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May 16, 2022

BC Transit
520 Gorge Road East
Victoria, B.C V8W 9T5
PO Box 9861

Attention: Mr. Geoff Huber

Dear Mr. Huber:

Re: FortisBC Energy Inc. (FEI)
Revised Renewable Gas Program Application – Stage 2 (Application)
Response to the BC Transit Information Request (IR) No. 1

On December 17, 2021, FEI filed the Application referenced above. In accordance with the amended regulatory timetable established in British Columbia Utilities Commission Order G-103-22, FEI respectfully submits the attached response to BC Transit IR No. 1.

For convenience and efficiency, FEI has occasionally provided an internet address for referenced reports instead of attaching lengthy documents to its IR responses. FEI intends for the referenced documents to form part of its IR responses and the evidentiary record in this proceeding.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

Attachments

cc (email only): Commission Secretary
Registered Parties

1. Section 1.1 – Introduction and Overview

a. As of date of this report, what % of volume consumption did Natural Gas Vehicle (NGV) customers represent?

Response:

For the year ending December 31, 2021 (the closest annual date to the filing of FEI's Application), NGV customers represented approximately one percent of FEI's annual natural gas volume. This includes CNG and LNG volumes sold to FEI's NGV customers, and the volumes sold at FEI-owned fueling stations and customer-owned fueling stations.

b. As of date of this report, what % of consumption volume of total Renewable gas sales were from the businesses who provided letters of support?

Response:

FEI is unable to determine exactly how much Renewable Gas consumption is attributable to the organizations who provided letters of support. Many of the businesses and associations that provided letters of support work in the construction sector, represent or advocate for commercial businesses, or are business entities themselves. Some are customers of FEI, while others enable customers to take gas service. Generally, these stakeholders understand, and have insight into, the interests of the broader group of residential and commercial customers who receive Renewable Gas service, but do not necessarily consume Renewable Gas.

2. Section 3.4.3.1 - CleanBC Roadmap - Transportation Sector

a. Credits obtained via the Greenhouse Gas Reduction Act and the Renewable & Low Carbon Fuel Requirements Regulation have provided an incentive to transition to Compressed Natural Gas and Renewable Natural Gas to decarbonize fleets. Does FEI have the data showing the net costs of RNG per GJ for NGV users factoring in the current and near future carbon intensities of provided RNG and the resulting credit value at current market values?

Response:

For an analysis of the net cost of Renewable Gas to NGV users, please refer to the responses to City of Richmond IR1 9.2 and TransLink IR1 7.2. The analysis in the referenced IRs include the full cost recovery of Renewable Gas and the potential revenues generated from the sale of carbon credits under the BC-LCFS. When the revenue from carbon credit sales is factored into the net cost of both Renewable Gas and conventional natural gas, the cost of the former may be lower.

The impact of the proposed rates representing the full cost recovery of Renewable Gas to NGV users is unknown as the impact will vary for each NGV user due to variables such as ability to monetize credits under the BC-LCFS, corporate objectives and emission targets.

b. Does FEI know of any mechanism or market influence that will maintain the current market price of the credits obtained via the above Acts and Regulations?

Response:

FEI understands that the market price of the credits is dependent on the supply and demand of the credits, which is influenced by a number of factors. Under the BC-LCFS, the tightening of the carbon intensity (CI) limits would, all else equal, reduce the number of credits generated due to a reduced differential between the CI limit and the CI of the fuel under the BC-LCFS. Furthermore, as the CI limit declines each year to 2030, FEI anticipates that there would be increased demand for credits from fuel suppliers requiring carbon credit purchases to meet compliance requirements. However, this higher demand for credits may be offset by an influx of credits available due to additional low carbon sources being registered under the BC-LCFS. For instance, as medium and heavy-duty battery electric and hydrogen vehicles enter the market and when more NGV customers adopt Renewable Gas, the increased use of electricity, hydrogen, and Renewable Gas may increase the number of credits in the market. This is due to the larger delta between the carbon intensity of these fuels and the maximum allowable limit when compared to higher carbon intensity fuels such as conventional natural gas and propane.

FEI expects that the carbon credits generated from the use of Renewable Gas will increase the use of Renewable Gas in the transportation sector and lower GHG emissions, as the offsetting revenue from the carbon credits reduces the overall cost of the fuel.

3. Section 4.4.1 - FEI's Assets will Play a Role in Decarbonizing Important and Difficult to Decarbonize Sectors in BC

a. The Carbon Intensity of RNG is significantly less than the incumbent Heavy Duty vehicle fuel of diesel (approximately 80-85%). Given this and the current high efficiency of natural gas building heating systems including the mentioned initiatives of CleanBC to have the building systems 100% efficient by 2030. Has FEI done analysis to identify where the most significant GHG reductions (by sector/use) can be achieved from RNG use in British Columbia?

b. In consideration of the above answer, why is FEI proposing rates that would incent the use of the RNG in applications that do not provide the greatest GHG reduction?

Response:

Please refer to the responses to BC Hydro IR1 1.6, 1.9 and 1.10

c. How does FEI plan to incentivize sector use of RNG to best achieve its own 30by30 goals?

Response:

FEI's 30BY30 target was developed in 2019 in alignment with the CleanBC Plan, which was released in 2018. However, provincial energy and climate policies have continued to evolve underscoring the need for FEI to adapt its GHG emission reduction plans accordingly.

The CleanBC Roadmap contemplates a new obligation for natural gas utilities,[1] such as FEI, to limit the GHG emissions from gas used in the building and industrial sectors of the economy through the use of a cap. FEI expects that it will be required to comply with a Greenhouse Gas Reduction Standard (GHGRS), which is in development and will further define the cap on emissions, including associated compliance mechanisms. As a result, FEI will continue to work towards increasing the supply of Renewable Gas in alignment with the mandates set by the provincial government for the building and industrial sectors. FEI is also advocating for provincial incentives as a component of accelerating the widespread use of Renewable Gas (including RNG) in alignment with the CleanBC Plan.

Regarding the transportation sector (which will not be covered under the GHGRS), FEI has been incentivizing emission reductions in the transportation (e.g., on-road, marine) sector since 2010, prior to the GGRR. Since 2012, with the enactment of the GGRR, FEI has constructed both CNG and LNG fueling stations under the GGRR that allowed for less than full cost recovery from the station (fleet) user. Additionally, FEI has provided grants to fleet operators to convert to lower

[1] The cap will be set at approximately 6 Mt of CO2e per year for 2030, which is approximately 47 percent lower than 2007 levels.

emission CNG and LNG vehicles. FEI has incentivized, and will continue to incentivize, the transportation sector while continuing to meet its own CleanBC obligations and the objectives underlying the revised Renewable Gas Program, which are subject to relevant government policy.

As of March 31, 2022, the period during which FEI can provide incentives for CNG and LNG vehicles and infrastructure under the GGRR has concluded. FEI is currently working with the provincial government to explore new opportunities to continue to stimulate the adoption of CNG and LNG vehicles with a greater focus on RNG adoption in this sector.

4. Section 5.5.1 - Customers with Mandated Emissions Reductions; Section 5.7 Natural Gas Vehicle Customers

a. How does FEI justify the increased rate proposal that will directly impact the consumption of Renewable gas by NGV customers and contradicts the intent of mandated emission reductions via the Greenhouse Gas Reduction (Renewable & Low Carbon Fuel Requirements) Act and the Renewable & Low Carbon Fuel Requirements Regulation?

Response:

Under the CleanBC Roadmap, the provincial government identifies the BC-LCFS as the approach to incentivize low carbon transportation fuel supply. FEI supports this initiative by operating and maintaining natural gas fueling infrastructure and has proposed that NGV customers may continue to voluntarily purchase up to 100 percent Renewable Gas from FEI. FEI will continue to support NGV users by continuing to operate and maintain existing natural gas fueling infrastructure and will seek to add new fueling stations to further support the natural gas transportation sector.

As discussed in Section 7.4.3.2 of the Application, the CleanBC Roadmap introduced a new cap on natural gas utilities to reduce GHG emissions from the use of conventional natural gas in certain sectors of the economy, including buildings and industry, but not transportation, to 47 percent lower than 2007 levels, by 2030. As a result of this provincial policy, any volume of Renewable Gas sold to NGV customers means that FEI ratepayers must purchase additional Renewable Gas in order to achieve the 47 percent reduction target. Should these volumes be sold to NGV customers at less than the cost of acquisition, FEI ratepayers will also bear the cost of reducing the emissions of the transportation sector, in addition to the cost of reducing the emissions for the proposed GHG emissions cap for gas distribution utilities. FEI's proposal addresses this concern by having NGV customers pay the full Renewable Gas acquisition cost.

It is also important to recognize that Renewable Gas has a higher value to NGV customers than to other customer types. NGV customers receiving CNG service and LNG service in British Columbia are eligible for Part 3 fuel supplier status under the BC-LCFS. NGV customers who purchase their own gas supply from a gas marketer are also eligible. Part 3 fuel suppliers that reduce the carbon intensity of their fuel relative to the baseline carbon intensity identified in the BC-LCFS can generate credits which can be sold in the credit market. In effect, the current BC-LCFS provides these customers with a financial incentive to reduce their GHG emissions by purchasing Renewable Gas, as discussed in Section 5.7.2 of the Application.

FEI does not believe that it is the intention of provincial policy to impose additional cost burdens on home and business owners to the benefit of the transportation sector that can already benefit from the carbon market under the BC-LCFS. Such an outcome would be neither fair nor reasonable.

Please also refer to the response to BCSEA IR1 4.15.

b. "Today, NGV customers can access the BC-LCFS credits, while the building sector customers cannot, suggesting a need to align the offering for NGV customers with existing policy." Any incentive recognized by NGV class customers is from programs outside of FEI control and mandate. Why does FEI propose to influence different class/ group consumption rates by shifting incentive since the current rate structure is impartial?

Response:

FEI has been and remains supportive of the efforts of NGV customers to reduce their emissions by switching to conventional natural gas and Renewable Gas. Contrary to the statement that "Any incentive recognized by NGV class customers is from programs outside of FEI control and mandate", FEI confirms that, since 2013, it has provided approximately $270 million in incentives to encourage CNG and LNG adoption for transportation. Please also refer to the response to BC Transit IR1 4.a.

5. Section 5.7 – NGV Customers

a. FEI states that NGV customers showed minimal interest. This statement does not account for the fact that BC Transit has been trying to purchase Renewable gas since 2017 and had been told on multiple occasions that there is no supply available until recently. Of contracted 2022 sales of Renewable gas, what percentage is from NGV customers?

Response:

For clarity, in Section 5.7 of the Application (page 67), FEI stated: "During the first six years of the Renewable Gas Program's operation, this segment of customers, known as NGV customers, expressed only minor interest in purchasing Renewable Gas. During that period, the Program did not have any subscribers from this customer segment. More recently however, NGV customers have shown increased interest in Renewable Gas." FEI does note that some NGV customers have communicated their hesitation to purchase Renewable Gas due to the unfamiliarity with the BC-LCFS, which affected the overall level of interest from NGV customers to receive Renewable Gas service.

From August 2019 to October 2021, because RNG supply did not materialize as anticipated and fell short of demand, the existing Renewable Gas Program was temporarily closed to new participants and current participants (including NGV, industrial, and institutional customers) had Renewable Gas volumes curtailed. Consequently, FEI was unable to provide new and existing customers (including NGV customers) with the volume of Renewable Gas they desired. While the Renewable Gas Program was temporarily closed, FEI was and continues to actively contract with parties to acquire additional RNG supply volumes. Please also refer to the response to BCUC IR1 5.2.2.

As Renewable Gas supply volumes increased in 2021, in November 2021, FEI re-opened the Renewable Gas Program to new participants and communicated with all Renewable Gas customers (including NGV customers) who had previously been curtailed that Renewable Gas volumes were now available to recommence service.

For the purposes of responding to the "contracted 2022 sales" portion of this information request, FEI has defined "contracted" customer volumes to be the total Renewable Gas sales from customers enrolled (provided signed General Firm Service Agreements) under RS 5B, 7B, 11B and 46 as well as the three long-term agreements. Using this definition, as of March 16, 2022, approximately 70 percent of 2022's currently contracted sales of Renewable Gas are to NGV customers. Please note, however, that this percentage is likely to change as the year progresses and new enrollments come in from all biomethane rate schedules.

6. Section 5.7.2 - BC's Low Carbon Fuel Standard

The calculations in this section do not account for the costs to build and maintain the fueling systems required to earn credits as a fuel supplier nor do they account for the significant increase to buying Natural gas consuming vehicles over the incumbent diesel. These calculations also do not account for the fact that LCFS mandates the drop in incumbent fuel by which the number of credits earned are calculated and will result in the drop of credits earned between now and 2030.

a. Can FEI provide the same calculations for the expected carbon intensity as mandated by the LCFS for 2030? How does that compare to the 64 credits per 1000GJ as reported and how does that impact the value of return reported in this review?

Response:

In 2030, 1,000 GJ of RNG would be equal to 57 credits based on the BC-LCFS and the same Renewable Gas carbon intensity of 10.5 gCO2e/MJ used to determine the 64 credits in 2022. At $400 per credit, the 57 credits would equate to approximately $23/GJ, which is an approximate $2/GJ decrease over the estimated $25/GJ in 2022. At $180 per credit, NGV customers could monetize credits at approximately $10/GJ which is approximately $1 less than the 2022 figure of approximately $11/GJ.

b. Has FEI created a true cost comparison of using Renewable natural gas and associated infrastructure versus using Renewable and Biodiesel blends in the general incumbent diesel heavy duty vehicles?

Response:

FEI has not created a "true cost comparison" of this kind and the results of such a comparison would not be a reflection of the true cost for all customers. In particular, as each fleet is unique and there is variation in the values for each input between fleets, the outcomes would be different for different fleets. Further, FEI does not have access to the specific inputs required to calculate a true cost comparison, including the cost to operate and maintain various vehicles operating on different fuel types and the cost for supply and delivery of alternative fuels such as biodiesel blends.

c. To date large volume NGV customers have purchased natural gas under standard commercial class tariffs as part of the "Natural Gas Class of Service". Commercial

customers have multiple different uses of natural gas. Why are NGV customers being singled out for additional (potentially discriminatory) pricing?

Response:

FEI disagrees that NGV customers are being "singled out" for potentially discriminatory pricing. Please refer to the responses to BCSEA IR1 4.15 and BC Transit IR1 4.a which discuss the proposed Renewable Gas pricing for NGV customers and the unique considerations in relation to this segment of customers.

7. Section 6.2.1 - Growth in Supply Has Been Substantial Since Program Inception

a. Can FEI explain the market demand and sale distribution between sectors to account for the drastic increase from the sales reported in Figure 2-3 in 2021 and the projected supply in Figure 6-2?

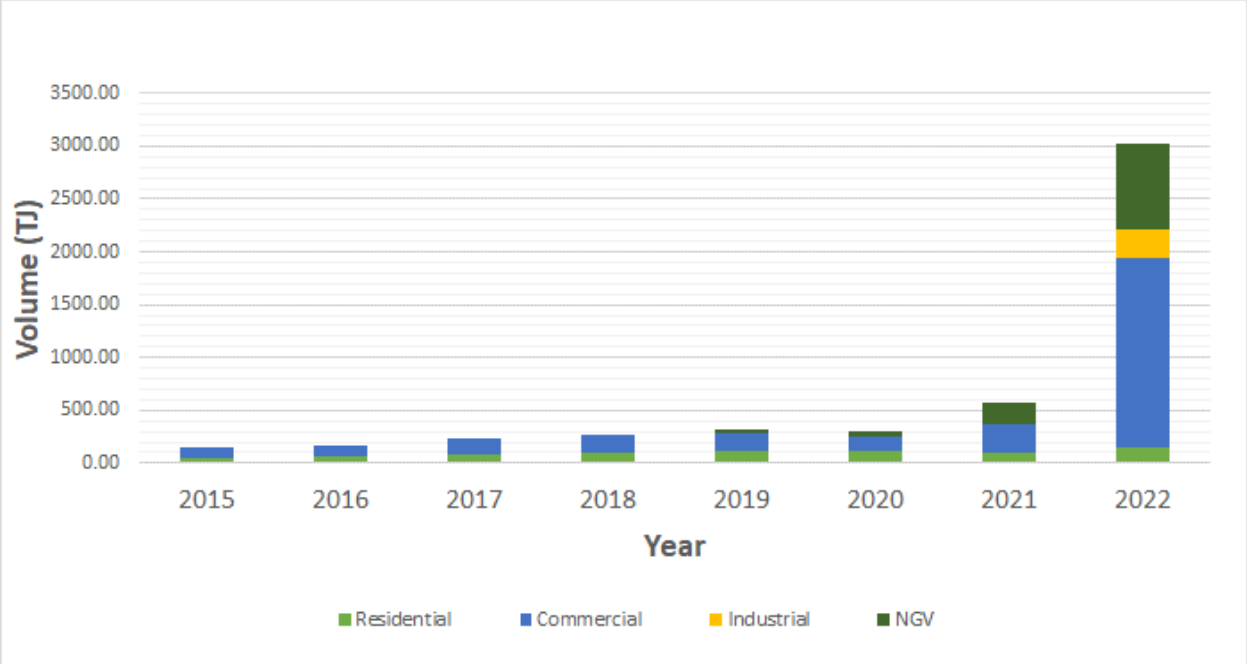
b. Can FEI do the same market demand projection for 2022 supply of 4000TJ (a over 470% increase year over year)?

Response:

The significant increase in Renewable Gas sales in 2021 versus previous years is due to increasing Renewable Gas supply volumes, and FEI's resultant ability to both reopen the existing Renewable Gas Program to new participants and provide currently enrolled customers with all of their requested volumes. As described in the 2020 BERC Rate Report,[2] FEI experienced an imbalance in Renewable Gas supply versus demand and, therefore, took steps in 2019 to limit the sale of Renewable Gas. FEI's Renewable Gas supply situation improved significantly in 2021, allowing it to reopen the Renewable Gas Program and sell more Renewable Gas volumes to new and existing program participants.

Please refer to Figure 1 below that shows both the historical actual and 2022 forecast Renewable Gas sales volumes for different customer segments.

Figure 1: Annual Renewable Gas Sales by Customer Sector – Historical and Forecast



Note that there is uncertainty in the forecast for 2022 because FEI considers 2022 to be a transition year. The program was reopened to new enrollments as of October 2021 and, due to pent-up demand, FEI is anticipating increased Renewable Gas supply from several new

[2] 2020 BERC Rate Methodology Comprehensive Assessment Report, August 12, 2020.

Renewable Gas suppliers. FEI must ensure that the demand for Renewable Gas does not exceed the available supply as the volume of supply increases over the coming months. Due to the timing of new supply projects, there may be deviations between forecast and actual Renewable Gas deliveries.

8. Section 7.2.1 - Meet Provincial Targets for GHG Emissions and Balance Renewable Gas Supply and Demand

"FEI's current Renewable Gas Program needs to be revised to fully utilize the significant increase in Renewable Gas supply needed to respond to current provincial policy that seeks to cap emissions from gas used to heat homes and businesses."

a. Is this rate proposal that will de-incentivise Renewable gas consumption by NGV customers to provide the necessary liquidity of renewable gas supply?
b. Why can't FEI secure more supply if the above is true?

Response:

The proposed rate for NGV customers is not to provide liquidity of Renewable Gas supply. Please refer to FEI's response to BC Transit IR1 4.a.

9. Section 7.3 - Renewable Gas Program Design

a. Would a comprehensive pricing program that did not discriminate against NGV customers meet all program objectives? Why or why not?

Response:

FEI does not agree with the premise of the question. FEI is not discriminating against NGV customers. Please refer to the response to BC Transit IR1 4.a.

10. Section 7.2.3 - Meet Customer Requirements for Renewable Gas to Maintain Energy Choice for Existing Customers

"Public sector building operators have taken an interest in the Renewable Gas Program as one option to achieve their mandated carbon neutrality requirement. NGV customers have also indicated interest in the program as a means of reducing their emissions and participating in the BC-LCFS program's credit market, and the voluntary program works well for these customers generally. However, public sector building owner customers, who have a range of options to reduce their emissions, are more sensitive to the price premium for Renewable Gas over conventional gas than NGV customers, as NGV customers have the ability to generate revenues from the sale of credits in the BC-LCFS credit market."

a. As a Public Sector entity that is also a NGV customer, BC Transit has price sensitivity in all aspects of its business. Does FEI have any specific research or survey material that specifically highlights a difference between the price sensitivity of building operator customers versus NGV customers?

Response:

No, FEI does not have any such research. For a discussion of the challenges associated with assessing the price sensitivity of customers towards Renewable Gas, please refer to Section 5.8 of the Application.

11. Section 7.4.3.2 - Modification 2: Price of Renewable Gas for Transportation Service and NGV Customers

"GHG emission reductions resulting from the sale of Renewable Gas to NGV customers will not contribute to achieving the GHG reduction policy described in the CleanBC Roadmap."

a. The CleanBC Roadmap directly addresses transportation emissions and their reduction via the LCFS (pg37 of CleanBC Roadmap). Please explain how implementing a plan that de- incentivizes the use of low carbon fuel such as Renewable gas for NGV customers, and directly contradicts the intention of the LCFS will work to achieve the over-arching goal of the CleanBC Roadmap of reducing Provincial GHG emissions?

Response:

Please refer to Section 7.4.3.2 of the Application (page 104) where the sentence immediately following the preamble to this question makes clear that FEI is referring to the policy that requires gas distribution utilities to reduce GHG emissions from the use of conventional natural gas to 47 percent lower than 2007 levels, by 2030. For clarity, GHG emission reductions resulting from the sale of Renewable Gas to NGV customers will not contribute toward the proposed GHG emissions cap for natural gas utilities in the CleanBC Roadmap. Please refer to the response to BC Transit IR1 4.a.

Statement 1 – Section 7.4.3.2 (pg104) "If Renewable Gas is sold to NGV customers at a discount to the cost of acquisition, the effect would be to increase the costs borne by all other ratepayers as more Renewable Gas would need to be purchased to meet the policy objective. By setting the

Renewable Gas rate for NGV customers at the average supply cost, gas system ratepayers should be indifferent to the sale of Renewable Gas to NGV customers."

Statement 2 -Section 7.2.1 (pg87) "To align with the CleanBC Roadmap, FEI may need to acquire 45 and 65 PJs of Renewable Gas annually. This volume of Renewable Gas may result in a build up of unsold Renewable Gas volumes unless FEI has a means of ensuring that it can all be sold to customers."

b. Please explain how Statement 1 does not contradict Statement 2 from earlier in the Review?

Response:

There is no contradiction between the statements.

Please refer to the response to BCUC IR1 10.1 where FEI discusses how the objectives of the Renewable Gas are complementary and are being balanced through the proposed offerings.

As Statement 1 suggests, the effect of setting the charge for Renewable Gas to NGV customers at less than full acquisition cost would likely increase demand from that group, thus helping to reduce any potential build-up of Renewable Gas inventory. However, unlike sales to non-NGV customers, sales to these customers will not contribute towards the proposed GHG reductions for gas utilities under the CleanBC Roadmap. The effect would be to increase the costs borne by all other ratepayers, as more Renewable Gas would need to be purchased to meet the policy objective.

In contrast, Statement 2 is applicable to the proposed Renewable Gas Blend service, which will allow the utility to deliver Renewable Gas to non-NGV Sales customers while also meeting the GHG reduction obligations set out in the CleanBC Roadmap.

c. Please provide the forecast rate impact to NGV customers from 2022 to 2033 based on FEI's RNG acquisition cost forecast?

Response:

FEI has assumed this question is asking about the forecast rate impact to existing NGV customers who are also purchasing Renewable Gas. FEI has calculated the requested annual forecast rate impact by comparing the forecast acquisition cost of Renewable Gas provided in the Application with a forecast of the Biomethane Energy Recovery Charge (BERC) (which represents what NGV customers are currently paying for Renewable Gas). Currently, the BERC is set once per year to equal FEI's conventional cost of gas per GJ in Q1, plus the carbon tax per GJ, plus $7 (as shown in lines 3 through 6 below). The difference between the Renewable Gas acquisition cost and the BERC (as set out in the table) is included on line 8.

Table 1: Difference between Renewable Gas Acquisition Cost and the Approved BERC

Line No.			2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
1	**RG Acquisition Cost**	**$/GJ**	**23.293**	**23.523**	**24.267**	**24.843**	**25.328**	**25.762**	**23.847**	**24.064**	**24.311**	**23.737**	**23.377**
2													
3	Cost of Gas	$/GJ	4.503	4.503	4.503	4.503	4.503	4.503	4.503	4.503	4.503	4.503	4.503
4	Carbon Tax	$/GJ	2.305	2.559	3.289	4.019	4.749	5.479	6.210	6.940	7.670	8.400	8.400
5	Premium	$/GJ	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000	7.000
6	**BERC**	**$/GJ**	**13.808**	**14.062**	**14.792**	**15.522**	**16.252**	**16.982**	**17.713**	**18.443**	**19.173**	**19.903**	**19.903**
7													
8	**Difference**	**$/GJ**	**9.48**	**9.46**	**9.47**	**9.32**	**9.08**	**8.78**	**6.13**	**5.62**	**5.14**	**3.83**	**3.47**

In the calculations above, FEI has started with the 2022 BERC, held the cost of conventional natural gas constant and amended the carbon tax to reflect it increasing to $170 per tonne by 2030. The carbon tax changes on April 1 of each year, while FEI currently sets its BERC at

January 1 of each year. Consequently, the annual BERC uses the carbon tax charge from the prior provincial fiscal year, meaning that the calculations above show that the $170 per tonne ($8.400 per GJ) carbon tax is not embedded in the BERC until 2031.

12. Sections 10.1.1 and 10.1.2 - Public Consultation Process

a. At the time of consultation listed in Section 10.1.1 and 10.1.2 – What amount of energy and the resultant percentage of Renewable gas sales did these organizations represent?

Response:

These organizations mostly represent residential, commercial and industrial customers and their interests. They consist of customers and entities that enable the use of gas. These organizations and the customers they represent account for the entirety of Renewable Gas consumed.

b. Why is there no discussion of the consultation with NGV users?

Response:

Interviews with specific NGV customers to determine their general thoughts on Renewable Gas as an energy option occurred in mid-2021. Please refer to Appendix B-2 in the Application. FEI notes that the release of the CleanBC Roadmap occurred in October of 2021, after the interviews had concluded. Upon the release of the CleanBC Roadmap, FEI determined that policy, and the resulting considerations described in the response to BC Transit IR1 4.a, had to take precedence in designing the revised Renewable Gas Program.

The feedback received indicated a variety of opinions regarding Renewable Gas among NGV customers. For example:

- Many NGV customers expressed a desire to address the GHG emissions resulting from their operations.
- Other NGV customers, who participate in the BC-LCFS credit market, indicated that their primary motivation to use Renewable Gas was to monetize its use for credits. In particular, one NGV respondent indicated that the acquired credits eliminated their fuel costs.
- Some participants expressed concerns with the stability of prices in the BC-LCFS credit market, while others indicated concerns about cash flow while waiting for the proceeds from credit market sales.
- Many indicated that they would be hesitant to purchase Renewable Gas from FEI at a price of $20/GJ. At least one respondent, however, expressed that an attractive alternative to purchasing Renewable Gas from FEI was to purchase it at a lower Carbon Intensity from gas marketers, potentially at a higher price, as the carbon credits would be worth more.
- NGV customers who do not participate in the BC-LCFS credit market indicated that their approach was to keep using conventional natural gas in their CNG/LNG vehicles.

- Most respondents expected to use RNG or CNG as a bridge fuel to battery-electric (or in some cases hydrogen) solutions in the next 5 to 10 years, although fuel-switching may not be feasible in all cases and will require greater investments in infrastructure and re-training.

13. Section 10.2.1 - Letters of Support for the Application from Stakeholders

a. Were any NGV customers approached for letter of support of this application?

b. If any NGV customers were approached, what were the reasons they did not provide letters of support?

Response:

FEI engaged with NGV customers but did not directly request support letters from NGV customers as FEI understood from general feedback from NGV customers that letters of support may not be forthcoming. FEI did, however, encourage NGV customers to intervene/participate in the BCUC process if they had any concerns with the Application.