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October 24, 2024

B.C. Sustainable Energy Association
c/o William J. Andrews, Barrister & Solicitor
70 Talbot Street
Guelph, ON
N1G 2E9

Attention: William J. Andrews

Dear William J. Andrews:

Re: FortisBC Energy Inc. (FEI)

Application for Approval of a Certificate of Public Convenience and Necessity (CPCN) for the Okanagan Capacity Mitigation Project (OCMP) (Application)

Response to the B.C. Sustainable Energy Association (BCSEA) Information Request (IR) No. 1

On July 30, 2024, FEI filed the Application referenced above. In accordance with the regulatory timetable established in BCUC Order G-227-24 for the review of the Application, FEI respectfully submits the attached response to BCSEA IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Commission Secretary
Registered Interveners

FortisBC Energy Inc. (FEI or the Company) Application for Approval of a Certificate of Public Convenience and Necessity (CPCN) for the Okanagan Capacity Mitigation Project (OCMP) (Application)	Submission Date: October 24, 2024
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1 **A. Project Need and Justification**

2 **1.0 Topic: Measures to Reduce Capacity Requirements**

3 **Reference: Exhibit B-1, Application, p.10, pdf p.20**

4 FEI states:

5 “The objective of the OCMP is to implement a solution that will be in service before
6 the winter of 2026/2027 to ensure that the capacity requirements in the Okanagan
7 region can be met. As FEI further explains in this section, the Project must also be
8 able to serve customers’ capacity needs through the winter of 2028/2029, as FEI
9 requires the intervening time to assess how best to address the capacity
10 requirements on the ITS in the longer term.”

11 1.1 Please confirm, or otherwise explain, that FEI could implement measures to
12 reduce the capacity (peak demand) requirements in the Okanagan region in the
13 immediate or longer-term future.

14

15 **Response:**

16 Please refer to the responses to BCUC IR1 2.1, 2.2 and 2.4.

17

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B. Project Alternatives

2.0 Topic: Demand-Side Alternatives

Reference: Exhibit B-1, Application, p.16, pdf p.26

FEI says it has scoped the OCMP “to be able to meet the peak capacity requirements in the Okanagan region for each of the winters of 2026/2027, 2027/2028 and 2028/2029” and that “it is not reasonable to rely on temporary short-term mitigation measures.”

2.1 Why is would it not be reasonable to rely on temporary short-term mitigation measures, including peak reduction measures, to meet capacity requirements until the winter of 2028/2029?

Response:

FEI is not able to meet the expected capacity shortfall on the ITS through the winter of 2028/29 utilizing the temporary short-term mitigation measures described in Section 3.3 of the Application and peak reduction measures. Further, continuing to rely on short-term temporary mitigation measures is not appropriate as these measures do not allow FEI to provide reliable service to customers.

As shown in Figure 3-1, FEI has utilized the short-term mitigation measures where necessary to meet the peak demand of a 1-in-20-year cold weather event since winter 2022/23. However, by winter 2026/27, the delivery requirements of the system will exceed the delivery capacity of the system, even with the short-term mitigation measures in place, which would result in a capacity shortfall if a 1-in-20-year cold weather event occurs.

2.2 What demand-side measures did FEI explore as alternatives to the proposed Project?

Response:

Please refer to the response to BCUC IR1 2.1.

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1 **C. Project Cost**

2 **3.0 Topic: Rate Impact**

3 **Reference: Exhibit B-1, Application, 6.3 Financial Analysis, p.69, pdf**
4 **p.79**

5 3.1 Why does the financial analysis include a 30-year post-Project period in the 34-
6 year Project period when the Project is to be in use for only three years (2026/2027,
7 2027/2028, 2028/2029)?

8

9 **Response:**

10 Please refer to the response to BCUC IR1 8.1.

11

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1 **D. Project Consultation and Engagement**

2 **4.0 Topic: Public Engagement**

3 **Reference: Exhibit B-1, Application**

4 4.1 What public engagement has FEI conducted regarding the OCM Project in the
5 Project area?

6
7 **Response:**

8 Please refer to Attachment 10.4 of the response to RCIA IR1 10.4 which provides the stakeholder
9 consultation log for the OCMP.

10

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5.0 Topic: Penticton Indian Band

**Reference: Exhibit B-1, Application, 8. Consultation and
Engagement**

In the proceeding regarding the Okanagan Capacity Upgrade Project, FEI submitted a letter indicating support for the Project from *sn'pinktn* (Penticton Indian Band) [[Exhibit B-47](#)].

5.1 What engagement has FEI had with *sn'pinktn* regarding the Okanagan Capacity Mitigation Project?

Response:

As outlined in Section 8.3.1.1 of the Application, FEI emailed *snpink'tn* in January 2024 advising of the BCUC's decision on the Okanagan Capacity Upgrade Project. Once FEI had developed preliminary alternatives for the OCMP, a meeting was held with *snpink'tn* to discuss the proposed alternatives and gather feedback. FEI sent an email following the meeting, summarizing the discussion, acknowledging the work done by *snpink'tn* and the requirements for a new agreement and community vote for a proposed staged pipeline option. FEI notified *snpink'tn* in May 2024 that the time required to negotiate an agreement could not meet the timeline needed for a project to be in place to address the winter capacity shortfall expected in 2026/27; therefore, FEI advised that it would be pursuing options in and around Kelowna to meet the required service timeline.