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February 28, 2023

BrightSide Solutions
2855 128 Street
Surrey, B.C
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Attention: Mark Grist

Dear Mark Grist:

**Re: FortisBC Energy Inc. (FEI)
Revised Renewable Gas Program Application – Stage 2 (Application)
FEI Rebuttal Evidence to BrightSide Solutions Inc. (BrightSide) Intervener
Evidence**

In accordance with the amended regulatory timetable established in British Columbia Utilities Commission Order G-28-23, FEI hereby files its Rebuttal Evidence to BrightSide Intervener Evidence in the above referenced proceeding.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Commission Secretary
Registered Parties



Biomethane Energy Recovery Charge Rate Methodology and Comprehensive Review of a Revised Renewable Gas Program

**Rebuttal Evidence
of FortisBC Energy Inc.**

**to the Intervener Evidence filed by
Brightside Solutions (Brightside)**

February 28, 2023

1 **1. REBUTTAL TO BRIGHTSIDE SOLUTIONS**

2 **Q1: What is the purpose of this Rebuttal Evidence?**

3 A1: In this Rebuttal Evidence, FEI responds to the evidence of BrightSide Solutions
4 (BrightSide) (Exhibit C18-7). The capitalized terms in this Rebuttal Evidence are defined
5 in the Application. For example, “FEI” or the “Company” refers to FortisBC Energy Inc.

6 Although FEI has addressed a number of matters in this Rebuttal Evidence, FEI’s silence
7 on any particular matter should not be construed as agreement.

8 **Q2: In its evidence and responses to IRs,¹ BrightSide alleges that, as of September 2022,**
9 **FEI was aware of a Ministry of Energy, Mines and Low Carbon Innovation (EMLI)**
10 **policy precluding out-of-province RNG from generating BC-LCFS credits. How does**
11 **FEI respond?**

12 A2: As of September 2022, FEI was not aware of any EMLI policy precluding out-of-province
13 RNG from generating BC-LCFS credits. None of the emails filed by BrightSide indicate
14 that FEI was aware of such a policy in the time period in question, and FEI did not confirm
15 to BrightSide, verbally or otherwise, that EMLI had implemented a policy of this kind. In
16 fact, at a September 16, 2022 meeting with the Executive Director of EMLI, FEI was
17 informally advised that that no decision had been made with respect to the eligibility of
18 out-of-province RNG under the BC-LCFS. Further, on September 28, 2022, FEI received
19 confirmation from the Executive Director that, while staff had paused the approval of
20 applications for out-of-province RNG fuel codes in the LCFS, this was only a pause and
21 did not indicate that out of province RNG was permanently excluded from the LCFS. As
22 an FEI representative indicated in an email to BrightSide on October 8, 2022:
23 “...discussions between FortisBC and EMLI about out-of-province RNG’s eligibility for the
24 BC-LCFS are ongoing.”²

25 However, in early February 2023, EMLI informally advised FEI that it would not be
26 accepting out-of-province RNG for the purposes of the BC-LCFS at this time and, on
27 February 16, 2023, EMLI sent a letter to FEI rejecting one of FEI’s applications for a fuel
28 code for out-of-province RNG under the BC-LCFS. EMLI takes the position that, under the
29 *Greenhouse Gas Reductions (Renewable and Low Carbon Fuel Requirements) Act*, fuel
30 must be manufactured in or physically delivered to BC to generate credits and notional
31 delivery (delivery by displacement) does not satisfy this requirement.

¹ Exhibit C18-7, p. 3; Exhibit C18-10, FEI-Brightside IR1 2.2.1.

² Exhibit C18-10, FEI-Brightside IR1 2.2.1.

1 FEI will work with the Province to advocate for changes to legislation that will enable
2 recognition of out-of-Province sources of RNG under the BC-LCFS.

3 These developments do not change FEI's approvals sought in this proceeding.

4 **Q3: Even if out-of-province RNG is not eligible for credits under the BC-LCFS, are**
5 **Transportation customers eligible to generate credits associated with the use of**
6 **RNG?**

7 A3: Transportation customers may still generate credits under the BC-LCFS for the use of
8 LNG and CNG, as well as RNG from in-province sources. FEI will continue to work with
9 EMLI to have fuel codes approved so that Transportation customers can earn credits
10 under the BC-LCFS.

11 In addition, the federal *Clean Fuel Regulations* are now in force, which may provide an
12 opportunity for Transportation customers to generate credits for the use of RNG. FEI
13 understands that BrightSide is actively involved in seeking to generate credits under the
14 *Clean Fuel Regulations* on behalf of its customers for the use of RNG.

15 **Q4: On page 4 of its evidence, BrightSide proposes that FEI should provide**
16 **Transportation customers with BC-only supply. What is FEI's response to**
17 **BrightSide's proposal?**

18 A4: The generation of credits under the BC-LCFS process is governed by the Province, not
19 by any internal allocation of supply made by FEI. In particular, as EMLI is responsible for
20 approving fuel codes for RNG, FEI can only allocate volumes from the approved fuel codes
21 to Transportation customers after the necessary approvals are obtained.

22 FEI has pending applications for fuel codes for in-province sources of RNG under the BC-
23 LCFS, as well as an application for a fuel code for LNG from Tilbury. FEI continues to
24 engage with EMLI to resolve these pending applications as soon as possible.

25 **Q5: On page 4 of its evidence, BrightSide alleges that FEI is providing unfair access to**
26 **RNG supply, including denying supply to Transportation customers seeking to**
27 **secure RNG for their operations. How does FEI respond?**

28 A5: FEI has not unfairly provided or denied access to the available supply of RNG. However,
29 due to shortage in supply, FEI has had to manage supply in response to availability and
30 demand.

31 In its response to FEI-BrightSide IR1 4.1 (Exhibit C18-10), BrightSide contends that
32 Seaspan Ferries was denied service. However, this customer did not want to accept RNG
33 supply under the RNG Program because FEI could not guarantee that the supply would

1 be from a single source, or from in-province sources, as FEI's supply of RNG includes out-
2 of-province sources.

3 BrightSide also refers to three customers that had "past challenges securing sufficient
4 RNG supply". As FEI explained in the response to BC Transit IR1 5.a, from August 2019
5 to October 2021, RNG supply did not materialize as anticipated and fell short of demand.
6 As such, FEI temporarily closed the existing RNG Program to new participants, and
7 current participants (including Transportation customers) had RNG volumes curtailed.
8 Consequently, FEI was unable to provide new and existing Transportations customers,
9 among others, with the volume of RNG they desired. However, as RNG supply volumes
10 increased, in November 2021, FEI re-opened the RNG Program to new participants and
11 communicated with Transportation customers who had previously been curtailed that
12 RNG volumes were now available to recommence service.³

13 **Q6: Does this conclude your rebuttal evidence to BrightSide?**

14 **A6:** Yes.

³ Exhibit B-16.