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October 5, 2022

British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC
V6Z 2N3

Attention: Ms. Sara Hardgrave, Acting Commission Secretary

Dear Ms. Hardgrave:

Re: FortisBC Energy Inc. (FEI)
Revised Renewable Gas Program Application – Stage 2 (Application)
Response to the City of Richmond Request in Exhibit C26-3 Regarding Out-of-Scope Information Requests (IRs) in COR IR No. 2

FEI writes in response to the City of Richmond's (CoR) request for further responses to CoR IR2 15.1, 15.2, 17.2, 19.1, 19.3, 19.5, 19.7 and 19.8 in its letter dated September 26, 2022 (Exhibit C26-3). FEI addresses each of the noted IRs.

CoR IRs 15.1, 15.2, and 17.2: The BCUC Determined Hydrogen to Be Out of Scope Prior to FEI's IR Responses

The City of Richmond acknowledges that CoR IRs 15.1, 15.2, and 17.2 are out of scope as they relate to hydrogen. However, City of Richmond suggests that it only discovered this upon receiving FEI's IR responses:

CoR is willing to direct these questions to the FEI Long Term Gas Resource Plan (LTGRP) proceeding, assuming there will be a second round of written IRs in that proceeding. However, we only received FEI's response to our IR2 in the current proceeding on September 12, which did not give us sufficient time to prepare an IR submission by the September 15th date in the LTGRP proceeding. We hope this will be considered when the Commission considers what additional process is required in that proceeding. [Emphasis added]

Contrary to the City of Richmond's submissions, it did not need to have FEI's responses to these IRs to know that these questions were beyond the scope of this proceeding. On June 20, 2022, the BCUC decided that hydrogen was outside the scope of this proceeding as part of Order and Decision G-165-22A as follows:¹

¹ Exhibit A-20-1.

The Panel finds that this proceeding should be scoped to include only RNG as outlined in Appendix C to Order G-165-22. Hydrogen, synthesis gas and lignin are in the early stages of development and at this time, limited information is available on where these low carbon fuels can be acquired, how much supply will be available and how they can be incorporated in FEI’s delivery service. [...] The Panel finds it more efficient to set rates with a focus on RNG in this proceeding and leave the review of other low carbon fuels beyond RNG until more complete information is available.

As such, the CoR had ample time to ask these questions as part of the ongoing 2022 LTGRP proceeding.

CoR IRs 19.1, 19.3, 19.5, 19.7, 19.8: Properly Out of Scope

The City of Richmond submits that, consistent with the BCUC’s Rules of Practice and Procedure, it has asked IRs that are relevant to this proceeding and substantially similar to IRs asked by BCUC staff. FEI disagrees for the reasons set out below, and submits that its responses properly reflect the scoping orders made by the BCUC.²

First, the City of Richmond attempts to re-characterize its IRs 19.1 and 19.5 as speaking to an “essential question”; namely, what volume of renewable gases FEI would procure with and without the Renewable Gas Connections service. FEI takes no issue with IRs evaluating the merits of the proposed Renewable Gas Connections service. However, as FEI explained in its responses, these IRs plainly state that their intended purpose is to explore how FEI will meet the proposed 2030 GHG emissions cap.

Beyond expressly requesting FEI to show “how FEI would meet its 2030 GHG emissions cap”, COR IR2 19.1 and 19.5 seek specific details regarding loss of load and greenhouse gas intensity and emissions as shown in the table reproduced below.

Line		Amount	Note
1	2020 Throughput (PJ)	235	
2	Load Loss by 2030 due to Building Energy Efficiency (PJ)		
3	Load Loss by 2030 due to Industrial Energy Efficiency (PJ)		
4	Load Loss by 2030 due to Building Electrification (PJ)		
5	Load Loss by 2030 due to Industrial Electrification (PJ)		
6	Other Load Changes by 2030 (PJ)		
7	2030 Throughput (PJ)		
8	2030 FEI GHG Emissions Cap (MT)		
9	Customer-side emissions reductions (e.g. CCS) (MT)		
10	2030 FEI Allowable Emissions (MT)		
11	FEI Allowable GHG Intensity (MT / PJ)		Line 10 / Line 7

² Order and Decision G-165-22A (Exhibit B-20-1); Order and Decision G-214-22 (Exhibit B-23).

Line		Amount	Note
12	FEI Conventional Gas Purchases (PJ)		
13	Conventional Gas GHG Intensity (MT / PJ)		
14	Conventional Gas GHG Emissions (MT)		
15	FEI Renewable Gas Purchases (PJ)		
16	FEI Renewable Gas GHG Intensity (MT / PJ)		
17	FEI Renewable Gas GHG Emissions (MT)		
18	Total GHG Emissions (MT)		Equal to Line 10

It is evident from the table above that the City of Richmond's IRs were directed at seeking various inputs into how FEI would achieve GHG reductions required to meet the 2030 GHG emissions cap. FEI maintains that its submission of how it will ultimately meet the 2030 GHG emissions cap proposed in the CleanBC Roadmap is beyond the scope of this proceeding.

In the alternative, and in any event, FEI does not have the information to complete the City of Richmond's tables with any certainty. Amongst other factors, estimating the extent of load loss due to electrification is speculative at this time and, as the 2030 GHG emissions cap has not yet been enacted into legislation, there are many details with respect to the cap that have yet to be determined. As such, the City of Richmond's inquiries are more appropriately part of a long-term planning exercise where modelling is conducted to consider various potential future scenarios.

However, as FEI stated in the response to BC Hydro IR2 2.6:³

With or without the Renewable Gas Connections service, FEI expects to take the steps necessary so that its total GHG emissions from the use of natural gas by residential, commercial and industrial customers will meet the 2030 GHG emissions cap expected to be implemented by the Province.

Second, the City of Richmond submits that FEI has provided information regarding the procurement of renewable gasses to meet the 2030 emissions cap to the BCUC, but has declined to do so in the case of CoR IR2 19.1 and 19.5. In particular, the City of Richmond cites the response to BCUC IR2 46.1 as an example of FEI applying different standards of relevance. FEI disagrees and submits that its approach is consistent across IR sets.

Unlike CoR IR2 19.1 and 19.5, BCUC IR2 46.1 primarily relates to rate impacts and, to a lesser extent, the percentage of Renewable Gas Blend if only that service were approved. These BCUC IRs do not reference how FEI will meet the 2030 GHG emissions cap. In contrast, as noted above, the City of Richmond instead focuses its IRs on inputs into how FEI would achieve GHG reductions.

Furthermore, consistent with FEI's response to CoR IR2 19.1 and 19.5, FEI also declined to provide a response to BCUC IR2 47.1 which also related to how FEI will meet the GHG emissions cap.⁴

³ Exhibit B-35.

⁴ Exhibit B-42.

CoR IR2 19.3, 19.7 and 19.8 ask FEI to take the information in response to CoR IR2 19.1 and 19.5 and amend the figures provided by FEI in the response to BCUC IR1 12.3.2. As explained above, CoR IR2 19.1 and 19.5 are outside of the scope of this proceeding and, in any event, require information FEI does not have at this time. As such, FEI is unable to provide responses to these IRs.

However, FEI has estimated the potential bill impacts of FEI's proposals with and without the Renewable Gas Connections program in its response to BCUC IR2 46.1. For example, FEI has updated its response to BCUC IR1 12.3.2 to reflect 59 PJ of Renewable Gas by 2030, constraining the final year to 2028, assuming no Renewable Gas Connections Service and the loss of the new construction sector. FEI has provided other rate impact analysis in other IR responses, including BCUC IR2 65.2.1 and 66.2, and BCUC IR1 12.3.1, 12.3.2 and 41.4.

Ultimately, through two rounds of IRs, FEI has provided a considerable amount of information to help the BCUC and interveners better assess the rate design and rate impacts of its proposed Renewable Gas offerings. Given the Renewable Gas Program rate design is the focus of this proceeding, FEI submits that the detailed accounting of how FEI will meet the GHG reduction target that City of Richmond seeks is not within the scope of this proceeding. Further, FEI has provided analysis in other IR responses regarding the volumes of Renewable Gas and bill impacts with and without the Renewable Gas Connections service.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Diane Roy

cc (email only): Registered Intervenors