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May 16, 2022

GNAR Sustainable Home Design 206-1420 Alpha Lake Rd, Whistler, B.C V8E 0R8

Attention: Mr. Edgar Dearden

Dear Mr. Deardon:

#### Re: FortisBC Energy Inc. (FEI)

Revised Renewable Gas Program Application – Stage 2 (Application)

Response to the GNAR Sustainable Home Design (GNAR) Information Request (IR) No. 1

On December 17, 2021, FEI filed the Application referenced above. In accordance with the amended regulatory timetable established in BCUC Order G-103-22 and as amended in Exhibit A-11 for the review of the Application, FEI respectfully submits the attached response to GNAR IR No. 1.

In other proceedings,<sup>1</sup> the BCUC has set out its expectations regarding the appropriate style and substance of IRs under Rules 13.01-13.02 of the *Rules and Practice and Procedure*. In particular, the BCUC stated:

The BCUC reminds all interveners that the purpose of IRs is not to enable the author of the IR to introduce evidence. The purpose of IRs is to elicit relevant information on the evidentiary record or to clarify or test existing evidence to contribute to a better understanding by the BCUC of the relevant issues in the proceeding. Any statements that are included in the preamble to an IR should be restricted to providing context for a question relevant to the proceeding submitted by the party to whom the IR is directed.

Finally, whereas letters of comment are intended to provide for any member of the public to contribute views, opinions, and impact or

<sup>&</sup>lt;sup>1</sup> In the matter of the *FEI Application for a CPCN for the Advanced Metering Infrastructure Project,* in its letter dated September 28, 2021 (Ex. A-15).



potential impact, with respect to a matter before the BCUC, IRs must not be letters of comment.

GNAR has provided preambles to information requests that contain a significant amount of content with which FEI takes issue. In many instances, the manner in which GNAR has framed its information requests appears to attempt to provide intervener evidence, which is procedurally improper. A preamble to an information request is not evidence, as affirmed by the BCUC, its only purpose is to provide context for why the intervener is asking the question.

FEI has responded to the information requests by focusing on the questions themselves, rather than parsing and rebutting each preamble. However, FEI wishes to be clear that the preambles contain inaccuracies and characterizations that FEI does not accept. As such, FEI's silence regarding the content of a preamble should not be interpreted as agreement.

FEI will object to any attempt by GNAR to rely on the content of preambles to its information requests in final argument.

Finally, 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

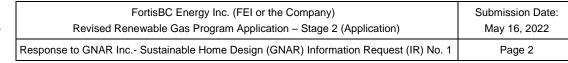
cc (email only): Registered Parties



# 1Reference:Exibiti B-11, Letter dated December 17, 2021 – FEI submitting the2Stage 2 Comprehensive Review and Application for a Revised3Renewable Gas Program

- 1.0 On page 2 of the Application, FEI states the following:
- 5 "FEI proposes a new Residential Gas Connections service under which FEI will 6 permanently provide 100 percent Renewable Gas to new residential dwellings 7 attaching to the system by a service line installed on or after the date of 8 implementation of the service."
- 9 A fraudulent statement is a statement related to a material fact and known to be untrue or 10 made with reckless indifference as to its truth or falsity. A statement or representation may 11 also be "false" or "fraudulent" when it constitutes a half truth, or effectively conceals a 12 material fact.
- 13 It is my understanding that you do not supply a different percentage of biomethane to
  14 customers. Whether they are on a 1% biomethane blend or a 100% biomethane blend,
  15 they will still receive predominantly methane gas from fossil sources (fossil gas). Many of
  16 our clients are FortisBC ratepayers, and we have quizzed them on this point, and we have
  17 found that very few, almost none, are aware of this fact.
- In fact, on the FortisBC website it assures residential customers that they don't need to
   modify their gas appliances when they sign up for RNG, because RNG has the same
   properties as conventional gas. This specifically implies that a customer is receiving a
   different blend as their residence. The exact paragraph from the website reads:
- "Getting RNG is simple Once you're signed up there's nothing else you need to do.
  There's no need to upgrade your appliances or do anything differently, because RNG has
  the same properties as conventional natural gas but without the carbon footprint."
- 25Retrieved March 3rd from: <a href="https://www.fortisbc.com/services/sustainable-energy-">https://www.fortisbc.com/services/sustainable-energy-</a>26options/renewable-natural-gas/sign-up-for-renewable-natural-gas
- I am very confused by the use of this terminology both in this application, and on the
  FortisBC website. It seems to me that this is a lie and false marketing, and that no other
  company in the province would be allowed to get away with such a deceit. Fat free
  yoghurt\* (actually full fat, but we put some extra low fat in the other guy's). Diet cola\*
  (actually real cola, with 1% diet mixed in). High strength steel\* (actually 99% low strength
  with 1% high strength mixed in).
- I feel that this is a preposterous statement. No company should be allowed to market a
   product they are incapable of delivering. The program is clearly an offset program, and as
   such it should be clearly labelled and described as such. We are in a very serious and
   urgent climate crisis which is getting worse by the day. The last thing we need is for





deceitful language which confuses and misleads the public, not least from one of the 2 largest utilities in the province.

- 3 Would a FEI customer in Whistler who has paid FEI to "provide 100 percent 1.1 Renewable Gas" physically receive at their residence a blend of gas any different 4 5 from another customer on the same street who is paying to receive the regular "natural gas" product? 6
- 7 1.2 If the answer to 1.1 is that both the RNG and NG customer would receive exactly 8 the same blend, can you please explain how the statement "FEI will permanently 9 provide 100 percent Renewable Gas to new residential dwellings", on Page 2 of 10 this application, as well as in FEI marketing materials, is not a fraudulent statement 11 meant to mislead the public?

#### 13 Response:

14 Please refer to the response to BCOAPO IR1 10.1 for a description about how FEI uses receipt

15 by displacement, which is common practice in the delivery of energy, to enable its customers to

16 purchase various blends of Renewable Gas.

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#### 1 2.0 Reference: Throughout the Application

- Throughout the Application, FEI uses the word "natural". The word "natural" appears 427 times throughout the document to describe two products which are:
- "Natural gas", which in terms of the product actually sold to customers describes "hydrocarbon gas, which has been processed and dried, from fossil sources".
- 6 "Renewable Natural gas", which in terms of the product actually sold to customers
  7 describes "hydrocarbon gas, which has been processed and dried, from biogenic
  8 sources".

9 Using the naming this program as "natural" is misleading. For a start, neither of these 10 chosen names contain any information which help customers to understand what exactly 11 it is they are purchasing. And when sold to customers and supplied to them in their home, 12 neither Natural Gas, nor Renewable Natural gas, are 'natural' in any case. Natural is a 13 very misunderstood word in society, but dictionary definition of "natural" is:

- 14Natural (adjective): Present in or produced by nature, and not produced or changed15artificially
- 16 Retrieved March 3rd from: <u>https://www.thefreedictionary.com/natural</u>

Because of the confusion surrounding this topic, the word "Natural" has been regulated in
Canada by two pieces of legislation; the Food and Drugs Act, and the Natural Health
Products Regulations, for the stated reason in the legislation that "consumers may
consider products described as "natural" of greater worth than those not so described".
The requirements to call something natural in Canadian legislation include:

- not to contain, or to ever have contained, an added constituent or additive
  - not to have any constituent or fraction thereof removed or significantly changed, except the removal of water
    - not to have been submitted to processes that have significantly altered their original physical, chemical or biological state

27 Neither of the products described in the application, when sold to customers are therefore 28 "natural". They are both manufactured or heavily processed. Fossil gas from the ground 29 undergoes at least 8 different and intensive processing steps, which add, remove and 30 change constituents of the substance until the item which is marketed to consumers is 31 completely indistinguishable from 'the stuff which comes out of the ground'. And the 32 YouTube video on FortisBC's page entitled "What is Renewable Natural Gas (RNG)?" 33 explains very simply that the gas collected is "cleaned and purified".

As per my understanding, the only thing which could be accurately called "natural gas" when referring to gas from fossil sources would be a pure unprocessed mix that comes straight from the ground with no processing. The composition of this substance which would look something like:



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- A gaseous slurry containing: Methane (CH4), ethane (C2H6), propane (C3H8), normal butane (n-C4H10), isobutane (i-C4H10) and pentanes, carbon dioxide (CO2), hydrogen sulfide (H2S) and mercaptans such as methanethiol (CH3SH) and ethanethiol (C2H5SH). Nitrogen (N2) and helium (He), water vapor and liquid water, Mercury in elemental form and as chlorides.
- 6 Naturally occurring radioactive material (NORM): may contain radon, and the 7 produced water may contain dissolved radium, which can accumulate within piping 8 and processing equipment which renders piping and equipment radioactive over 9 time.
- 10 In the context of a nation of people who are accustomed to the word "natural" being used 11 in a regulated manner, this use of the term is misleading. Kraft smooth peanut butter 12 cannot even be marketed as "natural" due to the inclusion of Soybean Oil. GNAR Inc has 13 documented multiple case studies where homeowners have valued "natural gas" as of 14 greater value than alternate products which are far better for the climate. And research, 15 such as that by Yale University, has also documented this same effect.
- See: <u>https://climatecommunication.yale.edu/publications/testing-other-names-for-natural-</u>
   <u>gas/</u>
- When we run questionnaires with our clients to gauge how well they understand what 18 "natural gas" or "renewable natural gas", it is very rarely that a lay homeowner can 19 20 accurately describe either, and in fact they frequently get them confused. Just yesterday I 21 gave a talk to a classroom of grade 10 students studying the climate, and one of them 22 thought that "natural gas" comes from cow farts. And in fact, I believe that these 23 misunderstandings are proliferating specifically because FortisBC is running such a heavy 24 paid online print and digital marketing campaign in our area, serving myself their "What is 25 Renewable Natural Gas (RNG)?" YouTube video once a day every day for weeks at a 26 time.
- 27 So in essence, this language, "natural gas" and "renewable natural gas" is designed to 28 deceive and confuse homeowners as to the true nature of the stuff they are burning in 29 their home. For some of our clients who use FEI, it is if they feel they have a fountain of 30 some magical substance coming into their homes. If you think about it, 'natural gas' could 31 very well describe the air in front of one's face. It is no wonder our clients are confused. 32 This is becoming a very repetitive and unsettling problem for us, we cannot as a small 33 business be expected to individually re- educated every property owner in the province 34 the relevant details of this program.
- FortisBC is not unaware of the confusion around their naming of products they sell. When questioned on the items above during their "Long Term Gas Resource Plan (LTGRP) Community Engagement Session" on Thursday, November 18, 2021, FortisBC representatives acknowledged that the use of the term "natural" is confusing, and they minuted that "FortisBC will determine if a change in nomenclature would be a beneficial distinction for future communications."



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As noted above, we are in a very serious and urgent climate crisis which is getting worse by the day. The last thing we need is for deceitful language which confuses and misleads the public, not least from one of the largest utilities in the province. Claiming that 'it has always been called natural gas' is a poor excuse to continue using terminology that we are well aware misleads the public. It is methane, or hydrocarbon gas, from either a fossil or biogenic source. The naming used in this application should be specific, useful, and not designed to conceal the nature of the products.

- 8 2.1 Is FEI aware that neither of the products sold to customers, which are described
  9 in the application as "natural gas" and "renewable natural gas", meet the dictionary
  10 or legislated definitions of "natural"?
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#### 12 Response:

13 FEI is not seeking approval of the naming conventions associated with the energy it delivers.

The term natural gas was adopted to distinguish naturally occurring gas from manufactured gas and the term has been used worldwide for over a century. The term natural gas is used frequently in legislation, including in the *Utilities Commission Act*.

17 Renewable natural gas is also a naturally occurring gas with a similar chemical composition to 18 natural gas. Renewable natural gas is a term that is used widely both by the federal<sup>1</sup> and provincial 19 governments,<sup>2</sup> including in the CleanBC Roadmap. The provincial government has also 20 authorized public utilities to acquire renewable natural gas in the *Greenhouse Gas Reduction* 21 *(Clean Energy) Regulation.* 

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- 25 2.2 Has FEI conducted research to understand if customers understand the
  26 nomenclature utilized within their program? (For example, has FEI done any
  27 randomized surveys where they asked customers to describe back to them if they
  28 understand what "natural gas" or "renewable natural gas" are? If so, can you
  29 please provide copies of the results of any such surveys.

## 31 Response:

- FEI has not undertaken research specific to determining customers' understanding of the terms"natural gas" or "renewable natural gas".
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Government of Canada Invests in Renewable Natural Gas - Canada.ca.

<sup>&</sup>lt;sup>2</sup> Province enables increased investments in renewable gas, hydrogen | BC Gov News.



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2.3 What other candidate names has FEI considered to describe "natural gas" and "renewable natural gas" in the application, and why were more descriptive terms rejected?

#### 5 **Response:**

FEI did not consider other names for natural gas or renewable natural gas, as these are
established terms in the English language and it was therefore unnecessary to do so. FEI uses
the term "Renewable Gas" in this Application in the sense defined on page 1 of the Application:

9 FEI uses the term Renewable Gas throughout this Application to refer collectively

- 10 to the low carbon gases or fuels that the utility can acquire under the *Greenhouse*
- 11 *Gas Reduction (Clean Energy) Regulation* (GGRR), which are: Renewable Natural
- 12 Gas (RNG or biomethane), hydrogen, synthesis gas and lignin.
- FEI may choose different terms in its communications to the public when implementing the revised
   Renewable Gas Program.
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- 2.4 Does FEI agree that better terminology would help consumers to better understand
   the nature of their products, and make better decisions relating to their personal
   impact on the climate?
- 2122 <u>Response:</u>
- 23 Please refer to the response to GNAR IR1 2.3.
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- 3.0 On page 12 of the application FEI states: "The production and use of Biomethane is carbon
  neutral because producing and consuming Biomethane will not add to the amount of
  Carbon released into circulation."
- 30 3.1 Can FEI confirm if any fossil fuel is burnt in the "producing and consuming" of
   31 Biomethane? Does FortisBC utilize 100% electric everything, powered by 100%
   32 renewable power throughout their Biomethane production process?
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## 34 **Response:**

Not confirmed. There are portions of the RNG production process that may use natural gas (e.g., to heat an anaerobic digester). However, these GHG emissions are accounted for when FEI determines the carbon intensity factors for the Renewable Gas. Further, the price FEI offers to acquire new RNG supply is influenced by the carbon intensity of the project (i.e., FEI will generally pay a higher price for a lower carbon intensity supply). Suppliers are therefore incented to limit



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inputs from non-renewable resources. In some jurisdictions, this extends to the use of electricitywhere it is generated from non-renewable sources.

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6	3.2	If fossil fuel is burnt in the producing of Biomethane, would the above statement	
7		not be incorrect, as additional carbon is in fact added to atmosphere "producing	
8		and consuming" of Biomethane?	
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10	<u>Response:</u>		
11 12	The above statement is correct. To clarify, the production and use of biomethane is carbon neutral because producing and consuming biomethane will not add any net new carbon into circulation.		
13 14 15	Please refer to the responses to BCOAPO IR1 10.1 and CEC IR1 3.2 for further information on the carbon intensity of Renewable Gas and responses to the City of Richmond IR1 12 series for calculation of the carbon intensity of Renewable Gas.		