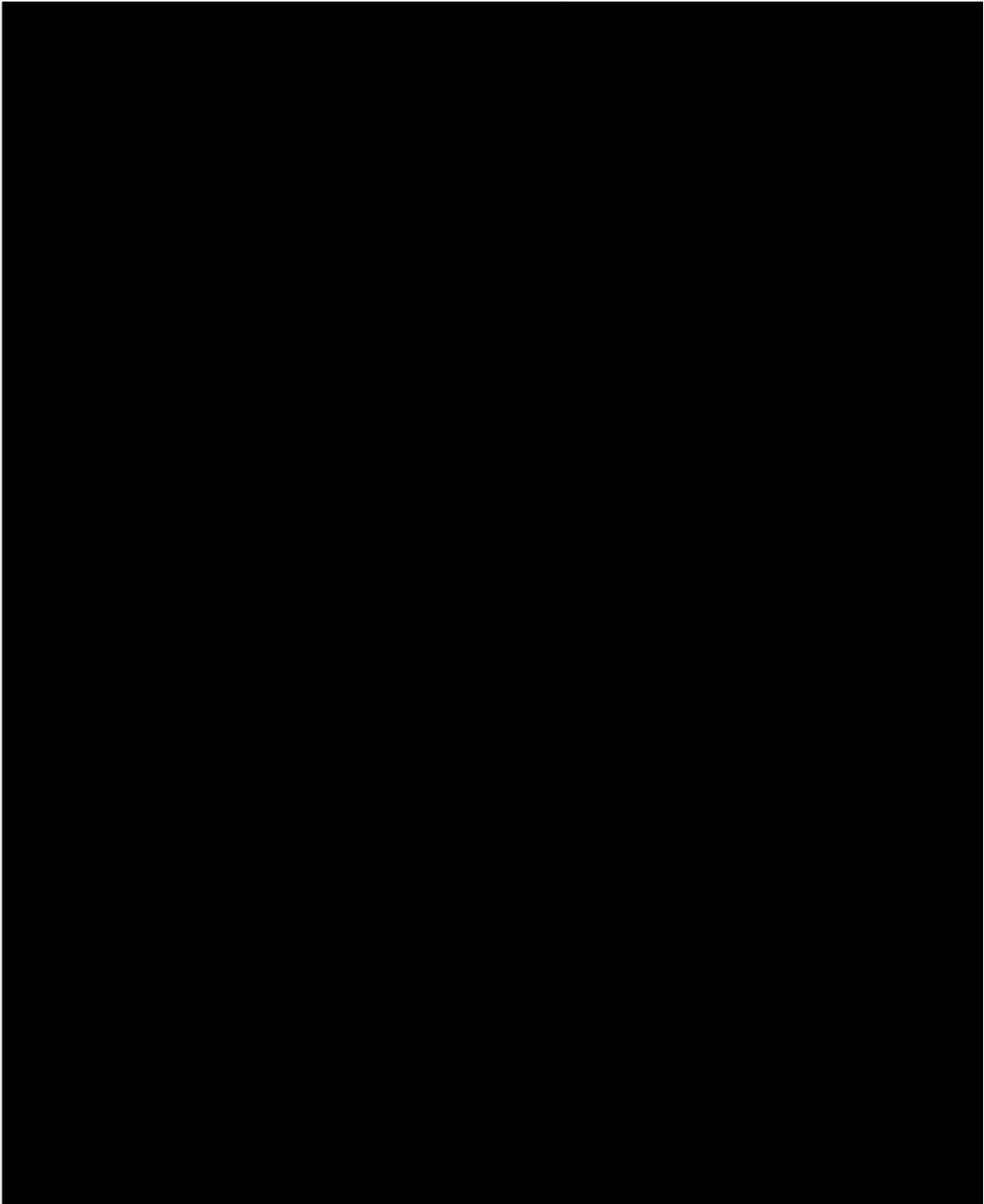
BANKING INFORMATION ADDENDUM

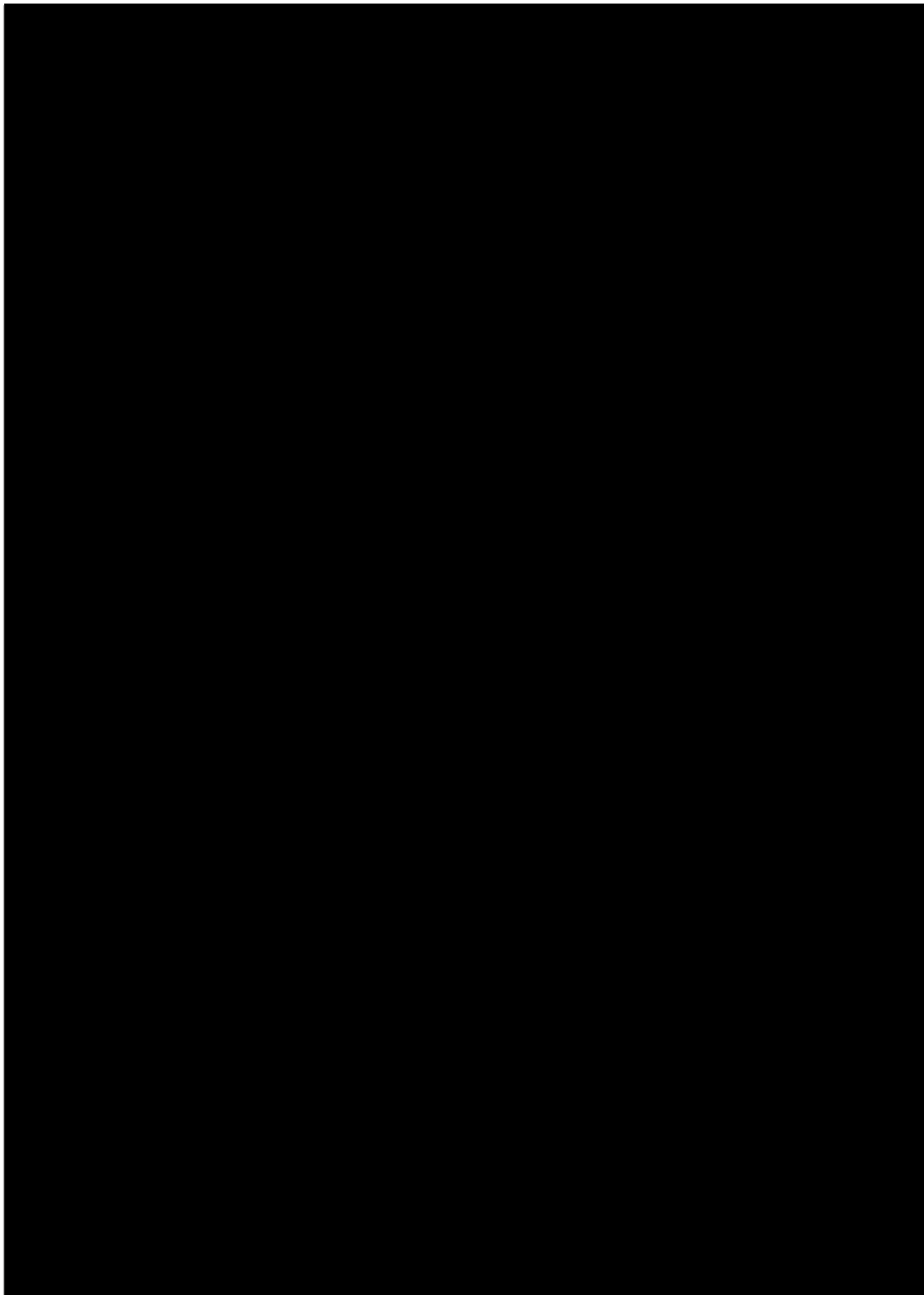
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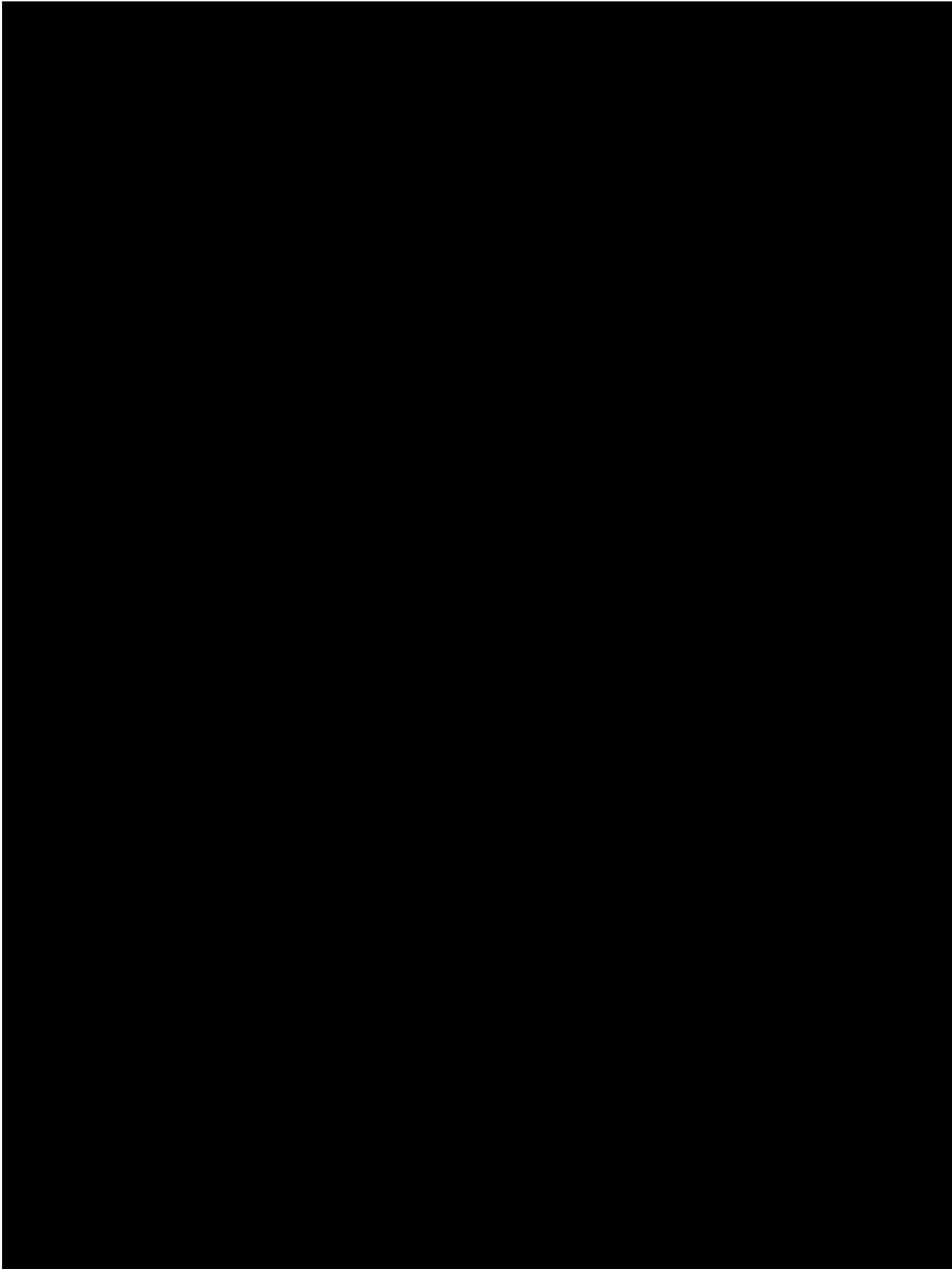


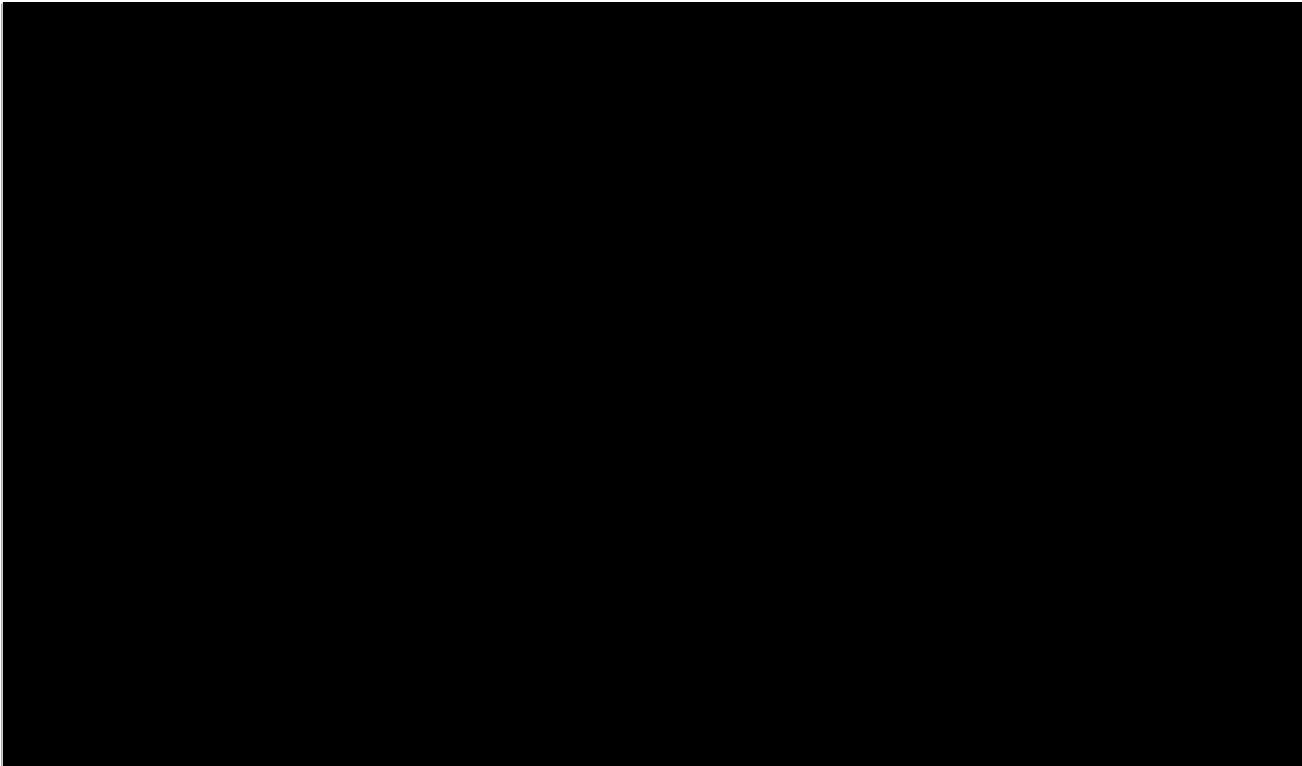
**Standard Provisions to
The GasEDI Contract for Short-Term Sale and Purchase of Natural Gas**

The General Terms and Conditions to the GasEDI Base Contract for Short-Term Sale and Purchase of Natural Gas dated October 26, 2000 are hereby 









Acknowledged and Agreed to this
25 day of March, 2021

Acknowledged and Agreed to this
24 day of MARCH, 2021

Shell Energy North America (Canada) Inc.

FORTISBC ENERGY INC.

DocuSigned by:
Greg Chowmyk
553ACDC3324147E...

Roger Dall'Antonia
President & CEO
FortisBC

TRANSACTION CONFIRMATION

Date: 3/25/2021
("Effective Date")

Transaction Confirmation #: _____

This is a Transaction under the GasEDI Base Contract for the Sale and Purchase of Biomethane dated _____ (**"Base Contract"**) and the Special Provisions attached to the Base Contract made between the parties hereto and is made subject to the condition set forth in Section 17 of this Transaction Confirmation.

IT IS AGREED:

1. Definitions.

- (a) Capitalized terms used, but not defined in this Transaction Confirmation, have the meanings given to those terms in the General Terms and Conditions of the Base Contract and in addition:

"Biomethane" means, subject to Section 7 below, pipeline quality Gas derived from the decomposition of organic matter. Pipeline quality means meeting the gas quality requirements of the receiving pipeline at the Delivery Point.

"Carbon Offsets" means, for the purposes of calculating Market Value, Offsets that are created from emissions reduction at a facility or project located in Canada and are verified using a standard that is at least equivalent to the protocols established under the British Columbia Greenhouse Gas Emission Control Regulation or a replacement standard which might include, but is not limited to, standards that are recognized by the International Carbon Reduction & Offset Alliance (ICROA) as compliant with the ICROA Code of Best Practice.

"Commodity Cost Recovery Charge" means the Buyer's cost to supply conventional Gas to its utility customers which shall be established by the Commodity Cost Recovery Charge set out in the Buyer's Table of Charges in Rate Schedule 1 for Residential Service as approved by the British Columbia Utilities Commission from time to time.

"Condition" means the condition set out in Section 17 of this Transaction Confirmation.

"Condition Removal Date" means the date set out for the removal of the condition in Section 17 of this Transaction Confirmation.

"Contract Quantity" shall mean the quantity of Biomethane to be delivered and received pursuant to this Transaction.

“Contract Year” means each twelve (12) consecutive month period starting on the Start Date.

“Director” means the British Columbia government employee designated as the director for the purposes of the RLCFRA.

“Environmental Attribute” means:

- (i) all attributes associated with, or that may be derived from the actual or assumed reduction, displacement or offset of emissions associated with the Facilities;
- (ii) the right to quantify and register the interests and rights associated with such attributes or characteristics with competent authorities;
- (iii) any existing or future instrument, including any Offset, environmental emission allowances and reduction credits, reduction right, allowance, certificate or other unit of any kind whatsoever, whether or not tradable and any other proprietary or contractual right, whether or not tradable, and any resulting from, or otherwise related to the actual or assumed reduction, displacement or offset of emissions associated with, or that may be derived from the actual or assumed reduction, displacement or offset of emissions associated with the Facilities and related activities; and
- (iv) all revenues, entitlement, benefits and other proceeds arising from or related to the foregoing other than revenues received by the Seller from the Buyer and the revenues received by the Upstream Seller from the Seller’s Affiliate for Biomethane purchased under this Agreement.

“Facilities” means a wastewater treatment facility located in [REDACTED]

“Green Premium” means the difference between the Contract Price and the Commodity Cost Recovery Charge.

“Contract Value” The contract value of the Transaction means the net present value (applying the Present Value Discount Rate) of the product of (1) the Minimum Annual Quantity for each Contract Year (or part of a Contract Year, prorated) remaining under the Transaction set out in this Confirmation and the Contract, multiplied by (2) the Contract Price.

“Market Value” The market value of the Transaction means the net present value (applying the Present Value Discount Rate) of the product of (1) the Minimum Annual Quantity for each Contract Year (or part of a Contract Year, prorated) remaining under the Transaction set out in this Confirmation multiplied by (2) a market price for a similar transaction considering the Environmental Attributes of the Biomethane and the remaining Delivery Period, Contract Quantity and Delivery Point, either as follows:

- (i) in the case of default by Seller, at the Buyer’s option, either as
 - (a) a transaction consisting of Biomethane; or,

- (b) a transaction consisting of conventional Gas plus Carbon Offsets equal to the greenhouse gas reduction that would have been achieved by the Biomethane supply for the remainder of the Transaction; the number of Carbon Offsets to be equivalent to the product of (1) the difference between 0.05 metric tonnes of CO₂e/GJ (being the CO₂ equivalency of conventional Gas) and the carbon intensity of the Biomethane set out in Section 11 multiplied by (2) the Minimum Annual Quantity for each Contract Year (or part of a Contract Year prorated) remaining under the Transaction, provided such carbon Offsets with the required quality are readily available in the market, and
- (ii) in the case of default by Buyer, the higher of:
 - (a) a transaction consisting of Biomethane; or,
 - (b) a transaction consisting of conventional Gas plus Carbon Offsets equal to the greenhouse gas reduction that would have been achieved by the Biomethane supply for the remainder of the Transaction; the number of carbon Offsets to be equivalent to the product of (1) the difference between 0.05 metric tonnes of CO₂e/GJ (being the CO₂ equivalency of conventional Gas) and the carbon intensity of the Biomethane set out in Section 11 multiplied by (2) the Minimum Annual Quantity for each Contract Year (or part of a Contract Year prorated) remaining under the Transaction, and

The Non-Defaulting Party shall determine the Market Value using good faith and in a commercially reasonable manner but is not required to actually enter into a transaction in order to determine the market price.

"Offset" means any credits, emission offsets or other tradable or recognized instruments issued or granted by a government or program authority or recognized under a regulation, in recognition of emission reductions or sequestration that may be applied to achieving compliance with any emissions related obligations or commitments whether voluntary or mandatory.

"Production Audit" means the records and physical audit described in Section 14 of this Transaction Confirmation.

"Production Location" means [REDACTED]

"RLCFRA" means the British Columbia Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act and its regulations and amendments thereto.

"Seller's Affiliate" means Shell Energy North America (US), L.P. or its successor.

"Upstream Seller" [REDACTED]

"Start Date" means the start date for the delivery of Biomethane to the Buyer set out in Section 3.

- (b) For the purposes of this Transaction Confirmation, the definition of Event of Default set out in the General Terms and Conditions of the Base Contract shall be replaced by the definition set out below:

"Event of Default" shall mean

- (i) the failure to make payment when due under the Contract, which is not remedied within two (2) Business Days after receiving Notice thereof (except for a failure to pay an Accelerated Payment invoice which shall immediately constitute an Event of Default);
- (ii) the making of an assignment or any general arrangement for the benefit of creditors, the filing of a petition or otherwise commencing, authorizing, or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or having such petition filed or proceeding or cause under any bankruptcy or similar law for the protection of creditors commenced against it, any bankruptcy or insolvency (however evidenced) or the inability to pay debts as they fall due;
- (iii) the failure to provide Performance Assurance in accordance with Section 10.1 of the General Terms and Conditions;
- (iv) Seller's failure to deliver at least the Minimum Annual Quantity unless:
 - (a) excused by supply interruption in accordance with Section 9 (Basis of Sale, Purchase) of this Transaction Confirmation,
 - (b) excused by Buyer's Non-Performance, or
 - (c) prevented by Force Majeure in accordance with Section 11 of the General Terms and Conditions as amended by the Special Provisions (Force Majeure);
- (v) Buyer's failure to receive up to the Maximum Daily Quantity or the Minimum Annual Quantity unless:
 - (a) excused by supply interruption in accordance with Section 9 (Basis of Sale, Purchase) of this Transaction Confirmation,
 - (b) excused by Seller's Non-Performance, or
 - (c) prevented by Force Majeure in accordance with Section 11 of the General Terms and Conditions as amended by the Special Provisions (Force Majeure);
- (vi) breach by Seller of any representation or warranty set forth in Section 11 (Environmental Attributes) of this Transaction Confirmation or its obligations under Section 15 (Part 3 Fuel under the RLCFA);
- (vii) a Production Audit objectively determines that the gas delivered hereunder does not meet the definition of Biomethane under Section 1 (Definitions);
- (viii) if Buyer is prevented from completing a Production Audit due to the actions or inaction of the Seller or Upstream Seller which is not remedied within five (5) Business Days after receiving Notice thereof; or
- (ix) the failure to perform any other material obligation under the Contract, which is not remedied within five (5) Business Days after receiving Notice thereof.

2. **Parties.**

Seller: Shell Energy North America (Canada) Inc.

Buyer: FortisBC Energy Inc.

3. **Delivery Period.**

Start Date:

- (a) Buyer acknowledges that Seller will source the entire quantity of Biomethane from the Upstream Seller's Facilities;
- (b) Buyer shall provide Seller with written notice of the date on which the Condition in Section 17 (a) is waived or satisfied, which shall be on or before the Condition Removal Date;
- (c) Subject to satisfaction or waiver of the conditions pursuant to Section 17(a), Seller will begin to deliver Biomethane to the Buyer on August 1, 2021 (the "Start Date").

End Date: [REDACTED] Contract Years from the Start Date.

4. **Delivery Point.** Huntingdon, British Columbia

5. **Contract Quantity of Biomethane.** All Gas supplied by the Seller to the Buyer pursuant to this Transaction shall be exclusively Biomethane with the Environmental Attributes associated therewith being from the Facilities in the Contract Quantity below:

- (a) Minimum Daily Quantity: [REDACTED]
- (b) Minimum Annual Quantity: [REDACTED]
- (c) Maximum Daily Quantity: [REDACTED] Seller may exceed Maximum Daily Quantity on a case-by-case basis, at Buyer's discretion, in order to meet but not exceed Maximum Annual Quantity.
- (d) Maximum Annual Quantity: [REDACTED] per Contract Year. Buyer, may, at its discretion, accept more than the Maximum Annual Quantity.

6. **Exclusivity.** The Seller covenants to supply Buyer exclusively with all the Biomethane produced by the Upstream Seller at the Facilities and any expansions thereof, up to the Maximum Annual Quantity.

7. **Supply by Displacement.** The Seller's Affiliate will inject all Biomethane sold to the Buyer into the Mid-American Iowa System. The Parties acknowledge and agree that because Gas molecules are indistinguishable, interchangeable and comingled in the pipeline system, purchasers of conventional Gas or Biomethane generally do not physically receive or consume the same Gas molecules that they purchase from a specified source of production, this replacement of the Gas molecules purchased with other molecules being referred to as displacement. The Parties further acknowledge and agree that delivery of the product purchased and sold hereunder will be by displacement (as described in the preceding sentences) of the Biomethane produced from the Facilities with Gas produced elsewhere that upon delivery includes the Environmental Attributes

associated with the Biomethane produced from the Facilities and, as a result, the product delivered by Seller hereunder constitutes Biomethane as defined herein.

8. **Nominations.** At least two (2) Business Days prior to the start of each Month, Seller shall provide Buyer with the quantity of Biomethane that the Seller shall nominate for delivery at the Delivery Point on each Day for that Month. Seller may revise its daily nominations for that month to account for unforeseen changes in the operational conditions at the Facilities, in the event of unplanned maintenance of the Facilities or for reasons of Force Majeure (as set out in the General Terms and Conditions and the Special Provisions). These obligations are in addition to those set out in Section 4.2 of the General Terms and Conditions.
9. **Basis of Sale, Purchase.** Firm, subject to the following: Seller shall not be considered to be in default of the Contract if its failure to supply the Minimum Annual Quantity is for the following reason:
- (a) Upstream Seller is undertaking maintenance or repair on the Facilities; and on the conditions that:
 - (b) Upstream Seller is diligently undertaking maintenance or repair on the Facilities or otherwise using reasonable efforts to minimize the supply interruption;
 - (c) Seller provides as much notice to the Buyer as Seller is reasonably able, of supply interruptions and maintenance and repair, whether planned or unplanned, and the anticipated length thereof; and
 - (d) the number of days of actual or anticipated supply interruption does not exceed ninety (90) days in any one Contract Year.

In the event of Force Majeure, the Minimum Annual Quantity shall be reduced by an amount equal to the product of [REDACTED] in accordance with the conditions set out in Section 11 of the General Terms and Conditions (as amended by the Special Provisions) during the same Contract Year.

10. **Contract Price.**

- (a) Subject to subsection (b) below, the Contract Price payable for the Contract Quantity is [REDACTED] per GJ.
- (b) Subject to subsection (c) below, commencing from the November 1st occurring after the first anniversary of the Start Date and on every November 1st thereafter, the Contract Price will be increased by [REDACTED] over the previous year, each such increase effective for payments due for deliveries in the same November.
- (c) No adjustment will be made which results in the Contract Price payable by the Buyer exceeding the applicable of:
 - (i) the then current maximum RNG (supply purchase price approved by the British Columbia Utilities Commission; or
 - (ii) the maximum RNG supply purchase price established by the Province of British Columbia.

11. Environmental Attributes and Representations.

- (a) Seller represents and warrants that the Biomethane produced by the Facilities is generated through the anaerobic digestion of organic matter and the Environmental Attributes associated with such Biomethane are not supplemented, replaced in whole or in part with Environmental Attributes purchased or associated with any facility other than the Production Location.
- (b) Subject to Section 15(e), Seller represents that the calculated carbon intensity of the Biomethane shall be [REDACTED] grams of CO₂ equivalent or less per mega joule (gCO₂e/MJ) and as soon as commercially reasonable after the Start Date, shall provide the Buyer with a report as described in Section 13 (*Carbon Intensity Reports* below) calculating the carbon intensity and the calculated carbon intensity of the Biomethane shall not exceed [REDACTED] gCO₂e/MJ during the Term of the Contract.
- (c) Seller represents and warrants that, under the contractual agreement for the purchase of Biomethane between Seller's Affiliates and the Upstream Seller all Environmental Attributes that could be associated with the produced Biomethane at the time of delivery to Buyer are attached thereto and that neither the Biomethane nor the Environmental Attributes associated therewith have been sold more than once by either the Seller or, by the Upstream Seller, at any point between production and sale to Buyer whether by sales into carbon markets or otherwise.
- (d) Seller represents and warrants that Seller does not have and no third party has, any claim to the Environmental Attributes associated with the Biomethane purchased by Buyer under this Transaction Confirmation.
- (e) Seller represents and warrants that, up to the point of delivery to Buyer, neither the Environment Attributes nor the Biomethane have been used by Seller or the Upstream Seller to meet any federal, state, provincial or local renewable energy requirement, renewable energy procurement, renewable energy portfolio standard, or other renewable energy mandate.
- (f) Seller shall transfer to Buyer at the Delivery Point all Environmental Attributes, whether current or future, known or unknown at the time of delivery, associated with the Biomethane along with the transfer of title in the Biomethane. The parties acknowledge at the time of entry into this Transaction Confirmation, the Environmental Attributes are not individually represented by certificates, attestations, registration numbers or otherwise except as set out in Sections 13 and 15 of this Transaction Confirmation.

12. **Reports.** Seller shall provide Buyer the daily production volume of Biomethane produced at the Facilities in respect of the Month of delivery and supporting documentation acceptable in industry practice , daily Gas nominations made on the Mid American Iowa pipeline system and daily load balancing account activity.

13. **Carbon Intensity Report.** Seller shall provide Buyer with a report from the Upstream Seller by January 31 of each calendar year, certifying the carbon intensity of the Biomethane produced at the Facilities and delivered to the Buyer during the previous calendar year. The carbon intensity shall be calculated in accordance with the requirements of the government of British Columbia as set out in section 6(6) of the RLCFRA and shall be certified by the Upstream Seller's chief operating officer.

14. Production Audit.

- (a) Seller shall, upon reasonable request by Buyer, provide the following:
 - (i) no more than twice in any 12-month period, records and other documentation; and
 - (ii) no more than once in any 12-month period, to coordinate for Buyer and Buyer's consultant to receive reasonable and physical access to the Facilities;

for the purpose of confirming compliance with the obligations, representations and warranties regarding the Biomethane and the Environmental Attributes associated with the Biomethane.

- (b) No more than twice in any 12-month period, Buyer may request Seller to confirm in writing that the representations and warranties concerning the Biomethane and Environmental Attributes associated with the Biomethane, as made by Seller, under Section 11 (*Environmental Attributes*) remain valid.
- (c) Seller agrees to cooperate and provide all reasonable assistance to Buyer regarding any audit of the Facilities for the purpose of confirming compliance with the obligations, representations and warranties regarding the Biomethane and the Environmental Attributes associated with the Biomethane and shall seek the co-operation and reasonable assistance of Upstream Seller to Buyer for the same purposes.
- (d) If Buyer, acting reasonably, finds that the obligations, representations or warranties regarding the Biomethane and the Environmental Attributes associated with the Biomethane are in non-compliance with this Transaction Confirmation, then Seller may, acting reasonably, dispute such finding. Each Party agrees to provide the other Party and Upstream Seller with its findings and supporting documentation and agrees to cooperate, in good faith, with each other and with Upstream Seller to resolve the dispute.
- (e) Any dispute of the nature described in, and not resolved under, subsection (b) above shall be resolved in accordance with Section 13.10 of the Special Provisions to the GasEDI Base Contract.

15. Part 3 Fuel under the RLCFRA.

- (a) Seller acknowledges that Buyer may wish to resell Biomethane purchased under this agreement to its customers in British Columbia who may intend to use Biomethane as a transportation fuel and Buyer and its customers wish to report such use under Part 3 of the RLCFRA.
- (b) As soon as commercially reasonable following the Effective Date, Seller shall apply under the RLCFRA for a determination by the Director of the carbon intensity of the Biomethane supplied to Buyer under this Agreement for the purposes of Part 3 of the RLCFRA, and Seller shall cause the Upstream Seller to observe the requirements of the RLCFRA applicable to a producer of Part 3 fuel.
- (c) If the Seller becomes aware that the carbon intensity of the Biomethane will change or has changed, Seller shall promptly give written notice required by the RLCFRA and shall provide a copy of such notice to the Buyer; or inform Buyer so that Buyer can provide written notice to the extent Seller has authorized Buyer pursuant to item (f) of this Section.

- (d) Seller shall reasonably assist Buyer in applying for new determination of the carbon intensity of the Biomethane changes or if the determination by the Director has expired.
- (e) In the event the Director assigns the Biomethane supplied under this Agreement a carbon intensity greater than zero (0), Seller shall not be in breach of its representation in Section 11(b) and the parties shall promptly confer in good faith regarding potential amendments to this Transaction Confirmation to maintain the relative benefits to both parties; provided that, to the extent the parties cannot agree on such amendments either party may terminate this Transaction Confirmation on written notice to the other party, and such termination shall not constitute an Event of Default under the Base Contract or this Transaction Confirmation nor result in early termination or other damages or liability under the Base Contract or this Transaction Confirmation on the part of either party to the other and neither party will have any further payment or performance obligations to the other party.
- (f) Seller may authorize Buyer to act on its behalf in applying for a determination by the Director of the carbon intensity of the Biomethane.

16. Remedies for Default.

- (a) Section 3.2 of the GasEDI Base Contract shall not apply to this Transaction.
- (b) For the purposes of this Transaction, the definitions of Contract Value and Market Value set out in Section 2.1 of the GasEDI Base Contract shall not apply to this Transaction and the definitions of Contract Value and Market Value set out in Section 1 (*Definitions*) of this Transaction Confirmation shall instead apply.
- (c) For the purposes of Section 10.1, 10.3 and 10.4 of the GasEDI Base Contract, in the event of a declaration of an Early Termination Date the Total Termination Payment of this Transaction shall not exceed 1055 GJ multiplied by 90 Days multiplied by the Contract Price in effect at the time. In addition, the exercise by the Non-Defaulting Party of any other rights or remedies in response to a breach of any obligation in this Transaction (whether such rights are by contract, operation of law, or otherwise) shall not result in recovery of damages exceeding the amount calculated pursuant to the preceding sentence. This limitation of the calculation of such Total Termination Payment is a reasonable pre-estimate of the loss suffered and is not intended as a penalty.
- (d) If Buyer's determination or, in the case a dispute was arbitrated, an arbitrator's decision made pursuant to the Production Audit, finds that the Gas delivered under this Transaction failed to meet the definition of Biomethane under Section 1 (*Definitions*) or the Environmental Attributes delivered were not associated with the Biomethane as represented and warranted under Section 11 (*Environmental Attributes*) then, Seller shall either not charge or return the Green Premium paid by Buyer in respect of such Gas; provided, however, that in no event shall Seller's responsibility pursuant to this subsection exceed the amount calculated pursuant to the preceding subsection (c) nor entitle Buyer to a duplicative recovery of damages as a result of the same breach of an obligation.

17. Condition.

- (a) This Transaction shall be of no force or effect and shall automatically terminate without liability of either party to the other unless the following conditions ("**Conditions**") are satisfied or waived by Buyer on or before May 31, 2021 ("**Condition Removal Date**"):
- (i) this Transaction has obtained the necessary regulatory approvals, if any, required to be obtained by Buyer to purchase Biomethane, including but not limited to approval from the British Columbia Utilities Commission.
 - (ii) The Seller provides the Buyer with Performance Assurance in such form and amount satisfactory to the Buyer securing the Seller's obligations to pay the Total Termination Payment.

Buyer shall make reasonable good faith efforts to satisfy or, shall waive, the Condition by the then-current Condition Removal Date. Buyer shall provide written notice of the satisfaction or waiver of the Condition, if any, on or prior to the Condition Removal Date.

18. Change of Law. If on or after the date of this Agreement, there is any change to the methodologies prescribed by a governmental authority under applicable laws and regulations for calculating the carbon intensity of fuels (including, but not limited to, changes in quantification methods, emission factors, global warming potentials, and other input values) that impacts use of the Biomethane purchased and sold in this Transaction under the RLCFRA or results in the inability on the part of either party to comply with such change and meet its obligations under this Transaction, the result of which is a materially negative impact on the relative benefits of this Transaction to Buyer or Seller as of the date this Transaction is entered into (a "**Change**"), then, at the written request of either party, the parties shall enter into good faith negotiations and may amend this Agreement to take account of the Change or, if agreed, take such other actions as commercially reasonable to take account of the Change, so that the Transactions contemplated hereunder can be completed in keeping with the intentions of the parties at the time of entry into the Agreement. If the parties are unable to agree on such amendments or other commercially reasonable actions within 15 Business Days after the occurrence of an event described in this paragraph, either party may terminate this Transaction on written notice to the other party. Any such termination pursuant to the preceding sentence shall not result in early termination or other damages or liability under the Base Contract or this Transaction on the part of either party to the other and neither party will have any further payment or performance obligations to the other party; provided, that each party will make payments in accordance with obligations performed through the effectiveness of such termination.

19. Confidentiality. In addition to the exclusions of confidentiality set out in Section 13.11 of the Special Provisions, the parties may disclose the terms of this Contract to the extent such information is delivered to a third party for the purpose of auditing or evaluating a party's performance under the Agreement, to the extent necessary to operationalize the terms of this Transaction in the agreement between Seller and Seller's Affiliate and Seller's Affiliate and the Upstream Seller, and to the extent such information is required to be disclosed for the purposes of quantifying and registering Environmental Attributes, including but not limited to complying with the requirements of the RLCFRA.

20. Data Privacy. The parties may provide each other with information related to an identified or identifiable individual ("Personal Data"), the processing and transfer of which will be done in accordance with applicable data protection law.

21. Anti-Corruption. Each party represents, warrants and covenants to the other that: (i) it will comply with the Anti-Corruption Laws (as defined herein) with respect to all transactions under this Agreement; (ii) it has not made and will not make, offer, authorize, or accept any payment, gift, or other benefit, directly or indirectly (whether via its affiliates, agents, contractors or other third parties), to or from any government official or any other person for the purpose of facilitating or carrying out any transaction hereunder which would violate the Anti-Corruption Laws; (iii) it will promptly notify the other party if it becomes aware of any violation of the Anti-Corruption Laws in connection with any transaction hereunder, subject to the preservation of legal privilege; and (iv) except as the other party may agree in writing, all payments payable to a party pursuant to this Agreement shall be made only to the account of such party, and not to the account of any other person. "Anti-Corruption Laws" mean (a) the United States Foreign Corrupt Practices Act of 1977; (b) the United Kingdom Bribery Act 2010; and (c) all applicable laws that prohibit money laundering, or otherwise dealing in the proceeds of crime, or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to any government official or any other person, or tax evasion.

**SHELL ENERGY NORTH AMERICA
(CANADA) INC.**

DocuSigned by:
Greg Chownyk
553ACDC3324147E...

Signed

Greg Chownyk

Name

Vice President

Title

3/25/2021

Date

FORTISBC ENERGY INC.



Signed

Roger Dall'Antonia
President & CEO
FortisBC

Name

Title

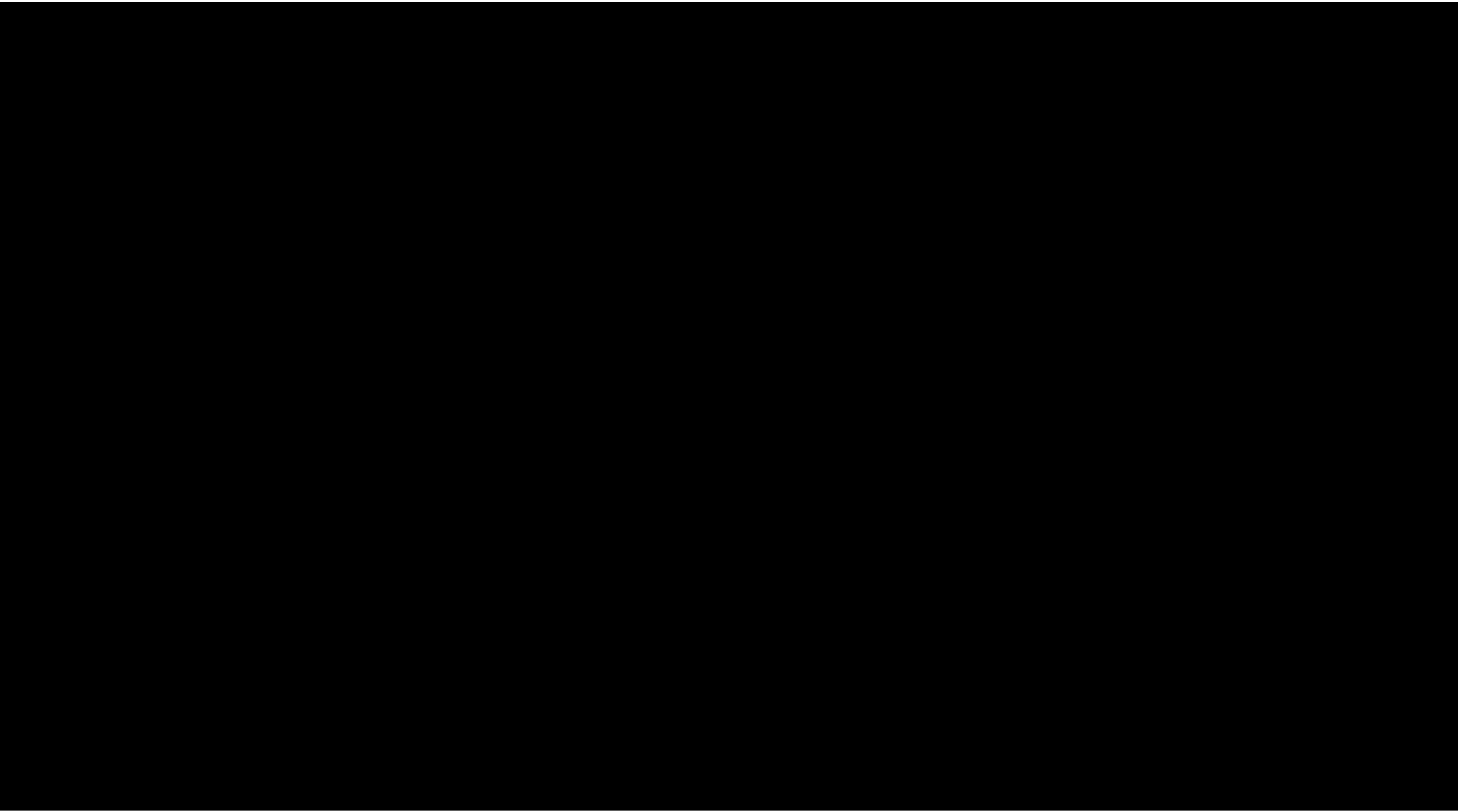
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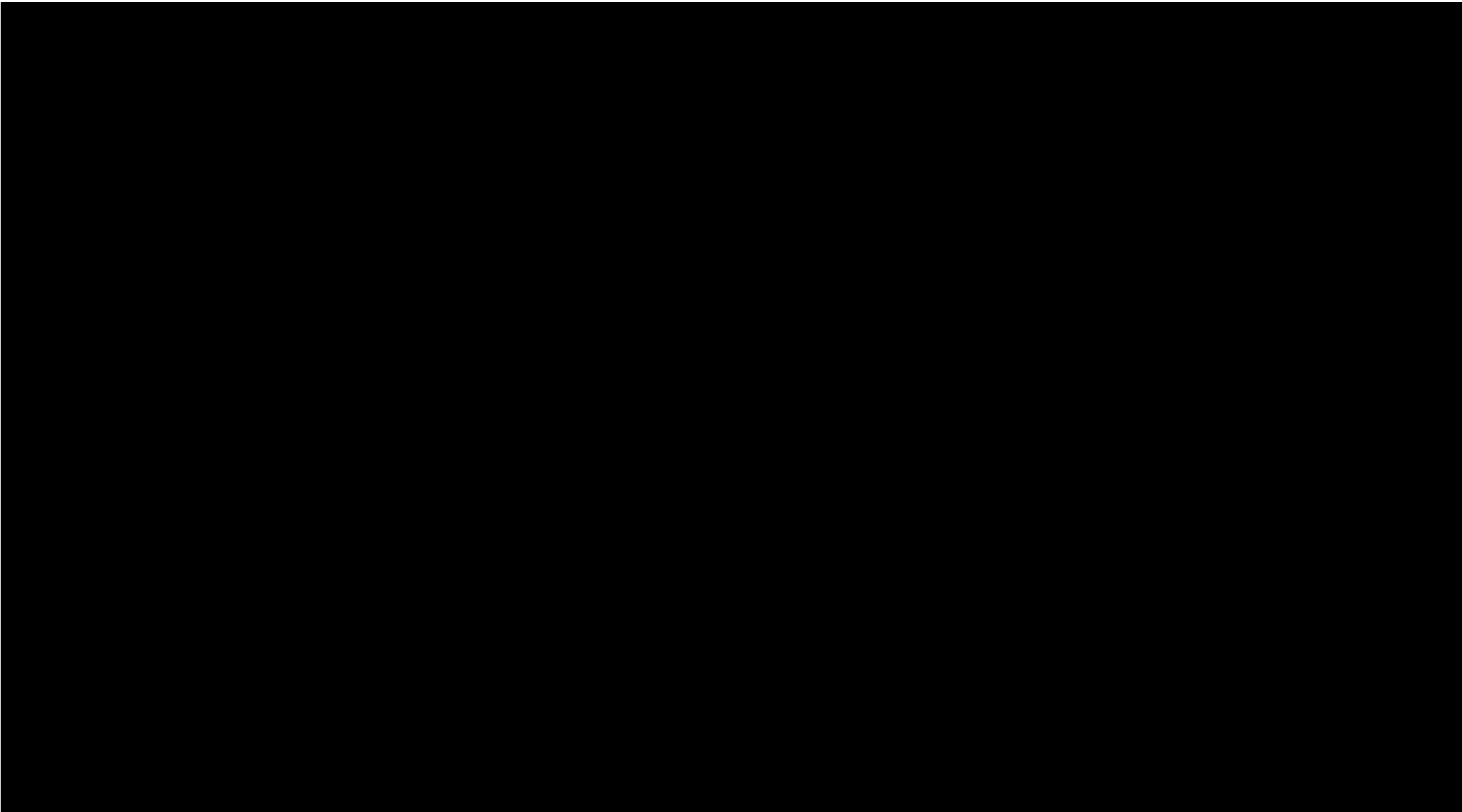
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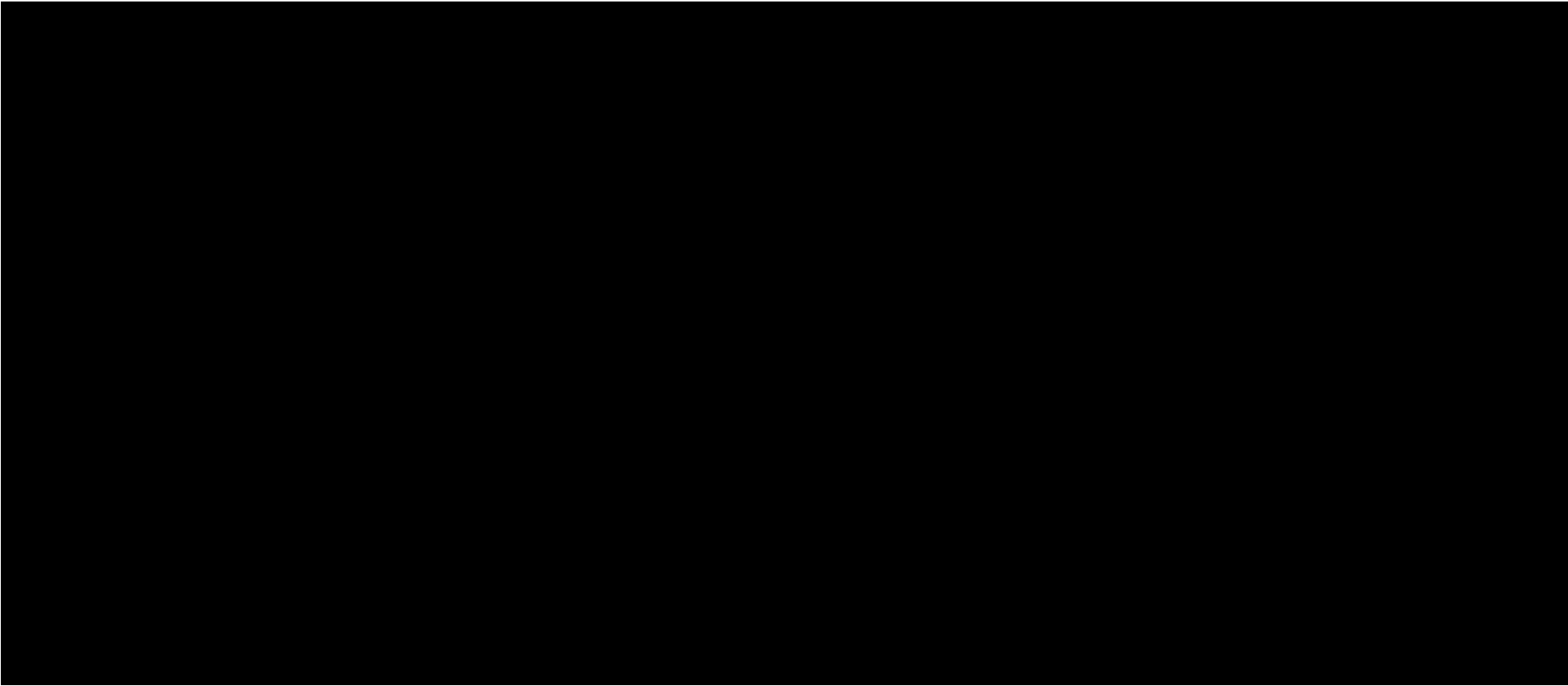
Appendix B
FINANCIAL SCHEDULES

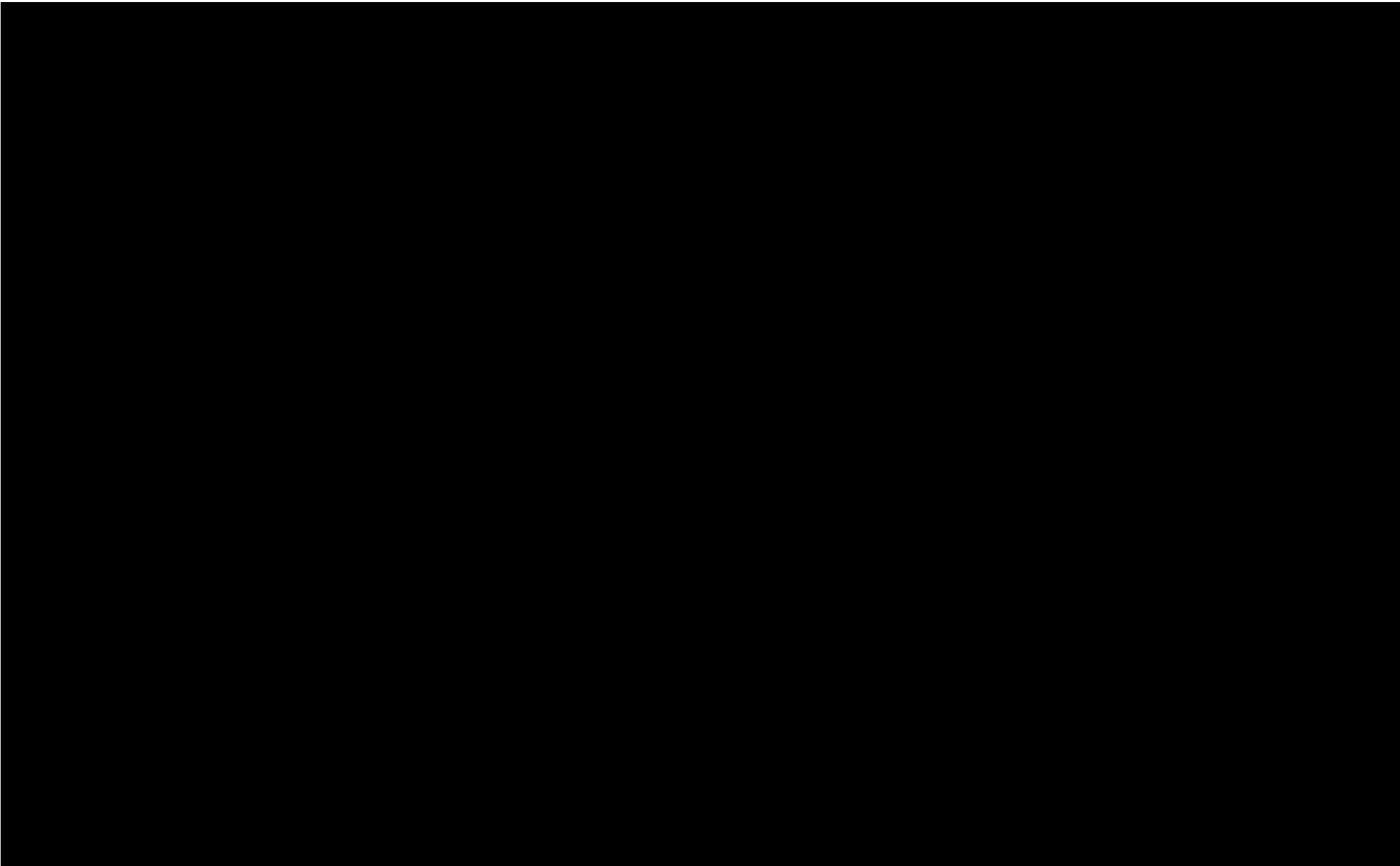
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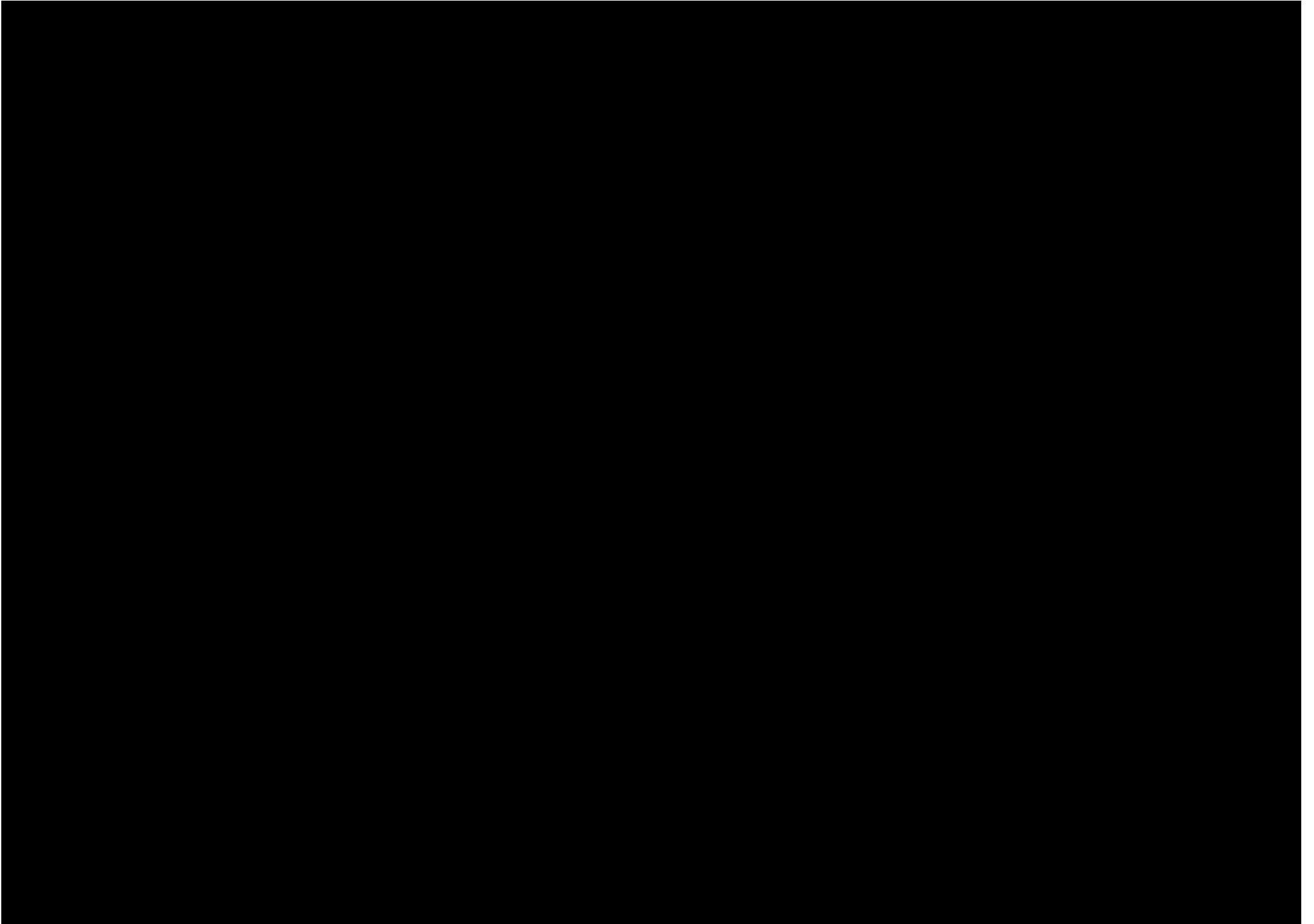


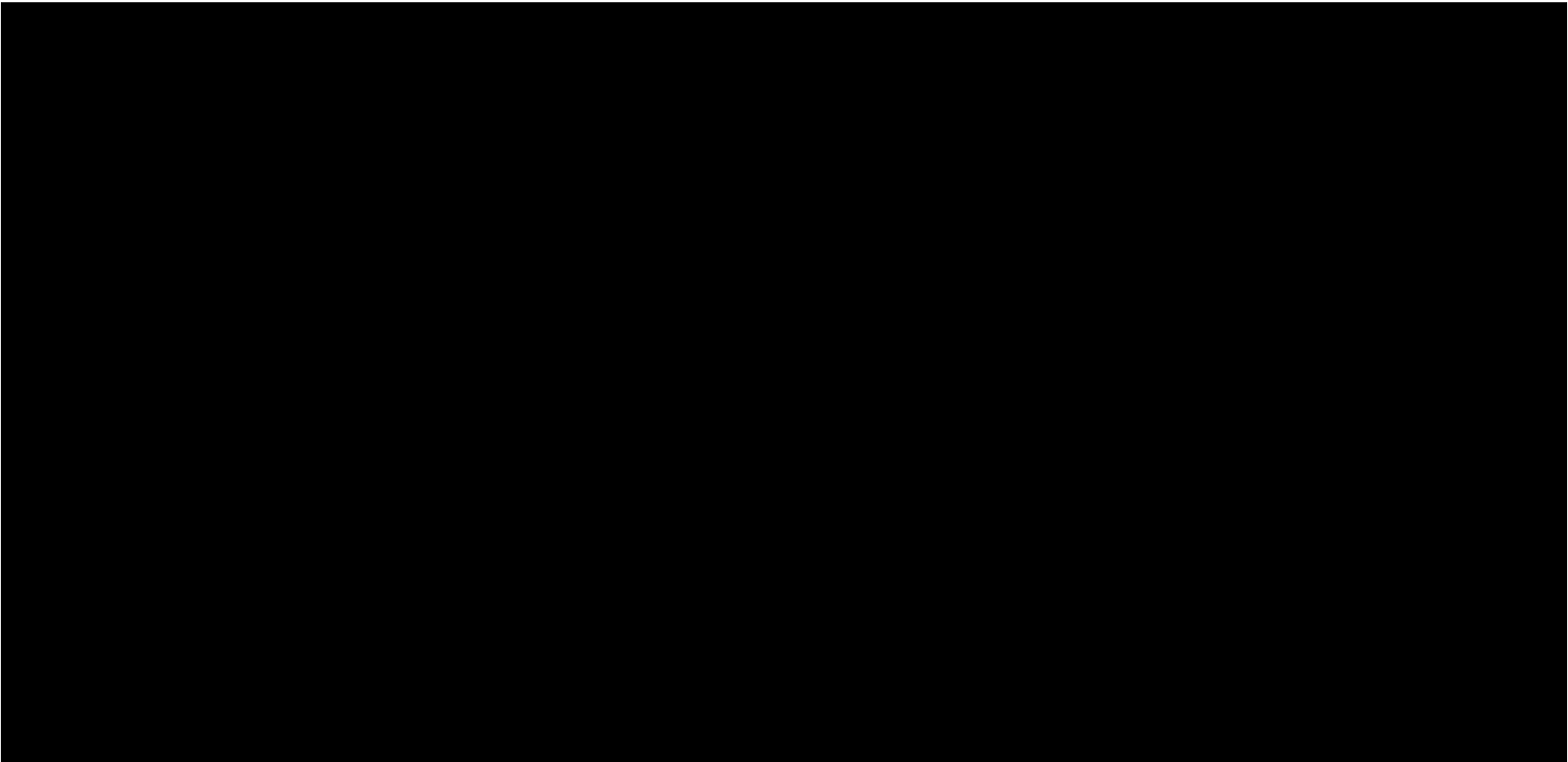


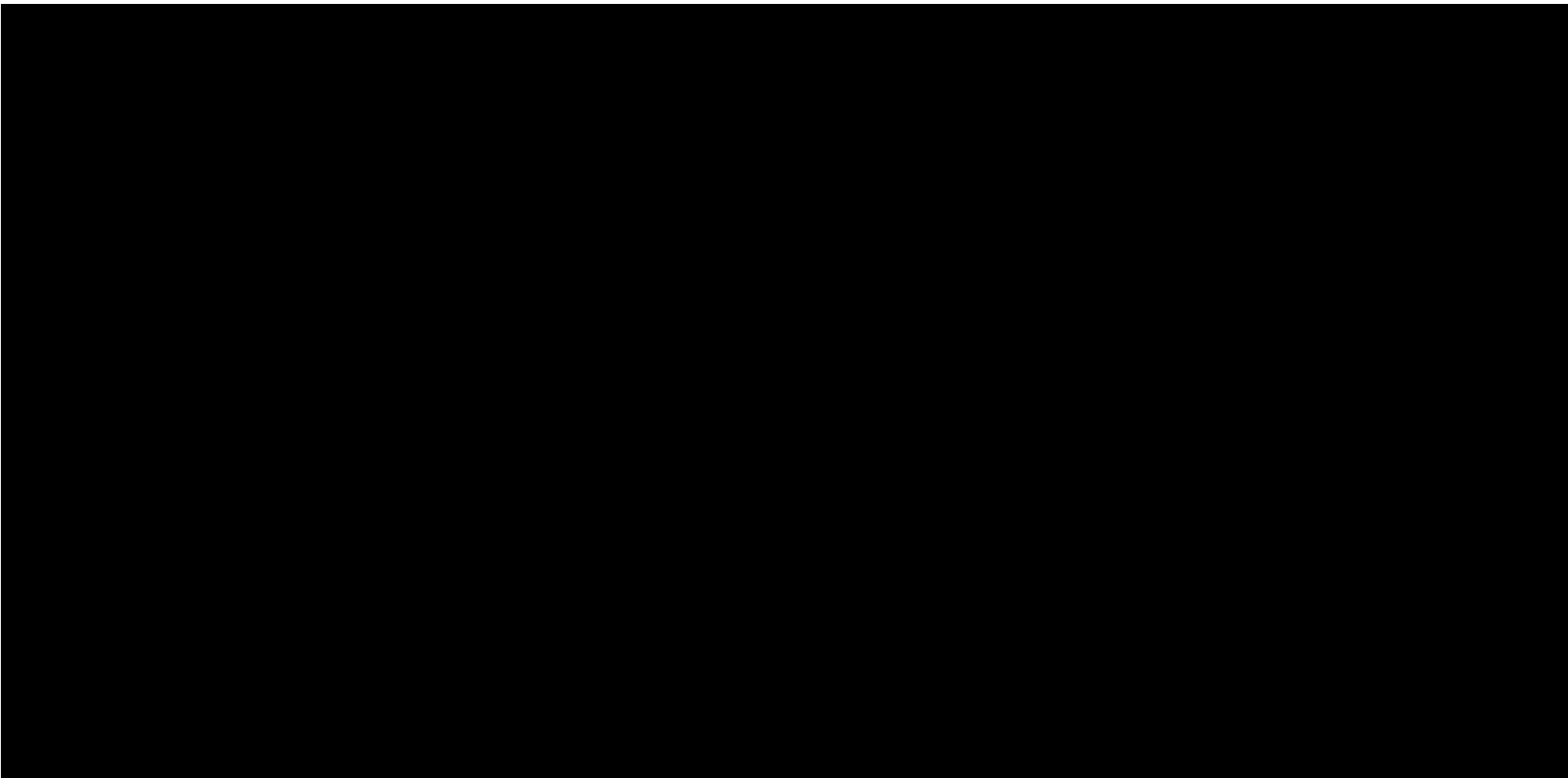


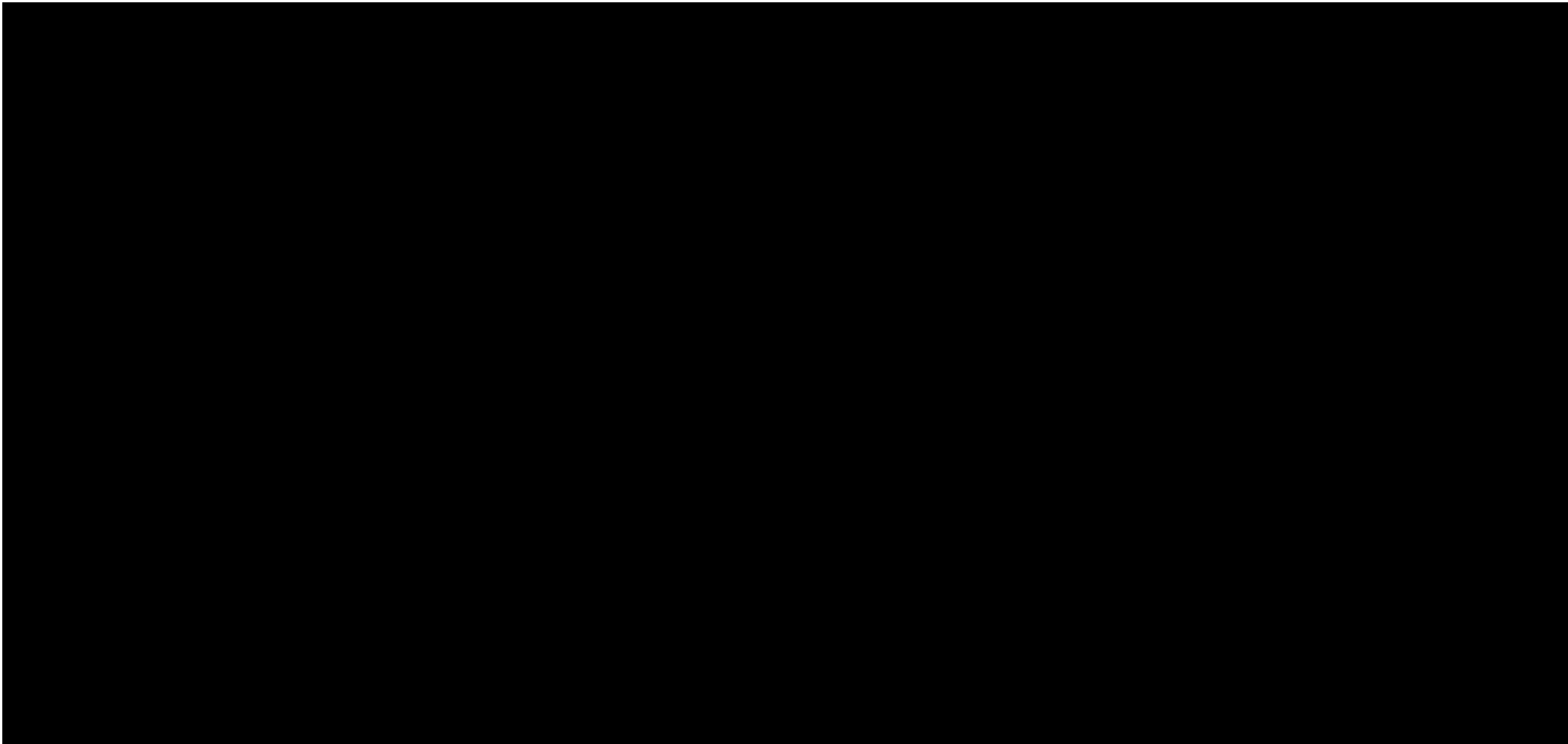


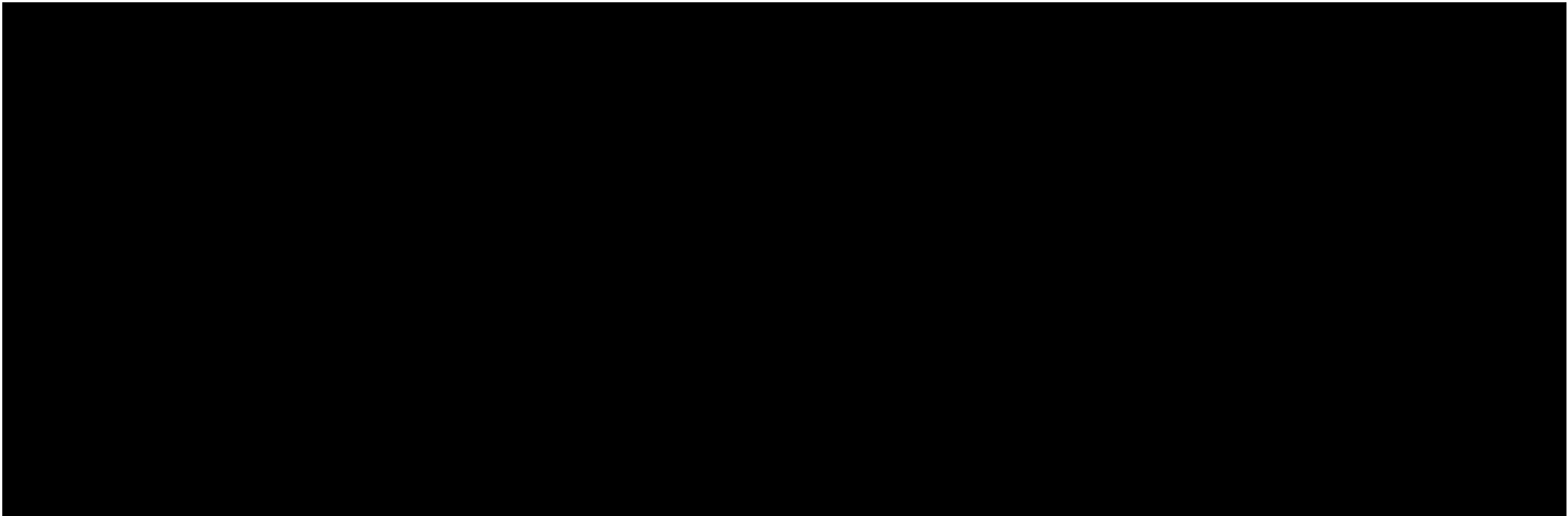


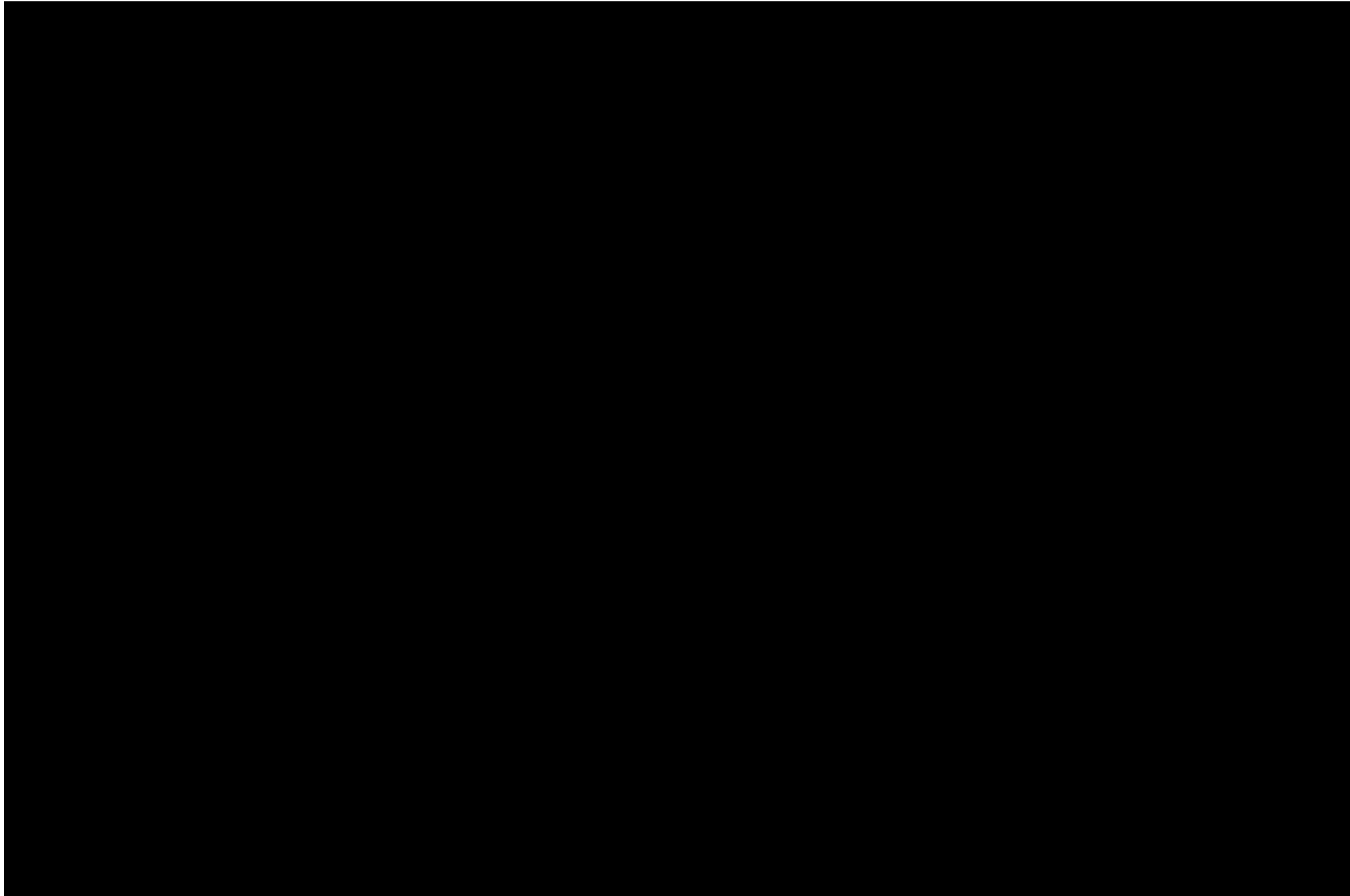


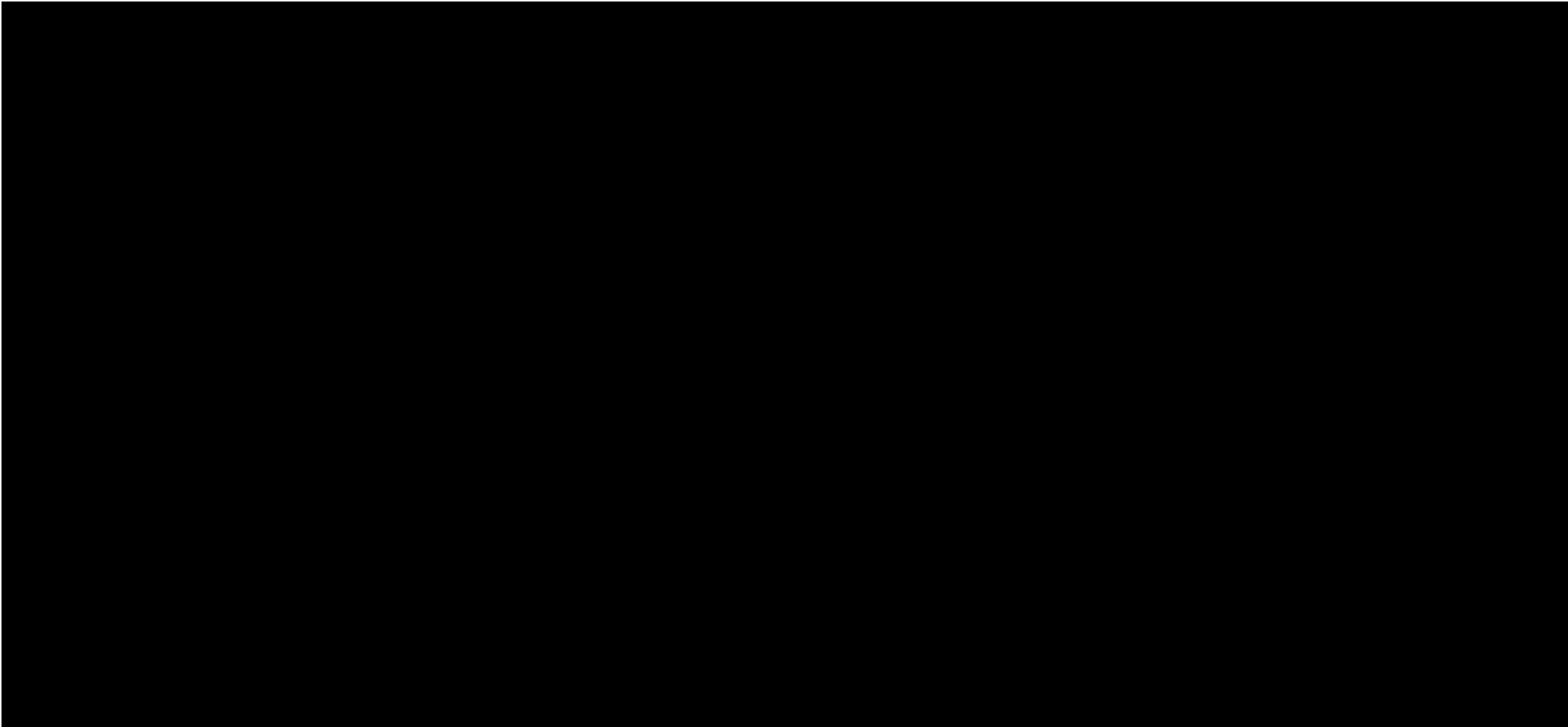












Appendix C
DRAFT ORDER

ORDER NUMBER

E-xx-xx

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

and

FortisBC Energy Inc.
Application for Acceptance of a Biomethane Purchase Agreement between
FortisBC Energy Inc. and Shell North America (Canada) Inc.

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on Date

ORDER

WHEREAS:

- A. On April 29, 2021, pursuant to section 71 of the *Utilities Commission Act* (UCA) and the British Columbia Utilities Commission (BCUC) Rules for Natural Gas Energy Supply Contracts (Rules), FortisBC Energy Inc. (FEI) applied to the BCUC seeking acceptance of a Biomethane Purchase Agreement (BPA) between FEI and Shell Energy North America (Canada) Inc. (Shell) (Filing);
- B. Section 18(1) of the *Clean Energy Act* (CEA) defines a prescribed undertaking as “...a project or program, contract or expenditure that is in a class of projects, programs, contracts or expenditures prescribed for the purpose of reducing greenhouse gas emissions in British Columbia”;
- C. Section 18(3) of the CEA states that “The commission must not exercise a power under the UCA in a way that would directly or indirectly prevent a public utility...from carrying out a prescribed undertaking”;
- D. Section 2(3.8) of the *Greenhouse Gas Reduction Regulation* (GGRR) states that the acquisition of renewable natural gas (RNG) is a prescribed undertaking subject to:
 - 1. The public utility paying no more than \$30/GJ; and
 - 2. The total volume of RNG purchased in a calendar year not exceeding 5 percent of the total volume of natural gas provided by a public utility to its non-bypass customers in 2015;
- E. The BCUC has not reviewed the Filing from a public interest perspective as it is a prescribed undertaking under section 18(1) of the CEA;

F. FEI requests that the redacted portions of the Filing and certain appendices be kept confidential due to their commercially sensitive nature; and

G. The BCUC has reviewed the Filing and considers the following determinations are warranted.

NOW THEREFORE pursuant to section 71 of the UCA, the Rules and section 18 of the CEA, the BCUC orders as follows:

1. The BCUC accepts for filing the BPA between FEI and Shell.
2. The BCUC will keep the redacted portions of the Application and certain appendices confidential as requested by FEI as they contain commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner