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April 30, 2024

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

Attention: Patrick Wruck, Commission Secretary

Dear Patrick Wruck:

**Re: FortisBC Energy Inc. (FEI)
Regional Gas Supply Diversity (RGSD) Project Development Account
Quarterly Progress Report No. 6 for the Period from January 1, 2024 to March 31,
2024 in Compliance with British Columbia Utilities Commission (BCUC) Order G-
253-22**

On September 14, 2022, the BCUC issued Order G-253-22, granting approval for the RGSD Project Development Account. Directive 2 of Order G-253-22 directed FEI as follows:

FEI is directed to file quarterly progress reports to the BCUC on work completed, anticipated work, and material developments on the potential RGSD Project, starting with the fourth quarter ending December 31, 2022, by no later than 30 days after the date of the quarter end.

Attached is the sixth Quarterly Progress Report for the RGSD Project, which covers the period from January 1, 2024 to March 31, 2024.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments



FORTISBC ENERGY INC.

Regional Gas Supply Diversity Project

**Quarterly Progress Report for the Period
January 1, 2024 to March 31, 2024**

**Submitted to the
British Columbia Utilities Commission**

April 30, 2024

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1. PROJECT BACKGROUND

1.1 PROJECT BACKGROUND

On June 1, 2022, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA), FortisBC Energy Inc. (FEI) filed an application (RGSD Application) with the British Columbia Utilities Commission (BCUC), for approval of a non-rate base deferral account attracting FEI's weighted average cost of capital – the Regional Gas Supply Diversity (RGSD) Development Account – to capture actual development costs incurred for a potential RGSD Project (Project).

On September 14, 2022, the BCUC issued Order G-253-22, granting approval to establish the RGSD Development Account. The BCUC directed FEI to provide quarterly progress reports on work completed, anticipated work, and material developments on the potential RGSD Project, starting with the fourth quarter ending December 31, 2022, by no later than 30 days after the date of the quarter end. Order G-253-22 further directed that in lieu of the July 2023 quarterly report, FEI was to provide the update in the Annual Review for 2024 Delivery Rates, including an update of costs incurred to date and a proposal for the method and timing of the recovery of those incurred costs. FEI provided the requested information in the Annual Review for 2024 Delivery Rates application. With regard to a method and timing of cost recovery, FEI stated that it considers it most appropriate to file for recovery of the RGSD Project development costs in a future application, either in a separate application or in a future annual review (or revenue requirement) application, depending on timing.

In its fifth quarterly progress report filed on January 30, 2024, FEI noted that it would likely be concluding the existing RGSD Project development work. FEI stated that in the next quarterly project report it would summarize the conclusions of its screening analysis, including how FEI's development work completed to date can support options for a regional infrastructure solution with other market participants, and advise on the anticipated next steps.

This is the sixth and final quarterly progress report for the Project (Report), covering the period from January 1, 2024 to March 31, 2024. In the Report, FEI summarizes the development work completed to date on the RGSD Project, including the results of the screening assessment that evaluated three RGSD Project delivery options, discusses the material market developments that have an impact on FEI and the Pacific Northwest (PNW) operating marketplace, and describes the process for applying for recovery of the balance in the RGSD Development Account.

2. PROJECT DEVELOPMENT WORK COMPLETED TO DATE AND SUMMARY OF DEVELOPMENT COSTS

In the following sections, FEI summarizes the RGSD development costs incurred to date and describes the development work completed on the Project, including a detailed summary and the key findings of the screening analysis.

2.1 SUMMARY OF RGSD DEVELOPMENT COSTS INCURRED

As discussed in each of its quarterly progress reports, FEI has taken a measured and diligent approach in progressing the initial phases of the Project development work completed to date, including the comprehensive screening analysis to evaluate the RGSD Project and its sub-variants. As of the end of Q1 2024, FEI has spent a total of \$4.3 million, excluding AFUDC and including taxes. Table 1 summarizes the development costs on an annual and a Project phase gate basis.

Table 1: Project Development Cost Summary

Annual Cost Summary				
2021	2022	2023	2024	Total Cost
\$0.47 million	\$1.43 million	\$2.2 million	\$0.2 million	\$4.3 million
Preliminary and Conceptual Phase (Pre-Phase 1) Nov 2021 to Sep 2022			Screening and Pre-FEED Phase (Phase 1) Oct 2022 – Mar 2024	Total Cost
\$1.4 million			\$2.9 million	\$4.3 million

The Project development work and screening analysis are described in detail below.

2.2 PROJECT DEVELOPMENT WORK COMPLETED TO DATE

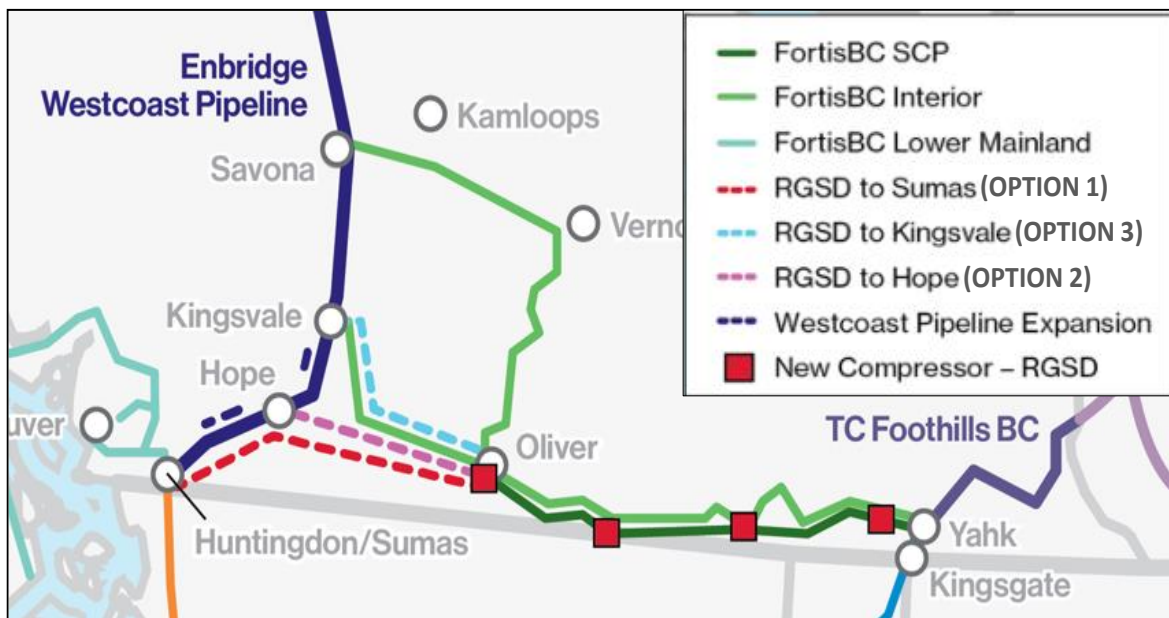
In the initial phases of the RGSD Project development work, FEI primarily focused on the Indigenous engagement activities, as early engagement and developing Indigenous support for the Project is key to its success. FEI also successfully completed a request for expressions of interest and identified three potential proponents capable of completing the screening and Pre-FEED work. In order to have meaningful and comprehensive engagement and collaboration with stakeholders and Indigenous Nations prior to beginning Project approval processes and to have reasonable support and confidence on the Project concept and design, FEI proceeded with completing a detailed screening analysis on all three delivery options for the RGSD Project (i.e., to assess other delivery points, such as tie-ins to T-South at Kingsvale or Hope) prior to advancing further Pre-FEED work.

1 In Q1 2024, the Project development work focused on reviewing the screening analysis and
 2 summarizing the key findings on the screening analysis, as discussed in the sections below.

3 The purpose of the screening analysis was to complete a comprehensive evaluation of three
 4 routing or delivery options identified by FEI (please refer to Figure 1 below) prior to initiating further
 5 development work on the RGSD Project. As part of this screening work, FEI completed
 6 assessments of each of these three delivery options to include the alternative delivery points
 7 described in Section 4.1.2 of the RGSD Application, to bring into focus option(s) that would be
 8 viable candidate(s) for further consideration. As discussed in the Q4 2023 quarterly progress
 9 report, these delivery options included:

- 10 • **Option 1, Oliver to Huntingdon:** A new 239 km pipeline paralleling the existing FEI right
 11 of way (ROW) for the first 40 km and then a further 199 km in a new ROW.
- 12 • **Option 2, Oliver to Hope:** A new 155 km pipeline, with the first 40 km paralleling the
 13 existing FEI ROW (similar to Option 1) and the final 115 km routed to Hope along a new
 14 ROW, with tie-ins to the Enbridge T-South system at Hope.
- 15 • **Option 3, Oliver to Kingsvale:** A new 162 km pipeline paralleling existing FEI ROWs for
 16 most of the length, with tie-ins to the Enbridge T-South system at Kingsvale.

17 **Figure 1: Potential RGSD Project Delivery Options**



18

1 **2.3 SCREENING ANALYSIS SUMMARY AND CONCLUSION**

2 The work covered under the screening assessment includes the following:

- 3 • Technical and engineering, including the preliminary pipeline and compression design as
- 4 well as an assessment of the GHG emissions of the three delivery options, aimed at
- 5 quantifying the emissions and outlining a preliminary path to emissions reductions;
- 6 • Environmental and archaeological considerations;
- 7 • Indigenous engagement and consultation;
- 8 • Project risks; and
- 9 • Cost.

10 Each of these considerations and the key findings are discussed in the sections below.

11 **2.3.1 Technical and Engineering Considerations**

12 Preliminary design work completed during the screening stage indicates that the Project's delivery
13 requirements would be satisfied through installation of four new compressor stations on FEI's
14 existing Southern Crossing Pipeline (SCP) at the Kitchener, Salmo, Grand Forks, and Oliver
15 locations. The sizing and number of these new compressor stations would vary depending on the
16 Project's final delivery requirements and hydraulic analysis. Installation of a 30" diameter pipe for
17 the new section would not necessitate additional compression on this line and could result in the
18 removal of existing compression at Hedley and Kingsvale for Option 3. Installation of a 24" line
19 would require further compression requirements on this new section at Copper Mountain for
20 Options 1 and 2, while Option 3 would potentially require upgrades at the Hedley and Kingsvale
21 compressor stations. In all options there is an opportunity to electrify the compressor stations,
22 significantly decreasing the Project's carbon footprint. The use of renewables or hydrogen in place
23 of electrical power may also be an option.

24 Each pipeline routing option presents unique challenges and opportunities, but no immediate
25 technical conditions that would disqualify any of these options from further assessment. Option 1
26 (Oliver to Huntingdon, through Hope) has the greatest length and would be both greenfield and
27 brownfield construction. Option 2 (Oliver to Hope) has the shortest length but would be largely
28 greenfield construction. Option 3 (Oliver to Kingsvale) would be the only brownfield construction
29 option which could be completed mostly within FEI's existing ROW.

30 To better understand the scope and merits of the three RGSD Project routing options, preliminary
31 hydraulics modelling and line and equipment sizing were undertaken, along with a greenhouse

1 gas (GHG) net zero assessment. The results of these analyses are summarized in the
 2 subsections below.

3 **2.3.1.1 Preliminary Pipeline and Compression Design**

4 Evaluation of the three pipeline routing options involved the following assumptions:

- 5 • Transportation of 450 MMscfd of natural gas to a delivery point, as noted in the RGSD
 6 Application;
- 7 • Adequate pressure at each of the delivery points to accommodate transportation on FEI’s
 8 Coastal Transmission System (Option 1, Huntingdon) or Enbridge’s transmission system
 9 (Option 2, Hope; Option 3, Kingsvale);
- 10 • Delivery of natural gas to Huntingdon via Options 2 and 3 will require upgrades to the
 11 Enbridge pipeline;
- 12 • Establish pipe size for the new pipeline segment between Oliver and each of the three
 13 pipeline routing options:
 - 14 ○ Base Case: 30” diameter;
 - 15 ○ Comparison Case: 24” diameter; and
- 16 • Determine the compression requirements (number of stations, locations and power
 17 requirements) for each option.

18 Hydraulics modelling was completed in house by FEI’s System Capacity team. Hatch Ltd. (Hatch)
 19 and their consultant, Innovative Pipeline Projects Ltd. (IPP), were selected to complete a
 20 screening level assessment consisting of engineering, cost estimating and scheduling work for
 21 the three options.

22 **2.3.1.1.1 PIPELINE DESIGN**

23 Table 2 below provides a summary of the route and delivery point options and the associated
 24 pipeline segments. These apply to both pipeline sizes evaluated (i.e., Base Case 30” and
 25 Comparison Case 24”).

26 **Table 2: Routing Evaluation**

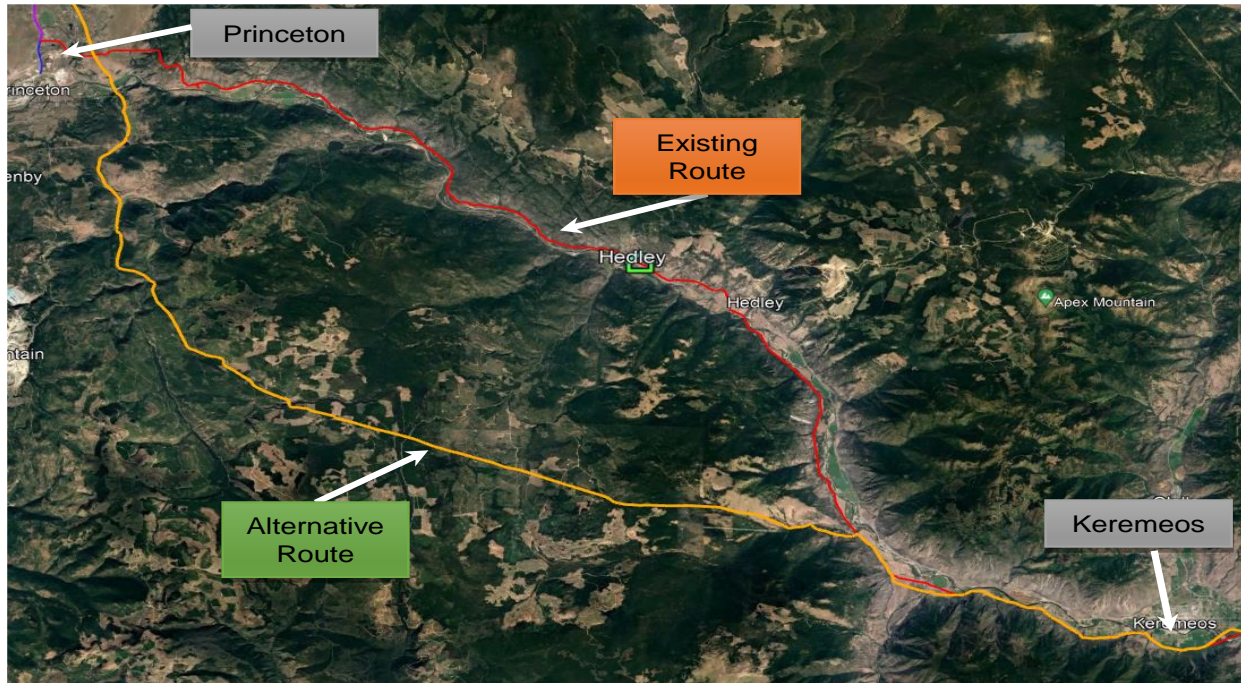
Segment	Distance	Route Description	Constructability
Option 1 (Oliver to Huntingdon)			
Oliver to Hope	155 km	<ul style="list-style-type: none"> • Approximately 40 km would be in an existing FEI pipeline ROW. • Remainder (115 km) would be greenfield development 	<ul style="list-style-type: none"> • A number of water crossings would require horizontal directional drilling (“HDD”). • Otherwise, involves typical cross country pipeline construction development.

Segment	Distance	Route Description	Constructability
Hope to Huntingdon	84 km	<ul style="list-style-type: none"> Route located in the Fraser Valley and a majority would be considered urban. Some segments would be paralleling TC Energy and Enbridge ROWs. 	<ul style="list-style-type: none"> A number of water crossings would require HDDs. Typical urban pipeline construction expected, noting that it is a very congested pipeline corridor in the Hope area.
Option 2 (Oliver to Hope)			
Oliver to Hope	155 km	<ul style="list-style-type: none"> Approximately 40 km would be in an existing FEI pipeline ROW. Remainder (115 km) would be greenfield development 	<ul style="list-style-type: none"> A number of water crossings would require HDDs. Involves typical cross country pipeline construction development.
Option 3 (Oliver to Kingsvale)			
Oliver to Princeton	95 km	<ul style="list-style-type: none"> Located almost entirely within an existing FEI ROW paralleling a 12-inch pipeline. Considered mostly brownfield development. 	<ul style="list-style-type: none"> A number of water crossings would require HDDs. Seven segments would require alternative installation methods such as micro-tunnelling. The remainder would involve typical twinning of a pipeline in an existing ROW.
Princeton to Kingsvale	67 km	<ul style="list-style-type: none"> Located in an existing FEI ROW paralleling 12-inch and 3-inch pipelines. Considered mostly brownfield development. 	<ul style="list-style-type: none"> A number of water crossings would require HDDs. Primarily a mixture of pasture / grazeland combined with sections of rugged terrain. Some urban pipeline construction expected. Coquihalla Highway crossing may require trenchless or micro-tunnelling installation.

- 1 As noted above, Option 3 is the only option which is considered mostly brownfield development.
- 2 However, this includes seven locations where the physical constraints do not readily
- 3 accommodate a second pipeline. An alternate approach that merits further investigation would be
- 4 to remove the existing 12” pipeline in the constrained sections and replace it with 30” pipeline.
- 5 The seasonal nature of the gas transported on the existing 12” line allows for a six-month
- 6 construction window during the summer to accommodate this work, if needed.

- 7 Alternatively, another routing may be possible for Option 3, starting at kilometre post (KP) 42 and
- 8 continuing due east and then north to Princeton, after which the routing would revert to the existing
- 9 ROW (please refer to Figure 2 below, orange line). The alternative route would likely trigger a
- 10 new Environmental Assessment process. The viability of Option 3 could be assessed further in
- 11 the Pre-FEED stage.

1 **Figure 2: Alternative Routing for Option 3, Oliver-to-Princeton Segment**



2

3 **2.3.1.1.2 COMPRESSION DESIGN**

4 Hydraulic modelling confirmed that for all route options, the Base Case 30" line is satisfied with
 5 four new compressor stations on SCP at Kitchener, Salmo, Grand Forks, and Oliver. In addition,
 6 for Option 3, the existing Hedley and Kingsvale compressor stations on that route would not be
 7 required.

8 The Comparison Case (24" line) would use the same four new compressor stations on SCP
 9 (Kitchener, Salmo, Grand Forks, and Oliver) and require:

- 10 • For delivery via Options 1 and 2: an additional compressor station at Copper Mountain;
 11 and
 12 • For delivery via Option 3: continued operation of and potential upgrades to the existing
 13 Hedley and Kingsvale compressor stations.

14 Table 3 below presents these results.

1

Table 3: New / Modified Compressor Stations

Station Name	Base Case (30" Pipeline)			Comparison Case (24" Pipeline)		
	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)
Kitchener	New	New	New	New	New	New
Salmo	New	New	New	New	New	New
Grand Forks	New	New	New	New	New	New
Oliver	New	New	New	New	New	New
Hedley	n/a - not on route	n/a - not on route	Possibly removed	n/a - not on route	n/a - not on route	Remain in operation -potential upgrades
Kingsvale	n/a - not on route	n/a - not on route	Possibly removed	n/a - not on route	n/a - not on route	Remain in operation -potential upgrades
Copper Mountain	Not needed	Not needed	Not needed	New	New	Not needed
Total in use	4	4	4	5	5	6

2 Preliminary details regarding the new compression options required on the SCP are summarized
 3 below.

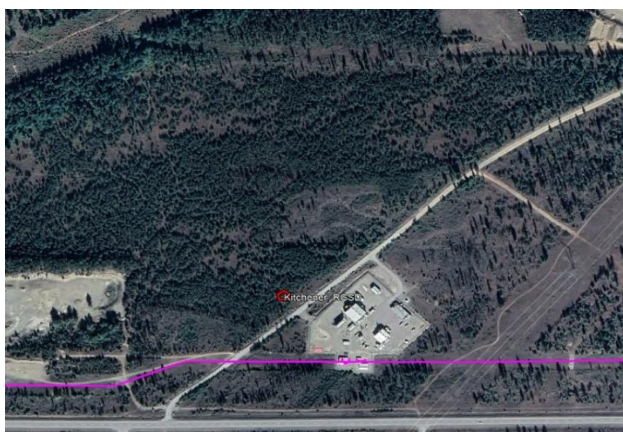
4 **New Compressor Stations – SCP**

5 The criteria for the proposed locations for the new compressor stations on the SCP – required for
 6 all options under both the Base Case and Comparison Case line sizes – included the following:

- 7 • Equidistant spacing to ensure adequate inlet pressure and minimize the size of the
- 8 compressors;
- 9 • Access to electric power to facilitate use of electric compressor drives;
- 10 • Sites suitable for construction and operation of a compressor station; and
- 11 • Full load operation, i.e., 450 MMscfd at the delivery point.

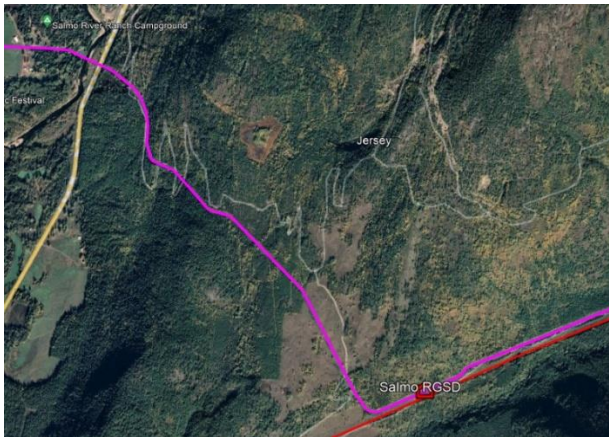
12 Geotechnical conditions and land ownership would have an impact on the cost.

Figure 3: New Kitchener Compressor Site



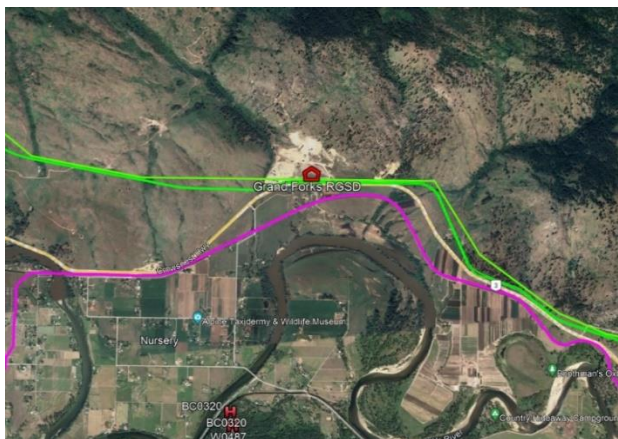
- Located at the existing compressor site near Kitchener.
- The site is accessed from Highway No. 3 and is close to BC Hydro power lines.

Figure 4: New Salmo Compressor Site



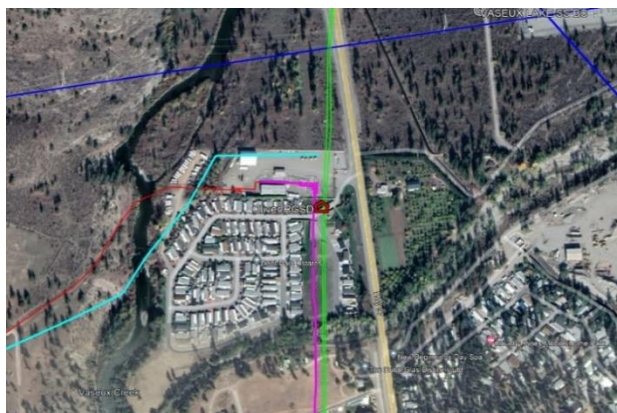
- Located adjacent to the SCP ROW, approximately 3.6 km southeast from the Salmo River Ranch Campground.
- The site is accessed from Highway No. 3 via logging roads and is adjacent to BC Hydro power lines

Figure 5: New Grand Forks Compressor Site



- Located adjacent to the SCP ROW, 4.6 km from Grand Forks.
- The site is accessed from Highway No. 3 and is located adjacent to FBC power lines.

Figure 6: New Oliver Compressor Site

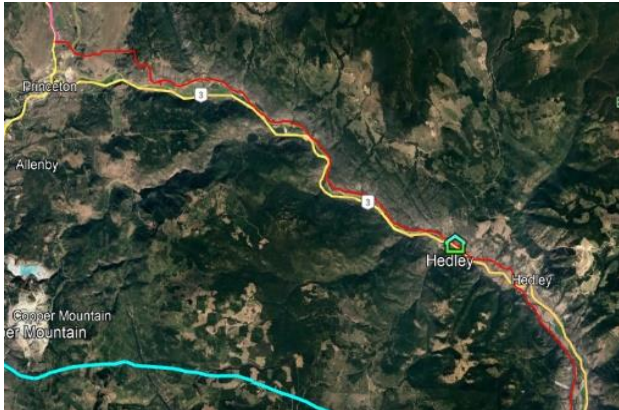


- Located at Oliver Y pressure regulating station at the North end of Oliver.
- The site is accessed from Highway No. 3 and is adjacent to FBC power lines.

1 Compressor Stations – New Pipeline Segment

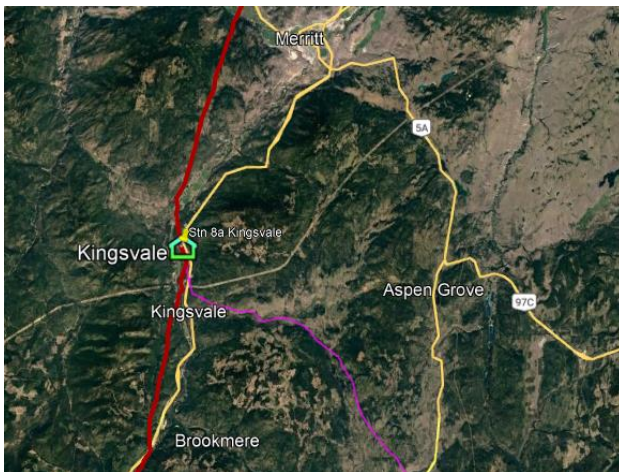
- 2 Under the Comparison Case, Options 1 and 2 require a new station, while Option 3 will use, and
3 possibly require modifications to, two existing stations.

Figure 7: Existing Hedley Compressor Station



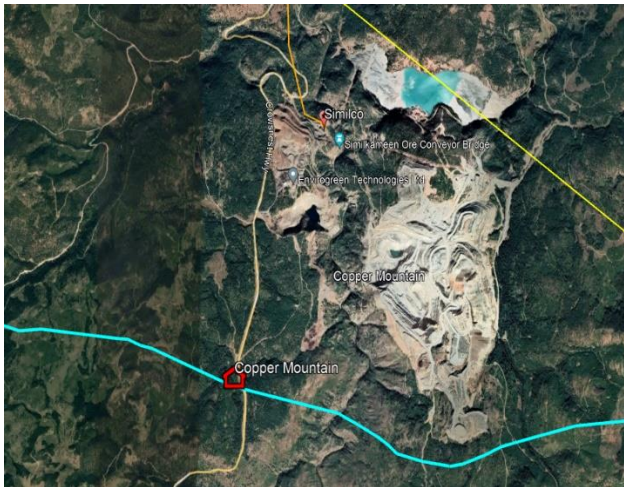
- Located north of Hedley, adjacent to Highway no. 3.
- The station utilizes an electric compressor drive.

Figure 8: Existing Kingsvale Compressor Station



- Located adjacent to Coquihalla Highway, 19 km southwest of Merritt.
- Compressors utilize gas drives and there are no high voltage power lines in the proximity of this station.

Figure 9: New Copper Mountain Compressor Site



- Located south of Copper Mountain mine.
- The site is accessible from Highway 3 with nearest power line located approximately 5 km due north.

1 **2.3.1.2 GHG Emissions Net Zero Assessment**

2 To meet the GHG emission targets outlined in FEI’s clean growth pathway, any new project must
 3 consider the best available technologies to lower the carbon footprint and develop a pathway to
 4 net zero. In the case of the RGSD Project, that reduction can be achieved by implementing electric
 5 motors.

6 Hatch’s environmental division prepared a report that assessed pipeline operation using natural
 7 gas and compared it to use of electric power. An evaluation of potential decarbonization
 8 technologies was also included as part of the report. The following is a summary of those findings.

9 GHG emissions were calculated for all options for:

- 10 • Direct sources – i.e., from combustion, fugitive emissions or leaks, and vented sources
 11 (e.g., blowdowns) that are within the Project boundary; and
 12 • Indirect sources – i.e., derived from electricity purchased from the grid.

13 The methodologies applied were consistent with current Greenhouse Gas Protocol standards¹
 14 and the latest global warming potential (GWP) factors² for a 100-year time horizon.

15 **2.3.1.2.1 GHG EMISSION ESTIMATES**

16 Table 4 below summarizes the GHG emissions in equivalent annual tonnes of CO₂ (tCO₂e/y) for
 17 natural gas-driven vs. electrical power-driven compression for each of the three options under
 18 each pipeline diameter case.

¹ GHG Protocol: A Corporate Accounting and Reporting Standard. Greenhouse Gas Protocol, 2004.

² Sixth Assessment Report (AR6), report 2. Intergovernmental Panel on Climate Change (“IPCC”), February 28, 2022.

1

Table 4: GHG Emissions (tCO₂e/y)

Emission Source	Option 1 (Oliver to Huntingdon)				Option 2 (Oliver to Hope)				Option 3 (Oliver to Kingsvale)			
	Gas-driven compression		Electrical power-driven compression		Gas-driven compression		Electrical power-driven compression		Gas-driven compression		Electrical power-driven compression	
	30" dia	24" dia	30" dia	24" dia	30" dia	24" dia	30" dia	24" dia	30" dia	24" dia	30" dia	24" dia
Pipeline	3,487	3,487	3,487	3,487	2,285	2,285	2,285	2,285	1,992	1,992	1,992	1,992
Compression	279,716	307,383	27,445	32,948	279,716	311,046	27,445	33,052	280,462	306,424	27,465	37,970
Total	283,202	310,870	37,620	38,267	282,001	313,331	36,418	37,169	282,454	308,416	39,170	39,963

2 As expected, electrical power-driven compression results in considerably less GHG emissions
 3 compared to gas-driven compression (77 to 82 percent less for the Base Case of 30" diameter).
 4 Considering a 50-year project life cycle, the GHG savings would be significant. The 30" diameter
 5 cases result in marginally less emissions compared to the 24" cases, due to lower compression
 6 requirements. At this level of analysis, the differences between the three routing options for a
 7 given power source are marginal.

8 **2.3.1.2.2 FURTHER GHG REDUCTION OPPORTUNITIES**

9 In addition to the electricity-driven compression alternative, FEI reviewed a list of potential
 10 technologies and strategies for further GHG emissions reductions. This list was screened
 11 qualitatively based on an in-house database and Hatch's experience with other projects, with two
 12 shortlisted options resulting: (1) the use of renewables to power the compressors; and/or (2) the
 13 use of hydrogen as a source of compression power. The screening report also identified several
 14 approved credit markets and offset measures that could be applicable to the Project. The use of
 15 renewables and/or hydrogen as compression power sources were analysed and quantified.

16 **2.3.2 Environmental and Archaeological Considerations**

17 FEI is committed to delivering safe and reliable energy in an environmentally responsible manner
 18 to all the communities that it serves. To understand the environmental and archaeological
 19 constraints and issues associated with the three RGSD Project delivery options, FEI retained
 20 Jacobs Consultancy Canada, Inc. (Jacobs) and Terra Archaeology Limited (Terra) to undertake
 21 a scoping level review inclusive of pipeline routing and compressor station locations.

22 Preliminary screening identified the following environmental and archaeological constraints for
 23 the RGSD Project:

- 24 • Parks and protected areas;
- 25 • Archaeological and heritage resources; and
- 26 • Critical habitat for species at risk.

27 These key constraints are the same for each of the three pipeline routing options and new
 28 compressor station locations, although the level of risk varies between each option and location.

1 Option 1 will trigger the BC Environmental Assessment Office (BCEAO) environmental
 2 assessment (EA) process. It may pass through two Class A provincial parks and is the only routing
 3 that crosses the Fraser River. It is the closest in proximity to the Lower Mainland which has more
 4 dense populations, large tracts of agricultural lands, and more opportunity for opposition from the
 5 public and media for pipeline construction.

6 Option 2 will also trigger an EA process. It may pass through two Class A provincial parks.

7 Option 3 is the only option that may be exempt from the EA process pending the extent of
 8 construction possible within the existing FEI ROW.

9 All three pipeline routing options cross through the Lower Similkameen Valley, an area with high
 10 potential for high-value habitat for species at risk where multiple overlapping critical habitats have
 11 been designated, and the proposed South Okanagan-Lower Similkameen National Park Reserve.
 12 In addition to the above routing considerations, compressor station modifications and expansions
 13 required for all three options will trigger the BCEAO amendment process with respect to the
 14 current SCP certificate.

15 Applying the three categories described in Table 5 below (Category A being the most material
 16 and Category C being the least material), Jacobs then identified the constraints along the pipeline
 17 routes and within the study areas using currently available spatial data. Category C constraints
 18 were not analysed in depth or mapped in this pre-screening.

19 **Table 5: Categories of Environmental and Archaeological Constraints**

Category	Description	Examples
A	Constraints that present a material risk to the Project and could undermine the viability of the Project through reputational, regulatory and/or cost consequences.	<ul style="list-style-type: none"> • Archaeological and heritage sites • BC Parks and Protected Areas • Indian Reserves • Final and proposed species at risk critical habitats
B	Constraints that would result in additional regulatory oversight and potential conditions; however, precedents exist from recent projects of similar scope and complexity that these risks may be addressed.	<ul style="list-style-type: none"> • Conservation lands • Ungulate winter range • Wildlife habitat areas • Proposed National Park Reserves • Community watersheds • Fossil management areas
C	Constraints with standard risk that result in the development of site-specific mitigation but are not considered key constraints or risks as there are pre-existing and well understood regulatory processes in place to address them.	<ul style="list-style-type: none"> • Agricultural Land Reserves • BC Conservation Data Centre sensitive and non-sensitive species and ecological communities • Mineral tenures • Municipalities • Legal and non-legal Old Growth Management Areas • Recreational trails and recreational sites • Strategic Land Resource Plans • Watercourses and wetlands

1 Table 6 below summarizes the results of the preliminary environmental and archaeological
 2 screening analysis for the three pipeline routing options.

3 **Table 6: Screening of Pipeline Routing Options**

Consideration	Option 1	Option 2	Option 3
Key constraints	<ul style="list-style-type: none"> • Highest number of species at risk where critical habitat is intersected. • Greatest amount of overlap with: <ul style="list-style-type: none"> ○ Provincially designated archaeological sites ○ BC parks & protected areas ○ Indian Reserves ○ Wildlife habitat areas 	<ul style="list-style-type: none"> • Greatest length of overlap with: <ul style="list-style-type: none"> ○ Wildlife habitat areas 	<ul style="list-style-type: none"> • Greatest amount of overlap with: <ul style="list-style-type: none"> ○ Critical habitat for species at risk ○ Conservation lands, ○ Ungulate winter range ○ With community watersheds
BCEAO process	Triggered due to routing length (new 197 km ROW) and diameter.	Triggered due to routing length (new 113 km ROW) and diameter.	Exempt or Likely triggered if alternative routing is selected due to routing length (new 58 km ROW) and diameter.

4 **2.3.3 Indigenous Engagement and Consultation Considerations**

5 FEI is committed to meaningful consultation and engagement with Indigenous groups and the
 6 broadest range of stakeholders, and to delivering ongoing communications to help provide a
 7 consistent and aligned narrative across consultation and engagement activities.

8 Pre-screening of Indigenous and community relations and associated communications
 9 considerations for the RGSD Project indicates the following regarding the three pipeline routing
 10 options and associated new compression facilities:

- 11 • Option 1 is the longest route, mostly greenfield construction, and will trigger the BCEAO
 12 process. It may pass through two Class A provincial parks and is the only option that
 13 crosses the Fraser River. This option has the highest number of Indigenous communities
 14 and stakeholders to engage. It is the closest in proximity to the Lower Mainland which has
 15 more dense populations, large tracts of agricultural lands, and more opportunity for
 16 opposition from the public and media for pipeline construction;
- 17 • Option 2 is mostly greenfield construction and will trigger the BCEAO process. It may pass
 18 through two Class A provincial parks and has a high number of Indigenous communities
 19 and stakeholders to engage; and
- 20 • Option 3 is mostly brownfield construction following existing ROWs and may possibly be
 21 exempt from the BCEAO process. This option has the least number of Indigenous
 22 communities to engage.

1 To understand the scope of engagement and potential considerations, FEI first gathered publicly
 2 available First Nation-specific information to identify aboriginal rights and title to project areas
 3 from a legal perspective, pulled reports from the Consultative Area Database to understand which
 4 Nations to engage, and collected internal Company knowledge to understand FEI’s historical
 5 interactions with Nations and current working relationships. This information was supplemented
 6 with knowledge gained from preliminary engagement conducted to date. Since 2021, FEI has
 7 engaged 30 First Nations and six Tribal Councils to discuss the RGSD Project concept in an early
 8 stage and has Capacity Funding Agreements with six communities.

9 The three route options were reviewed in relation to the following topics identified as potential
 10 barriers to achieving consent and having the most Project risk:

- 11 • Communities to engage;
- 12 • Cultural, environmental and archaeological impacts;
- 13 • Cumulative impacts of development; and
- 14 • Regulatory requirements.

15 The results are summarized in Table 7 below.

Table 7: Pipeline Routing Impacts on Indigenous Communities

Parameter	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)
Indigenous communities to engage	<ul style="list-style-type: none"> • Crosses through or near 23 reserves. • Highest number of Indigenous communities to engage: 80 First Nations, including 10 Tribal Councils and Associations. • Highest number of communities identified as Tier 1 in the Indigenous Impact Assessment, where the Project is on or very near reserve. 	<ul style="list-style-type: none"> • Crosses through or near 10 reserves. • Second highest number of Indigenous communities to engage: 79 First Nations and 10 Tribal Councils/Associations; however, fewer Tier 1 communities than Option 1. 	<ul style="list-style-type: none"> • Crosses through or near 23 reserves. • Least number of Indigenous communities to engage: 64 First Nations and 10 Tribal Councils/Associations.

Parameter	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)
Cultural, environmental, and archaeological impacts	<ul style="list-style-type: none"> Only option that crosses through Fraser River which holds significant value and is an active fishing site for many Indigenous communities. Indigenous communities' preference would be to follow existing ROW and not disturb new land; however, this option is majority greenfield. May cross E.C. Manning Park. 	<ul style="list-style-type: none"> Communities' preference would be to follow existing ROW and not disturb new land; however, this option is majority greenfield. May cross E.C. Manning Park. 	<ul style="list-style-type: none"> Communities' preference would be to follow the existing ROW and not disturb new land. This is the only option that could possibly do that.
Cumulative impacts of development	<ul style="list-style-type: none"> Communities are feeling the impacts of multiple development projects in their territory and Hope has a highly congested pipeline corridor. 	<ul style="list-style-type: none"> Communities are feeling the impacts of multiple development projects in their territory and Hope has a highly congested pipeline corridor. 	<ul style="list-style-type: none"> Communities are feeling the impacts of multiple development projects in their territory. This option crosses through several traditional territories that have been impacted by various projects.
Regulatory Requirements	<ul style="list-style-type: none"> Would trigger the BC EA process which requires extensive engagement with Indigenous communities. 	<ul style="list-style-type: none"> Would trigger the BC EA process which requires extensive engagement with Indigenous communities. 	<ul style="list-style-type: none"> Less likely to trigger the EA process for pipeline construction.

1

2 Table 8 below provides details as to the specific impacts on the community and other stakeholders

3 of each pipeline routing option.

4 **Table 8: Pipeline Routing Impacts on Communities and Stakeholders**

Parameter	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)
Local communities to engage	<ul style="list-style-type: none"> 27 governments and 270 stakeholders to engage. 	<ul style="list-style-type: none"> 27 governments and 270 stakeholders to engage. 	<ul style="list-style-type: none"> 22 governments and 220 stakeholders to engage.

Parameter	Option 1 (Oliver to Huntingdon)	Option 2 (Oliver to Hope)	Option 3 (Oliver to Kingsvale)
Cultural, environmental, and archaeological impacts	<ul style="list-style-type: none"> The City of Chilliwack has 67% of its land dedicated to agriculture, and the most farmland in comparison to any other Lower Mainland community. The City of Abbotsford is the largest municipality in BC by size, with 72% of its land located within the Agricultural Land Reserve, and one of the most intensively farmed areas in the country. May cross two Class A parks (dedicated to the preservation of their natural environment and have limited development), E.C. Manning Park and Nicolum River Provincial Park. 	<ul style="list-style-type: none"> May cross two Class A parks (dedicated to the preservation of their natural environment and have limited development), E.C. Manning Park and Nicolum River Provincial Park. 	<ul style="list-style-type: none"> Does not cross Provincial Parks but does cross two watersheds. The current ROW was built with limited consultation and engagement and new construction on that ROW would still have high possibilities for archaeological and cultural findings.
Cumulative impacts of development	<ul style="list-style-type: none"> Hope has a highly congested pipeline corridor. Opposition groups have raised concerns over cumulative impacts in the Lower Fraser River. 	<ul style="list-style-type: none"> Hope has a highly congested pipeline corridor. 	<ul style="list-style-type: none"> Crosses through several communities that have been affected by various projects.
Regulatory Requirements	<ul style="list-style-type: none"> Would trigger the BCEAO process which requires extensive engagement with Indigenous communities. Is the longest route and has the potential to attract the most attention during the EAO process. 	<ul style="list-style-type: none"> Would trigger the BCEAO process which requires extensive engagement with Indigenous communities. Has potential for significant attention during an EAO process. 	<ul style="list-style-type: none"> Potential to be exempt from the EA process for pipeline construction.

1 **2.3.4 Project Risks Considerations**

2 Over the course of the Project’s screening stage, FEI Project team members participated in a
3 series of collaborative risk workshops and have identified risks and opportunities having a
4 potential impact on the Project schedule, cost, safety, environment or operations, or FEI
5 reputation, including community and Indigenous relations. The risks identified are reflective of the
6 Project being in the early stages of development. A number of risks associated with uncertainty
7 related to consent from the large number of affected Indigenous Nations, consultation with
8 numerous external stakeholders, selection of the preferred route, and the environmental and
9 regulatory environment would influence FEI’s decision to execute the Project.

1 **2.3.5 Cost Considerations**

2 As part of the preliminary design work conducted during the screening stage, Hatch and Jacobs
3 delivered Class 5 estimate inputs to support assembly of a preliminary total installed cost estimate
4 for each of the Project options. These estimates were developed based on their in-house
5 benchmark data, with due consideration given to the experience of recent large pipeline projects
6 in the region and the impact of legislative revisions and social changes to the environmental
7 permitting process. Other indirect and owner costs were developed by FEI based on FEI
8 benchmarks.

9 Costing of the preliminary designs for each of the Project options indicates that Option 3 has the
10 lowest total installed cost, estimated at \$3.2 billion, followed by Option 2 (estimated at \$3.3 billion).
11 Option 1 is estimated to be the costliest, at approximately \$4.8 billion.

12 **2.3.6 Conclusion of the Screening Analysis**

13 Over the past year, FEI has progressed assessment of the RGSD Project in a diligent and
14 measured way, focusing on three pipeline routing options for increasing supply diversity to
15 Huntingdon. The screening level assessment is now complete, with the results provided above.
16 While all three options present opportunities, challenges, and risks, the preliminary results
17 indicate that Option 3 (Oliver to Kingsvale) presents the greatest potential at this time, as it
18 demonstrates enhanced use of existing regional infrastructure, potentially lower costs, and
19 balanced risks.

3. MATERIAL MARKET DEVELOPMENTS

Developments with respect to regional infrastructure and pricing have an impact on FEI and the PNW operating marketplace. As discussed in the RGSD Application and the sections below, in the absence of a new regional infrastructure solution, the current market conditions would result in significant costs and potential risks for FEI and its customers.

In the following sections, FEI provides an update on the regional market conditions, including a briefing on the 2023/24 winter season and forward prices, which highlight constrained capacity on the T-South system, as well as updates on the regional demand that demonstrate the need for incremental pipeline capacity in the Region.

3.1 REGIONAL UPDATE ON CURRENT MARKET CONDITIONS

As discussed in the RGSD Application, the need for new regional pipeline infrastructure is predominantly driven by the following market conditions:

- **Constrained Capacity on the T-South System:** FEI, and the Region as a whole, rely on Enbridge's T-South system for the majority of their daily gas supply. The T-South system remains fully subscribed due to high demand in the Region, leading to supply risks and price volatility; and
- **Increases in Regional Demand:** Constrained pipeline capacity will be exacerbated by both the addition of load associated with the Woodfibre LNG project and increased demand in the Region.

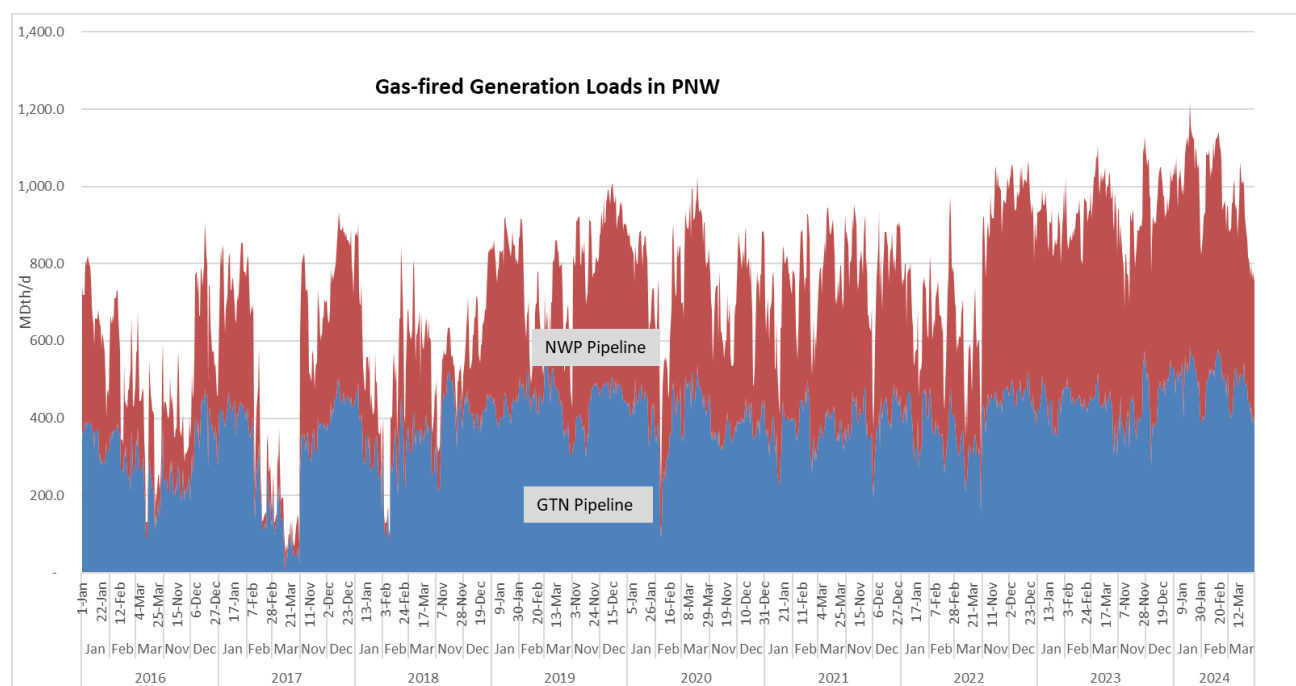
3.1.1 Constrained Capacity on T-South System Leads to Significant Supply Risks and Pricing Volatility

The majority of FEI's natural gas supply is contracted at the supply hubs of Station 2 in Northeast BC, and AECO/NIT (NOVA Inventory Transfer) in Alberta. Alternative considerations when purchasing supply would be at delivered market hubs that are on the international border at Huntingdon/Sumas and Kingsgate. Purchasing supply at these market hubs allows regional shippers to avoid contracting for pipeline resources, although at the disadvantage of increased supply risks and pricing volatility under certain market conditions. Growing demand, including from electricity generation in the US PNW, has caused the existing gas transmission system to be fully utilized during the winter months. This condition is expected to worsen over time as new loads, such as Woodfibre LNG, come online, leaving less available pipeline capacity for the Region. As a result, strong winter demand and disruption events have demonstrated extreme volatility in the Huntingdon/Sumas market. FEI has experienced the return of a large portion of Transportation Service customers to the bundled service to avoid this price volatility. FEI indicated

1 in the RGSD Application that it expects the increased PNW power generation demand to
 2 exacerbate price volatility during periods of high demand in the winter season.³

3 Figure 10 below shows the increasing power generation loads in the winter months since the
 4 beginning of 2016. It is clear from this figure that both volumes and the duration of days have
 5 been increasing each winter, especially since 2022 as power generation loads have become more
 6 winter baseload in nature. Gas-fired electricity generation loads have had a significant impact on
 7 increased pipeline capacity utilization, adding constraints over time and leading to supply
 8 tightness and tremendous pricing volatility at the Sumas hub. This trend is expected to continue
 9 for a significant number of years into the future as electricity demand continues to be strong in
 10 the Region. Due to the increased baseload nature of this demand, the resource requirements and
 11 market conditions can only be addressed by increasing pipeline capacity.

12 **Figure 10: Gas-fired Generation Loads in the US PNW**

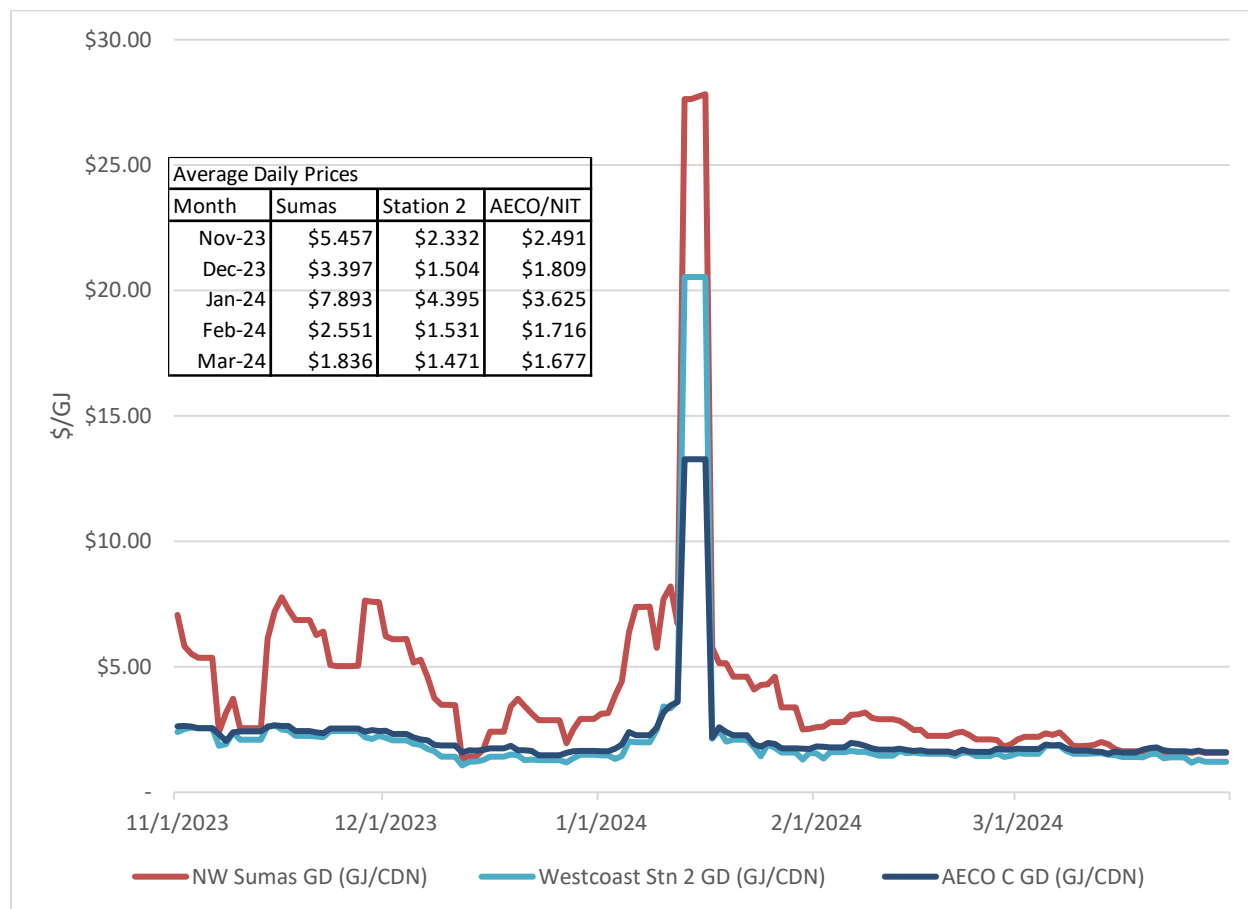


13
 14 The 2023/24 winter season saw milder winter weather in November and December 2023.
 15 However, a major cold spell occurred just before the middle of January 2024 that put the Region
 16 in an arctic freeze and near record cold temperatures. The Lower Mainland region experienced
 17 very high loads for FEI’s core market between January 11, 2024 and January 18, 2024. The
 18 Sumas price traded at over \$27/GJ between January 13 and 16, 2024. The Station 2 and AECO
 19 prices increased sharply around \$20/GJ and \$16/GJ, respectively, for those days due to the

³ Page 13 - The demand for natural gas (and natural gas blended with renewable and low-carbon gas) in the US Pacific Northwest as a source of energy for power generation with lower GHG emissions (relative to coal) is expected to remain at consistent levels over the next decade. FEI expects this demand to exacerbate price volatility during periods of high demand in the winter season.

1 extreme demand for gas. Figure 11 below shows the daily winter prices and an average of the
 2 daily prices by month for the winter of 2023/24.

3 **Figure 11: Daily Market Spot Prices (November 1, 2023 - March 31, 2024)⁴**



4
 5 The price difference and level of volatility at the Huntingdon/Sumas market is concerning for FEI's
 6 customers, specifically those that operate under the Company's Transportation Service model
 7 (i.e., Rate Schedules 22, 23, and 25), who purchase supply from this hub. Significant volatility at
 8 the Sumas hub due to lack of capacity could result in customers reverting to FEI as their
 9 commodity provider which in turn could lead to FEI requiring incremental pipe capacity. FEI
 10 expects that the Huntingdon/Sumas market will continue to pose significant supply risks and
 11 exhibit pricing volatility for the foreseeable number of years until a significant resource that
 12 delivers continuous daily supply such as a new pipeline, in addition to Enbridge's Sunrise
 13 Expansion (further described below), is added to serve the Region.

14 As Figure 12 below shows, these risks are reflected in the forward market prices, denoting that
 15 the Sumas price is significantly higher in the winter than the landed delivery point Station 2 price
 16 over the next few winters. In order to compare to the Sumas price, the Station 2 price below

⁴ Platts Gas Daily publication.

1 includes added fixed transportation costs for delivery to the Huntingdon/Sumas market⁵. Even
 2 after adding costs to the Station 2 price, the winter differentials are considerable between the two
 3 hubs, averaging greater than \$5/GJ. A Sumas buyer purchasing winter gas at the hub will pay a
 4 considerably higher price than a customer who holds firm T-South capacity with associated costs
 5 and purchases commodity at the Station 2 hub. When averaged over the course of the entire
 6 winter, the total cost difference in landed prices delivered to Huntingdon between a Station 2 with
 7 firm capacity versus Sumas buyer would be greater than the yearly demand charges.

8 **Figure 12: Station 2 Full Cost vs. Sumas Forward Prices⁶**



9

10 **3.1.2 Regional Demand Update**

11 In this section, FEI provides an update on the key drivers that will, independently and collectively,
 12 drive the need for new regional pipeline capacity. The key drivers include: (i) the Woodfibre LNG
 13 project, which will add major demand in the Region; (ii) a fundamental shift in gas fired power
 14 generation demand in the US PNW, regardless of its source or location; and (iii) the potential
 15 marine bunkering market.

16 **3.1.2.1 Woodfibre LNG Demand**

17 The Woodfibre LNG plant is expected to come into service around 2027⁷ and will consume at
 18 least 300 TJ/day of pipeline capacity. This demand is baseload, or 365 days, and will have a

⁵ Station 2 Full Cost includes Station 2 forward monthly price, T-South fuel, Westcoast pipeline tolls, Motor Fuel and Carbon Tax.
⁶ Forward price data provided by external agency Amerex Brokers.
⁷ [Construction | Woodfibre LNG.](#)

1 major impact on the Region. The LNG plant will compete for interruptible pipeline capacity on the
2 T-South system that is currently used to serve existing regional demand.

3 **3.1.2.2 US PNW Gas-Fired Power Generation Demand**

4 Gas-fired electricity generation loads in the US PNW have had a significant impact on increased
5 pipeline capacity utilization, adding constraints over time and leading to supply tightness and
6 tremendous pricing volatility at the Sumas hub. Although these gas-fired power generation plants
7 have reached their maximum capacity, there has been a fundamental shift in how these utilities
8 are now utilizing the plants, as the plants have been running at a higher utilization rate during
9 winter months, which means these utilities are now in need of incremental new pipeline capacity
10 to access the gas supply to run these power plants throughout the winter months as a baseload
11 requirement.

12 **3.1.2.3 FEI's Potential Marine Bunkering Demand**

13 On March 28, 2024, the Tilbury Marine Jetty (TMJ) project was issued an Environmental
14 Assessment Certificate by the Province of British Columbia⁸. The TMJ project consists of building
15 a jetty, or dock, on the south arm of the Fraser River adjacent to FEI's existing Tilbury Liquefied
16 Natural Gas (LNG) facility. Once constructed, the Tilbury Marine Jetty will be the first facility in
17 Western Canada to enable trans-oceanic vessels to fuel with LNG at the Port of Vancouver. The
18 construction could begin in 2025 and be in limited service for LNG fuelling by 2026, in an effort to
19 improve local air quality and lower carbon emissions associated with marine shipping.

20 This new potential bunkering load is expected to grow in the coming years and will further add to
21 regional demand pressures.

22 **3.1.3 Regional Pipeline Infrastructure Update**

23 In the RGSD Application, FEI indicated that Enbridge (Westcoast Energy Inc. or Westcoast)
24 intended to proceed with a binding open season to confirm support for a \$2.5+ billion expansion
25 of its T-South pipeline from its Station 2 compressor facility to the Huntingdon area (the Sunrise
26 Expansion Program or Sunrise). Sunrise is planned to be placed into service on November 1,
27 2028. Sunrise will increase the capacity of the T-South pipeline by 300 MMscfd, which is in-line
28 with the firm capacity that is expected to be utilized by Woodfibre LNG when it comes in-service.
29 The open season was fully subscribed with an average weighted contract term of 65 years.

30 Since the open season, Enbridge provided two updates regarding Sunrise's capital cost. The first
31 update occurred when the open season outcome was disclosed, with the capital cost increasing
32 to \$3.6 billion. Subsequently, the capital cost estimate was revised to \$4 billion. These cost
33 increases reflect a refinement of the scope of the project and a more detailed build-up of project
34 requirements.

⁸ [Tilbury Pacific Marine Jetty](#).

1 On January 30, 2024, Westcoast filed its Sunrise Expansion Program Project Description with the
2 Canadian Energy Regulator (CER)⁹. This filing is a precondition for submission of a CPCN, which
3 Westcoast plans to file for approval with the CER in Q2 2024. To support its upcoming application,
4 environmental, geotechnical, and socio-economic studies are underway.

5 The Sunrise project will only help to meet the firm Woodfibre LNG load; thus, FEI continues to
6 believe that Sunrise alone is insufficient to meet the current and longer-term market needs and
7 that in the absence of a further regional infrastructure expansion, infrastructure constraints with
8 significant price volatility will continue to persist, as discussed in the section below.

9 **3.2 REGION NEEDS MORE THAN SUNRISE EXPANSION CAPACITY OF 300** 10 **MMSCFD**

11 Woodfibre LNG currently holds approximately 300 MMscfd of pipeline capacity on the T-South
12 system, which it releases for sale into the Sumas market (Sumas or Huntingdon), pending the
13 completion of its facility. When the LNG facility is operational (which is currently forecast to be as
14 early as 2027), Woodfibre LNG will require all of its contracted T-South capacity to produce LNG,
15 effectively removing this gas supply from the Sumas market. This loss of gas supply equates to
16 approximately 15 percent of the total available winter capacity to Sumas on the T-South system
17 and will represent a fundamental shift in the Region's gas supply availability to serve existing
18 demand.

19 The Region experienced significant supply constraints during the major cold spell in January
20 2024, leading to peak heating loads and major demand from gas-fired electricity generation
21 facilities¹⁰. Utilities in the US PNW have realized the need for added pipeline infrastructure to meet
22 high winter demand and avoid supply loss from infrastructure disruptions that could have led to
23 serious consequences for these utilities and their customers.

24 Although the Sunrise project is expected to be the first to market to meet the Woodfibre LNG
25 demand, the Sunrise project alone will not meet the growing regional demand for gas in the
26 Region. Beyond Woodfibre, several factors are expected to impact demand, including increased
27 gas power generation to balance renewable projects, utility peak demand in the Region, and
28 marine bunkering load.

⁹ The CER requires a project proponent to file a Project Description before submitting a CPCN to help ensure affected stakeholders are aware of the planned project and have had an opportunity to relay concerns about potential impacts it causes for them.

¹⁰ [KUOW - Why PSE urged Western Washington to conserve energy amid severe cold.](#)

4. THE RGSD DEVELOPMENT PHASE HAS PROVIDED IMPORTANT FINDINGS AND THERE IS A CONTINUED NEED FOR A REGIONAL INFRASTRUCTURE SOLUTION

As noted in FEI's Q4 2023 progress report, it has become increasingly clear that the scope of the RGSD Project, including regional approaches to the Project, will likely not meet the timelines for some of the earlier market needs or avoid the Enbridge Sunrise project. The Enbridge Sunrise project has further developed, and FEI believes it now has a higher probability of proceeding to meet short-term market needs. However, FEI believes that the Sunrise project in itself is insufficient to meet the market needs longer term. FEI also remains concerned with the strains on the regional gas infrastructure, and continues to be concerned about upstream pipeline tolls and the lack of supply diversity and resiliency.

Based on the regional market conditions and status of the current infrastructure projects discussed above, FEI believes that its customers and the Region would benefit from the development of a second pipeline expansion that accesses gas from the highly liquid and stable AECO hub, delivered by a new pipeline which would add critical supply diversity to FEI's resources. The expansion of the existing Enbridge T-South pipeline route from Station 2 to Huntingdon does not offer any benefits in terms of supply diversity and resiliency to FEI and its customers. When considering factors such as the persistent high demand in the US PNW for gas-fired power generation and the potential increase in marine bunkering demand, the expansion of the SCP pipeline route in the regional marketplace could bring various benefits to FEI and the Region. This increased pipeline diversity could also open up opportunities for FEI to consider new supplies from renewable sources that could be physically delivered to the Lower Mainland over time from facilities in BC and Alberta.

FEI's development work on the RGSD Project, including the screening assessment, has been instrumental to support options for a regional infrastructure solution with other participants such as Enbridge. As discussed above, one of the key findings of FEI's project development work is that Option 3, Oliver to Kingsvale, optimizes the use of existing infrastructure with potential lower costs and balanced risks, and is worthy of further assessment. Option 3 requires co-commitments from Enbridge (expansion from Kingsvale to Huntingdon) and, considering the scale and magnitude of the potential option, it requires support from other market participants. Thus, commercial discussions are now required to explore ways to best integrate FEI's existing pipeline infrastructure (SCP and the existing 12" pipeline from Oliver to Kingsvale) with the Enbridge T-South system to create a new optimal regional infrastructure solution that can address current market conditions in the Region. Accordingly, FEI proposes to conclude this phase of the RGSD Project, as further explained in the following section.

1 **5. CONCLUSION OF CURRENT PHASE OF RGSD PROJECT AND**
2 **PROPOSED NEXT STEPS**

3 FEI considers the current phase of the RGSD Project to have concluded. As explained above,
4 FEI has completed the screening analysis and, based on the results of the analysis, FEI intends
5 to explore commercial discussions related to Option 3. In recognition that FEI is moving into a
6 new phase of project investigation to explore commercial discussions, FEI proposes to cease
7 recording costs in the RGSD Development Account. Further, FEI proposes to cease providing
8 quarterly progress reports at this time and seeks BCUC approval to discontinue filing quarterly
9 progress reports on the RGSD Project.

10 FEI commits to filing an application seeking recovery of the costs in the RGSD Development
11 Account within six months of filing this Report.

12 A draft form of order sought approving FEI's request to discontinue filing quarterly progress
13 reports and directing FEI to file for recovery of the costs in the RGSD Development Account is
14 included as Appendix A to this Report.

Appendix A
DRAFT ORDER



ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

FortisBC Energy Inc.

Request to Discontinue Quarterly Reporting Requirement for the Regional Gas Supply Diversity Development Account

BEFORE:

[Panel Chair]
Commissioner
Commissioner

on **Date**

ORDER

WHEREAS:

- A. On April 30, 2024, FortisBC Energy Inc. (FEI) filed its sixth quarterly progress report for the period January 1, 2024 to March 31, 2024 for the Regional Gas Supply Diversity (RGSD) Development Account (Report);
- B. On September 14, 2022, the British Columbia Utilities Commission (BCUC) issued Order G-253-22 approving the RGSD Development Account. Directive 2 of Order G-253-22 directed FEI to file quarterly progress reports to the BCUC on work completed, anticipated work, and material developments on the potential RGSD Project;
- C. In the Report, FEI states that it considers the current phase of the RGSD Project to have concluded. FEI proposes to cease recording costs in the RGSD Development Account and to file an application for cost recovery within six months of the filing of this Report. Further, FEI seeks approval to discontinue filing quarterly progress reports; and
- D. The BCUC has reviewed the Report and considers that FEI's request to discontinue the quarterly reporting on the RGSD Development Account is warranted.

NOW THEREFORE the BCUC orders as follows:

1. Pursuant to section 99 of the *Utilities Commission Act*, FEI is approved to discontinue filing quarterly progress reports for the RGSD Development Account.

2. The BCUC directs FEI to file for approval of the recovery of the costs in the RGSD Development Account within six months of the filing date of the sixth quarterly progress report.

DATED at the City of Vancouver, in the Province of British Columbia, this (XX) day of (Month Year).

BY ORDER

(X. X. last name)
Commissioner