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December 22, 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 Delta RNG Holdings, Inc. (Delta RNG)**

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

The Delta RNG BPA establishes the terms and conditions for Delta RNG to supply biomethane, or renewable natural gas (RNG)<sup>1</sup>, to FEI for injection into FEI's existing natural gas system. In order to monitor the quantity and quality of the biomethane supplied to FEI from Delta RNG, and to inject the supplied biomethane into FEI's pipeline, FEI will construct, own, and operate an interconnection station and interconnection pipeline (collectively the FEI Facilities) at the edge of the Delta RNG Facility. The cost of the FEI Facilities will be fully paid for by Delta RNG through a contribution in aid of construction (CIAC). Additionally, the operating and maintenance (O&M) costs incurred by FEI for the FEI Facilities will be recovered from Delta RNG annually. Collectively, the Delta RNG BPA and the FEI Facilities will be referred to as the Project.

The acquisition of biomethane under the Delta RNG 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).

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<sup>1</sup> RNG is a synonym for biomethane.

## **1. APPROVALS SOUGHT**

FEI is seeking acceptance from the BCUC of the Delta RNG BPA, pursuant to section 71 of the UCA and the BCUC's Rules for Natural Gas Energy Supply Contracts. As the Delta RNG BPA is a prescribed undertaking under section 18 of the CEA and the GGRR, FEI respectfully submits that the BCUC should accept the BPA without any regulatory process. FEI acquires RNG in an increasingly competitive market, and unnecessary regulatory process can adversely impact FEI's ability to negotiate acquisitions of RNG at the lowest reasonable cost. The BCUC has previously accepted BPAs located in British Columbia that are prescribed undertakings with either minimal regulatory process, or without any regulatory process, e.g., BCUC Orders G-60-20 and E-13-20.

FEI further requests that the confidential, unredacted version of this Application, including the unredacted version of the Delta RNG BPA attached as Appendix A, the confidential financial schedules attached as Appendix B, and the BPA Project Summary attached as Appendix C, 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.

The Delta RNG 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 Renewable Gas (RG) Program and potentially impact rates for all non-bypass customers. FEI has redacted the confidential information from the public version of this Application. Keeping this information confidential will ensure that market sensitive information is protected, preserving FEI's ability to negotiate competitive pricing for RNG in the future.

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

## **2. LEGAL COUNSEL**

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## **3. 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. Section 18 of the CEA states:

18 (1) In this section, "prescribed undertaking" means a project, 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.

(2) In setting rates under the Utilities Commission Act for a public utility carrying out a prescribed undertaking, the commission must set rates that allow the public utility to collect sufficient revenue in each fiscal year to enable it to recover its costs incurred with respect to the prescribed undertaking.

(3) The commission must not exercise a power under the Utilities Commission Act in a way that would directly or indirectly prevent a public utility referred to in subsection (2) from carrying out a prescribed undertaking.

(4) A public utility referred to in subsection (2) must submit to the minister, on the minister's request, a report respecting the prescribed undertaking.

(5) A report to be submitted under subsection (4) must include the information the minister specifies and be submitted in the form and by the time the minister specifies.

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.

(3.9) The volume referred to in subsection (3.8) (b) does not include renewable natural gas acquired by the public utility that the public utility provides to a customer in accordance with a rate under which the full cost of the following is recovered from the customer:

- (a) the acquisition of the renewable natural gas;
- (b) the service related to the provision of the renewable natural gas.

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.”<sup>2</sup>

The BCUC in its Decision and Order G-122-19<sup>3</sup> 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.<sup>4</sup>

On May 25, 2021 the LGIC issued OIC 306/2021 which further amended section 2 to the GGRR related to RNG, including as follows:

*(a) by adding the following subsection:*

(3.71) For the purposes of subsection (3.8), “acquires renewable natural gas” includes producing renewable natural gas by producing or purchasing biogas and upgrading it to renewable natural gas, and

*(b) by repealing subsection (3.8) and substituting the following:*

(3.8) The public utility acquires renewable natural gas

(a) at costs that meet the following criteria, as applicable:

(i) if the public utility acquires renewable natural gas by purchasing it, the price of the renewable natural gas does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the contract for purchase is signed;

(ii) if the public utility acquires renewable natural gas by producing it, the levelized cost of production reasonably expected by the public utility does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the public utility decides to construct or purchase the production facility, and

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<sup>2</sup> In the Matter of FEI’s Application for Acceptance of the Biogas Purchase Agreement between FEI and the City of Vancouver, Exhibit C1-2.

<sup>3</sup> In the Matter of FEI’s Application for Acceptance of the Biogas Purchase Agreement between FEI and the City of Vancouver.

<sup>4</sup> Decision and Order G-122-19, page 8.

(b) that, in a calendar year, does not exceed 15% of the total amount, in GJ, of natural gas provided by the public utility to its non-bypass customers in 2019, subject to subsection (3.9) and section 10.

OIC 306/2021 also added section 9 of the GGRR, which sets a maximum price of \$31 dollars for fiscal year 2021/22.<sup>5</sup> The maximum price increases each fiscal year.

OIC 306/2021 also added section 10 of the GGRR, which indicates that acquisitions of hydrogen, synthesis gas, and lignin under sections 6, 7 and 8 of the GGRR also count towards the maximum volume.

The maximum volume of 15 percent in the GGRR is the implementation of the Province's CleanBC plan. The CleanBC plan states that it will put in place a minimum requirement for 15 per cent renewable content in natural gas by 2030, stating:<sup>6</sup>

As part of CleanBC, we will work with natural gas providers to put in place a minimum requirement for 15 per cent renewable content in natural gas by 2030. That means the gas we use in our furnaces, water heaters, dryers, stoves and other gas appliances will have less impact on the environment, and the methane that is wasted from agriculture, sewage and landfills will be significantly reduced. Waste hydrogen can also be mixed with the natural gas we use in our homes and will provide additional renewable natural gas for our needs.

The purpose of this class of prescribed undertaking is to facilitate FEI acquiring RNG, or other renewable gases, up to the maximum amount so that the Province can realize its greenhouse gas reduction goals in the CleanBC plan.

#### **4. THE DELTA RNG BPA IS A PRESCRIBED UNDERTAKING**

Under the amended GGRR, the three part-test for a BPA or project to qualify as a prescribed undertaking can be restated as follows:

- The public utility must be acquiring RNG (as opposed to some other form of commodity);
- The public utility must pay no more than the applicable maximum price for that RNG; and
- The volume of RNG, hydrogen, synthesis gas, and lignin that the public utility acquires in a calendar year must not exceed 15% of the total amount, in GJ, of natural gas provided by the public utility to its non-bypass customers in 2019, subject to subsection (3.9) and section 10 of the GGRR.

The Delta RNG BPA satisfies the three-part test and qualifies as a prescribed undertaking based on the following:

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<sup>5</sup> Beginning April 1, 2021.

<sup>6</sup> CleanBC plan, at page 36. Online: [CleanBC: our nature. our power. our future. \(gov.bc.ca\)](https://gov.bc.ca/cleanbc)

1. Under BPA, FEI is acquiring RNG by purchasing finished biomethane from Delta RNG. Biomethane is a synonym for RNG.

As noted in by the BCUC in its Reasons for Decision accompanying Order E-14-21, there are two aspects to this portion of the test: “that FEI is acquiring something, and that what is being acquired is RNG.”

The BCUC has repeatedly agreed with FEI, including in its Reasons for Decision accompanying Order E-14-21, that purchasing meets the “acquire” aspect of the test. This is primarily based on the *Interpretation Act*, which states that, in an enactment, “acquire” means “to obtain by any method and includes accept, receive, purchase, be vested with, lease, take possession, control or occupation of, and agree to do any of those things, but does not include expropriate.” [Emphasis added.] As FEI is purchasing something under the Delta RNG BPA, this aspect of the test is met.

As for the second aspect of this part of the test, the terms of the Delta RNG BPA make it clear that FEI is acquiring RNG, as opposed to some other commodity. FEI will be purchasing biomethane produced by the Delta RNG facilities, which is derived from the decomposition of organic waste material at the City of Vancouver landfill. Schedule A of the Delta RNG BPA indicates the specifications that the biomethane must meet in order for FEI to accept it from Delta RNG. The only B.C. statutory definition of biomethane is in the *Carbon Tax Act*, which states that biomethane is methane produced from biomass. This is consistent with how FEI has defined RNG since the beginning of its Renewable Gas Program over a decade ago, as embedded in FEI’s BCUC-approved General Tariff Terms and Conditions. As with its other BPAs, FEI is acquiring all environmental attributes associated with the RNG, as specified in Section 7.1 of the Delta RNG BPA.

It is therefore clear that FEI is acquiring RNG through the Delta RNG BPA.

2. The Delta RNG BPA was signed in September 2021, which is within the 2021/2022 fiscal year as defined in the GGRR, and, therefore, the applicable maximum price is \$31. The acquisition price for RNG in the Delta RNG BPA is no more than the \$31 per GJ maximum acquisition price. Section 2.4 of Schedule D in the Delta RNG BPA states that the purchase price must not exceed the maximum regulated purchase price established by the Province of BC. Delta RNG will fully pay for the capital and O&M costs of the FEI Facilities as indicated in Article 3 of the Delta RNG BPA.
3. FEI will manage its RG acquisitions in each calendar year to be within the maximum aggregate amount for RNG, hydrogen, synthesis gas and lignin specified in the GGRR. Specifically, if FEI were to acquire more than the maximum amount of RNG in any calendar year, FEI would sell an amount of RNG equivalent to the overage at full cost such that this amount would not count towards the cap per s. 2(3.9) of the GGRR. FEI reports regularly to the BCUC on its RG acquisitions. As such, FEI’s compliance with the cap on RG acquisitions can be overseen. In any case, FEI’s total capacity to acquire RG is well below the calculated maximum volume set out in section 2(3.8)(b) in the GGRR for FEI of approximately 30.079 PJs. The contractual maximum volume of RNG

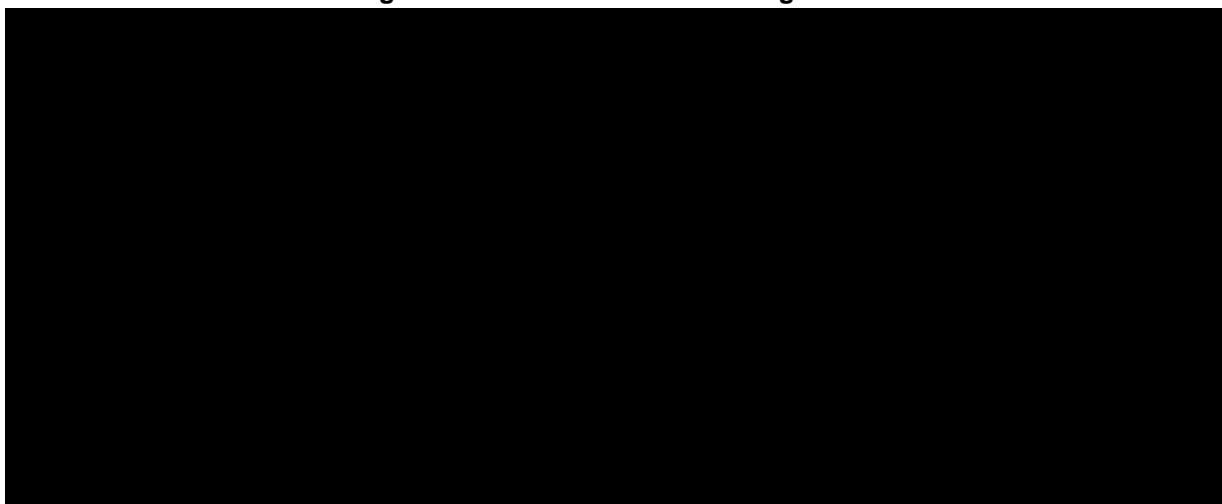
under the Delta RNG BPA is [REDACTED] GJs, and the total maximum of FEI's contracted RG volume in its portfolio, if the Delta RNG BPA is accepted, would be [REDACTED] GJ annually.<sup>7</sup> A summary of approved BPAs and contracted volumes is included in Appendix C. FEI has not yet acquired any hydrogen, synthesis gas, or lignin.

As FEI has demonstrated above, the three-part test under Section 2(3.8) of the GGRR is satisfied.

## 5. PROJECT OVERVIEW

This section provides a high-level overview of the project that will supply finished biomethane to FEI under the Delta RNG BPA (Project). Delta RNG will construct a facility capable of purifying Landfill Gas (LFG) which is supplied from the City of Vancouver Landfill (COV Landfill) located across the highway from Village Farms International Inc. (Village Farms). A portion of the LFG produced at the landfill is currently sold to Village Farms under an agreement with the City of Vancouver. As Village Farms has a reduced need for the LFG in its existing greenhouse operations, the LFG under the Delta RNG BPA will be sold to Delta RNG, to be upgraded to biomethane, which in turn will be sold to FEI for use in the the RG program. This is a separate arrangement for LFG produced at the landfill which is not already contracted to FEI under the COV BPA. A key difference is that, under the COV BPA, FEI will own the upgrader to purify the LFG to RNG as part of the FEI Facilities. This arrangement is summarized in Figure 1 below.

**Figure 1: COV Landfill Gas Arrangement<sup>8</sup>**



### 5.1 PROJECT SUMMARY

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

<sup>7</sup> Figure is inclusive of the RDFFG BPA.

<sup>8</sup> Volumes listed in Figure 1 represent the expected volumes of RNG annually.



**Table 1: Table of Concordance**

Project Characteristic	Description
Is FEI acquiring biogas or biomethane?	Yes - FEI is purchasing finished biomethane from Delta RNG
Is FEI making a capital investment?	Yes – FEI will construct, own and operate an interconnection facility.
Are the costs of the capital investment recovered from the producer (if applicable)?	Yes – Delta RNG will pay for the actual capital cost of FEI's interconnection facilities and will pay for FEI's annual operating costs related to the interconnection facilities.
Does the price to acquire biomethane (including any capital or operating costs incurred by FEI) exceed the \$31 per GJ maximum price at any time during the Project term?	No – Section 2.4 and Section 3 of Schedule D, and Article 3 of the Delta RNG BPA stipulate that the Maximum Price payable to Delta RNG for RNG cannot exceed the GRR maximum and that Delta RNG will pay for the actual costs (capital and O&M) of FEI's interconnection facilities.
Will the Project's supply of biogas or biomethane result in FEI's total annual volume of biomethane, hydrogen, synthesis gas, and lignin exceeding 15% of the total volume of natural gas provided by FEI to its non-bypass customers in 2019?	No

## **5.2 PROJECT LOCATION AND FACILITIES**

Delta RNG will produce RNG from the existing greenhouse facility owned by Village Farms. FEI will own and operate interconnection facilities onsite to test and odourize the RNG before it enters FEI's distribution system. FEI will construct a new 2.7 km Transmission Main (TP Main) to inject the RNG into the existing TP Main nearby. Biomethane will be delivered to FEI via the FEI Facilities, as described in Section 5.4, which is an FEI-owned interconnection station and pipe to the existing FEI natural gas system. The facility locations are shown in Figure 2 below.



**Figure 2: Facility Locations**



### **5.3 PROJECTED SUPPLY**

Delta RNG expects commercial operation to commence by the end of 2022. The Project is expected to produce approximately [REDACTED] GJ/year .

### **5.4 FEI FACILITIES**

In order to monitor the quantity and quality of the biomethane supplied to FEI from the Delta RNG Facilities, and to inject the supplied biomethane into FEI's pipeline, FEI will construct, own, and operate the FEI Facilities, which include an interconnection station and interconnection pipeline at the northeastern edge of the Delta RNG Facilities. As previously discussed, Delta RNG will fully pay for the FEI Facilities through a CIAC and FEI will recover the O&M costs for the FEI Facilities from Delta RNG annually.

The interconnection station will serve the same function as other biomethane injection stations, including the following:

- Gas composition analysis (methane, oxygen, carbon dioxide, carbon monoxide, hydrogen, and hydrogen sulphide);
- Biomethane flow measurement;
- Pressure regulation;
- Safety shutoff and return to customer flow;
- Odourization;

- Communications; and
- Automatic control.

The Project contractual maximum production volume of [REDACTED] GJ/year equates to an injection rate of approximately [REDACTED] Nm<sup>3</sup>/h.<sup>9</sup> To accommodate up to this injection rate, and based on the Project location, FEI will connect the Project to the existing FEI TP Main nearby. This will require FEI to construct approximately 2,700 metres of 168 millimetre steel interconnection pipe between the FEI interconnect station and the existing FEI TP Main located northwest of the property. The interconnection pipe route is shown in Figure 2 above.

## 6. ANALYSIS OF THE PROJECT

This section provides an analysis of the Project, including a summary of key terms of the Delta RNG BPA, the risks and mitigation measures associated with the Project, the FEI Facilities costs, the cost of service attributable to the Delta RNG BPA, and the incremental rate impact of the Project for FEI's non-bypass customers.

### 6.1 SUMMARY OF THE DELTA RNG BPA

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

**Table 2: Delta RNG BPA Summary**

Item	Delta RNG BPA Amount	BPA Clause	Comment
Contract Term	[REDACTED] Years	Section 2.1	
Renewal Term	[REDACTED] Years	Section 2.3	
Minimum Annual Volume	[REDACTED] GJ	Schedule D Section 1.1(b)	Represents the minimum biomethane volume that FEI agrees to purchase annually from Delta RNG.
Maximum Annual Volume	[REDACTED] GJ	Schedule D Section 1.1(a)	Represents the maximum biomethane volume that FEI agrees to purchase annually from Delta RNG.
Price (per GJ)	[REDACTED] + Inflation Factor	Schedule D Section 2.1	Represents the price (in CAD), that FEI will pay to Delta RNG for biomethane, subject to the maximum acquisition price.

<sup>9</sup> This translates to an equivalent of [REDACTED]

Item	Delta RNG BPA Amount	BPA Clause	Comment
Inflation Factor on Price	[REDACTED]	Schedule D Section 2.2	[REDACTED]
Maximum Price	BCUC or BC Government RNG Supply Purchase Price	Schedule D Section 2.4	Maximum Price as determined by FEI will not exceed the GRR maximum acquisition cost.
Contribution In Aid of Construction – FEI Facilities	Capital Cost Contribution and Annual Operations and Maintenance Costs	Article 3 and Section 3 of Schedule D	Delta RNG will pay the actual capital cost of the FEI Facilities through a CIAC and pay for actual O&M costs attributable to the FEI Facilities.

## 6.2 RISKS AND MITIGATION

FEI has obtained contractual assurances from Delta RNG within the BPA to mitigate Project risks on the biomethane volume and FEI stranded assets. Further, the maximum price payable by FEI to Delta RNG for biomethane cannot exceed the GRR maximum acquisition cost. This contractually established maximum price, coupled with Delta RNG's agreement to fully pay for the capital and O&M costs of the FEI Facilities, eliminates the risk that FEI's acquisition cost for biomethane will exceed \$31 per GJ.

The risks and associated mitigation measures are summarized in Table 3.

**Table 3: Risks and Mitigation**

Risk Item	Description of Risk Item	Risk Mitigation – BPA Clause	Description of Risk Mitigation
Undersupply	Delta RNG is not able to deliver the minimum contractual volume of biomethane.	Article 8	In the event of default by Delta RNG, FEI may terminate at no cost and recover the cost of the FEI Facilities, including the cost of removal.
Stranded Assets	FEI assets not recoverable in the event the agreement is terminated.	Article 9	In the event of default by Delta RNG, FEI may terminate at no cost and recover the cost of the FEI Facilities, including the cost of removal.

### **6.3 COST FOR THE FEI FACILITIES**

The estimated capital cost for the FEI Facilities is between [REDACTED], excluding Allowance for Funds Used During Construction (AFUDC) which is estimated to be [REDACTED]. As specified in the Delta RNG BPA, Delta RNG will pay, in the form of a CIAC, the actual capital cost of the FEI Facilities, including AFUDC, to FEI subsequent to the completion of the construction of the FEI Facilities.

The annual O&M cost for the FEI Facilities is forecast to be approximately [REDACTED]. This amount is primarily comprised of parts, labour, electricity costs and odourant. FEI will invoice Delta RNG annually for the actual O&M costs incurred for the FEI Facilities.

### **6.4 COST OF SERVICE AND INCREMENTAL RATE IMPACT**

The costs associated with the Delta RNG BPA include the price paid to Delta RNG for biomethane, which is [REDACTED] escalated annually by [REDACTED], up to the maximum supply purchase price established by the Province of BC, as specified in Section 2.4 of Schedule D of the BPA.

To calculate the incremental rate impact, FEI used the expected annual volume of [REDACTED] GJs for the duration of the Delta RNG BPA term.

The incremental rate impact associated with the Delta RNG 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 0.89 percent or \$0.040 per GJ<sup>10</sup>, resulting in an average annual bill impact of \$3.61. This analysis is based on an average residential customer consuming 90 GJs per year.

## **7. CONCLUSION**

The CleanBC plan provides policy direction in BC to increase renewable gas supply to 15 percent by 2030. To help achieve that policy goal, the GGRR facilitates the acquisition of renewable gases, including RNG, hydrogen, synthesis gas, and lignin, up to 15 percent of the total amount, in GJs, of natural gas provided by FEI to its non-bypass customers in 2019.

The Delta RNG BPA will help achieve the Province's 15 percent target as the expected annual RNG that will be delivered to FEI under the BPA is approximately [REDACTED] GJ/year. Further, the Delta RNG BPA enables FEI to acquire RNG for its customers beginning in 2023.

The Delta RNG BPA satisfies the three-part test to be a prescribed undertaking under section 2(3.8) of the GGRR. The Delta RNG BPA is for the acquisition of RNG at an acquisition price that cannot exceed the GGRR maximum price. While FEI's current capacity to acquire RNG, hydrogen, synthesis gas, and lignin does not approach the maximum volume in the GGRR at

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<sup>10</sup> Appendix B, Schedule 11, Line 10.

this time, in the future FEI will manage its volumes of RG supply to be within the maximum volume allowed by the GGRR each calendar year.

FEI has filed a copy of the Delta RNG BPA with the BCUC pursuant to FEI's obligation under section 71 of the UCA to file energy supply contracts. RNG is methane and, therefore, the Delta RNG BPA is an energy supply contract as defined in section 68 of the UCA. As the acquisition of RNG under the Delta RNG BPA is a prescribed undertaking, the BCUC must accept the BPA under section 71 of the UCA due to section 18 of the *Clean Energy Act*, which forbids the BCUC from exercising its powers in any way that would directly or indirectly prevent FEI from carrying out a prescribed undertaking. Therefore, FEI respectfully requests that the BCUC accept the BPA under section 71 of the UCA without regulatory process.

If further information is required, please contact Scott Gramm, Senior Manager, Renewable & Low Carbon Fuel Development, at (604) 576-7242.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

**Appendix A**

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**FEI-DELTA RNG  
BIOMETHANE PURCHASE AGREEMENT**

## BIOMETHANE PURCHASE AGREEMENT

THIS AGREEMENT made as of September 23, 2021 (the “**Execution Date**”)

**BETWEEN:**

**FORTISBC ENERGY INC.**, 16705 Fraser Highway, Surrey, British Columbia V4N 0E8  
(“**FEI**”)

**AND:**

**DELTA RNG HOLDINGS, INC.**, 3340 Peachtree Road NE, Suite 170, Atlanta, Georgia, 30326  
(the “**Supplier**”)

**WHEREAS:**

- A. The Supplier intends to finance, design, construct, operate and maintain a biofuel processing facility (the “**RNG Facility**”) on premises located at 4700 80 Street, Delta, BC (the “**Lands**”) to capture, purify and upgrade the biogas to pipeline quality biomethane (the “**Biomethane**”) for injection into FEI’s existing natural gas distribution system.
- B. The Lands are leased to the Supplier pursuant to a written agreement with the owner of the Lands, **VILLAGE FARMS INTERNATIONAL, INC.**, (the “**Landlord**”) dated [REDACTED], (the “**Lease Agreement**”), and landfill gas is purchased by the Supplier pursuant to a written agreement with **VF CLEAN ENERGY, INC.** dated [REDACTED] (the “**LFG Agreement**” and, together with the Lease Agreement, the “**VF Agreements**”).
- C. To monitor the quality and quantity of the Biomethane and inject the Biomethane into FEI’s existing natural gas distribution system adjacent to the Lands, FEI intends to finance, construct and operate facilities on the Lands to connect the Supplier’s facilities to FEI’s gas distribution system. The Supplier, with the consent of the Landlord, has agreed to grant FEI continued access to, and use of a portion of, the Lands to operate and maintain its facilities on the Lands.
- D. FEI wishes to purchase, and the Supplier wishes to sell the Biomethane to FEI on the terms and conditions provided in this Agreement.

**NOW THEREFORE**, in consideration of the mutual promises set out herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the Supplier and FEI (collectively the “**Parties**” and either of them a “**Party**”) agree as follows:

### ARTICLE 1 – REGULATORY REVIEW AND CONDITION PRECEDENT

- 1.1 **Application of *Utilities Commission Act*.** The Supplier acknowledges FEI is a public utility as defined in the British Columbia *Utilities Commission Act* [RSBC 1996] CHAPTER 473 and this Agreement, and any amendments thereto, are subject to acceptance and approval by the British Columbia Utilities Commission (“**BCUC**”) in accordance with the *Utilities Commission Act*.
- 1.2 **Filing with BCUC.**



- (a) FEI will file this Agreement with the BCUC, for their review and approval, within [REDACTED] after the Execution Date.
- (b) The Supplier will, at the request of FEI, provide any assistance reasonably required by FEI to secure BCUC acceptance and approval, including filing documents in support of FEI's application to the BCUC and providing argument and witnesses in support of the filing.

1.3 **FEI Conditions Precedent.** Except for ARTICLE 1 (*Regulatory Review and Conditions Precedent*), ARTICLE 12 (*Indemnification and Limitation of Liability*), ARTICLE 15 (*Confidentiality*), ARTICLE 16 (*Supplier Representations and Warranties*), and ARTICLE 17 (*General*), the obligation of FEI to carry out the transactions contemplated by this Agreement is subject to fulfillment of the following conditions on or before the dates set out below, which are for the sole benefit of FEI, and which may be waived by FEI, in its sole and absolute discretion, in writing to the Supplier (the "**FEI Conditions Precedent**"):

- (a) FEI having obtained BCUC approval of this Agreement and the transactions contemplated herein, within 180 days, or such later date as agreed to by the Parties in writing, of filing with BCUC. Such BCUC approval of this Agreement may be on the terms and conditions contained herein or such other terms and conditions which are acceptable to FEI;
- (b) The Supplier delivering the Estimated Supplier Contribution to FEI within ten (10) days of satisfaction or waiver of all Supplier Conditions Precedent (as defined below); and
- (c) Within thirty (30) business days of execution of this Agreement, the Supplier providing FEI a fully executed SRW and Section 219 Covenant and priority agreements as described in Section 4.1 (*Grant of Land Rights*).

If the foregoing FEI Conditions Precedent are not fulfilled or waived by FEI by the respective dates set out above, then the Parties' obligations under this Agreement will be at an end, and thereafter neither Party shall have any further or continuing obligation or liability to the other under this agreement, except for those obligations and provisions which are specifically stated to survive the expiration or termination of this Agreement.

1.4 **Supplier Conditions Precedent.** Except for ARTICLE 1 (*Regulatory Review and Conditions Precedent*), ARTICLE 12 (*Indemnification and Limitation of Liability*), ARTICLE 15 (*Confidentiality*), ARTICLE 16 (*Supplier Representations and Warranties*), and ARTICLE 17 (*General*), the obligation of Supplier to carry out the transactions contemplated by this Agreement is subject to fulfillment of the following conditions, which are for the sole benefit of Supplier, and which may be waived by Supplier within 180 days of filing for BCUC approval of this Agreement, or such later date as agreed to by the Parties in writing, in its sole and absolute discretion, in writing to FEI (the "**Supplier Conditions Precedent**"):

- (a) Supplier having received all required air permits under the Environmental Management Act or otherwise to construct and operate its RNG Facility;
- (b) FEI having obtained BCUC approval of this Agreement and the transactions contemplated herein by the BCUC. Such BCUC approval of this Agreement may be on the terms and conditions contained herein or such other terms and conditions which are acceptable to FEI;

- (c) Supplier having received all required permits and approvals from the Provincial Agricultural Land Commission for British Columbia to construct and operate its RNG Facility; and
- (d) Supplier having received any required zoning or rezoning approvals from the City of Delta to construct and operate its RNG Facility.

If the foregoing Supplier Conditions Precedent are not fulfilled or waived by Supplier by the respective dates set out above, then the Parties' obligations under this Agreement will be at an end, and thereafter neither Party shall have any further or continuing obligation or liability to the other under this agreement, except for those obligations and provisions which are specifically stated to survive the expiration or termination of this Agreement.

- 1.5 **Costs Incurred Prior to Satisfaction/Waiver of Conditions Precedent.** The Parties acknowledge and agree that if either Party elects to undertake any work or incur any costs with respect to this Agreement prior to the satisfaction or waiver of the Conditions Precedents, such Party will be solely responsible for all costs so incurred.

## ARTICLE 2 - TERM

- 2.1 **Term.** This Agreement will commence on the Execution Date and expire on the [REDACTED] anniversary of the In-Service Date (the "**Initial Term**"), unless terminated earlier or renewed in accordance with the terms of this Agreement (the "**Term**"), where "**In-Service Date**" means the earlier of:
- (a) the business day after FEI Facilities have accepted at least [REDACTED] gigajoules ("**GJ**") of Biomethane per day for seven (7) consecutive days; and
  - (b) the business day after the FEI Facilities have accepted Biomethane for a cumulative period of thirty (30) days.
- 2.2 **Delay in In-Service Date.** Unless the Supplier is continuing to use all commercial efforts to undertake the work necessary to construct and install the Supplier Facilities with reasonable diligence, if the In-Service Date does not occur within twenty-four (24) months of acceptance of this Agreement by BCUC, or such later date as agreed by the Parties in writing, FortisBC may, at its option, and in addition to and without prejudice to any other right or remedy it may have, terminate this Agreement by written notice to the Supplier effective the date such notice is delivered, without liability therefor or payment of any damages or penalties by FEI to the Supplier as a result of such termination, and the provisions of section 8.3 [*Effect of Default*] shall apply.
- 2.3 **Renewal.** If the VF Agreements are renewed, this Agreement will renew automatically on the same terms and **conditions** for one additional term equal to the lesser of:
- (a) the duration of the renewal term of the VF Agreements; and
  - (b) a total Term for this Agreement of [REDACTED] years (the "**Renewal Term**");

unless a Party provides the other Party with written notice of its intention to terminate this Agreement at least one (1) year prior to the expiry of the Initial Term.

### ARTICLE 3 - DIVISION OF RESPONSIBILITIES

- 3.1 **Supplier Facilities.** The Supplier will design, build, operate, maintain, repair, upgrade, replace and support facilities on the Lands, as more particularly identified in Schedule C [*Description of Supplier Facilities and FEI Facilities*] (the “**Supplier Facilities**”), to produce, capture and purify biogas and deliver Biomethane to the FEI Facilities.
- 3.2 **FEI Facilities.** FEI will design, build, operate, maintain, repair, upgrade, replace and support facilities on the SRW Area (as defined below), and extend or upgrade FEI’s natural gas distribution system as more particularly identified in Schedule C [*Description of Supplier Facilities and FEI Facilities*] (the “**FEI Facilities**”), to connect to the Supplier Facilities, measure and monitor Biomethane quantity and quality and inject the accepted Biomethane into FEI’s existing gas distribution system.
- 3.3 **Target In-Service Date.** Supplier anticipates that the In-Service Date will occur no later than January 1, 2023. Supplier will provide FEI with regular updates on the Supplier Facilities construction project schedule, as well as written notice no less than 120 days prior to the actual date upon which Supplier will be able to produce and deliver Biomethane to the FEI Facilities from the Supplier Facilities.
- 3.4 **Contribution in Aid of Construction.** The Supplier hereby agrees that it will pay FEI the sum of [REDACTED] (the “Estimated Supplier Contribution”) as an estimate of the actual capital costs (the “CIAC”) associated with the extension of, and upgrades to, FEI’s natural gas distribution system to enable connectivity to the FEI Facilities in the amount set out in Section 3 (*Contribution in Aid of Construction – Supplier Contribution*) of Schedule D (*Commercial Terms*)
- 3.5 **Annual Operations and Maintenance Costs.** The Supplier shall pay FEI for the reasonable operations and maintenance costs of the FEI Facilities annually. FEI shall send the Supplier an invoice for the actual costs incurred by FEI for the operation and maintenance of the FEI Facilities no later than March 31<sup>st</sup> of each calendar year, for the previous year, and payment is due 30 days after receipt of the invoice by the Supplier.
- 3.6 **FEI Approvals.** FEI shall obtain and maintain any consents, permits, filings, orders or other approvals customary for projects of the nature and magnitude of the Project, including governmental consents and approvals, building and construction permits, environmental permits, Oil and Gas Commission permits, zoning changes or variances (collectively the “**Approvals**”) required, affecting or necessary for the ownership, installation, maintenance and operation of the FEI Facilities. Supplier acknowledges that FEI will have to obtain the Approvals in order to construct the FEI Facilities. FEI agrees to timely apply for the Approvals as soon as reasonably practicable after the Execution Date and use reasonable efforts to obtain the Approvals as soon as reasonably practicable after the BCUC approval referred to in Subsection 1.3(a) (*FEI Conditions Precedent*) above.
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- 3.7 **Supplier Approvals.** The Supplier shall obtain, or cause to be obtained, and maintain the Approvals required, affecting or necessary for the ownership, installation, maintenance and operation of the Supplier Facilities.
- 3.8 **Ownership of FEI Facilities.** The FEI Facilities are, and shall at all times remain, personalty and the property of FEI, despite the degree to which they may be annexed or affixed to the Lands and despite any rule of law or equity to the contrary and shall be freely alienable by FEI as its own property. FEI shall be entitled to install notices on the FEI Facilities identifying FEI's ownership.
- 3.9 **Existing Supplier Approvals.** If any existing Approvals issued to the Supplier or the Landlord need to be updated to reflect the operation of the FEI Facilities on the Lands, and FEI is not able to update such Approvals in accordance with section 3.6 [*FEI Approvals*], the Supplier shall ensure such approvals are updated as required.
- 3.10 **Utilities.** The Supplier will, at no cost to FEI, provide, or cause to be provided, the electrical and telephone connections to the limits of the FEI Facilities. FEI will pay for utility consumption as directly invoiced to FEI by the service provider. The Supplier shall not be liable for any disruptions in such services, unless caused by any negligent act or omission of the Supplier.
- 3.11 **Cooperation.** To facilitate the connectivity between the Supplier Facilities and the FEI Facilities and manage the monitoring and injection of Biomethane into FEI's natural gas distribution system, the Parties agree to:
- (a) cooperate in the design, permitting, construction and connection of the respective facilities, including any upgrades and modifications to such facilities; provided that despite the exchange or review of, or comment on, any design drawings, by the other Party, each Party shall be solely responsible for the design and construction of their respective facilities;
  - (b) share operating data and data related to the interface between the FEI Facilities and the Supplier Facilities, and work together to optimize operation of their respective facilities; and

- (c) notify each other in advance of proposed operational changes or system modifications or upgrades to their respective facilities and cooperate in the design of upgrades and modifications to the respective facilities, to ensure such changes, modifications or upgrades do not negatively impact the operation of the other Party's facilities; provided that despite the exchange or review of, or comment on, any design drawings, by the other Party, each Party shall be solely responsible for the design, construction and maintenance of their own facilities.

#### ARTICLE 4 – ACCESS TO AND USE OF LANDS

- 4.1 **Grant of Land Rights.** The Supplier agrees to cause the Landlord to grant to FEI by written instrument, including a right of way and covenant, rights of access to operate, maintain, repair, replace and upgrade the FEI Facilities ("SRW and Section 219 Covenant"), over that portion of the Lands to be described on Schedule B [*Drawing of SRW Area*] once the final location of the FEI Facilities has been determined (the "SRW Area"), and on terms substantially similar to those set out in the form attached as Schedule E (*SRW Section 219 Covenant*). The Supplier shall do or cause all things to be done necessary to ensure that the SRW and Section 219 Covenant will be registered on title against the Lands in priority over all other encumbrances on title to the Lands as FEI may require.
- 4.2 **Access over the Lands.** In addition to the rights granted in the SRW and Section 219 Covenant, the Supplier, if necessary, with the consent of the Landlord, hereby grants to FEI, at no cost, the free and unobstructed right to access over and across the Lands, with or without vehicles, machinery and equipment, as required from time to time, for FEI and its authorized employees, contractors and agents to access the FEI Facilities; provided however this right shall in no way restrict the Supplier or the Landlord from maintaining, changing or improving the Lands as long as FEI and its authorized employees, contractors and agents continue to have access to the FEI Facilities. FEI's right of access over the Lands is subject to FEI's compliance with the reasonable requirements of the Supplier for the safety and security of the Lands, including as to access points and limitation on access during normal working hours except in the case of emergency.
- 4.3 **Grant of Rights to Third Parties.** Subject to section 4.5 [*Non-Interference*], the grant of rights to FEI in section 4.2 [*Access over the Lands*] does not preclude or prevent the Supplier or the Landlord from granting easements, statutory rights of way or other grants, leases or licences over the Lands to any other person.
- 4.4 **Use of SRW Area.** FEI shall:
  - (a) not do, suffer or permit anything in, on or from the SRW Area that may be or become a nuisance or annoyance to the owners, occupiers or users of land or premises adjacent to or near the Lands or to the public, including the accumulation of rubbish or unused personal property of any kind;
  - (b) not do, suffer or permit any act or neglect that may in any manner directly or indirectly cause injury to the SRW Area;
  - (c) use the SRW Area only for the purposes set out in this Agreement;

- (d) except as otherwise provided in this Agreement, pay all costs and expenses of any kind whatsoever associated with and payable in respect of FEI's use of the SRW Area, the FEI Facilities and all equipment, furniture and other personal property brought onto the SRW Area by FEI, including without limitation, property taxes, levies, charges and assessments, permit and license fees, repair and maintenance costs, administration and service fees, gas, water, sewage disposal and other utility and service charges and payments for work and materials;
- (e) carry on and conduct its activities in, on and from the SRW Area in compliance with any and all applicable laws from time to time in force, and to obtain all required approvals and permits thereunder, and not to do or omit to do anything in, on or from the SRW Area in contravention thereof;
- (f) not erect or place any sign or advertising within the SRW Area (save and except signage identifying FEI's ownership of the FEI Facilities in accordance with section 3.8 [*Ownership of FEI Facilities*]) without the prior written approval of the Supplier, acting reasonably; not to bring on or deposit any soil or fill onto the SRW Area except with the written consent of the Supplier;
- (g) co-ordinate all installation and construction activities on the SRW Area with the Supplier;
- (h) cover all below ground works and restore the surface of the SRW Area to the same condition that existed at the commencement of the works to the reasonable satisfaction of the Supplier; and
- (i) discharge any builders' lien which may be filed against the title to the Lands within 30 days of receipt of notice of lien filing, and comply at all times with the *Builders Lien Act* (British Columbia), in respect of any improvements, work or other activities undertaken by or on behalf of FEI.

4.5 **Non-Interference.** The Supplier will not do or knowingly permit to be done anything in, under, over, upon or with respect to the Lands which, in the reasonable opinion of FEI, may interfere with, diminish or injure FEI's rights hereunder or the installation, maintenance use or operation of the FEI Facilities, including but not limited to, anything which:

- (a) unreasonably restricts or prevents access to or from the SRW Area;
- (b) interrupts, endangers, impedes, disturbs or causes damage to the FEI Facilities or its operation, use, security or functionality;
- (c) removes, diminishes or impairs any vertical or lateral support for, or causes the movement or settlement of, the FEI Facilities; and
- (d) causes, permits or suffers any structure, equipment, act or function to exert any vertical load or lateral load upon or against, or impair the structural integrity of, the FEI Facilities;

without the prior written consent of FEI and in accordance with any conditions FEI may reasonably specify as a condition of such consent.

- 4.6 **Sale or Transfer of the Lands.** The Supplier shall not sell or otherwise transfer its interest in and to the Lands to an unrelated third party, or transfer or assign its interest in and to the VF Agreement to an unrelated third party, unless, with the written consent of FEI in accordance with section 17.9 [Assignment], the transferee assumes all the terms and conditions of this Agreement.

## ARTICLE 5 – QUALITY, QUANTITY, TITLE

### 5.1 Biomethane Quality and Delivery Quantity.

- (a) FEI will monitor Biomethane quality and quantity at the interconnection point between the Supplier Facilities and the FEI Facilities, as generally shown in the schematic drawing attached as part of Schedule C [Description of Supplier Facilities and FEI Facilities] (the “Interconnection Point”) to determine whether the Biomethane meets the Specifications and the Volumetric Limits.
- (b) FEI agrees to accept any Biomethane made available by the Supplier which:
  - (i) meets the specifications as prescribed by FEI from time to time, acting reasonably, (the “Specifications”), the current of which are set out Schedule A [Biomethane Acceptance Specifications]; and
  - (ii) subject to the volumetric requirements set out Schedule D [Commercial Terms] (the “Volumetric Limits”).
- (c) Any Biomethane not accepted by FEI will be prevented from entering the FEI Facilities and disposed of by Supplier at the Supplier’s own risk.

### 5.2 Acceptance of Non-Compliant Biomethane.

FEI, at its sole discretion and without any obligation to do so, may accept Biomethane that does not meet the Specifications or is outside the Volumetric Limits. Any such Biomethane accepted by FEI into the FEI Facilities will be deemed to meet the Specifications and shall count toward satisfaction of the Minimum Monthly Quantity and Minimum Yearly Quantity. The acceptance of any such Biomethane by FEI shall not constitute a waiver by FEI of its right to refuse Biomethane which does not meet the Specifications or is outside the Volumetric Limits.

### 5.3 Minimum Annual Biomethane Supply.

If the Supplier does not supply:

- (a) the Minimum Annual Quantity (as defined in Schedule D (Commercial Terms)) for any two (2) consecutive Contract Years (as defined in Schedule D (Commercial Terms)), or
- (b) the Minimum Monthly Quantity (as defined in Schedule D (Commercial Terms)) for any six (6) consecutive months;

FEI, at its option, may:

- (c) reduce the Minimum Annual Quantity and/or the Minimum Monthly Quantity, as the case may be, to such quantities as established by FEI in its sole discretion having regard to, among other things, the quantity of Biomethane actually supplied by the Supplier and the ability of FEI to assign the released quantity to other biogas producers/owners.



- (d) terminate this Agreement upon written notice to the Supplier, whereupon the provisions of ARTICLE 9 (*Effect of Expiry or Termination*) will apply.
- 5.4 **Increased Production Volume.** The Supplier will notify FEI of any proposed changes or improvements to the Supplier Facilities or the Lands or any other activity or circumstance which may result in a long-term increase to Biomethane flow above the Maximum Annual Quantity (the “Excess Biomethane”) to allow FEI to evaluate the impacts of such increase on the FEI Facilities and its gas distribution system and FEI’s ability to accommodate and accept such increased production volume. Provided such Biomethane meets the Specifications, FEI may, in its discretion and upon notice to the Supplier, accept and purchase all or any portion of the additional production volume at the rates determined by Schedule D (*Commercial Terms*) either temporarily or permanently. If FEI does not accept and refuses to purchase all or any of the Excess Biomethane, the Supplier shall be entitled to use, sell or otherwise dispose of the excess production in a commercially and environmentally reasonable manner after consultation with FEI.
- 5.5 **Exclusivity.** In addition to its obligations to supply the minimum quantities of Biomethane as established in Schedule D (*Commercial Terms*), the Supplier covenants and agrees to exclusively sell any additional Biomethane produced up to the Maximum Annual Quantity to FEI on the terms described in Schedule D; provided that if FEI is, from time to time, unable to accommodate and accept such Biomethane, the Supplier shall be entitled to use, sell or otherwise dispose of the excess production at the Supplier’s own risk.
- 5.6 **Excuse from Non-Performance for Maintenance.** Neither Party will be considered to be in default under this Agreement where such Party’s non-performance is as a result of undertaking maintenance or repair on their respective facilities provided that such Party is diligently undertaking such maintenance or repair to minimize its impacts and it being the intention of the Parties that maintenance or repair work will not exceed 5 days per month and 20 days per year in aggregate.
- 5.7 **Title and Warranty.** Provided the Biomethane meets the Specifications, or having failed to meet the Specifications, is accepted by FEI pursuant to section 5.2 [*Acceptance of Non-Compliant Biomethane*], title to and responsibility for that Biomethane shall pass from the Supplier to FEI at the Interconnection Point. Any Biomethane rejected by FEI will be redirected back to the Supplier Facilities and title to and responsibility for such Biomethane shall not pass to FEI. The Supplier warrants that it has the right to convey and will transfer good and merchantable title to the Biomethane free and clear of all liens, encumbrances and claims.
- 5.8 **Audit and Verification.** Each Party will provide access to the other Party, from time to time during ordinary business hours, to its records and measurement equipment as reasonably requested by the other Party to verify compliance with the terms of this Agreement, including to verify the quality and quantity of Biomethane.

## ARTICLE 6 – PURCHASE PRICE AND PAYMENT

- 6.1 **Payment for Biomethane.** Commencing from the In-Service Date and each month during the Term thereafter, FEI shall pay the Supplier for the quantity of Biomethane accepted by FEI into the FEI Facilities, as determined by meter readings, at the rates and subject to the adjustments and any deductions set out in Schedule D, plus applicable taxes thereon. The Supplier shall not

be entitled to receive any payment from FEI for any Biomethane rejected by FEI for failure to meet the Specifications.

## 6.2 **Payment Terms.**

- (a) On or about the 15th day of each month, FEI shall generate a statement for the preceding month showing the quantity of Biomethane accepted by FEI in GJ, the applicable rates and adjustments, the net amount payable and the cumulative quantity of Biomethane accepted for the then current year up to that month. If the quantity of Biomethane accepted is not known by the billing date, FEI will issue the statement based on a reasonable estimate of the quantity accepted and make the necessary adjustments as soon as practical and in any event by the next billing date.
- (b) FEI will pay the net amount payable within 30 days of delivery of the statement to the Supplier.
- (c) Any errors in any statement or disputes as to amounts due shall be promptly reported to FEI and any resulting underpayments or overpayments identified will be refunded or repaid with accrued interest at the rate of 1.5% per month (19.56% per annum).

## **ARTICLE 7 – ENVIRONMENTAL ATTRIBUTES AND REPORTING**

7.1 **Offsets.** The Parties agree FEI shall have the sole right, benefit, title and interest in and to, arising out of or resulting from the environmental benefits associated with the capture and purification of biogas to produce biomethane by the Supplier Facilities and the displacement of traditional natural gas by biomethane in FEI's natural gas distribution system ("**GHG Reductions**"), whether such right, benefit, title or interest is in existence as of the Effective Date or arises thereafter, including:

- (a) the sole right to claim title to, interest in, the benefit of or the responsibility for the GHG Reductions;
- (b) the sole right to register, certify or apply for the issuance or validation of any current or future credits, allowance, instrument, offset, certificate, right, benefit or advantage or proprietary or contractual right, whether or not tradable, (a "**Credit**") associated with the GHG Reductions;
- (c) the sole right to hold and to transfer or assign to any person its title to, benefit of or responsibility for the GHG Reductions or the associated Credits;
- (d) the sole right to apply the GHG Reductions against its own or a third party's greenhouse gas emissions or to net those emissions to zero, whether or not as part of a legal obligation to reduce greenhouse gas emissions;
- (e) all revenues, entitlement, benefits and other proceeds arising from or related to the foregoing;

(collectively, the "**Environmental Attributes**").

- 7.2 **Support and Assistance.** The Supplier will, at FEI's expense, provide reasonable support to FEI in all applications for the Environmental Attributes and provide any assistance, authorizations, documentation and information FEI reasonably requires in this regard, including:
- (a) the quantification and verification of the carbon intensity of the Biomethane produced at the Supplier's Facilities; and
  - (b) authorization enabling FEI to apply on the Supplier's behalf for designation as a Part 3 fuel supplier with respect to resulting biogas for the purposes of the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act [BC 2008] Chapter 16 ("RLCFRA")*, provided, however, Supplier shall review and approve all such applications as they relate to Supplier, Supplier Facilities, and Supplier's production of Biomethane, such review and approval not to be unreasonably withheld, conditioned, or delayed.
- 7.3 **Reporting Requirements.** Subject to section 7.1 [Offsets], each Party shall be responsible to comply with reporting requirements of all applicable environmental laws with respect to emissions from their respective facilities.

## **ARTICLE 8 – BREACH, DEFAULT AND EARLY TERMINATION**

- 8.1 **Consultation.** Either Party may request that the other Party meet, not more than once per quarter, to review the operations of each Party's facilities and to review compliance with the terms of this Agreement.
- 8.2 **Default.** Either Party (the "**Defaulting Party**") shall be in default of this Agreement if the Defaulting Party is in breach of any term, covenant, agreement, condition or obligation imposed on it under this Agreement. The other Party (the "**Non-Defaulting Party**") shall give the Defaulting Party notice of any material default within [REDACTED] of discovery of the default. If:
- (a) the Non-Defaulting Party provides the Defaulting Party with a written notice of such default and a [REDACTED] period within which to cure such a default (the "**Cure Period**"); and
  - (b) the Defaulting Party fails to cure such default during the Cure Period, or if such default is not capable of being cured within the Cure Period, fails in good faith to commence the curing of such default upon receipt of notice of default and to continue to diligently pursue the curing of such default thereafter until cured,
- then the Non-Defaulting Party may, at its option, declare an Event of Default under this Agreement by written notice to the Defaulting Party.
- 8.3 **Effect of Default.** Upon notice of an Event of Default, the Non-Defaulting Party may, at its option and in addition to and without liability therefore or prejudice to any other right or remedy it may have:
- (a) cease performing its obligations under this Agreement, including suspending or refusing to make any payment due hereunder, until the default has been fully remedied, and no such action shall relieve the Defaulting Party from any of its obligations under this Agreement;

- (b) undertake the necessary steps to remedy the default at the Defaulting Party's expense, and such action shall not relieve the Defaulting Party from any of its obligations under this Agreement; or
- (c) terminate this Agreement immediately upon notice to the other Party, whereupon the provisions of ARTICLE 9 (*Effect of Expiry or Termination*) shall apply.

**8.4 Termination or Amendment of Other Agreements.** If the VF Agreements:

- (a) are terminated for any reason; or
- (b) are amended to exclude all or a material portion of the Lands used by FEI for access to and use of the FEI Facilities;

the Supplier shall forthwith notify FEI and the effective date thereof. This Agreement will terminate effective the date of such termination, or, at the option of FEI, on such amendment, and the provisions of ARTICLE 9 (*Effect of Expiry or Termination*) shall apply.

**ARTICLE 9 - EFFECT OF EXPIRY OR TERMINATION.**

**9.1 Removal of FEI Facilities.**

- (a) Upon the expiry or early termination of this Agreement, unless otherwise agreed by the Parties, FEI will, within 90 days following the expiry date or termination date, as the case may be, remove the FEI Facilities from the Lands occupied by the Supplier and repair any damage to the Lands arising from such removal; provided that FEI will be obligated to remove only those portions of the FEI Facilities located above surface level and may leave any un-removed portions in a safe manner in accordance with FEI standard practice. .
- (b) Despite the foregoing, if the VF Agreement expires or is terminated, FEI may make alternate arrangements directly with the Landlord with respect to the continued operation of the FEI Facilities on the Lands whereupon the provisions of subsection (a) (*Removal of FEI Facilities*) will not apply.

**9.2 Termination Payment.** If either Party terminates this Agreement pursuant to Section 8.3(c) [*Effect of Default*] as a result of default of the other Party, then in addition to any other amounts due and owing by the Defaulting Party to the Non-Defaulting Party, the Defaulting Party shall pay to the Non-Defaulting Party, within thirty (30) days of invoicing, the following amounts (plus applicable taxes thereon):

- (a) the Non-defaulting Party's net costs associated with removing (i) the FEI Facilities, up to the maximum amount of [REDACTED], or (ii) the Supplier's facilities, as applicable; plus
- (b) the unrecovered net book value of the FEI Facilities or Supplier's Facilities, as applicable, that will be stranded, adjusted for the positive or negative salvage value of the FEI Facilities or Supplier's Facilities, as applicable.

**ARTICLE 10 - INSURANCE REQUIREMENTS**

10.1 **Insurance.** Each Party shall obtain and maintain the following insurance coverage and provide proof of coverage to the other Party:

- (a) General Commercial Liability Insurance from insurers registered in and licensed to underwrite insurance in British Columbia for bodily injury, death and property damage in the amount of \$5,000,000 per occurrence naming the other Party as an additional insured with respect to this Agreement; and
- (b) Such other insurance as reasonably required by the other Party from time to time.

Each Party shall be responsible for payment of any deductibles of their policies. All such policies shall provide that the insurance shall not be cancelled or changed in any way without the insurer giving at least 10 calendar days' written notice to the other Party.

#### **ARTICLE 11 - ENVIRONMENTAL RELEASE AND INDEMNITY**

11.1 **Definition of Contaminants.** "Contaminants" means collectively, any contaminant, toxic substances, dangerous goods, or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, and includes any radioactive materials, asbestos materials, urea formaldehyde, underground or aboveground tanks, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, hazardous waste or waste of any kind, pesticides, defoliants, or any other solid, liquid, gas, vapour, odour or any other substance the storage, manufacture, disposal, handling, treatment, generation, use, transport, remediation or release into the environment of which is now or hereafter prohibited, controlled or regulated by law.

11.2 **Supplier Release and Indemnity.** Despite any other provision of this Agreement, the Supplier acknowledges and agrees that FEI is not and shall not be responsible for any Contaminants now present, or present in the future, in, on or under the Lands, or that may or may have migrated on or off the Lands and hereby releases and agrees to indemnify FEI and its directors, officers, employees, successors and permitted assigns, from any and all Claims (including remediation cost recovery claims and all consulting and legal fees and expenses on a solicitor-client basis) arising from or in connection with:

- (a) any release or alleged release of any Contaminants at or from the Lands;
- (b) the presence of any Contaminants on or off the Lands before or after the Execution Date;  
or
- (c) the disposal of Excess Biomethane.

except with respect to any Contaminants brought onto the Lands by FEI or its contractors or any Contaminants released from the Lands as a result of any negligent act or omission of FEI or its contractors.

11.3 **FEI Release and Indemnity.** Despite any other provision of this Agreement, FEI shall release and indemnify the Supplier and its directors, officers, employees, successors and permitted assigns, from any and all Claims (including remediation cost recovery claims and all consulting and legal

fees and expenses on a solicitor-client basis) arising from or in connection with any Contaminants brought onto the Lands by FEI or any Contaminants released from the Lands as a result of any negligent act or omission of FEI or its contractors.

## **ARTICLE 12 - INDEMNIFICATION AND LIMITATION OF LIABILITY**

- 12.1 **Indemnification.** Each Party hereby indemnifies and holds harmless the other Party and its employees, directors and officers from and against any and all adverse Claims (including all legal fees and disbursements) arising from or out of:
- (a) the negligence or willful misconduct of such Party, its employees, directors, officers or contractors; or
  - (b) the breach by such Party of any of the provisions contained in this Agreement.
- 12.2 **Limitation of Liability.** Each Party's liability to the other Party under this ARTICLE 12 (*Indemnification and Limitation of Liability*) shall be limited to the payment of direct damages. Except with respect to third party claims and as otherwise provided in this agreement, in no event shall either Party be responsible or liable to the other Party for any indirect, consequential, punitive, exemplary or incidental damages of the other Party arising out of or related to this Agreement even if the loss is directly attributable to the gross negligence or willful misconduct of such Party, its employees, or contractors.
- 12.3 **Duty to Mitigate.** Each Party has a duty to mitigate the damages that would otherwise be recoverable from the other Party pursuant to this Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such damages or amounts.

## **ARTICLE 13 - FORCE MAJEURE**

- 13.1 **Effect of Force Majeure.** Neither Party will be in default of this Agreement by reason only of any failure in the performance of such Party's obligations pursuant to this Agreement if such failure arises without the fault or negligence of such Party and is caused by any event of Force Majeure (as defined below) that makes it commercially impracticable or unreasonable for such Party to perform its obligations under this Agreement and, in such event, the obligations of the Parties will be suspended to the extent necessary for the period of the Force Majeure condition, save and except neither Party will be relieved of or released from its obligations to make payments to the other Party as a result of an event of Force Majeure. For the purpose of this section 13.1 [*Effect of Force Majeure*], "**Force Majeure**" means any cause which is unavoidable or beyond the reasonable control of any Party to this Agreement and which, by the exercise of its reasonable efforts, such Party is unable to prevent or overcome, including, acts of God, epidemics, pandemics, war, riots, intervention by civil or military authority, strikes, lockouts, accidents, acts of civil or military authority, or orders of government or regulatory bodies having jurisdiction, or breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines or the failure of gas supply, temporary or otherwise; provided however, the lack of funds or other financial cause shall not be an event of Force Majeure.
- 13.2 **Notice of Force Majeure.** The Party whose performance is prevented by an event of Force Majeure must provide notification to the other Party of the occurrence of such event as soon as reasonably possible.

- 13.3 **Notice of Termination as a result of Force Majeure.** Either Party may, by notice to the other Party, terminate the Agreement if, as a result of Force Majeure, performance of all or a substantial portion of such Party's obligations pursuant to the Agreement has become impossible or impractical, and such status persists or is highly likely to persist for at least two (2) years. If the Agreement is terminated pursuant to this provision, no liability or penalty shall be imposed on either Party as a result of such termination except:
- (a) the Supplier shall remain liable to FEI for the CIAC; and
  - (b) the provisions of ARTICLE 9 (*Effect of Expiry or Termination*) will apply.

#### ARTICLE 14 - DISPUTE RESOLUTION

- 14.1 **Dispute Resolution.** The Parties will make a *bona fide* attempt to settle any dispute which may arise under, out of, in connection with or in relation to this Agreement by amicable negotiations between their respective senior representatives and will provide frank and timely disclosure to one another of all relevant facts and information to facilitate negotiations. If the Parties are unable to resolve the dispute within fifteen (15) days, or if the Parties agree to waive such discussions in respect of a particular issue, either Party may refer the dispute to a single arbitrator who is appointed and renders a decision in accordance with the then current "Domestic Commercial Arbitration Shorter Rules of Procedure" or similar rules of the British Columbia International Commercial Arbitration Centre ("**BCICAC**"). The decision of the arbitrator shall be final and binding. The costs and expenses of the arbitration, but not those incurred by the Parties, shall be shared equally, unless the arbitrator determines that a specific Party prevailed, and in such a case the non-prevailing Party shall pay all costs and expenses of the arbitration, but not those of the prevailing Party. The arbitration will take place in Vancouver, British Columbia and be conducted in English.
- 14.2 **Performance of Obligations.** The Parties shall continue to fulfill their respective obligations pursuant to this Agreement during the resolution of any dispute in accordance with this section 14.2 [*Performance of Obligations*].
- 14.3 **Litigation.** Nothing contained in this ARTICLE 14 (*Dispute Resolution*) precludes either Party from:
- (a) having a dispute determined by the BCUC if the dispute is within the jurisdiction of the BCUC; and
  - (b) having a dispute that has not been referred to arbitration be determined by a court of competent jurisdiction in the Province of British Columbia.

#### ARTICLE 15 - CONFIDENTIALITY

- 15.1 **Confidentiality.** All information or documentation (no matter in what form or media) received by a Party (the "**Receiving Party**") which has been specifically marked by other Party (the "**Disclosing Party**") as confidential (the "**Information**") shall be deemed to be confidential and proprietary to the Disclosing Party. Except as otherwise provided herein, the Receiving Party shall not directly or indirectly disclose the Information to any third party without the prior written consent of the Disclosing Party. Such consent is not required where the Receiving Party discloses such Confidential Information:



- (a) to its directors, officers, employees, agents, accountants, lawyers, consultants or financial advisers or those of its affiliates; or
- (b) to a third party that is another contractor or consultant retained by the Disclosing Party for the purposes of this Agreement and the activities described herein;

who need to know such information for the proper performance of the Parties' respective obligations contemplated herein.

15.2 **Exception for Regulatory Submission.** Despite the foregoing, the Receiving Party may use the Information in connection with the preparation for and conduct of submissions to regulatory agencies, subject to requesting that the regulatory agency treat the Information as confidential in accordance with the agency's rules of procedure for confidential filings.

15.3 **Exclusions** The obligation of confidentiality set out above shall not apply to material, data or information which: (1) is known to the Receiving Party prior to its receipt thereof; (2) is generally available to the public; (3) has been obtained from a third party which has the right to disclose the same; and (4) is required by law to be disclosed, provided that where disclosure is required by law, the Receiving Party will, unless prohibited by law, forthwith notify the Disclosing Party to enable the Disclosing Party to mount a defense to such disclosure.

#### ARTICLE 16 – SUPPLIER REPRESENTATIONS AND WARRANTIES

16.1 Supplier represents and warrants to FEI as of the date hereof and for the term of this Agreement:

- (a) The Lease Agreement has an effective date of \_\_\_\_\_, is valid and signed by both Parties;
- (b) The term of the Lease Agreement begins on the effective date thereof and expires at the same time as the LFG Agreement.
- (c) Pursuant to the LFG Agreement, Supplier has contractual rights to a sufficient supply of Biomethane to satisfy its obligations under this Agreement.
- (d) The term of the LFG Agreement is \_\_\_\_\_ from the COD Date (as defined therein) with \_\_\_\_\_ renewal options and will expire no earlier than \_\_\_\_\_ years from the In-Service Date.
- (e) Neither the Landlord nor the Supplier have the right to terminate the Lease Agreement or the LFG Agreement before the expiry date of this Agreement for convenience.

#### ARTICLE 17 – GENERAL

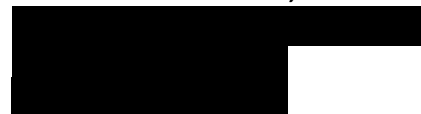
17.1 **Costs.** Except as otherwise set out in this Agreement, each Party will be responsible for the payment of its own costs related to performing its obligations under this Agreement.

17.2 **Publicity.** Neither Party shall initiate any media releases, interviews, or presentations to the media regarding the terms of this Agreement without the agreement and approval of the other Party, not to be unreasonably withheld or delayed.

- 17.3 **Compliance with Laws.** Each Party covenants, as a material provision of this Agreement, it will comply with all applicable codes, statutes, by-laws, regulations or other laws in force in British Columbia during the Term.
- 17.4 **Governing law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada. To the extent ARTICLE 14 (*Dispute Resolution*) is not applicable to a dispute between the Parties, the Parties hereby attorn to the jurisdiction of the courts of British Columbia and all courts competent to hear appeals therefrom.
- 17.5 **Notice.** Any invoices, payments, notices or other communication required to be given or made pursuant to the Agreement shall, unless otherwise expressly provided herein, shall be in writing and shall be personally delivered to or sent by internationally recognized overnight courier at its address set forth below and deemed to have been received the next business day following delivery:

If to: **FortisBC Energy Inc.**  
16705 Fraser Highway, Surrey, BC  
V4N 0E8  
Attention: Director, Renewable Gas  
& Low Carbon Fuels

If to: **DELTA RNG HOLDINGS, INC.**



With a copy to:

With a copy to: [biogasprogram@fortisbc.com](mailto:biogasprogram@fortisbc.com)



- 17.6 **Schedules.** The schedules attached to this agreement are an integral Part of this Agreement and are hereby incorporated into this Agreement as a part thereof.
- 17.7 **Amendments to be in writing.** Except as set out in this Agreement, no amendment or variation of the Agreement shall be effective or binding upon the Parties unless such amendment or variation is set forth in writing and duly executed by the Parties, and accepted by the BCUC if required pursuant to the *Utilities Commission Act*.
- 17.8 **Waiver.** No Party is bound by any waiver of any provision of this Agreement unless such waiver is consented to in writing by that Party. No waiver of any provisions of this Agreement constitutes a waiver of any other provision, nor does any waiver constitute a continuing waiver unless otherwise provided.
- 17.9 **Assignment.** Neither Party shall assign its rights and obligations under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned. Despite the foregoing, FEI may assign this Agreement, or parts thereof, to any of its affiliates, provided that the credit of such affiliated entity is equal to or better than that of FEI. No assignment of this Agreement will relieve the assigning Party of liability hereunder unless such release is expressly agreed to in writing by the other Party.
- 17.10 **Enurement.** This Agreement enures to the benefit of and is binding on the Parties and their respective successors and permitted assigns.



- 17.11 **Survival.** The following provisions shall survive the termination or expiration of this Agreement: ARTICLE 11 [*Environmental Release and Indemnity*], ARTICLE 12 [*Indemnification and Limitation of Liability*], ARTICLE 14 [*Dispute Resolution*], ARTICLE 15 [*Confidentiality*], Section 17.4 [*Governing Law*] and Section 17.5 [*Notice*].
- 17.12 **Remedies Cumulative.** All rights and remedies of each Party under this Agreement are cumulative and may be exercised at any time and from time to time, independently and in combination.
- 17.13 **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination does not impair or affect the validity, legality or enforceability of any other provision of this Agreement.
- 17.14 **Further Assurances.** The Parties shall sign such further and other documents and do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable to give full effect to this Agreement.
- 17.15 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, covenants, representations, warranties or other provisions, whether express or implied, collateral, statutory or otherwise, relating to the subject matter of this Agreement except as provided in this Agreement.
- 17.16 **Time is of the essence.** Time is of the essence of this Agreement.
- 17.17 **Execution.** This Agreement may be executed in counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or electronic transmission hereof shall be as effective as delivery of an originally executed counterpart hereof.
- 17.18 **Interpretation.** In and for the purpose of this Agreement:
- (a) this “**Agreement**” means this agreement as the same may from time to time be modified, supplemented or amended in effect,
  - (b) the headings are for convenience only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement, and
  - (c) the singular of any term includes the plural, and vice versa, the use of any term is generally applicable to any gender and, where applicable, a corporation, the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto).

**IN WITNESS WHEREOF** the Parties hereto have executed this Agreement as of the day and year first above written.

**FORTISBC ENERGY INC.**

by its authorized signatory(ies):



Print Name: Roger Dall'Antonia

Print Name:

**DELTA RNG HOLDINGS, INC.**

by its authorized signatory(ies):



Print Name: [REDACTED]

Print Name:

*Schedules attached:*

*Schedule A – Biomethane Acceptance Specifications*

*Schedule B – Drawing of SRW Area*

*Schedule C – Description of Supplier Facilities and FEI Facilities*

*Schedule D – Commercial Terms*

*Schedule E – SRW Section 219 Covenant*

**Schedule A**  
**Biomethane Acceptance Specifications**

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The Biomethane must be free of contaminants, bacteria and pathogens, and not contain sand, dust, gums, oils and other impurities or other objectionable substances, except in such quantities as approved in writing by FEI and which are not injurious to pipelines or do not interfere with the transmission or commercial utilization of the gas, as determined by FEI. Despite the foregoing, the Biomethane may contain the following properties / contaminants within the limits shown in the table below:

PROPERTY/ CONTAMINANT	LIMITS
Pressure	not less than 420 kilopascals
Hydrogen Sulphide (H <sub>2</sub> S)	Less than 6 mg/m <sup>3</sup>
Water	Less than 65 mg/m <sup>3</sup> of water vapour
	No liquid water
Hydrocarbons	Not have a hydrocarbon dewpoint in excess of minus 9°C at the delivery pressure
	No hydrocarbons in liquid form
Sulfur	Less than 23 mg/m <sup>3</sup>
Carbon Dioxide (CO <sub>2</sub> )	Less than 2% by volume
Oxygen (O <sub>2</sub> )	Less than 0.4% by volume
Temperature	54°C maximum
Heating value/calorific power	36.00 MJ/m <sup>3</sup> minimum (15°C, 101.3kPa)
Siloxanes	Less than 1 mg/m <sup>3</sup>
Carbon monoxide (CO)	Less than 2% by volume
Inert gases	Less than 4% volume
Ammonia (NH <sub>3</sub> )	3mg/m <sup>3</sup>
Bacteria and pathogens	Impurity filter (0.3 to 5 microns)

**Schedule B**  
**Drawing of SRW Area**

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Upon determination of the final location of the FEI Facilities, the Parties agree to insert Schedule B describing the SRW Area.

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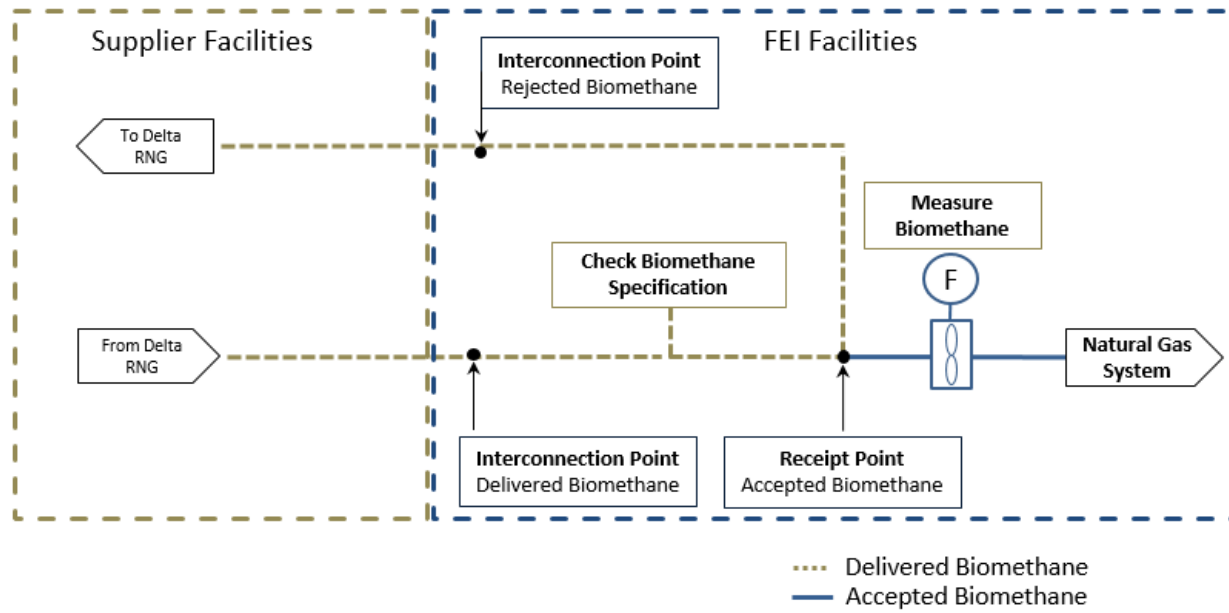
**Description of Supplier Facilities and FEI Facilities**

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- A. Supplier Facilities** means those facilities necessary to capture and purify biogas and deliver the resulting Biomethane to the FEI Facilities, including but not limited to:
- (a) biogas purification/upgrading equipment;
  - (b) control systems,
  - (c) compression equipment to reach the minimum delivery pressure;
  - (d) a flare system; and
  - (e) piping between the purification/upgrading equipment and the FEI Facilities.
- B. FEI Facilities** means those facilities necessary to connect to the Supplier Facilities, measure and monitor Biomethane quantity and quality and inject the accepted Biomethane into FEI's existing gas distribution system, including but not limited to:
- (a) main extension and connection;
  - (b) metering;
  - (c) gas quality monitoring;
  - (d) pressure regulation;
  - (e) odorizing;
  - (f) safety shut offs;
  - (g) monitoring sensors and communications equipment capable of automatically re-starting injection of Biomethane into the distribution system once Biomethane has met the Specifications, if the Biomethane has temporarily failed to meet the Specifications;
  - (h) foundation;
  - (i) signage;
  - (j) fencing;
  - (k) outlet piping from fenced area to main line located adjacent to the Lands; and
  - (l) inlet shut-off valves located immediately adjacent to fenced area built by FEI.
- C. Interconnection Point** - The Interconnection Point between the Supplier Facilities and the FEI Facilities is within the location shown on the schematic diagram attached to this Schedule C.



## Description of Supplier Facilities and FEI Facilities

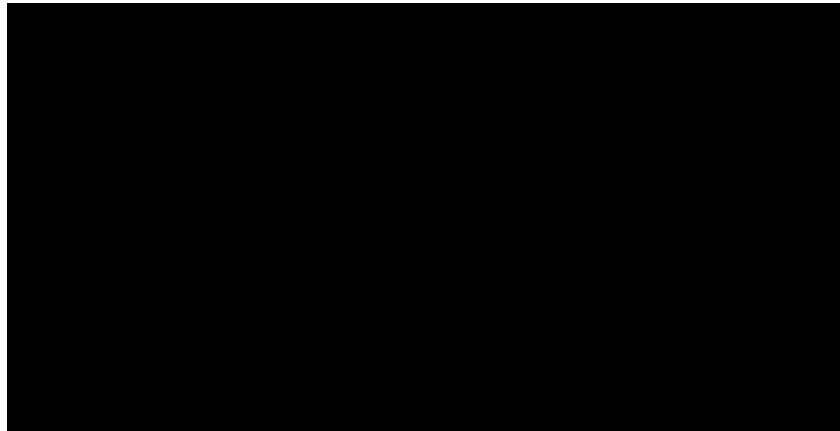


**1. VOLUMETRIC LIMITS**

- 1.1 The following quantity limitations, as established as a result of the system and capacity limitations of the Supplier Facilities and the limitations and thresholds established by the BCUC and applicable to FEI with respect to acceptance and injection of Biomethane into its natural gas distribution system, as measured by equipment forming part of the FEI Facilities (the “**Volumetric Limits**”) apply to this Agreement:
- (a) **Maximum Yearly Quantity**- [REDACTED] GJ per Contract Year, where “Contract Year” means the period from November 1<sup>st</sup> to October 31<sup>st</sup> of each year; provided that the Maximum Yearly Quantity will be prorated for part years;
  - (b) **Minimum Yearly Quantity** – [REDACTED] GJ per Contract Year.
  - (c) **Minimum Monthly Quantity** – [REDACTED] of the Minimum Yearly Quantity.

**2. PRICE AND ADJUSTMENTS**

- 2.1. **Purchase Price.** FEI shall pay the Supplier for the quantity of Biomethane accepted by FEI per month, commencing from the In-Service Date, at the applicable rate (the “**Base Rate**”) per the following table, subject to annual adjustment pursuant to section 2.2 (*Annual Adjustment*) of this Schedule, plus applicable taxes thereon:



- 2.2. **Annual Adjustment.** Subject to section 2.4 (*Maximum Rate*) of this Schedule, the Base Rate shall be subject to [REDACTED]  
[REDACTED] (the “**Adjustment Date**”) of each year, commencing after the first anniversary of the In-Service Date.
- 2.3. **Application of Natural Gas Rate:** Despite the rate set out in section 2.1 (*Purchase Price*) of this Schedule and subject to section 2.4 (*Maximum Rate*) of this Schedule, if the natural gas commodity prices identified as the Sumas Monthly Index Price contained in ‘Inside FERC’ published by Platts on a “per GJ” basis (the “**Natural Gas Rate**”) exceeds the Base Rate, as adjusted, in any month, FEI shall pay the Natural Gas Rate in lieu of the Base Rate for that month.

- 2.4. **Maximum Rate.** No adjustment will be made which results in the applicable rate payable by FEI exceeding the applicable of:

- (a) then current BCUC - approved maximum RNG supply purchase price; or
- (b) the maximum RNG supply purchase price established by *the Province of British Columbia* as calculated by FEI (the “Maximum Rate”).

### 3. CONTRIBUTION IN AID OF CONSTRUCTION - SUPPLIER CONTRIBUTION

- (a)
- 
- | Age Group | No opinion | Dislike | Like | Love |
|-----------|------------|---------|------|------|
| 18-24     | 10%        | 10%     | 20%  | 60%  |
| 25-34     | 10%        | 10%     | 20%  | 60%  |
| 35-44     | 10%        | 10%     | 20%  | 60%  |
| 45-54     | 10%        | 10%     | 20%  | 60%  |
| 55-64     | 10%        | 10%     | 20%  | 60%  |
| 65-74     | 10%        | 10%     | 20%  | 60%  |
| 75+       | 10%        | 10%     | 20%  | 60%  |

**TERMS OF INSTRUMENT -- PART 2**

**STATUTORY RIGHT OF WAY AGREEMENT  
AND SECTION 219 COVENANT**

**BACKGROUND:**

- A. "Owner" means the party(ies) described as Transferor(s) in Form C - Part 1, item 5 hereto.
- B. "FortisBC" means the party described as Transferee(s) in Form C - Part 1, item 6 hereto.
- C. "Land" means the land described in Form C - Part 1, item 2 hereto.
- D. The Owner is the registered owner or is entitled to become the registered owner of the Land in fee simple.
- E. It is necessary for the operation and maintenance of FortisBC's undertaking to obtain a statutory right of way to enter on, be within, go over, pass and repass through, under and across the Land.
- F. Section 218 of the *Land Title Act* enables the Owner to grant a statutory right of way ("SRW") to FortisBC.
- G. The Owner has agreed to grant to FortisBC a SRW on the terms contained herein.
- H. FortisBC has been designated by the minister pursuant to section 219(3)(c) of the *Land Title Act* as a person authorized to receive a covenant under Section 219 of the *Land Title Act*.
- I. The Owner has agreed to grant to FortisBC a covenant under Section 219 of the *Land Title Act* to secure the covenants of the Owner herein.

**AGREEMENT:**

NOW THEREFORE in consideration of \$10 and other good and valuable consideration including the covenants and agreements herein, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

**1. GRANT OF RIGHTS TO FORTISBC**

The Owner hereby grants, conveys and transfers to FortisBC in perpetuity, a full, free and uninterrupted right, license, liberty, privilege, easement and statutory right of way pursuant to section 218 of the *Land Title Act* for FortisBC and its officials, employees, contractors, subcontractors, agents, licensees, invitees and permittees (collectively, "**FortisBC Personnel**"), at all times hereafter from time to time at their

will and pleasure to enter on, be within, go over, pass and repass through, under and across the Land, with or without vehicles, personal property and equipment:

- (a) To carry out surveys, tests, examinations and inspections and excavate, install, construct, operate, maintain, inspect, alter, repair, reconstruct, abandon, remove and replace valves, a renewable natural gas interconnection station, fencing, communications equipment, gas analysis equipment and other equipment, other structures and buildings and any expansion thereof and one or more underground pipelines of any kind or dimension with any aboveground and underground valves, structures, meters and other appliances and fittings, and devices for inspection, controlling corrosion and erosion, all for use in connection with such pipeline(s), for the distribution and transmission of natural and artificial gas and other gaseous or liquid hydrocarbons or any product or by-product thereof (the "Works") for the purposes of the operation and maintenance of the undertaking of FortisBC at a location to be agreed upon by the parties. Upon completion of the initial excavation, installation and construction of the Works on the Land, the rights granted to FortisBC under this sub-paragraph shall be restricted to the portion of the Land as agreed to between the parties which contain the Works (the "**Right of Way Area**"), which Right of Way Area shall subsequently be defined by a survey made by a British Columbia land surveyor and delineated by a statutory right of way plan to be filed by FortisBC at the appropriate Land Title Office, as more fully described in subparagraph 4(a);
- (b) To clear the Right of Way Area and keep it cleared of any trees, or other vegetation, buildings, structures, foundations, pavement, improvements or obstructions which, in the opinion of FortisBC, may interfere with any of the rights granted to FortisBC herein;
- (c) For the purposes of securing access to and from the Works and any other uses or purposes permitted by this paragraph 1, including for the use or purpose of digging up, excavating and disturbing the surface of the Right of Way Area together with any trees, or other vegetation, buildings, structures, foundations, pavement, obstructions, or other improvements therein or thereon, and, subject to subparagraph 1(b), FortisBC shall restore, within a reasonable time, the surface of the Right of Way Area as nearly as reasonably practicable in the circumstances to the condition it was in before being dug up, excavated or disturbed;
- (d) To use such of the Land as may reasonably be required adjacent to either side of the Right of Way Area in connection with the construction, repair or replacement of the pipelines and for ingress to and egress from the Right of Way Area including the right, which right shall be exercised so as to minimize impact on the Land, to construct, maintain and use on the Land any road or roads for all purposes useful or convenient in connection with or incidental to the exercise and enjoyment of the rights and privileges granted in paragraph 1 for so long as FortisBC desires to exercise the same;
- (e) To install, maintain and use gates in all fences which now or hereafter shall cross the Right of Way Area;
- (f) To install and maintain legal survey posts to mark the boundaries of the Right of Way Area and marking posts with warning signs attached to mark the location of the Works upon the Right of Way Area; and
- (g) Generally to do all things necessary or incidental to the foregoing or to the business of FortisBC.

## 2. GRANT OF SECTION 219 COVENANT

The Owner covenants and agrees with FortisBC, as a covenant under Section 219 of the *Land Title Act* over the Land to secure on the Land in perpetuity, that the Owner:

- (a) will not do or knowingly permit to be done anything which may, in the opinion of FortisBC, interfere with or injure or endanger the Works or impair the operating efficiency of the Works or any part of them or create any hazard. Such acts include, but are not limited to, the acts referred to in this paragraph 2;
- (b) will not burn or permit the burning of anything on the Right of Way Area;
- (c) except with the prior written consent of FortisBC and, if such consent is granted, only in accordance with the written requirements of FortisBC, will not store or use any inflammable substance or make, place, erect, operate, use or maintain any building, structure, foundation, pavement, excavation, well, swimming pool, pile of material, obstruction, detention or retention pond, equipment, thing, or to plant any vegetation upon, or within the Right of Way Area which, in the opinion of FortisBC, may:
  - (i) interfere with or endanger the Works or the installation, construction, operation, maintenance, repair, removal, or replacement of the Works; or
  - (ii) obstruct access by FortisBC or FortisBC Personnel to the Works; or
  - (iii) create any hazard by its operation, use, maintenance or existence on the Right of Way Area;
- (e) will not cultivate the Land inside the Right of Way Area;
- (f) will not add or remove ground cover over the Works or carry out blasting on or next to the Right of Way Area without the prior written consent of FortisBC and, if such consent is granted, only in accordance with the written requirements of FortisBC;
- (g) will not to construct or maintain culverts, open drains, ditches, utility crossings or roads across the Right of Way Area without the prior written consent of FortisBC and, if such consent is granted, only in accordance with the written requirements of FortisBC;
- (h) will not allow the release, discharge or escape of any contamination within the Right of Way Area that may impact the safety, security, integrity or operating efficiency of the Works, except in amounts permitted by, and in compliance with, environmental law, regulations and bylaws in effect in British Columbia. For certainty, “**contamination**” herein means any chemicals, pollutants, contaminants, hazardous, corrosive or toxic substances, waste or similar materials prohibited, controlled or regulated under any environmental law, regulations and bylaws in effect in British Columbia;
- (i) upon FortisBC issuing invoices for the same, will promptly pay to FortisBC any costs and expenses incurred by FortisBC (I) caused by or arising from any damage caused to the Works by the

Owner or by anyone for whom the Owner is responsible at law, or (II) resulting from anything made, placed, erected or cultivated on the Right of Way Area, including

- (i) in contravention of paragraphs 2(c), 2(d), or 2(f) herein (“**Prohibited Improvements**”); or
- (ii) under permit issued by FortisBC pursuant to paragraphs 2(c) or 2(f) herein (the “**Permitted Improvements**”).

For certainty, FortisBC will not be responsible for replacing any Prohibited Improvements or any Permitted Improvements or repairing any damage caused to Prohibited Improvements or any Permitted Improvements, nor will FortisBC be liable for costs, expenses, losses or damages resulting from damage or destruction of any Prohibited Improvements or any Permitted Improvements; and

(j) at the Owner’s sole cost and expense will:

- (i) promptly and diligently remedy any breach of this Agreement by the Owner or by anyone for whom the Owner is responsible at law; and
- (ii) remove or alter any Permitted Improvements in accordance with the reasonable requirements of FortisBC if at any time FortisBC determines that the Permitted Improvements pose a material danger to the Works, or materially interfere with the exercise of FortisBC’s rights under this Agreement.

### **3. DUTIES OF FORTISBC**

FortisBC covenants and agrees with the Owner:

- (a) subject to paragraph 2(h), FortisBC will repair or cause to be repaired any damage caused by FortisBC to the Land, buildings, structures and vegetation as a result of FortisBC’s exercise of its rights under this Agreement (the “**Damage**”), provided that the Damage was not caused by the negligence or wilful misconduct of the Owner. Any such repairs will be made to a good and workmanlike standard and will return the Land, buildings, structures and vegetation to a condition that FortisBC determines to be similar or better to the condition that existed prior to the Damage.
- (b) to reimburse the Owner for any reasonable costs incurred as a result of any injury or harm to livestock caused by FortisBC’s exercise of its rights under this Agreement.
- (c) to pay all fees and other charges which may be levied by the Crown against any timber that FortisBC cuts on the Land;
- (d) to pay compensation to the Owner for all merchantable timber cut or damaged on the Land by FortisBC in the exercise of any of its rights under this Agreement;
- (e) that FortisBC shall, as soon as weather and soil conditions permit and where practicable to do so, bury and maintain any underground Works so the Works do not interfere with the drainage of the Land; and

(f) that, except to the extent caused or contributed to by the negligence or wilful misconduct of the Owner or a breach of this Agreement by the Owner, FortisBC shall indemnify and save harmless the Owner from and against any and all claims, actions, liabilities, losses, charges, damages, costs and expenses whatsoever, occasioned to, or suffered by, or imposed upon the Owner as a result of claims made by third parties in respect of any injury or death to any person or animal, or damage to property in connection with, or arising out of the exercise of FortisBC's rights under this Agreement. For certainty, FortisBC is not responsible for special, indirect or consequential losses, charges, damages, costs or expenses, including, without limitation, loss of revenue or profit or loss due to business interruption.

**4. AGREEMENTS BETWEEN THE OWNER AND FORTISBC**

The Owner and FortisBC covenant and agree that:

(a) Upon FortisBC's determination that the initial excavation, installation and construction of the Works on the Land is completed, FortisBC shall cause a survey of the Right of Way Area to be made. FortisBC shall then make application for filing of a statutory right of way plan (the "**Plan**") in the appropriate Land Title Office and the Plan shall fully define the Right of Way Area. The Land, excluding the Right of Way Area, shall be released, except for ancillary rights, from the rights granted under this Agreement. FortisBC shall provide the Owner with a copy of the Plan and the Owner agrees to accept the accuracy of the Plan without further examination or approval;

(b) This Agreement shall terminate within four (4) years of the date of execution of this Agreement by FortisBC if FortisBC has not either applied to file the Plan described in subparagraph 4(a) or commenced exercising its rights granted in paragraph 1. Upon termination of this Agreement, FortisBC shall execute and file such documents in the appropriate Land Title Office as may be necessary to effect a release of this Agreement from the Land;

(c) The amount of any compensation for Damages caused by FortisBC and payable under paragraph 3 herein shall be mutually agreed upon between the Owner and FortisBC but failing such agreement, shall be settled by arbitration pursuant to the *Arbitration Act* of British Columbia before a single arbitrator. No compensation shall be payable by FortisBC to the Owner for any Damage for which compensation has already been paid;

(d) FortisBC has ownership of all timber cut on the Land by FortisBC in the exercise of its rights under this Agreement;

(e) The terms, conditions, covenants and agreements of the Owner hereunder will charge the Land- pursuant to Sections 218 and 219 of the *Land Title Act* as applicable, and will run with the Land and bind the Land and each and every part into which the Land may be divided or subdivided and will bind all present and future owners of the Land and any portion thereof, but no part of the freehold estate will vest thereby in FortisBC;

(f) The provisions hereof are severable and if any of them should be found to be void or unenforceable at law, the remaining provisions shall not be affected thereby;



- (g) Subject to subparagraph 4(h) of this Agreement and notwithstanding any rule of law or equity to the contrary, the Works shall remain the property of FortisBC who may at any time remove them in whole or in part;
- (h) If FortisBC abandons the Works, it may, at its option, leave the Works or any part thereof, and FortisBC shall release and register, in the appropriate Land Title office, a discharge of the rights granted by this Agreement. Upon the release of the rights granted to FortisBC by this Agreement any abandoned Works shall belong to the Owner;
- (i) The expressions "Owner" and "FortisBC" shall include, and this Agreement shall enure to the benefit of and be binding upon, the executors, administrators, successors and legal assigns of the Owner and FortisBC;
- (j) FortisBC may assign this Agreement without the consent of the Owner;
- (k) Where the expression "Owner" includes more than one person, all of the covenants granted by the Owner in this Agreement shall be construed as being several as well as joint;
- (l) Nothing contained herein shall diminish or otherwise interfere with rights enjoyed by FortisBC by statute or otherwise;
- (m) Wherever the singular or the masculine is used in this Agreement, the same shall be construed as meaning the plural or the feminine or body corporate or politic where the context so requires or the parties so require;
- (n) The Owner will, at its expense, do or cause to be done all acts reasonably necessary to grant priority to this Agreement over all financial charges registered against the title to the Land in the Land Title Office;
- (o) The Owner will, on request by FortisBC, do or execute or cause to be done or executed all such further and other lawful acts, deeds, things, conveyances and assurances whatsoever for better assuring FortisBC the rights, liberties rights of way and covenants herein granted and to give effect to the Owner's grants and agreements hereunder;
- (p) Any consent, approval or decision of FortisBC contemplated or required hereunder will only be binding on FortisBC if it is in writing signed by such officer or employee as FortisBC may determine from time to time. Unless otherwise stated herein, such consent, approval or decision will be in the sole, absolute and unfettered discretion of FortisBC. Any consent by FortisBC hereunder shall be in writing and may be withheld or conditioned by FortisBC at its discretion;
- (q) No default by FortisBC or act or failure to act by FortisBC in connection with the rights granted hereunder will result or be deemed to result in the interruption, suspension, or termination of FortisBC's rights hereunder, and the Owner will not seek any judgment, order, declaration or injunction to that effect;
- (r) Unless and except to the extent caused by FortisBC, FortisBC will not be liable or responsible for any contamination on the Land or which has migrated, whether or not pre-existing, and whether caused by the Owner, a predecessor in title of the Land or an owner or past owner of other property

or any other person. "Contamination" here has the same meaning as in subparagraph 2(g) of this Agreement;

(s) FortisBC is entitled to peaceably hold and enjoy the rights, liberties and SRW hereby granted without hindrance, molestation or interruption by the Owner or any person claiming by, through or under the Owner;

(t) FortisBC on default by the Owner of its obligations hereunder may, but is not obliged to, remedy the default, provided that, except in the case of an emergency, FortisBC will first give no less than ten (10) days' prior notice to the Owner specifying the default and requiring it to be remedied; and

(u) Any notice or communication contemplated by this Agreement, to be effective, must be in writing and delivered by hand, prepaid registered mail or facsimile or email (if a facsimile or email address has been provided for the receiving party) and will be deemed to be satisfactory if and deemed to have occurred when:

- (i) If personally delivered or sent by facsimile or email, on the date of delivery during normal business hours, or if such date is not a business day, on the next business day; or
- (ii) If mailed by prepaid registered mail, on the date received or on the fifth (5<sup>th</sup>) business day after receipt of mailing by any Canada Post office in British Columbia, whichever is the earlier, unless there is between the date of mailing and actual receipt a mail strike or other labour disburse which adversely affects mail service in British Columbia, in which case the party giving notice, demand or request will send the notice, demand or request by delivery,

to the party at the address shown on the Form C – General Instrument – Part 1, or in the case of a subsequent Owner, to the address of that Owner shown on title to the Land in the Land Title Office, or to whatever address a party may from time to time in writing advise.

In witness whereof the parties acknowledge that this Agreement has been duly executed and delivered by the parties executing Forms C and D (pages 1 & 2) hereto.

**PRIORITY AGREEMENT**

This Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 2021.

AMONG:

- (INC. BC•)
- (hereinafter referred to as “the Lessee”)

AND:

- (INC. BC•)
- (hereinafter referred to as “the Mortgagee”)

AND:

FORTISBC ENERGY INC., 16705 Fraser Hwy., Surrey, BC V4N 0E8

(hereinafter referred to as “FortisBC”)

WHEREAS:

- A. The Lessee is the holder of a charge registered against those lands and premises civically described as
- and more particularly described as:

PID: •

•

(the “Property”)

namely a Lease registered against the Property on • under registration number •(the “Lease”);

- B. The Mortgagee is the holder of a charge registered against the Property, namely a Mortgage, registered on • under registration number •(the “Mortgage”);
- C. FortisBC wishes to register a Statutory Right of Way against the Property (“SRW”) as a charge in priority to the Lease and to the Mortgage.
- D. The Lessee and Mortgagee have agreed to enter into this Agreement with FortisBC in order to set out the respective priorities of the SRW over the Lease and the Mortgage;

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE 1 – CONSENT

LSTA – Station for Renewable Natural Gas

1.01 FortisBC hereby acknowledges the prior existence of the Lease and the Mortgage.

1.02 The Lessee and Mortgagee hereby acknowledge their consent to the creation and registration by FortisBC of the SRW in priority to the Lease and to the Mortgage.

#### ARTICLE 2 – PRIORITIES

2.01 The security constituted by the Lease and by the Mortgage is hereby postponed and subordinated to the security constituted by the SRW.

2.02 The subordinations herein shall apply in all events and circumstances regardless of:

- (a) the date of execution or registration of the Lease and the Mortgage; or
- (b) the date of execution or registration of the SRW; or
- (c) any priority granted by any principle of law or any statute, including *The Land Title Act*.

#### ARTICLE 3 – GENERAL

3.01 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

- |                |                                       |
|----------------|---------------------------------------|
| For Lessee:    | •                                     |
| For Mortgagee: | •                                     |
| For FortisBC:  | 16705 Fraser Hwy., Surrey, BC V4N 0E8 |
| Attention:     | •                                     |

3.02 Each of the Lessee, Mortgagee and FortisBC shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the interests of this Agreement.

3.03 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

3.05 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

3.06 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

3.07 This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original, but all of which taken together will constitute one and the same instrument. Either party may deliver an executed copy of this Agreement by fax or scanned email and such delivery shall

constitute effective and enforceable execution and delivery, but that party shall immediately deliver to the other party an originally executed copy of this Agreement.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement under the hands of their duly authorized officers on the dates hereinafter set forth.

•By its Authorized Signatory(ies)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

•By its Authorized Signatory(ies)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
Print Name:

**FORTISBC ENERGY INC.**

By its Authorized Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name:

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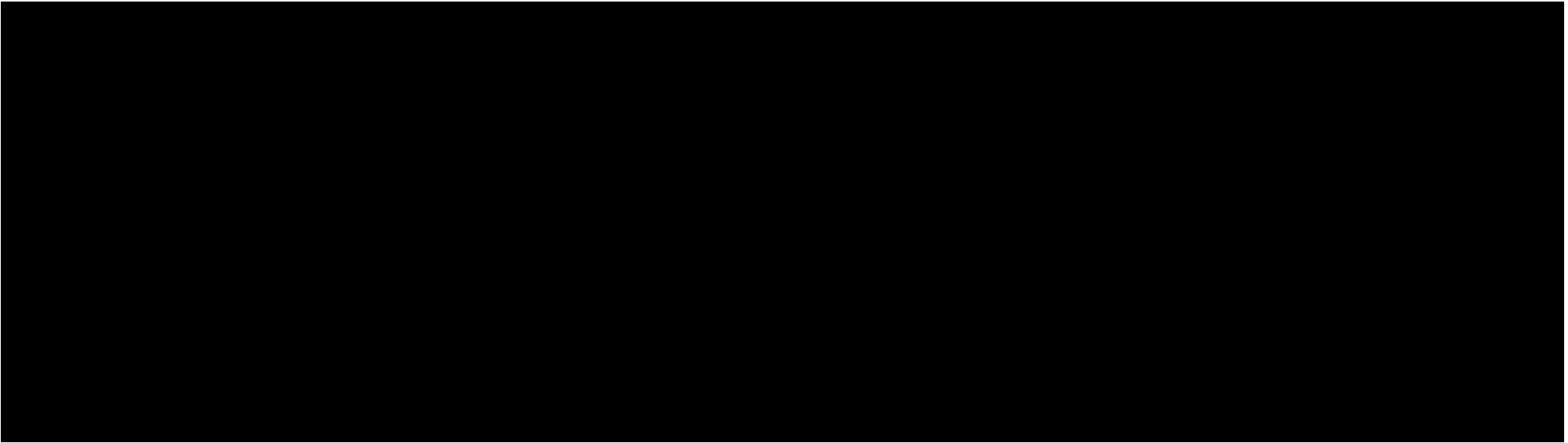
**Appendix B**  
**FINANCIAL SCHEDULES**

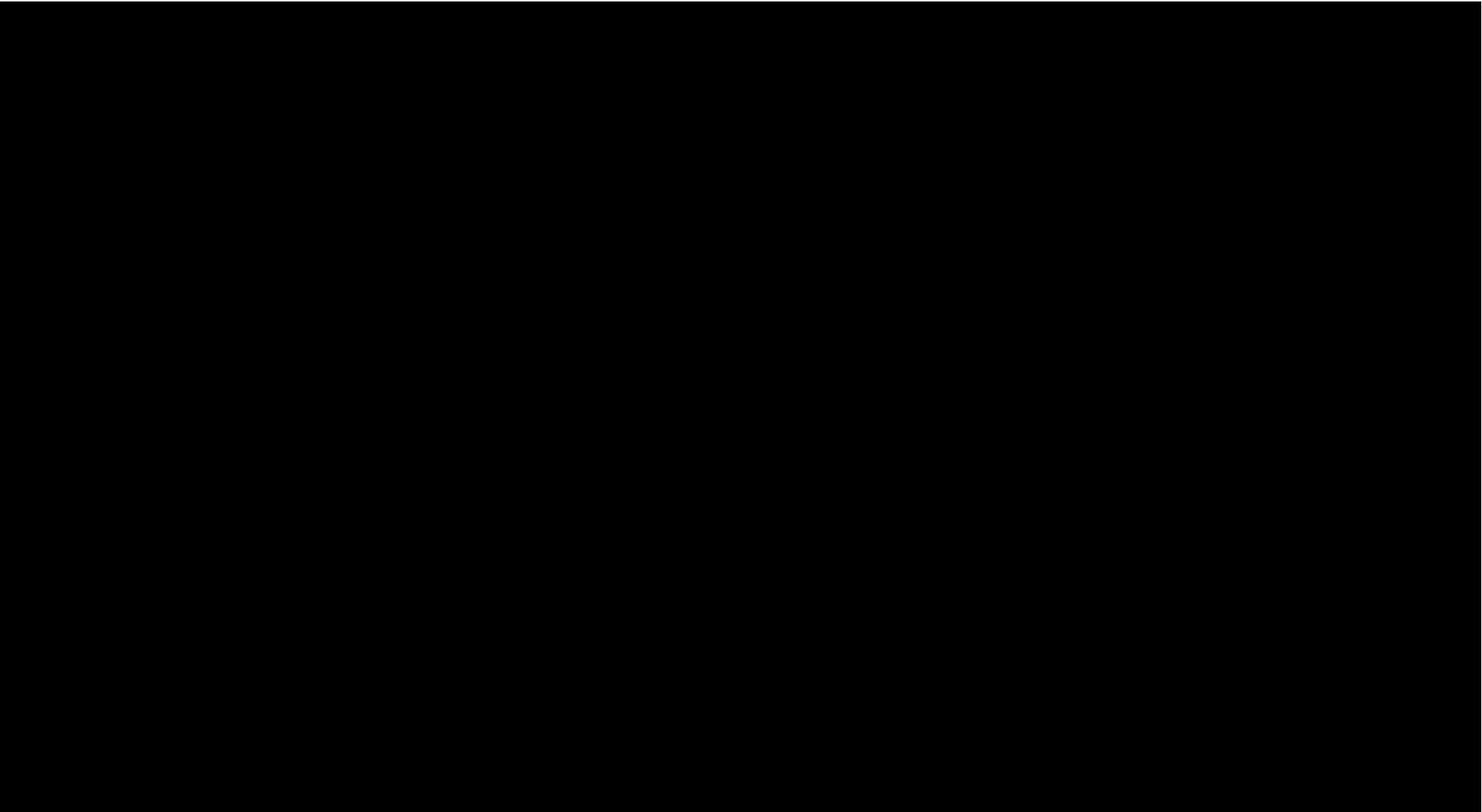
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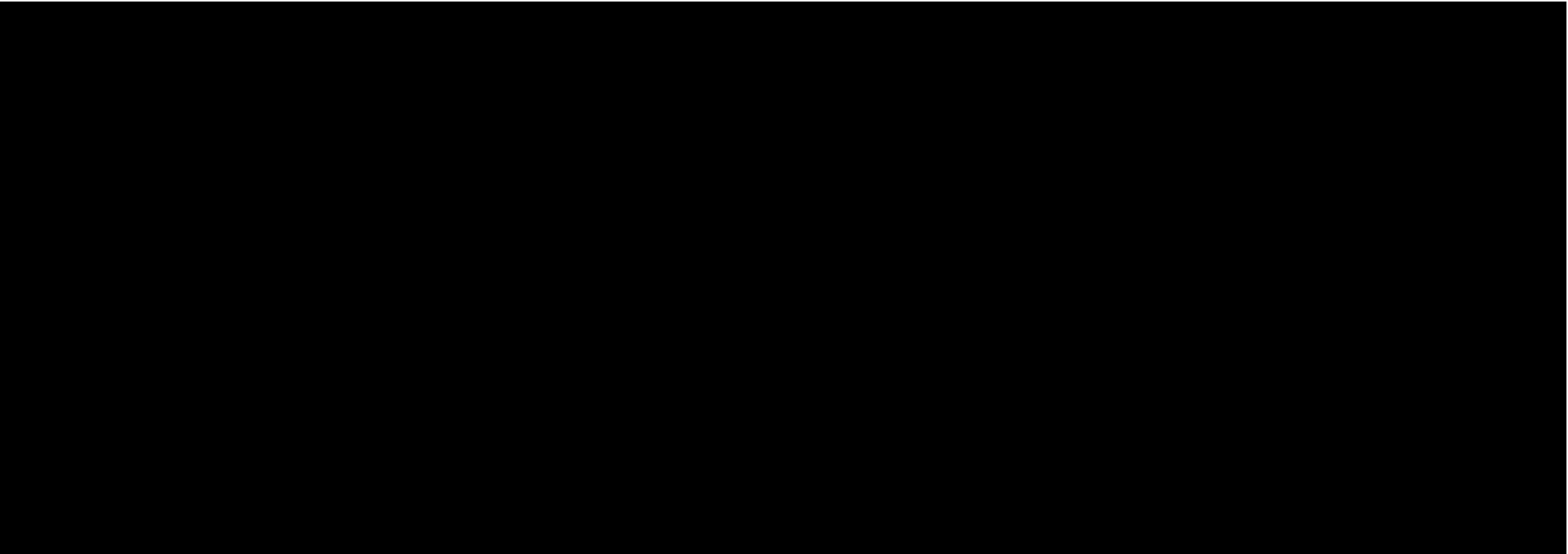




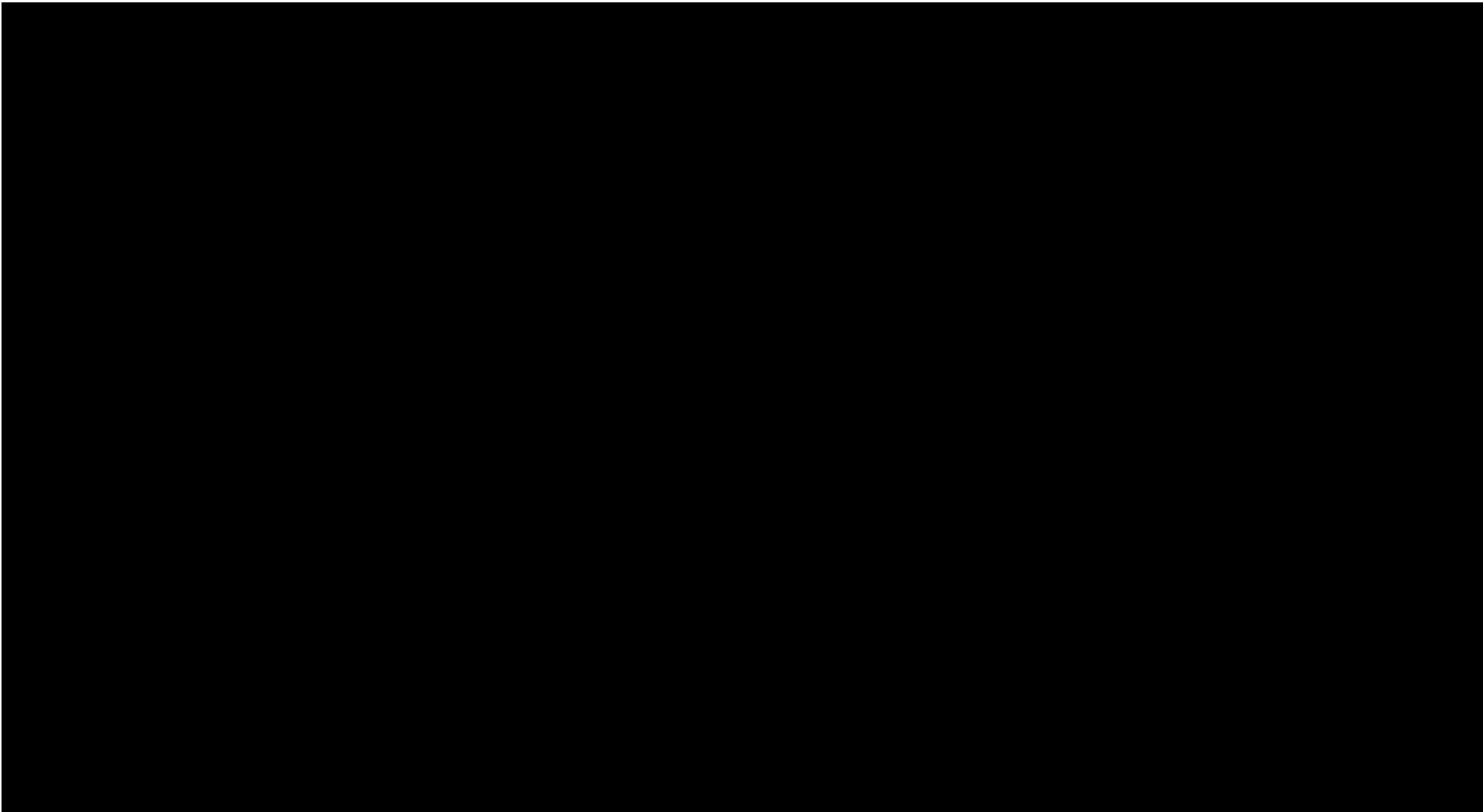


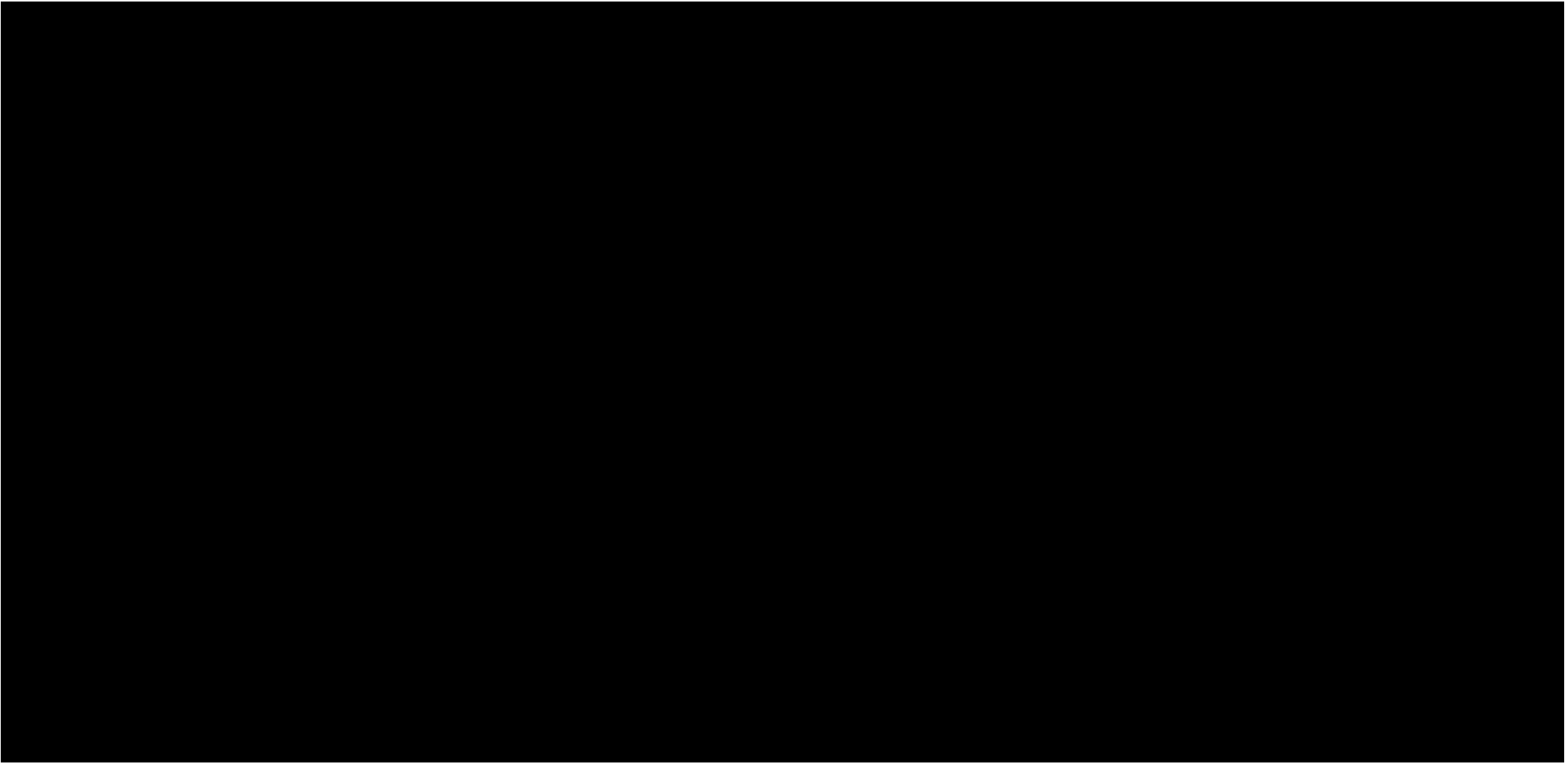




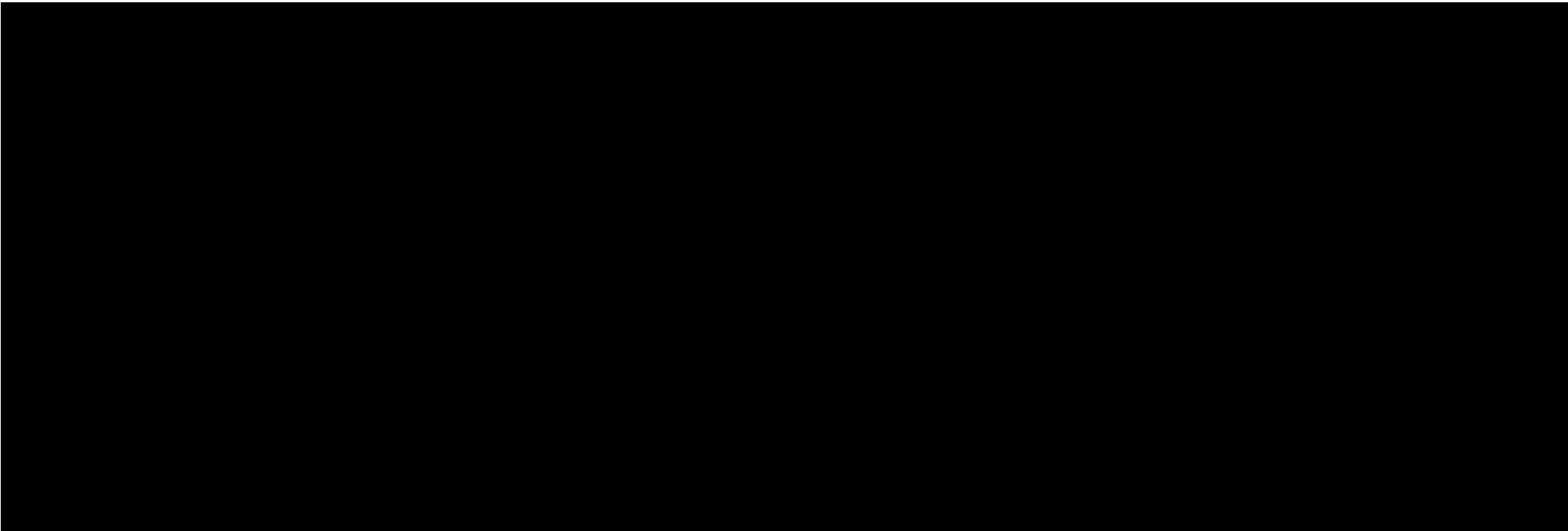






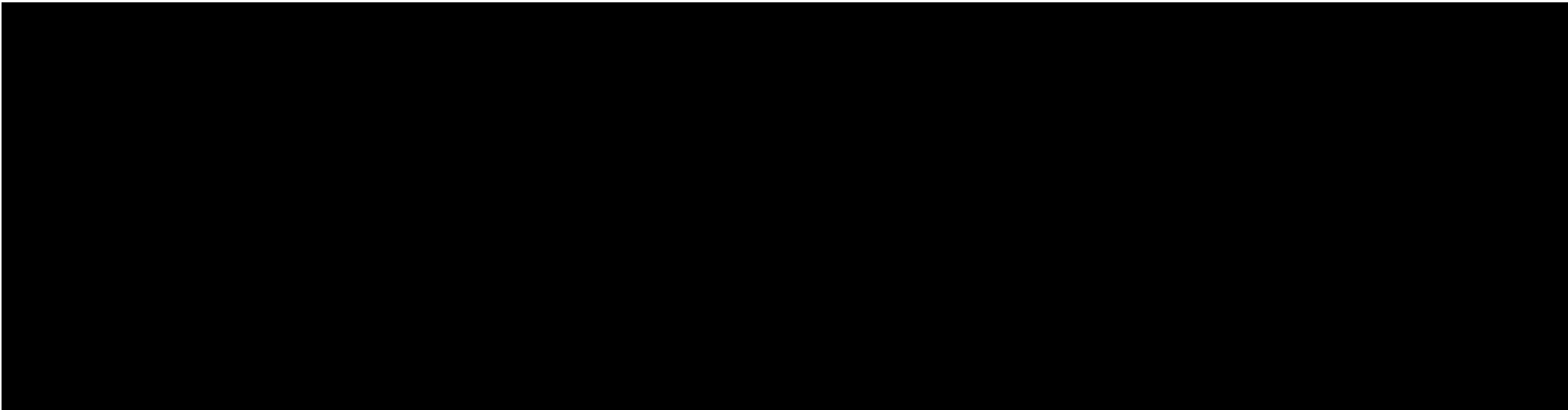








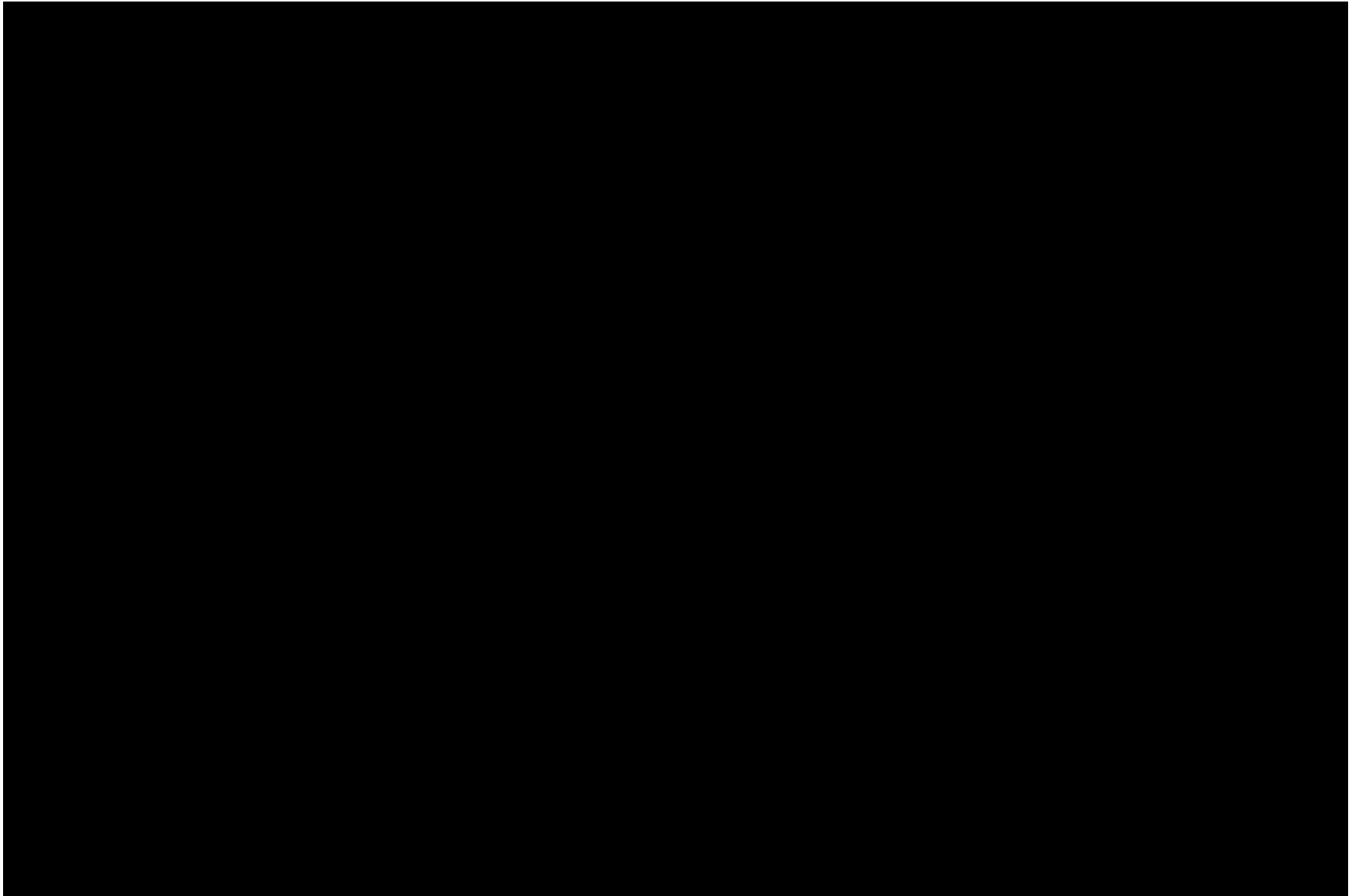




## Appendix C

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### SUMMARY OF APPROVED BPAS





**ORDER NUMBER**

E-xx-xx

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

and

FortisBC Energy Inc.

Filing of a Biomethane Purchase Agreement between FortisBC Energy Inc. and Delta RNG Holdings, Inc. pursuant to Section 71 of the *Utilities Commission Act* and British Columbia Utilities Commission Rules for Natural Gas Energy Supply Contracts

**BEFORE:**

[Panel Chair]  
Commissioner  
Commissioner

on Date

**ORDER**

**WHEREAS:**

- A. On December 22, 2021, pursuant to section 71 of the *Utilities Commission Act* (UCA) and British Columbia Utilities Commission (BCUC) Rules for Natural Gas Energy Supply Contracts (Rules), FortisBC Energy Inc. (FEI) applied to the BCUC seeking acceptance for a Biomethane Purchase Agreement (BPA) between FEI and Delta RNG Holdings, Inc. (Delta RNG) (Application);
- B. Section 18(1) of the *Clean Energy Act* (CEA) defines a prescribed undertaking as “...a project, 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. On May 25, 2021, the Lieutenant Governor in Council, by Order in Council (OIC) 306/2021, approved an amendment to the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR), which among other things, repealed and replaced section 2 (3.8) to state:

(3.8) The public utility acquires renewable natural gas

a) at costs that meet the following criteria, as applicable:

- i. if the public utility acquires renewable natural gas by purchasing it, the price of the renewable natural gas does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the contract for purchase is signed;

- ii. if the public utility acquires renewable natural gas by producing it, the levelized cost of production reasonably expected by the public utility does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the public utility decides to construct or purchase the production facility, and
  - b) that, in a calendar year, does not exceed 15% of the total amount, in GJ, of natural gas provided by the public utility to its non-bypass customers in 2019, subject to subsection (3.9) and section 10;
- E. Under the BPA, Delta RNG will supply biomethane, which is a type of renewable natural gas, processed from a landfill site located in the City of Vancouver, British Columbia, which will be acquired by FEI for injection into FEI's existing natural gas system;
- F. The BCUC has not reviewed the Application from a public interest perspective as the BPA is a prescribed undertakings under section 18(1) of the CEA; and
- G. FEI requests that the redacted portions of the Application and certain appendices be kept confidential due to their commercially sensitive nature; and
- H. The BCUC has reviewed the Application and makes the following determinations.

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

1. The BCUC accepts for filing the BPA between FEI and Delta RNG.
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

Attachment (Yes? No?)