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September 12, 2022

British Columbia Public Interest Advocacy Centre  
Suite 803 470 Granville Street  
Vancouver, B.C. V6C 1V5

Attention: Ms. Leigha Worth, Executive Director

Dear Ms. Worth:

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

**Revised Renewable Gas Program Application – Stage 2 (Application)**

**Response to the British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre *et al.* (BCOAPO) Information Request (IR) No. 2**

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On December 17, 2021, FEI filed the Application referenced above. In accordance with the amended regulatory timetable established in British Columbia Utilities Commission (BCUC) Order G-165-22A for review of the Application, FEI respectfully submits the attached response to BCOAPO IR No. 2.

FEI has not provided responses to BCOAPO IR2 18.1, 18.2, 18.3, 18.5, 18.6 as the BCUC deemed these IRs to be outside the scope of this proceeding in Order G-214-22.

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



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
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1 **A. INTRODUCTION AND APPROVALS SOUGHT**

2 **18.0 Reference: Exhibit B-21, BCOAPO IRs 2.1, 2.1.1, 2.1.2**

3 **Exhibit B-17, BCUC IR 13.2**

4 **Topic: DSM**

5 Preamble: FEI states:

6 “FEI believes that increasing the volume of Renewable Gas acquired and delivered  
7 to customers is mandatory in order to respond to public policy and that there are  
8 no alternatives that could be used as a substitute....In October 2021, the provincial  
9 government released the CleanBC Roadmap. The Roadmap describes a new and  
10 more ambitious policy with the objective of limiting the GHG emissions from natural  
11 gas utilities to 47 percent below 2007 levels by 2030. Achieving this new policy  
12 objective will require further expansion of FEI’s energy efficiency initiatives and the  
13 expansion of the use of Renewable Gas. FEI considers that both of these efforts  
14 are complementary and important means of reducing the GHG emissions of its  
15 customers.” **BCOAPO IR 2.1**

16 “As discussed in the response to BCUC IR1 1.1, energy efficiency is a critical tool  
17 to align with the provincial goals of the CleanBC Roadmap’s GHG emissions cap.  
18 Investments in energy efficiency will be required to achieve up to 1.3 million tonnes  
19 of GHG reductions to align with the cap. Based on the 2021 Conservation Potential  
20 Review, this will depend on realizing a significant share of the overall potential for  
21 energy efficiency through to 2030. However, as noted in response to BCOAPO IR1  
22 2.1, increased energy efficiency alone cannot satisfy the policy objectives in the  
23 CleanBC Roadmap.” **BCOAPO IR 2.1.1**

24 “As higher cost renewable and low-carbon gases are incorporated into FEI’s  
25 supply portfolio to comply with local and provincial government GHG reduction  
26 policies, gas rates will increase. In the short-term, the price elasticity of demand  
27 for gas is inelastic; however, over the longer-term, end users will have greater  
28 incentive to improve energy efficiency, or conserve gas consumption.” **BCOAPO**  
29 **IR 2.1.2**

30 “The BCUC’s decision that made FEI’s Biomethane Program permanent also  
31 supports average cost pricing and is an example of the socialization of costs which  
32 benefit all customers.” **BCUC IR 13.2**

33 “The costs to utilities of achieving compliance with governmental objectives are  
34 best socialized across the entire set of utility customers, rather than burdening a



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1 small subset of customers with the costs of providing a benefit to all.” **BCUC IR**  
2 **13.2**

3 18.1 Please provide FEI’s current annual level of DSM spending (in \$) as well as the  
4 forecasted or anticipated level of annual DSM spending (in \$) in order to meet the  
5 GHG emission levels by 2030 pursuant to pending legislation and that underpins  
6 the RNG/2022 LTGRP Applications.

7  
8 **Response:**

9 FEI has not provided a response as the BCUC in Order G-214-22 deemed this IR to be outside  
10 the scope of this proceeding.

11  
12

13  
14 18.2 Please explain how DSM-related costs are currently treated for ratemaking  
15 purposes. That is, please explain the cost allocation and rate design treatment of  
16 DSM costs including the functionalization, classification, and allocation to  
17 customer classes and how each class’s allocated costs are recovered through  
18 rates.

19  
20 **Response:**

21 FEI has not provided a response as the BCUC in Order G-214-22 deemed this IR to be outside  
22 the scope of this proceeding.

23  
24

25  
26 18.3 Please provide a table with the current approximate allocation of DSM costs (in \$)  
27 by customer class.

28  
29 **Response:**

30 FEI has not provided a response as the BCUC in Order G-214-22 deemed this IR to be outside  
31 the scope of this proceeding.

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1           18.4   Please explain whether the spirit of the cost allocation and rate design treatment  
2                   of DSM costs is consistent with the proposed ratemaking treatment of cost related  
3                   to the RNG Program. If the current ratemaking treatments differ, please provide  
4                   FEI's rationale for the appropriateness of such differences.

5  
6           **Response:**

7           FEI has taken a consistent approach to rate design for both DSM costs and the costs related to  
8           the proposed Renewable Gas Program. Both programs impose incremental costs and are  
9           designed to achieve governmental and societal objectives. Further, in both cases, costs are  
10           broadly allocated to FEI's residential and commercial customers, in one case through delivery  
11           rates and in the other through commodity rates.

12           The key difference is that, for Voluntary Renewable Gas service customers that elect a higher  
13           percentage of RNG, they will also pay a higher cost for that RNG.<sup>1</sup> This is appropriate because  
14           these customers are provided with a rolled-in pricing option, but they elect an option to procure a  
15           higher level of RNG knowing that this will result in incremental pricing for the portion of their  
16           service that is provided under the voluntary program.

17  
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19  
20           18.5   Please explain FEI's views on "socializing" the cost of DSM, given that it is a critical  
21                   tool to align with provincial environmental goals as FEI states and noted in the  
22                   above preamble.

23  
24           **Response:**

25           FEI has not provided a response as the BCUC in Order G-214-22 deemed this IR to be outside  
26           the scope of this proceeding.

27  
28

29  
30           18.6   Please provide the impact (in both \$ and %) by customer class by allocating the  
31                   current costs of DSM to all customers, regardless of the level of participation, and  
32                   provide the assumptions and any caveats as necessary.

33

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<sup>1</sup> FEI does not provide DSM incentives to NGV customers.



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1 **Response:**

2 FEI has not provided a response as the BCUC in Order G-214-22 deemed this IR to be outside  
3 the scope of this proceeding.

4



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
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1 **B. EVOLUTION OF CLIMATE CHANGE POLICY**

2 **19.0 Reference: Exhibit B-21, BCOAPO IRs 5.1, 5.1.1, 7.1, 9.3, 9.5**

3 **Topic: Leveraging Existing Natural Gas Infrastructure**

4 Preamble: FEI states:

5 “Despite demonstrating the benefits of a diversified pathway and a positive supply  
6 outlook, a Renewable Gas compliance pathway that offers permanency as  
7 proposed in this Application is necessary to support local government climate  
8 action policy objectives and further Renewable Gas supply development.”

9 **BCOAPO IR 5.1**

10 “Current public policy initiatives are directing the reduction of GHG emissions from  
11 all sectors of the economy. FEI has an important role to play in the energy transition  
12 and must respond accordingly. The proposals described in the Application reflect  
13 shifts in policy and regulations and will allow FEI to make substantial progress  
14 towards reducing GHG emissions from natural gas use, while maintaining access  
15 to the gas system for energy consumers in FEI’s service territory and keeping rates  
16 as affordable as possible for customers by keeping demand on the system.”

17 **BCOAPO IR 9.3**

18 “Therefore, FEI is strongly incentivized to ensure that cost continues to be an  
19 important consideration in all of its activities”. **BCOAPO IR 9.5**

20 19.1 Please provide, as a percentage of FEI’s total system, the amount of load FEI  
21 estimates it has lost to electricity on account of current/pending environmental  
22 legislation.

23

24 **Response:**

25 FEI cannot provide a numerical assessment to date because there is no way to separate out the  
26 trends related to gas-to-electric fuel switching from other trends. In particular, FEI cannot attribute  
27 fuel switching to the impact of current/pending legislation from other reasons for fuel switching,  
28 including media and advertising by, and incentives from, BC Hydro and the provincial government.

29 For example, if an existing gas customer opted to remove their gas furnace and replace it with an  
30 electric heat pump and the customer still continues to use gas for hot water and cooking, the  
31 customer’s gas consumption will drop. However, FEI will not know the reason for the drop in gas  
32 use.

33 However, FEI is seeing a drop in gross new customer attachments (both in new construction and  
34 conversion) as well as a drop in market capture which FEI believes is at least partly attributable  
35 to these policies. For example, from 2018 to 2021 the average gross customer attachments was



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1 20,100, whereas FEI expects to attach only 16,000 to 17,000 customers in 2022 despite a robust  
2 housing market. Market capture rates have declined from a high of 85 percent in 2017 to 78  
3 percent in 2020 (2021 data is not yet available) as can be seen in the response to BCUC IR2  
4 53.5.

5 FEI will have a better sense of this impact in 2023 as some of the policies and bylaws at the local  
6 government level take effect.

7  
8

9  
10 19.2 Please provide, on a percentage basis, the composition of the lost load. For  
11 example, is the lost load 90%, 50% or some other percentage, related to residential  
12 customers?  
13

14 **Response:**

15 Please refer to the response to BCOAPO IR2 19.1.  
16  
17

18  
19 19.3 Please summarize the RNG project charter/terms of reference related to  
20 consultation and engagement with municipalities, builders and developers, BC  
21 Hydro, provincial government, and other stakeholders that provides the actions,  
22 steps, and timelines to be undertaken by FEI to minimize and/or address the loss  
23 of load as it transitions to lower carbon energy. If no charter/terms or reference  
24 have been prepared, please explain why.  
25

26 **Response:**

27 FEI's plans to transition to lower carbon energy are captured in its Clean Growth Pathway and  
28 include increased demand-side management activities, transitioning to renewable and low carbon  
29 gas supplies and reducing emissions in the transportation sector through delivery of lower carbon  
30 gas to displace higher carbon fuels currently in use. FEI gathers feedback from the stakeholders  
31 listed in this information request on its energy transition and energy efficiency programming  
32 through, among other avenues, FEI's Long Term Gas Resource Plan (LTGRP) and Demand-side  
33 Management (DSM) Plan. In Attachment 19.3, FEI provides the Terms of Reference (TOR) for  
34 its external Resource Plan Advisory Group (RPAG) and the Energy Efficiency Advisory Group  
35 (EECAG). These TOR were subject to review by members of each advisory group.

36 While these groups are not the only avenues of stakeholder engagement for FEI's LTGRP and  
37 DSM Plan, the principles and guidelines set out in these documents generally guide FEI's



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1 engagement activities. Further, while FEI does not develop separate Terms of Reference for  
2 conducting stakeholder engagement for every application that it submits to the BCUC, including  
3 this Application, the principles and guidelines included in the terms of reference document  
4 provided in Attachment 19.3 largely apply to all stakeholder engagement undertaken by FEI.

5  
6

7

8 19.4 Please explain if it is FEI's expectation that the current electrification focus of some  
9 local government, developers and builders will be eliminated upon the approval of  
10 its RNG proposals underpinning this Application?

11

12 **Response:**

13 While FEI believes that the Renewable Gas offerings proposed in this Application will meet both  
14 local and provincial GHG emission reduction targets, approval of the revised Renewable Gas  
15 Program as proposed may not eliminate the focus on electrification that a number of local  
16 governments are adopting as a means to reduce emissions associated with buildings. This  
17 preference towards electric solutions in buildings is reinforced by the motions and actions of the  
18 City of Vancouver described in the response to BCUC IR2 48.3.

19 At the same time, FEI continues to see support for the proposals in this Application from other  
20 municipalities.

21 On July 13, 2022 the City of West Kelowna in their letter expressed support, as per the extract  
22 below:

23 The City of West Kelowna is pleased to support FortisBC's renewable gas  
24 application for the Renewable Gas Tariff (Build Green Program) submitted to the  
25 British Columbia Utilities Commission (BCUC).

26 Our 14-year young municipality is accelerating our climate action initiatives as part  
27 of West Kelowna Council's Strategic Priorities, and we are certainly interested in  
28 the opportunity to join other BC local government renewable gas partners together  
29 with FortisBC.

30 On July 25, 2022, the Regional District of Okanagan Similkameen (RDOS) also submitted a letter  
31 in support of the Application, as demonstrated by the extract below:

32 Supporting renewable energy applications in our region and increasing the volume  
33 and availability of renewable zero carbon energy for residents is supportive of our  
34 charter commitments and our 2022 business plan objective to 'look for alternative  
35 energy sources'.





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1           Distributing these alternative energy resources through existing infrastructure such  
2           as the gas network is a feasible, efficient and cost effective way to meet our climate  
3           ambitions and provide energy choices for residents as they decarbonize.  
4           FortisBC's application for the Renewable Natural Gas program is a critical step to  
5           providing a decarbonized energy mix.

6  
7

8

9           19.5    Please explain what other measures, in addition to the proposals as part of this  
10           RNG Application (including potential other sources of low carbon energy such as  
11           hydrogen and synthetic gas), that FEI will need to undertake in order to address  
12           the electrification focus, minimize FEI's loss of load, and keep rates as affordable  
13           as possible?

14

15    **Response:**

16    Please refer to the response to BCUC IR2 56.2.3.

17



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1 **C. WHAT CUSTOMERS NEED FROM A RENEWABLE GAS PROGRAM**

2 **20.0 Reference: Exhibit B-17, BCUC IR 41.4.2,**  
3 **Exhibit B-21, BCOAPO IRs 9.3, 9.5, 17.1,**  
4 **FEI 2022 2022 Long Term Gas Resource Plan (LTGRP) Application**  
5 **pages 9-15**

6 **Topic: Bill Affordability**

7 Preamble: FEI States:

8 Confirmed, these bill increases only relate to the anticipated increase in  
9 Renewable Gas supply to 15 percent and increases to the carbon tax. FEI has  
10 provided comprehensive indicative bill impacts in its 2022 LTGRP. When a  
11 customer experiences double digit bill increases this is generally thought of as rate  
12 shock. Through the development of each application, and cumulatively, FEI  
13 considers the impact to customer bills but it is important to note that the increase  
14 in customer bills set out in this Application are the direct result of climate policy  
15 and enabling regulation, including increases to carbon taxes. FEI does have the  
16 ability to request deferral accounts to manage rate increases and the BCUC has  
17 the authority to order rate smoothing deferrals; these mechanisms are often  
18 explored in FEI's annual rate setting processes where the many factors that impact  
19 rates can be considered together. **BCUC IR 41.4.2**

20 "FEI appreciates this question's focus on affordability. Energy affordability is one  
21 of the central ways that the gas system has provided value to British Columbians  
22 and can continue to do so in a low carbon future." **BCOAPO IR 9.3**

23 "As described in the responses to BCOAPO IR1 9.2, 9.3 and 9.4, FEI is acutely  
24 aware of, and shares the concern over, the cost of the proposed Renewable Gas  
25 Program. FEI also believes that customers will begin to migrate away from the gas  
26 system in favour of alternative energy sources if cost and affordability do not  
27 remain primary considerations for the utility, and an area where the utility  
28 successfully delivers value to ratepayers. Such a migration would put additional  
29 upward pressure on rates, threatening the viability of the gas system. Therefore,  
30 FEI is strongly incentivized to ensure that cost continues to be an important  
31 consideration in all of its activities." **BCOAPO IR 9.5**

32 "While FEI has not proposed a mechanism to moderate rate impacts related to  
33 increasing supply of Renewable Gas within this Application, the BCUC maintains  
34 oversight over FEI's rates and the BCUC has jurisdiction to implement rate-  
35 smoothing deferral accounts as needed, if there is a reasonable opportunity to  
36 defer costs." **BCOAPO IR 17.1**



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1 “FEI is unable to respond to these two requests as posed, and notes that elements  
2 of this question, including future demand scenarios, the impact of energy efficiency  
3 and electrification, capital additions, CPCNs and OIC related expenditures, future  
4 O&M expenses and other elements affecting FEI’s revenue requirement, are better  
5 explored in FEI’s recently filed LTGRP. FEI has provided a graph below from its  
6 2022 LTGRP that provides directional rate and bill impacts for Rate Schedule 1.  
7 The graph is based on the Diversified Energy (Planning) Scenario in the LTGRP  
8 for which the Renewable Gas supply is closely aligned with the Renewable Gas  
9 supply in this Application.” **BCUC IR 42.4**

10 “It can be seen that the total residential bill is estimated to increase from  
11 approximately \$1,029 in 2022 to \$1,958 in 2031, and to approximately \$2,215 in  
12 2040 under the Diversified Energy (Planning) Scenario. The cumulative effective  
13 rate increase by 2042 under the Diversified Energy (Planning) Scenario is driven  
14 by increases in all three components – 50 percent due to the delivery rate impact,  
15 41 percent due to commodity related impacts (cost of gas and storage & transport),  
16 and 9 percent due to carbon tax increases.” **FEI 2022 LTGRP Application, pages**  
17 **9-15**

18 20.1 Please explain why FEI has not incorporated an objective related to customer  
19 affordability as part of its RNG Program objectives.

20  
21 **Response:**

22 FEI considers that customer affordability is a key outcome of its Renewable Gas Program  
23 objectives. At its core, the Renewable Gas Program being proposed in this Application is designed  
24 to maintain the long-term viability of the natural gas distribution system and energy choice for  
25 British Columbians, which in turn will result in lower costs for low carbon energy than a single  
26 electrical solution. As stated in the Application: “A robust gas delivery system also complements  
27 other energy systems and ensures greater resiliency and energy affordability for all British  
28 Columbians.” Customer affordability is supported by maintaining and growing load on the system.

29  
30

31  
32 20.2 Please explain how cost and customer affordability is explicitly and directly  
33 addressed by FEI in all its activities.

34  
35 **Response:**

36 As noted in the response to BCOAPO IR1 9.5, FEI is strongly incentivized to ensure that cost  
37 continues to be an important consideration in all of its activities. Finding solutions at the most  
38 reasonable cost to customers’ aids in keeping energy affordable. Since affordability is relative and



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1 is defined differently by different customer segments, and even by customers within each  
2 segment, FEI views affordability and affordable rates through the lens of FEI's ability to transition  
3 to low carbon fuels at the lowest reasonable cost.

4 FEI consistently reviews and provides rate impacts, including cost saving measures and activities,  
5 for the regulatory applications it brings forward to the BCUC for approval. As it pertains to this  
6 Application, FEI has designed the revised Renewable Gas Program to include a portfolio of  
7 activities to: (1) comply with legislative requirements in the most cost-effective way; and (2)  
8 manage rate stability and predictability for its customers. These include the use of its existing  
9 delivery infrastructure to bring RNG (which is a drop-in fuel) to customers, focusing on keeping  
10 demand on its system, and expanding LNG activities to take advantage of existing infrastructure  
11 to generate additional revenues to help mitigate rate pressures for FEI's customers.

12 Please also refer to the responses to BCUC IR1 12.1 and CoR IR1 10.4.

13  
14

15

16 20.3 FEI describes double digit bill increases as constituting rate shock in the preamble  
17 above. In light of a potential doubling of a residential customer's bill by 2031  
18 (approximately 90%), please discuss the appropriateness of having no longer-term  
19 rate mitigation strategic plan that addresses affordability, rate stability and  
20 predictability for ratepayers considering the challenges associated with rising  
21 delivery rate increases, gas cost increases, and potential decreasing system  
22 throughput.

23

24 **Response:**

25 FEI does in fact have a strategy to address the challenges with the evolving energy landscape  
26 and the energy transition that are driving rate increases and have the potential to result in  
27 decreasing system throughput. FEI is committed to seeking ways to mitigate rate pressures,  
28 manage rate stability and maintain and grow gas load on the system. The rate design proposals  
29 in this Application are a good example of how FEI is seeking to maintain and grow system load.

30 FEI's strategy is to optimize the value of the gas delivery system for delivering energy to  
31 customers; leveraging the capabilities of the existing gas system will enable the reduction of GHG  
32 emissions in BC more quickly and with less disruption than other approaches. A robust gas  
33 delivery system also complements other energy systems and ensures greater resiliency and  
34 energy affordability for all British Columbians.

35 High performing electric and gas delivery systems provide BC with greater flexibility in energy  
36 options, greater affordability for its residents, greater system reliability and resiliency, and allows  
37 for the optimal energy source to be used for a given application. Given the critical role of the gas



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1 system in transitioning to a lower-carbon economy, FEI has recognized the need for alternative  
2 energy products and services, such as the Renewable Gas Program, which leverage existing  
3 utility and customer assets while also reducing GHG emissions. Transitioning to a lower-carbon  
4 future will nonetheless come with increased costs, and FEI remains mindful of the need to  
5 continue servicing its customers while expanding its lower-carbon energy solutions to a broader  
6 customer base now and in the future. FEI also seeks to invest in load growth opportunities in both  
7 the traditional and non-traditional parts of its business (such as the transportation sector and LNG  
8 marine refuelling), as these incremental revenues will benefit ratepayers in the long term.

9 Maintaining or increasing throughput on the system benefits all customers in mitigating increased  
10 energy bills. Typically, customers that switch to alternative energy sources are those that can  
11 most afford to do so, as we have seen with the adoption of electric vehicles, which then leaves  
12 those remaining, who are not in a financial position to switch, bearing the increased costs.  
13 Furthermore, FEI's demand-side management programs, while having the effect of increasing  
14 rates, enable customers to invest in energy efficiency upgrades that in-turn decrease energy bills  
15 for consumers as their energy use declines.

16 A new energy economy is emerging, where energy consumers compare their energy bill not to  
17 the previous year's energy bill of natural gas, but to the cost of the next source of decarbonization  
18 in the future of the low carbon economy. The clean energy momentum will define energy costs  
19 based on low carbon and renewable energy sources and technologies, which will then also shape  
20 the measure of affordability for energy. Renewable Gas has the benefit of being a drop-in fuel  
21 that avoids the cost of conversion and retrofits when there are multiple demands on a household  
22 for GHG reductions. The flexibility of a diverse energy system will also enable FEI to innovate and  
23 adapt as part of a low carbon economy, and in response to a continually evolving policy  
24 environment, while achieving a balance between affordability and low emissions for current and  
25 future customers.

26 From a regulatory perspective, FEI's strategy is reflected in a number of regulatory filings  
27 including the 2022 Long Term Gas Resource Plan (LTGRP), the Regional Gas Supply Diversity  
28 project, growth in DSM Programs, growth in CNG and LNG for transportation (low-carbon  
29 transportation), and importantly, the proposed service offerings within the revised Renewable Gas  
30 Program (among others).

31 As noted in the preamble, decarbonizing BC's energy systems has cost implications as it requires  
32 new clean energy (electric or Renewable Gas) which comes at a higher cost than embedded  
33 electrical energy or conventional natural gas (carbon tax notwithstanding). The costs to  
34 decarbonize FEI's gas supply are driven by climate policy and the associated legislated  
35 requirements. This Application details the rate design of FEI's Renewable Gas offerings to meet  
36 these legislated requirements, while enabling customers an alternative energy choice to  
37 electricity. The cost allocation methodology proposed for this rate design seeks a sharing of costs  
38 across all (sales) customers rather than an allocation to customers that are least able to pay.  
39 Further, as it relates to the procurement of RNG supply, FEI is taking steps to ensure that it



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 13

1 purchases RNG at the lowest possible price. Should local or provincial governmental climate  
2 policy not require the level of emission reduction, FEI could take further steps to mitigate or sell  
3 RNG supply in the market to recover costs.

4  
5

6  
7 20.4 Please confirm or otherwise explain that 50% of the anticipated bill increase over  
8 the next decade is unrelated to climate policy and enabling regulation including  
9 carbon tax (as per BCUC IR 42.4).

10

11 **Response:**

12 Not confirmed. When considering increased Renewable Gas content, increases to carbon tax and  
13 increased DSM spending above current levels,<sup>2</sup> climate policy accounts for approximately 60  
14 percent of the change in the annual bill by 2030 and approximately 50 percent by 2042 (the 2022  
15 Long Term Gas Resource Plan (LTGRP) planning horizon). Using the 2022 LTGRP planning  
16 horizon of 20 years, the effective annual bill increase attributable to non-climate policy (CPCNs  
17 and other capital) is approximately 2.4 percent for a residential customer.

18  
19

20  
21 20.5 Please discuss the pros and cons of amortizing the costs associated with RNG  
22 over time given the long-term environmental benefits associated with low carbon  
23 energy.

24

25 **Response:**

26 FEI recognizes the long-term benefit of RNG, and Renewable Gas more broadly, in reducing  
27 GHG emissions.

28 The benefits of amortizing the costs associated with RNG over time given the long-term  
29 environmental benefits include:

- 30
- The ability to smooth out rate pressures from year-to-year.
  - Managing rate competitiveness to maintain customers and throughput on the system.
  - Emission reductions entail higher costs now, whereas the benefits accrue to both current  
32 and future generations.
- 33

<sup>2</sup> FEI's anticipated increase in DSM spending is required to meet GHG reductions set out in climate policy.



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 14

1 The cons of amortizing the costs associated with RNG over time given the long-term  
2 environmental benefits include:

- 3 • The full cost of the energy transition is not apparent to customers, government and  
4 stakeholders.
- 5 • If the costs of the energy transition do not decline in future, then deferring the costs will  
6 exacerbate future rate increases.
- 7 • While future generations of customers benefit from emissions reductions, so do the current  
8 generation of customers. Deferring costs of the amortization of the energy transition could  
9 cause intergenerational inequity.

10 While there could be benefits to amortizing the costs, FEI has not proposed such a mechanism  
11 in this Application. First, the proposals in this Application are not for the recovery of the supply  
12 costs; they are about rate design. Second, FEI believes that rate smoothing proposals should be  
13 considered in the broader context of Revenue Requirement applications and other rate setting  
14 filings where the impacts of all changes, including both cost and revenue increases, are known  
15 and can be considered in a more comprehensive manner.

16  
17

18  
19 20.6 In response to BCUC IR 42.4, FEI provides directional bill impacts despite stating  
20 that it is unable to respond to the BCUC questions as posed. Please identify the  
21 costs FEI has been unable to reflect in its cumulative rate impact calculations as  
22 per the bill impact graph.

23  
24 **Response:**

25 FEI identified what was included in the directional bill impacts in the response to BCUC IR1 42.4.  
26 Any other items not listed are unknown at this time, but would include the exact level of capital  
27 and operating expenditures, taxes, and financing costs, and sources of revenue that are not  
28 identified yet. While the figure included in the response to BCUC IR1 42.4 cannot capture every  
29 cost implication from now to 2042, FEI considers that it is directionally representative of residential  
30 bills into the future.

31  
32

33  
34 20.7 Please update the bill impact graph provided in response to BCUC IR 42.4 to  
35 incorporate BC Hydro annual bills at current rates and escalated over the period  
36 to 2040 (based on inflation or other factors known by FEI).



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 15

1

2 **Response:**

3 Escalating BC Hydro's rates by inflation would not provide any useful comparative information as  
4 BC Hydro's rate increases are unlikely to track inflation. As far as "other factors known by FEI",  
5 FEI is unable to respond to this request for the reasons set out in FEI's response to BCUC IR1  
6 24.2, namely:

- 7 • FEI does not have BC Hydro's rate forecasts for 2040.
- 8 • FEI does not know what the cost of electricity will be in 2040.
- 9 • BC Hydro has not determined and/or received approval for how it will treat costs related  
10 to the Site C project.
- 11 • FEI does not know how BC Hydro will treat the costs of additional acquisitions of clean  
12 power that may be needed to ensure an adequate supply of clean energy in 2040.
- 13 • FEI does not know what electrical infrastructure will be required to serve increasing and  
14 evolving electrical loads for the Electric Vehicle or other markets that BC Hydro expects  
15 to electrify.
- 16 • The evolution, development and adoption of heating equipment can change rapidly. FEI  
17 does not know what type of heating equipment will be in place in 2040, nor the costs  
18 associated with that equipment, in order to complete a reasonable analysis.
- 19





FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 16

1 **D. PROPOSED RENEWABLE GAS PROGRAM**

2 **21.0 Reference: Exhibit B-11, FEI RNG Program Application, Section 8.5, page 121**  
3 **Exhibit B-21, BCOAPO IRs 10.1, 11.1**

4 **Topic: Bill Presentation**

5 Preamble:

6 FEI states: "Table 8-4 above shows the calculations that will be included on  
7 customers' bills. Similar to the way bills are produced today, some of the line items  
8 above will be rolled into a single line item to keep the bills simple and easy for  
9 customers to understand. All customers receiving a percentage of Renewable Gas  
10 through the Voluntary Renewable Gas, Renewable Gas Connections and through  
11 the Renewable Gas Blend will be able to see their total percentage of Renewable  
12 Gas on their bill each month. This percentage will also be applied to the customers'  
13 Carbon Tax credit on their bills." (**Application, page 121**).

14 FEI confirms that the physical supply of gas received by a customer will be a blend  
15 of gas supply, and that the designation of the renewable gas received will be  
16 notional only or as FEI refers to as "receipt by displacement". **BCOAPO IR 10.1**

17 FEI provides draft mock customer bills for each of 1) a residential Renewable Gas  
18 Connections customer; 2) a residential Renewable Gas Blend customer; and 3) a  
19 Voluntary Program residential customer in response to **BCOAPO IR 11.1**.

20 21.1 Please explain whether FEI considered any simpler bill formats alternatives to that  
21 provided in response to BCOAPO IR 11.1. If yes, please explain why such  
22 alternatives were dismissed by FEI. If not, please explain why not and whether  
23 FEI expects the average customer to understand their bill components and  
24 costs/rates?  
25

26 **Response:**

27 FEI did not consider other bill formats alternatives; rather, FEI will explore bill format options once  
28 a decision has been received on this Application. To prepare the bill formats provided in the  
29 response to BCOAPO IR1 11.1, FEI followed the same layout and line items used with FEI's  
30 current customer bills and included one additional line item to display the percentage of RNG  
31 provided through the S&T LC rider. FEI notes that it is rolling out a new bill format and overall  
32 design in the fall of 2022. Therefore, any potential changes resulting from approvals in this  
33 Application will need to be designed to work with this new bill format.

34  
35



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21.2 Please explain how a change in the cost of conventional natural gas will be reflected on a 100% Renewable Gas Connections customer bill and how such cost changes will be explained to these customers.

**Response:**

As described in the response to BCOAPO IR1 11.1, FEI has not yet finalized the bill design for the proposals in this Application. In terms of calculating the bill, changes in the cost of conventional natural gas will produce a corresponding and equivalent change in the cost of Renewable Gas for Renewable Gas Connections customers. Updates to this cost will occur quarterly, at the same time as the cost of conventional gas is updated. Any such changes will be communicated to current and potential customers through various channels, such as news releases or public statements as is FEI's current practice.



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 18

1   **22.0 Reference: Exhibit B-17, BCOAPO IRs 9.2, 15.3**

2                                   **Topic: RNG Program Objectives**

3           Preamble: FEI states:

4                                   “None of these objectives directly relate to price, although the objective of  
5                                   maximizing the recovery of program costs from RNG customers implies setting a  
6                                   price which generates as much revenue as possible from voluntary program  
7                                   participants. **BCOAPO IR 9.2**

8                                   Both policy and regulations have evolved in recent years, as described in Section  
9                                   3 of the Application. FEI now believes that under the policy direction established  
10                                  through the CleanBC Plan, and now the CleanBC Roadmap, the acquisition and  
11                                  inclusion of Renewable Gas into FEI’s gas supply is in-effect mandatory in order  
12                                  to achieve the associated policy objectives for GHG emission reductions. The  
13                                  costs of Renewable Gas supply will therefore be part of FEI’s gas supply costs and  
14                                  will affect the price that customers pay for gas service. FEI has some ability to  
15                                  mitigate the impact on the price by negotiating for the lowest cost supplies of  
16                                  Renewable Gas, after controlling for other important considerations such as the  
17                                  quality and reliability of the individual suppliers.” **BCOAPO IR 9.2**

18                                  “As discussed in the response to BCUC IR1 28.1, the \$7 per GJ premium is  
19                                  consistent with the objective of maximizing revenues and strikes a balance that  
20                                  provides customers the option of having FEI purchase greater amounts of  
21                                  Renewable Gas on their behalf while also benefiting other gas system customers  
22                                  and advancing progress toward provincial GHG emissions targets....” **BCOAPO**  
23                                  **IR 15.3**

24                                  “The elimination of any premium for Voluntary Renewable Gas would violate the  
25                                  principle established by the BCUC that the voluntary program should maximize  
26                                  revenues to cover as many of the higher Renewable Gas costs as possible while  
27                                  still maintaining customer interest in the program. It would also not produce the  
28                                  reductions in the S&T LC rider for blended rate customers that would result from  
29                                  the voluntary service.” **BCOAPO IR 15.3**

30           22.1   Please confirm or otherwise explain that FEI’s proposed RNG Program does not  
31                                  seek to maximize revenues as an explicit objective.

32  
33    **Response:**

34    FEI has not adopted maximizing revenues as an overarching objective for its Renewable Gas  
35    Program because the overarching objectives were intended to be higher order objectives for the  
36    program that helped determine which services should be offered. However, FEI has continued  
37    to adhere to the BCUC’s previous direction to maximize revenues in the pricing of its Voluntary



FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 19

1 Renewable Gas service. In particular, as discussed in the response to BCUC IR1 28.1, the \$7 per  
2 GJ premium is consistent with the objective of maximizing revenues. Please also see BCOAPO  
3 IR2 20.1.

4

5

6

7 22.2 Please explain why FEI's proposed RNG Program objectives does not reflect an  
8 objective to maximize revenues when such an objective is driving the continuation  
9 of the Voluntary Renewable Gas premium of \$7 per GJ.

10

11 **Response:**

12 Please refer to the response to BCOAPO IR2 22.1.

13

14

15

16 22.3 In the absence of the regulator directed revenue maximization objective related to  
17 the Voluntary Renewable Gas program, please explain the potential benefits of  
18 eliminating the \$7 per GJ premium.

19

20 **Response:**

21 FEI interprets the question as referring to RNG being priced at the equivalent of natural gas in  
22 reference to "eliminating the \$7 per GJ premium". This in turn means that RNG would be priced  
23 at the level of conventional natural gas plus the S&T LC rider to account for the portion that is the  
24 Renewable Gas Blend. FEI would not adopt this pricing model as FEI would not have a sufficient  
25 supply of RNG to serve customers. This is because a significant number of customers would likely  
26 request high volumes of RNG and demand would outstrip supply. As such, if FEI were directed  
27 to eliminate the \$7 per GJ premium altogether for its Voluntary Renewable Gas service, FEI would  
28 have to re-assess the nature of the service and if was still relevant or would meet the needs of  
29 both customers and emission reduction efforts.

30 FEI sees no benefit associated with removing the \$7 per GJ premium for the Voluntary Renewable  
31 Gas service as there is a strong interest in the program from customers, particularly from Public  
32 Service Organizations, local governments and other businesses for which ESG measures are  
33 important.

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FortisBC Energy Inc. (FEI or the Company) Revised Renewable Gas Program Application – Stage 2 (Application)	Submission Date: September 12, 2022
Response to British Columbia Public Interest Advocacy Centre representing the British Columbia Old Age Pensioners' Organization, Active Support Against Poverty, Disability Alliance BC, Council of Senior Citizens' Organizations of BC, and the Tenant Resource and Advisory Centre et al. (BCOAPO) Information Request (IR) No. 2	Page 20

1           22.4    Please provide the total annual revenues forecasted to be generated by the \$7 per  
2                            GJ premium as well as the total annual premium revenues as a percentage of total  
3                            annual RNG revenues and as a percentage of total revenue requirement for the  
4                            period 2024-2030.

5  
6    **Response:**

7    FEI has provided the following table in response. Revenue from the \$7 per GJ premium is derived  
8    by multiplying \$7 by the forecast volume of RNG supply<sup>3</sup> for Voluntary Renewable Gas service  
9    customers. The “Total Annual RNG Revenue” is the total acquisition cost of RNG supply. Finally,  
10   FEI used the forecast 2023 non-bypass revenue from its Annual Review for 2023 Rates filed July  
11   29, 2022 for all years to calculate the “Total Revenue Requirement”.

<u>\$000</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Revenue from \$7 premium	23,276	23,906	24,569	25,265	25,997	26,770	27,587
Total Annual RNG Revenue	272,278	318,939	379,742	417,865	454,854	495,624	538,068
Percent	8.5%	7.5%	6.5%	6.0%	5.7%	5.4%	5.1%
Total Revenue Requirement	2,098,524	2,098,524	2,098,524	2,098,524	2,098,524	2,098,524	2,098,524
Percent	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%

12  
13

<sup>3</sup> FEI has excluded revenue from the sale of other forms of Renewable Gas and only included RNG in this table.

**Attachment 19.3**

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## Natural Gas Resource Planning Advisory Group (RPAG) Terms of Reference (ToR)

### **1 INTRODUCTION**

FortisBC Energy Inc. (FEI) expects to file its next Long Term Gas Resource Plan (LTGRP) with the British Columbia Utilities Commission (BCUC) in 2022. The LTGRP is a tool for identifying long-range infrastructure requirements as well as demand and supply side resources to cost-effectively and reliably meet expected future energy demand. The LTGRP thus provides a comprehensive 20-year view of FEI's overall trajectory and provides support for FEI's programs and initiatives that will be filed with the BCUC. In doing so, the LTGRP considers broader energy policy issues and related matters of public interest.<sup>1</sup>

The RPAG will engage strategic contributors from municipalities, government, indigenous communities, customers, associations and organizations in the development of the LTGRP. The RPAG is a group of contributors that will provide key insights, necessary criticism and valuable feedback to FEI in the development of the LTGRP.

This ToR states the goals and expectations from both FEI and the RPAG contributors; it also provides the expected outcomes and timelines to achieve a robust and insightful LTGRP.

### **2 GOALS**

FEI expects to host a limited number of meetings and circulate various electronic surveys before the next LTGRP filing to review key steps in the LTGRP process. These meetings and surveys will provide an opportunity for examining topics such as:

- LTGRP process, inputs and analytical results
- Forecasting methodologies and results
- Initiatives, expectations, assumptions and inputs
- Energy planning environment
- Energy and emissions policy and regulations
- Carbon reduction initiatives
- Demand side resource options and considerations
- Supply side resource options and considerations

### **3 CONTRIBUTORS**

The RPAG will consist of members with interest, stake and experience in the LTGRP process and significant industry knowledge. FEI seeks representation from a broad range of perspectives on energy issues. These contributors are chosen based on one or more of the following criteria:

- They have attended FEI's previous LTGRP workshops
- They or the organizations they represent have key industry knowledge
- They are instrumental in guiding energy and emissions policy in BC
- They have experience and previous involvement in the BCUC regulatory process
- They are key decision makers or influencers regarding energy usage and/or Greenhouse Gas (GHG) emissions in their communities or organizations

### **4 SCOPE**

The RPAG may be asked to understand, review and comment on any aspect of the LTGRP which generally includes:

- the energy planning environment that sets the context for the LTGRP;

---

<sup>1</sup> Decision on BCUC Order G-189-14, p.5.

- the regulatory context for integrated resource planning in BC, such as energy pricing, energy policy and social perspectives;
- future scenarios and scenario analysis;
- market trends and customer and energy demand forecasting;
- the potential impact of energy policy alternatives on utility customers and energy demand;
- conservation and energy management;
- energy supply and security issues;
- infrastructure and system sustainment issues;
- technology trends and potential new service initiatives; and
- impacts of trends, services and scenario outcomes on customers and other stakeholders.

FEI may also provide information to the RPAG on near term initiatives, activities and issues, and will provide an opportunity for feedback on such topics.

It is FEI's intention that RPAG members provide valuable insight and feedback that will inform the LTGRP. FEI does not intend participation in the RPAG to represent explicit approval or support from individual members with respect to specific initiatives or plans that may be included in the LTGRP. We recognize and advise RPAG members that a formal regulatory process follows the submission of the LTGRP to the BCUC, and that stakeholder positions on any integrated resource planning issue may be formally conveyed without prejudice during that process.

## **5 GUESTS**

Guest speakers may be invited to discuss their fields of expertise as it pertains to the industry. Guest attendees other than RPAG members who wish to attend should provide a written request to FEI. Guest attendees are welcome provided the spirit of these ToR is maintained.

## **6 EXPENSES**

When meetings are being hosted in person, FEI will entertain reasonable expenses up to a limit of CA\$500 (e.g. travel and lodging) from RPAG members located outside the Lower Mainland to attend meetings. Anything above CA\$500 will be reviewed on a case by case and approved on an exception basis. RPAG members will be reimbursed for expenses incurred to attend an in person meeting once valid receipts and invoices are submitted to FEI, subject to the above limit. Confirmation of attendance is required (e.g. registration on the sign-in sheet).

Under certain circumstances, FEI will support the participation in the RPAG of non-profit organizations that are invited by FEI and that reasonably demonstrate the need for capacity funding assistance in order to be able to participate. The purpose of this assistance is to ensure that organizations that should have a voice on the RPAG, but which do not have resources available to send a representative, can still actively participate. Specifically, FEI will pay a per diem of CA\$850 per full-day meeting or workshop (CA\$425 for a half-day meeting or workshop) to members of the RPAG who are representing a non-profit organization which is not a government organization, does not have commercial/business membership supporting its activities and where the member is acting in a voluntary capacity (i.e. where the representative is not a paid employee of the organization being represented). This per diem is also available to BC Indigenous organizations that participate in the RPAG activities and demonstrate a need for capacity assistance to aid their participation. The stated per diem amount is intended to cover reasonably expected workshop preparation activities, if any, in addition to participation at the meeting. An invoice from the organization being represented is required. Once approved, FEI will pay the per diem to the organization submitting the invoice.

## **7 RESPONSIBILITIES**

### **EXTERNAL MEMBERS**



- Provide feedback and advice
- Raise issues and suggest solutions
- Bring forth ideas beneficial to all
- Keep topics within the scope of the LTGRP
- Respond to electronic surveys
- Attend meetings as needed or send an alternate (on an occasional basis only)
- Review preparation materials in advance of meetings or as associated with electronic surveys

#### FEI

- Circulate electronic surveys
- Host meetings, as needed, and lead discussions
- Set forth agendas and topics for discussion
- Provide preparatory materials in advance of meetings and electronic surveys
- Record and consider suggestions and stakeholder input
- Provide planning updates and manage communications

## 8 MEETINGS

Meetings may be hosted in person, in the Lower Mainland, or virtually via teleconference. FEI will make best efforts to space out meetings and electronic surveys and provide RPAG members with ample notice about the timing. Meeting notes, presentations and electronic survey results will be made available to RPAG members after each activity has concluded. In addition to the pre-set meetings, FEI will be available to meet with RPAG members upon request.

All meetings will be held under the Chatham House Rule.<sup>2</sup> To avoid attributing comments from meetings or electronic surveys to any individual member, FEI will provide only a summary of the feedback received in the Stakeholder Engagement section of the LTGRP.

## 9 FIELD TRIPS

FEI may occasionally offer site visits as part of the RPAG activities to highlight natural gas-related energy technologies or projects. Attendance is not mandatory. Site visits will be confirmed based on level of interest.

## 10 AGENDAS

FEI will be responsible for providing the topics under examination and can change these at its own discretion. Agenda topics will comprise items FEI deems required as well as suggestions from RPAG members.

## 11 ATTENDANCE

Meeting attendance and electronic survey participation is not mandatory, but is strongly encouraged and highly valued. If you cannot make it, an appropriate alternate can attend as an occasional substitute. Requests to have alternates attend meetings or provide feedback through electronic surveys are best made in writing to FEI.

A sign-in sheet will be available at all in person meetings to confirm the attendance and participation of stakeholders. During virtual meetings, attendance will be taken at the beginning of the meeting. Electronic surveys will automatically record participation. A list of all meeting attendees and electronic survey participants may be submitted to the BCUC and placed on the public record during the LTGRP regulatory proceeding.

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<sup>2</sup> <https://www.chathamhouse.org/chatham-house-rule#>

## 12 EVALUATIONS

An evaluation document will be circulated periodically to collect valuable and necessary feedback. This information will be used to strengthen and enhance future workshops and correspondence. Feedback may also be submitted at any time to the contacts below.

## 13 CONTACT

Anda Telman	Integrated Resource Planning Manager	604.592.8214	anda.telman@fortisbc.com
Integrated Resource Planning Mailbox		irp@fortisbc.com	
<a href="http://www.fortisbc.com/irp">www.fortisbc.com/irp</a>			

# **FortisBC<sup>1</sup> Energy Efficiency and Conservation Advisory Group ("EECAG") Advisory Group Terms of Reference ("ToR")**

## **I INTRODUCTION**

FortisBC is both a gas distribution utility and an electricity utility in BC, providing sales and transportation services to over 1.2 million customers in more than 150 communities in our electric and gas service territories. Through active consultation the Energy Efficiency and Consultation Advisory Group ("EECAG") provides a mechanism for accountability and transparency on Conservation & Energy Management ("C&EM") spending and related initiatives based on the British Columbia Utilities Commission's ("BCUC") Decision and Order No. G-036-09. Accountability is provided through the complete, transparent and accurate reporting by FortisBC of EECAG activities, feedback and opinions within its submissions to the BCUC as appropriate.

The EECAG provides a forum for stakeholders and Indigenous governments and/or organizations to engage in dialogues with FortisBC within the context FortisBC being ultimately responsible for the management of the C&EM portfolio.

## **II CONTEXT**

Energy policy at all levels of government is increasingly focused on energy conservation and efficiency, cleaner energy production, reducing greenhouse gas ("GHG") emissions and, more broadly, considering economic, environmental and social considerations in more integrated ways. FortisBC's DSM activities are designed to support these policies by promoting the efficient use of electricity and gases, reducing energy costs for customers and reducing GHG emissions.

### **Federal, Provincial and Municipal Regulations, Policies and Bylaws**

FortisBC must conduct its operations, including C&EM activity, in adherence to all federal, provincial and local government legislation, regulations and policies. Those that most directly affect C&EM activities relate to energy, emissions, environment and safety. These include, but are not limited to, the BC Utilities Commission Act, the BC Clean Energy Act, the Greenhouse Gas Reductions Targets Act, the Provincial Building Code and the BC Demand-Side Measures Regulation.

Related regional and municipal bylaws and policies also play a role in C&EM programs and activities. For example, many local government entities have specific building by-laws, development guidelines and other energy-related policies and regulations that have implications for C&EM programs.

### **BC Utilities Commission**

The BCUC is a regulatory agency of the Provincial Government. It operates under and administers the Utilities Commission Act ("UCA"), and can be issued instructions from the Provincial Government by way of Special Directions. The BCUC's mission is to ensure that ratepayers receive safe, reliable, and nondiscriminatory energy services at fair rates from the

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<sup>1</sup>FortisBC Energy Inc. and FortisBC Inc. will together be noted as FortisBC throughout the document.

utilities it regulates, and that shareholders of those utilities are afforded a reasonable opportunity to earn a fair return on their invested capital.

FortisBC must adhere to directives and orders from the BCUC that may be included in its decisions on a range of FortisBC submissions and applications, most notably FortisBC's RRA, Long Term Resource Plan ("LTRP") submission, other C&EM funding applications and any C&EM related special inquiries initiated by the BCUC.

### **III PURPOSE & OBJECTIVES**

The EECAG is an advisory body and, in this role, it cannot make decisions that are binding on FortisBC. However, FortisBC greatly values the advice given by EECAG and carefully considers such advice in all of its decisions.

The purpose of the EECAG is to review and provide input to FortisBC on a wide range of C&EM related topics and activities. These may include:

- Demand Side Management ("DSM") program planning
- C&EM program and portfolio performance
- C&EM program development and design (e.g. goals, assumptions, inputs, incentives and terms and conditions)
- Funding transfers
- FortisBC's Evaluation, Measurement and Verification ("EM&V") Framework
- Reports and other information presented by FortisBC

The objective of EECAG consultation is to have a variety of input to:

- Consider other C&EM related issues and activities as they may arise.
- Review, obtain clarity on, and advise FortisBC with respect to energy and emissions policy and regulations set forth by all levels of government that may impact its C&EM activities
- Bring forward any new ideas for C&EM related activities that might be included in FortisBC's C&EM portfolio of activities.
- Provide unique perspectives and expertise representing a broad range of stakeholders and Indigenous perspectives
- Create a venue for open and respectful dialogue among stakeholders and Indigenous perspectives, increasing shared understanding of C&EM issues and facilitating new partnerships, as appropriate

FortisBC will provide members with the pertinent information needed to brief their respective organizations as appropriate, further defined under Section X.

### **IV SCOPE**

FortisBC does not consider members' participation in the EECAG to represent explicit approval or support from EECAG members, individually or severally, with respect to specific initiatives or plans that may be included in an application or submission to the BCUC for which the Commission sets out a formal regulatory proceeding. FortisBC recognizes that EECAG members' participation on the EECAG is without prejudice to their potential participation as interveners or in other roles with respect to BCUC regulatory proceedings. FortisBC also recognizes that Indigenous participation on the EECAG is without prejudice to Indigenous title and rights, including rights as

set forth in the United Nations Declaration on the Rights of Indigenous Peoples and government to government discussions under the Declaration of the Rights of Indigenous Peoples Act.

## V MEMBERSHIP

### a) EECAG Composition and Size

The EECAG is intended to reflect a broadly representative spectrum of organizations and interests with missions, mandates and roles related to energy use and energy efficiency. Members may be appointed based on their skillsets (i.e. independent experts), their roles, their ability and authority to represent groups of interests, specific organizations and/or sectors. EECAG composition may include but is not limited to governments, specific regions and communities, First Nations, customers, suppliers, industries, non-government organizations and research institutes. While the number of members and interest groups they represent is not specifically set, a periodic review will be conducted to assess the adequacy and appropriateness of representation within the EECAG to achieve a good balance between representation and engagement efficiency. In general, the maximum number of EECAG members is approximately 35.

### b) Membership Recruitment Process – Primary Members and Alternates

Membership on the EECAG is formalized through an individual representing a given organization or interest being invited by FortisBC as a 'Member' in writing to serve and, as appropriate, a second representative (an 'Alternate') being invited to serve in an alternate capacity. Alternates will attend EECAG meetings in place of the primary members and **only** when the Member cannot attend.

Upon acceptance of the invitation the Member (and alternate as appropriate) is/are then asked to sign a copy of this ToR document and return same to FortisBC. Individuals appointed to the EECAG (whether Member or Alternate) cannot appoint others within their organization to serve as Members without the explicit consent of FortisBC.

FortisBC has the sole discretion to change the membership of the EECAG and this Terms of Reference if and when it deems it appropriate to do so. Members and Alternates as appropriate who are consistently unable to attend meetings, are disrespectful or otherwise divisive at EECAG meetings or otherwise fail to comply with the membership provisions in this ToR may be asked to leave the EECAG.

### c) Observers

A Member may request that an individual with their organization have the opportunity to attend an EECAG meeting as an observer. If FortisBC consents to an individual representing a given organization or interest attending an EECAG meeting as an observer, the observer will not have the opportunity to speak unless invited to do so by FortisBC and/or the Independent Facilitator. For clarity in a virtual workshop setting, observers will refrain from using the chat or other interactive features of the virtual meeting technology being used unless invited to do so by FortisBC or the Independent facilitator. The purpose of this policy is to maintain a fair and balanced forum for idea generation and discussion such that no organization is afforded or has the appearance of having more than one voice during the workshops or meetings.

The accommodation by FortisBC of individuals attending as observers is on an exception

basis and is not encouraged as a general rule.

d) Expressions of Interest in EECAG Membership

The process for responding to expressions of interest in EECAG membership is as follows:

- Prospective Members will submit in writing (letter or email) a request to join the EECAG, stating their name, organization, contact information and reasons for wanting to join the EECAG.
- FortisBC decisions with respect to expressions of interest in EECAG membership will be informed through input from the Independent Facilitator (See Section VI), input from other EECAG Members as appropriate, and consideration of the then-current balance of interests represented on the EECAG at that time.
- Formalization of new Members added to the EECAG through this process will be guided by provisions in Section V item b) above.

e) Members leaving the organization they represent on EECAG

In the case where a Member leaves the organization they represent on EECAG a review will be conducted by FortisBC to determine:

- If that person should remain a Member of the EECAG
- If a different person from that organization should be invited to join the EECAG (with prior agreement by both that organization and FortisBC and providing membership requirements are met)
- If that seat should be vacated and made available for a potential new Member of a different organization

f) Expected Time Commitment by Members

EECAG meeting frequency and duration varies year-to-year, depending on the need for informing Members about C&EM activities and seeking their input. Further information on meeting frequency is given in Section VII below.

In general it is expected that each EECAG Member and/or Alternate as appropriate be prepared to commit up to 20 hours per year preparing for and attending EECAG meetings.

g) Chatham House Rule

Open and informed discussion within the EECAG is important for the group to function effectively. To facilitate such open discussions, Members and Alternates as appropriate can be assured that their comments at meetings are not assumed to represent the formal position of their organization. Comments by EECAG members during meetings are not attributed to specific individuals in discussion summaries, i.e., the Chatham House rule is followed at EECAG meetings (see <https://www.chathamhouse.org/rule>). See Section VII for further information on EECAG meetings.

Note: It is important that the discussions held within the EECAG workshops and other forums balance the need for confidentiality in some situations with the need to share information

depending on the nature of the particular meeting. As such, FortisBC will strive to create an environment of trust among EECAG members built on mutual respect, freedom of opinion and equal opportunity to participate.

#### h) Confidentiality

In some cases, FortisBC will disclose information marked as confidential. As a firm condition of their membership, EECAG members agree to not disclose such information to external audiences without the explicit consent of FortisBC.

## **VI INDEPENDENT FACILITATOR**

In addition to regular EECAG members, FortisBC will appoint an Independent Facilitator (see RESPONSIBILITIES). The Independent Facilitator will:

- Act as an advisor to FortisBC for the planning of EECAG activities
- Act as an advisor to FortisBC in its review of the adequacy and appropriateness of interest group representation on the EECAG
- Facilitate meetings in which FortisBC is seeking input from the EECAG to ensure that all stakeholders and Indigenous Nations, organizations and/or individuals have equal opportunities to understand issues and provide input
- Act as an advisor to FortisBC in its communications with the EECAG on how input and feedback from the EECAG has been utilized by FortisBC

## **VII MEETINGS and FEEDBACK**

FortisBC expects to hold a minimum of two meetings a year to discuss C&EM issues and initiatives. These two meetings will typically occur in the spring and fall; however, special meetings may be requested by FortisBC as needed in order to obtain EECAG feedback on more pressing issues.

FortisBC respects EECAG member time as valuable meetings will be conducted to maximize group feedback rather than simply presenting information, by using a workshop format whenever practical to facilitate meaningful feedback. While planning and in coordination with an Independent Facilitator, it may be determined that meetings may be in person at a central location or via remote communication such as conference calling and/or via online meeting tools. FortisBC may also solicit feedback through similar means and the approach will be determined through Independent Facilitator consultation. Pre-reading materials for meetings will be available approximately 2 weeks prior to the meeting to allow sufficient review time.

FortisBC may choose not to hold one of the regular semi-annual meetings if it is not necessary to hold a second meeting in a given year.

FortisBC commits to keeping EECAG members informed about the results of any feedback sought from the EECAG, how FortisBC interprets those results and the outcomes of any issues the EECAG is asked to advise on. Although not all EECAG requests/feedback will necessarily be adopted, all feedback will be considered and FortisBC will do its best to report the interests and opinions of the group.

Minutes or meeting notes will be recorded for all EECAG meetings. These notes will contain a

record of EECAG feedback and any decisions made during the meeting, and will be circulated to attending members to review for omissions and errors prior to being considered final. A discussion of the EECAG's activities, feedback and decisions will be included in the C&EM Annual Report, submitted to the BCUC in the first quarter of the year following the reporting year.

As noted previously, comments and opinions expressed during meetings will not be attributed to individuals if and when reported in FortisBC's EEC Annual Reports or other regulatory filings. It should be noted, however, that the BCUC, as part of its regulation of FortisBC under the BC Utilities Commission Act, may require FortisBC to file any documents created as a result of or distributed as part of EECAG activity.

## **VIII DECISION MAKING AND CONSENSUS**

The EECAG is intended to function as an advisory group. The group's diversity and varying perspectives are a valued input to FortisBC's decision making process.

On matters where FortisBC is seeking input from the EECAG on key decisions, EECAG Members understand that FortisBC is ultimately responsible for making decisions concerning its DSM activities and seeking approval from the BCUC where necessary. However, FortisBC may seek EECAG consultation on certain matters in its decisions, applications, or submissions to the BCUC.

Where consensus cannot be reached in whole or in part, FortisBC will document where there appears to be consensus, as applicable, as well as divergent perspectives, and will fully and transparently report on such feedback in any related submissions to the BCUC.

The Independent Facilitator shall play an advisory role in planning the methods by which FortisBC seeks consultation and in the completeness of reporting the results.

The purpose of obtaining EECAG consultation if and when appropriate is for FortisBC to:

- Gain an understanding of the overall preference(s) of the EECAG on a given direction, decision or recommendation
- Document such preference(s)
- Consider such preference(s) in determining a course of action
- Be able to report such preference(s) in an application or submission to the BCUC related to the matter at hand

## **IX RESPONSIBILITIES**

### **MEMBERS**

- Provide feedback and advice
- Raise issues and suggest solutions
- Bring forth ideas beneficial to all
- Keep topics within PURPOSE & OBJECTIVES and SCOPE
- Attend meetings/workshops as confirmed or send an alternate (on an occasional basis only)
- Participate in recommendations or decision-making activities (see DECISION MAKING)



- Participate in periodic meeting/workshop evaluations and surveys to help improve the effectiveness of EECAG activities
- Carry pertinent information from EECAG activities back to the organizations/interest groups they represent to disseminate and consider as appropriate
- Review FortisBC reports on EECAG activities and feedback to ensure accurate recording of member comments
- Provide an Alternate to attend any meetings a Member cannot
- Provide FortisBC notice for any Observers to be included at any planned EECAG activity (Observer as referenced in Section V, item c)

#### ALTERNATE

- Act on behalf of the Member, fulfilling their duties should they not be able to attend as the primary contact.
- Pass along any communication to the Member for meetings or workshops that occur in the Members absence.
- Alternates do not attend EECAG Meetings or Workshops when the Member is in attendance. If the member wishes the person who would act as an alternate in their absence to attend the same meeting / workshop being attended by the member, then the alternate must do so as an observer, following the requirements of these ToR for observers including prior approval of observer attendance by FortisBC (See Section V, item c).

#### OBSERVERS

- Actively listen and participate in a discussion only when invited to do so by FortisBC and/or the Independent Facilitator
- May attend after being provided permission by FortisBC through a Member request that an individual within their organization have the opportunity to attend an EECAG meeting as an observer.

#### INDEPENDENT FACILITATOR

- Act as an advisor on EECAG activity plans, agendas, meetings and other activities as needed
- Act as an advisor on EECAG membership (selection process, review process, representation)
- Act as a third-party facilitator at EECAG meetings
- Act as an advisor on the reporting of EECAG activities and feedback
- Assist with workshop logistics, e.g., sending meeting invitations, registering participants

#### FORTISBC

- Host meetings
- Appoint EECAG members
- Appoint Independent Facilitator
- Work with the Independent Facilitator on EECAG plans, agendas, meetings, membership and other activities as needed
- Provide pre-reading materials for upcoming meetings or workshops approximately 2

- weeks in advance
- Record and consider suggestions and stakeholder input Draft and distribute meeting minutes
- Follow up with stakeholders post-meeting, if necessary
- Include detailed summaries of EECAG activities in DSM Annual Reports

## GUEST SPEAKERS

Guest speakers will occasionally be invited to discuss their fields of expertise as it pertains to the industry. Such speakers may be identified by FortisBC and/or be suggested by Members for consideration by FortisBC.

## **X EXPENSES**

FortisBC will entertain reasonable expenses up to a limit of CA\$500 (e.g. travel and lodging) for EECAG Members from outside of the Lower Mainland to attend workshops. Anything above CA\$500 will be reviewed on a case by case and exception basis. EECAG members will be reimbursed for expenses incurred to attend a meeting or workshop once valid receipts and invoices are submitted to FortisBC. Confirmation of attendance is required (e.g. registration on the sign in sheet.)

Under certain circumstances, FortisBC will support the participation of non-profit organizations that are invited and that reasonably demonstrate the need for capacity funding assistance in order to be able to participate. The purpose of this assistance is to ensure that organizations that should have a voice in the EECAG, but which do not have resources available to send a representative, can still actively participate. Specifically, FortisBC will pay a per diem of CA\$850 per full-day meeting or workshop (CA\$425 for a half-day meeting or workshop) to members of the EECAG who are representing a non-profit organization which is not a government organization, does not have commercial/business membership supporting its activities and where the member is acting in a voluntary capacity (i.e. where the representative is not a paid employee of the organization being represented). This per diem is also available to BC Indigenous organizations that participate in the EECAG activities and demonstrate a need for capacity assistance to aid their participation. The stated per diem amount is intended to cover reasonably expected workshop preparation activities, if any, in addition to participation at the meeting. An invoice from the organization being represented is required. Once approved, FortisBC will pay the per diem to the organization submitting the invoice.

## **XI ATTENDANCE**

Attendance at EECAG meetings by Members is strongly encouraged and highly valued. Attendance by an Alternate is intended to be occasional. The EECAG Member is responsible for providing an Alternate and the attendance of an Alternate must be confirmed with FortisBC in advance of the meeting, A sign-in sheet will be available at all in-person meetings to confirm the attendance of members. Communication materials typically will be sent to a Member only, however in the event an Alternate is attending in the place of the Member, meeting notes and

supporting information will be provided to the Alternate.

## **XII MEETING EVALUATIONS**

Meeting evaluation surveys will be circulated periodically to collect valuable and necessary feedback. This information will be used to strengthen and enhance future workshops and correspondence. Feedback may also be submitted at any time to the contact below. Surveys may also be conducted from time to time to help evaluate the effectiveness of EECAG activities.

## **XIII CONTACT (FortisBC Lead EECAG Representative)**

Any questions regarding EECAG Membership can be directed through the FortisBC Lead EECAG Representative identified below. Communications regarding specific EECAG workshops may also come directly from the Independent Facilitator as described in Section IX.

Sharan Mahli	Strategy Planning Manager	604-592-8272	sharan.mahli@fortisbc.com
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The Lead Representative may change from time to time without requiring an update to these ToR. EECAG members will be notified of such changes.

## **XIV MEMBER CONFIRMATION**

I, the undersigned, agree to participate as a Member of FortisBC's EECAG pursuant to the Terms of Reference set out above.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Print name:

Organization:

Phone:

Email: