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September 12, 2022

Metro Vancouver Regional District  
Metrotower III, 4515 Central Boulevard,  
Burnaby, B.C.  
V5H 0C6

Attention: Mr. Roger Quan

Dear Mr. Quan:

**Re: FortisBC Energy Inc. (FEI)  
Revised Renewable Gas Program Application – Stage 2 (Application)  
Response to the Metro Vancouver Regional District (Metro Vancouver)  
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 Order G-165-22A for review of the Application, FEI respectfully submits the attached response to Metro Vancouver IR No. 2.

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Commission Secretary  
Registered Parties



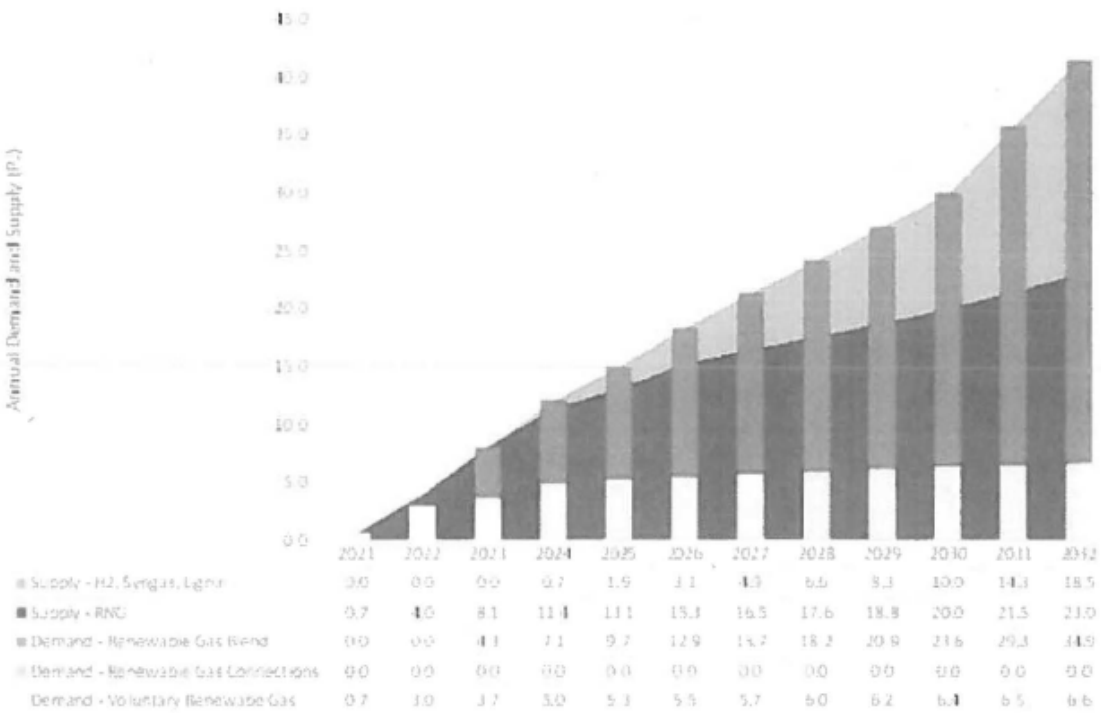
1 Gas sold to customers would diminish if there was not a Renewable Gas  
 2 Connections service.

3 In its response to BCUC IR1 14.1, FEI states:

4 If the rate for the Renewable Gas Connections service equaled the weighted  
 5 average cost of Renewable Gas Supply, FEI's forecast demand would not  
 6 materialize because new residential builders would be unwilling to connect their  
 7 homes to the gas system.

8 In its response to BCUC IR1 14.1, FEI provides an updated forecast of Renewable Gas  
 9 Connections customers if the LCG Charge were set equal to the Renewable Gas weighted  
 10 average cost of supply per GJ, shown below:

11 **Revised Figure 8-3: Forecast Volumes of Renewable Gas Supply, Customer Demand and**  
 12 **Allocation to Sales Customers (PJ)**



13  
 14 5.1 Assuming the following:

- 15 • The proposed rate for the Renewable Gas Connections service is not
- 16 approved;
- 17 • The Voluntary Renewable Gas Connections Service and Renewable Gas
- 18 Blend Service is approved;
- 19 • FEI's expected greenhouse gas emission reductions from key GHG
- 20 mitigation strategies other than Renewable Gas, such as energy efficiency

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1 in buildings, energy efficiency and electrification in industry, and carbon  
2 capture, are assumed constant, given that the approval of the Renewable  
3 Gas Connections service should not materially impact these items;

- 4 • The total volume of Renewable Gas sold would not diminish if the  
5 Renewable Gas Connections is not approved, as confirmed by FEI; and  
6 that
- 7 • The provincial government does not raise the volumetric limit for acquisition  
8 of renewable gas, as imposed by the GGRR;

9 Please confirm that FEI would reduce their throughput by 20 PJ by 2030, and  
10 correspondingly reduce their customer's greenhouse gas emissions by 997,400  
11 tonnes CO<sub>2</sub>e in 2030 [0.04987 tonnes CO<sub>2</sub>e/GJ x 20 PJ x 1,000,000 GJ/PJ],  
12 based on the materials that FEI has previously provided.

13 5.1.1 If not, please provide corrected calculations based on the assumptions  
14 noted above.

15  
16 **Response:**

17 This question as posed is outside the scope of this proceeding as determined by Order G-165-  
18 22A. Order G-165-22A identifies that this proceeding is focused on the RNG program design, the  
19 service offerings available, pricing of those offerings, and RNG supply and demand through to  
20 2028.

21 If the question is re-framed to understand the load out to 2028, and FEI uses the hypothetical  
22 scenario posed in the question, uses the assumptions provided in the question then  
23 mathematically FEI arrives at the reduced throughput of just under 20PJ and emissions would be  
24 reduced by 997,400 tonnes CO<sub>2</sub>e.

25 FEI clarifies that, over the next five years, FEI does not expect the total volume of Renewable  
26 Gas acquired for customers would diminish if there was not a Renewable Gas Connections  
27 service, as the resulting decline in throughput would occur over time and FEI will need to acquire  
28 significant volumes of Renewable Gas in the short term regardless. However, in the longer term,  
29 FEI may not need to acquire as much Renewable Gas without Renewable Gas Connections.  
30 Please refer to the response to BC Hydro IR2 2.6 where FEI discusses how it expects to take all  
31 necessary steps to meet the Province's GHG emission targets, with or without Renewable Gas  
32 Connections.

33  
34

35  
36 5.2 Based on the calculation in IA 5.1 above, please confirm that not approving the  
37 Renewable Gas Connections Service, while approving the Voluntary Renewable  
38 Gas Connections Service and Renewable Gas Blend service, would result in **a**  
39 **decreased amount of greenhouse gas emissions** from FEI customers during

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1 the period 2023 to 2030, compared to if the current proposed rate for the  
2 Renewable Gas Connections Service is approved.

3 5.2.1 If not, please explain why not.  
4

5 **Response:**

6 Not confirmed. Please refer to the response to BC Hydro IR2 2.6, where FEI discusses how it  
7 expects to take all necessary steps to meet the Province's GHG emission targets, with or without  
8 Renewable Gas Connections.

9

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1   **6.0   Reference:   RENEWABLE GAS CONNECTIONS**  
2                           **Exhibit 8-17, Section 3, BCUC IR 13.1**  
3                           **Discussion Paper - Proposed Requirements for Boilers**

4           In response to BCUC IR1 13.1, FEI states:

5                   The two primary options for customers wanting a low-carbon energy solution are  
6                   gas (in the form of Renewable gas) and electricity (generated from "clean"  
7                   sources). RNG provides the energy for furnaces/boilers on a large and small scale,  
8                   while electricity powers heat pump (geo and air source), fuel cells or baseboards,  
9                   on a large and small scale.

10           Metro Vancouver's "Boilers and Process Heaters - Proposed Amendments to the Boilers  
11           and Process Heaters Emission Regulation Bylaw No. 1087, Discussion Paper, June  
12           2022", states:

13                   The proposed amendments include the following:

14                           6. To minimize the discharge of NOx, any new or replacement boilers and  
15                           process heaters fueled by natural gas or propane would have to be  
16                           ultra-low NOx (emissions of NOx not to exceed 20 mg/m<sup>3</sup>) . Currently,  
17                           the NOx emission limit for new or modified boilers and process heaters  
18                           fueled by natural gas or propane is 60 mg/m<sup>3</sup>;

19                           7. [... ]

20                           8. By January 1, 2040, emissions of NOx from all existing boilers and  
21                           process heaters fueled by natural gas or propane would not be allowed  
22                           to exceed 20 mg/m<sup>3</sup>;

23           6.1   Please discuss how the proposed amendments raised for discussion in the  
24           Discussion Paper could impact FEI's application, specifically discussing the  
25           differential cost burden that Metro Vancouver's requirements may impose on  
26           customers that use RNG, instead of electricity, to meet stringent municipal low  
27           carbon requirements.

28  
29   **Response:**

30   The proposal would require customers to replace their gas boilers with electric ones and therefore  
31   leads to an electrification approach, as opposed to a decarbonization approach focussed on  
32   reducing CO2 emissions. In its discussions with manufacturers, FEI understands that boilers that  
33   would meet the proposed emissions limit are not currently manufactured. Furthermore,  
34   manufacturers are dedicating the majority of their research and development resources to  
35   produce high efficiency-low carbon intensity technologies, rather than focusing on low NOx  
36   technology. As it may take several years to have commercially available products that meet the  
37   new specifications, Metro Vancouver's policy direction creates barriers for residents and  
38   businesses to have access to RNG and leads to an inconsistent approach to accessing gas

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1 service across British Columbia. Further, leaving customers no choice but to replace gas boilers  
2 with electric boilers (if available) could impose a significant cost burden, as building owners would  
3 be required to convert their existing natural gas boiler to an electric boiler, in addition to paying  
4 for electrical infrastructure upgrades.

5 However, Metro Vancouver’s policy direction does not change FEI’s proposals in its Application.  
6 Even if some local governments pursue an electrification only approach, FEI needs an RNG  
7 service for new residential connections so that it can continue to add customers in municipalities  
8 that are open to a diversified approach to GHG emission reductions. Further, as the impacts of  
9 an electrification-only approach become more clear, the position of local governments may  
10 change, and FEI needs to have an RNG service for new residential connections that can be  
11 considered by elected officials in their ongoing deliberations on energy policy. Please refer to the  
12 response to BUC IR2 56.2.3, which describes the various activities FEI is undertaking to increase  
13 support for renewable gases and the gas system, along with the proposals in this Application.

14

15

16

17 6.2 Please discuss how the proposed amendments raised for discussion in the  
18 Discussion Paper could impact competition between RNG and electricity.

19

20 **Response:**

21 The proposal eliminates RNG as a low carbon solution for customers and any competition  
22 between RNG and electricity as the proposed NOx levels cannot be met with gas boilers. In other  
23 words, the proposed amendments will remove RNG as an option and only leave electric  
24 equipment as an alternative.

25