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October 20, 2021

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, B.C.
V6Z 2N3

Attention: Mr. Patrick Wruck, Commission Secretary

Dear Mr. Wruck:

Re: FortisBC Energy Inc. (FEI)
Project No. 1599232
Annual Review for 2022 Delivery Rates (Application)
Response to Workshop Undertakings

On July 30, 2021, FEI filed the Application referenced above. In accordance with the regulatory timetable established in the British Columbia Utilities Commission Order G-227-20 for the review of the Application, FEI respectfully files the attached response to the undertaking from the Workshop held on October 15, 2020.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Registered Parties

FortisBC Energy Inc. (FEI)
Annual Review for 2022 Delivery Rates Application

UNDERTAKING No. 1

HEARING DATE: Workshop, October 15, 2021

TRANSCRIPT REFERENCE: Volume 1, page 97, line 17 to page 99, line 17

REQUESTOR: Mr. Andrews, BCSEA

WITNESS: Ms. Robertson

QUESTION: Regarding BC OGC seal gas requirements for compressors stations (BCSEA IR 6.3), please explain what is the number of compressors involved, the status of the initiative and where it's moving forward to, and whether it is a productive way of reducing greenhouse gas emissions.

RESPONSE:

FEI is currently evaluating five compressor stations for meeting or exceeding BC OGC seal gas requirements. FEI has prepared ACCE class 5 cost estimates for four of these compressor stations, as part of the two projects described below. These projects would allow FEI to exceed all regulatory requirements for seal gas in the BC OGC Drilling and Production Regulation.

- **Vancouver Island Transmission System Improvement (VITSI) Project:** The VITSI Project involves the installation of a seal gas recapture system on the existing dry units at FEI compressor stations V1 and V3. The total project cost is estimated to be \$2.8 million. The GHG emissions reductions are estimated to be 3,200 tCO₂e/year for the VITSI Project.
- **Interior Compressor Upgrade (ICU) Project:** The ICU Project, involves the replacement of existing wet seal units with a dry seal unit and seal recapture system at FEI's Savona and Kingsvale compressor stations. The total project cost is estimated to be \$7.8 million. The GHG emissions reductions are estimated to be 5,800 tCO₂e/year for the ICU Project.

FEI has applied to the Province of BC CleanBC Industry fund for \$9.5 million in funding for the VITSI and ICU projects. A funding decision from the Government of BC is pending. With this CleanBC funding, and based on the CO₂ reductions anticipated from the projects, FEI considers these to be effective investments in reducing GHGs. Concurrently, these projects are being considered as part of FEI's capital expenditure budgeting process. Once CleanBC funding has been established, engineering design drawings and refined cost estimates will be generated. Total project timeline is approximately three years in duration.

FEI is also evaluating its V4 Texada Island compressor station for seal gas venting requirements. The V4 compressor station is a peaking station and only runs intermittently (on average 100 hours/year). Given its low run hours and high potential cost for upgrade, FEI plans to consult with the BC OGC on how to address seal gas venting requirements for this station. As such, FEI has not yet prepared an ACCE class 5 estimate for the V4 compressor station.