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December 8, 2025

Intervener Group 2  
c/o British Columbia Utilities Commission  
Suite 410, 900 Howe Street  
Vancouver, BC  
V6Z 2N3

Dear Registrar:

**Re: British Columbia Utilities Commission (BCUC) Review of Renewable Natural Gas (RNG) Definition and Accounting (Inquiry)**  
**FortisBC Energy Inc. (FEI) Response to Intervener Group 2<sup>1</sup> Information Request (IR) No. 1 to FEI**

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In accordance with the amended regulatory timetable established in BCUC Order G-231-25 for the Inquiry, FEI respectfully submits the attached response to Intervener Group 2 IR No. 1 to FEI.<sup>2</sup>

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC ENERGY INC.**

***Original signed:***

Sarah Walsh

Attachments

cc (email only): Registrar  
Registered Interveners

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<sup>1</sup> B.C. Sustainable Energy Association (BCSEA); First Things First Okanagan (FTFO); Force of Nature Alliance (FNA); My Sea to Sky (MS2S) and Stand Environmental Society (Stand.earth).

<sup>2</sup> For convenience and efficiency, if FEI has provided an internet address for referenced reports instead of attaching the documents to its IR responses, FEI intends for the referenced documents to form part of its IR responses and the evidentiary record in this proceeding.

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1 **IRs from FTFO, FoNA, MS2S, and Stand.earth:**

2 **1.0 Topic: Evidence of greenhouse gas reductions in BC**

3 **Reference: [Exhibit C17-1](#), Submission of August 27, 2025**

4 FEI states in their submission in response to Question 1 that “FEI submits that the BCUC’s  
5 numerous decisions accepting that out-of-province RNG acquisitions as prescribed  
6 undertakings, and its conclusions in the 2021 RNG Inquiry that the acquisition of RNG  
7 outside of BC are permitted under the GGRR, are correct and that there is no basis to  
8 revisit them.”

9 1.1 Please provide evidence to demonstrate how the purchase of environmental  
10 attributes of RNG produced in other provinces or countries will reduce actual  
11 greenhouse gas emissions in British Columbia.

12  
13 **Response:**

14 This question mistakenly suggests that the acquisition of environmental attributes alone is  
15 permitted under the *Greenhouse Gas Reduction (Clean Energy) Regulation* (GGRR). The GGRR  
16 requires the acquisition of RNG, including the environmental attributes of that RNG. FEI also  
17 confirms that all of its acquisitions of RNG are acquisitions of volumes of produced RNG, including  
18 the environmental attributes of that RNG.

19 The RNG that FEI acquires from outside of British Columbia and delivers to British Columbia via  
20 displacement reduces GHG emissions in British Columbia because the GHG emissions from  
21 RNG are biogenic and, therefore, do not result in incremental emissions of carbon dioxide to the  
22 atmosphere. Delivery by displacement through the North American pipeline system is the  
23 predominant way in which gaseous energy is delivered in North America. FEI notes that even  
24 RNG and natural gas produced in British Columbia is delivered to customers via displacement.  
25 The transfer of the environmental attributes of RNG to FEI and the sale of those attributes to FEI’s  
26 customers gives British Columbia the sole right to claim that it is using the RNG that FEI acquires  
27 and the sole right to recognize the biogenic nature of the RNG emissions within British Columbia.

28 This is consistent with the IPCC guidelines for jurisdictional inventory reporting, which recognize  
29 that the GHG emissions resulting from the consumption of RNG should be recorded in the  
30 jurisdiction where that RNG is used. The carbon dioxide (CO<sub>2</sub>) component of the RNG used within  
31 BC does not contribute to BC’s overall GHG emissions because RNG is methane produced from  
32 biogenic feedstocks, which means the CO<sub>2</sub> that is released when the RNG is combusted is  
33 balanced by the carbon drawn out of the atmosphere to create its raw materials.

34 The reduction in GHG emissions within British Columbia due to RNG acquired from outside the  
35 province is recognized by the BC Government. As set out in FEI’s responses to BCUC-All IR1 3.1  
36 and 3.1.1, the BC’s Climate Action Secretariat’s Carbon Neutral Government recognized GHG  
37 emissions reductions through the blend of RNG into FEI’s gas supply by adjusting its emissions  
38 factors for anthropogenic CO<sub>2</sub> and biogenic CO<sub>2</sub>. Commencing in July 2024, the emissions factors  
39 for use of natural gas from FEI were reduced to reflect the fact that a percentage of the gaseous

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1 energy received from FEI was RNG, thereby lowering the anthropogenic CO<sub>2</sub> emissions of the  
2 gaseous energy stream.

3 Consistent with the above, the BCUC has repeatedly determined that the acquisition of RNG and  
4 associated EAs, regardless of whether the RNG is produced inside or outside of BC, is a  
5 prescribed undertaking under the GRR and the *Clean Energy Act* (CEA). As discussed in FEI's  
6 initial submission (Exhibit C1-2), the BCUC has concluded on 25 different occasions that the  
7 acquisitions of RNG from out-of-province suppliers are prescribed undertakings under the GRR.

8 The GRR was amended in 2024 to state that a public utility must acquire and retire the  
9 environmental attributes of RNG at the time of sale or transfer to customers. This confirms the  
10 intention of government that displacement of conventional natural gas through the acquisition of  
11 RNG provides the basis for an environmental benefit claim within BC.

12 Not recognizing out-of-province RNG as a prescribed undertaking would undermine British  
13 Columbia's ability to meet its climate targets and would be contrary to the clear intent of the GRR  
14 and CEA.

15

1   **2.0   Topic:           Integrity of Book-and-Claim Model**

2                           **Reference: [Exhibit C1-4](#), Submission of October 27, 2025, FEI**  
3                           **Response to BCUC-All IR1 2.2, p. 15**

4           FEI “clarifies” that it already uses a book-and-claim system and argues its self-  
5           administered chain-of-custody achieves a “comparable level of integrity” to formal attribute  
6           registries, despite the absence of external oversight. FEI’s own example of Énergir in  
7           Québec shows that a third party (the Bureau de normalisation du Québec) verifies RNG  
8           volumes and origin for integrity.

9           2.1    Please provide evidence to support this claim of comparable integrity for British  
10           Columbia. Specifically, identify any third-party assessments, certifications, or  
11           audits that have evaluated FEI’s RNG tracking and retirement processes to confirm  
12           that each environmental attribute is unique and retired upon customer delivery (i.e.  
13           no double-counting or leakage of attributes).

14  
15    **Response:**

16    As explained in the response to BCUC-All IR1 2.2, FEI’s chain of custody framework tracks and  
17    retires EAs using documentation and internal inventory accounting. EA retirements must align  
18    with the quantity of RNG consumed by the end use customer for FEI’s cost and inventory volume  
19    continuity report to reconcile properly. This report is filed with the BCUC annually as part of FEI’s  
20    RNG Account (formerly Biomethane Variance Account) Status Report. In addition, as outlined in  
21    Section 3.1 of FEI’s initial submission (Exhibit C1-2), a robust set of contractual mechanisms in  
22    FEI’s RNG supply contracts support the system’s integrity as a whole and make it possible to  
23    ensure EAs are accurately tracked and retired.

24    FEI’s chain of custody framework and reporting to the BCUC generally aligns with Énergir’s  
25    reporting to the Bureau de normalisation du Québec. As part of its compliance reporting, Énergir  
26    provides the following information to the Bureau de normalisation du Québec:

- 27           1.   RNG inventories are sufficient, meaning that the RNG inventory is larger than the sale to  
28           customers to ensure that RNG volumes are only sold once to a customer;  
29           2.   RNG inventory age is less than two years;  
30           3.   Feedstock used to produce RNG is 100% of organic origin; and  
31           4.   Breakdown of type of organic sources of the RNG inventory.

32    Similar to Énergir, FEI files its cost and inventory volume continuity report (item #1) and the age  
33    of its RNG inventory (item #2) with the BCUC for compliance purposes. FEI also retains an  
34    independent auditor to verify that any feedstock (input into the RNG production process) is 100  
35    percent of organic origin (item #3). FEI currently does not report on the breakdown of the type of  
36    organic sources of its RNG inventory (item #4), as this is not required under the GGRR. FEI notes  
37    that the Bureau de normalisation du Québec does not require reporting on the geographical  
38    location of the RNG supply. Similar to the GGRR, Quebec’s *Regulation respecting mandatory*  
39    *reporting of certain emissions of contaminants into the atmosphere* does not require RNG  
40    supplies to be from within the province.



1

**Table 1: Conventional Natural Gas and RNG Supply**

	Unit	Actual 2022	Actual 2023	Actual 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029
<b>Demand for Gaseous Energy</b>	TJ	<b>220,591</b>	<b>219,647</b>	<b>223,910</b>	<b>220,746</b>	<b>222,904</b>	<b>224,940</b>	<b>226,190</b>	<b>227,983</b>
RNG Supply (ii)	TJ	2,295	2,875	2,615	4,674	8,587	12,447	15,216	16,270
Conventional NG Supply (i)	TJ	218,296	216,772	221,295	216,072	214,317	212,493	210,974	211,713
<b>Total Supply</b>	TJ	<b>220,591</b>	<b>219,647</b>	<b>223,910</b>	<b>220,746</b>	<b>222,904</b>	<b>224,940</b>	<b>226,190</b>	<b>227,983</b>

2

3 To properly manage FEI's contracting strategies for conventional gas supply, storage resources,  
 4 and pipeline capacity, FEI must assess several considerations, including the forecast of on-  
 5 system and off-system RNG supply. The on-system RNG supply is injected directly into FEI's  
 6 distribution system, while the off-system RNG supply is delivered to FEI at a contractually  
 7 specified delivery point. FEI adjusts its forecast of conventional natural gas supply downward to  
 8 reflect the in-province and out-of-province RNG supply acquired for its RNG Blend and Voluntary  
 9 RNG services for its customers.

10

11

12

13 3.2 Please confirm whether FEI has tested the hypothesis of "additionality" (i.e., that  
 14 RNG procurement did not simply add volume to the system) via sensitivity  
 15 modelling of fossil gas supply and demand, and if so, provide results.

16

17 **Response:**

18 Please refer to the response to Intervener Group (IG) 2-FEI IR1 3.1.

19

1    **4.0    Topic:           Territorial Accounting Approach to Avoided Methane**

2                               **Reference: [Exhibit C1-4](#), Submission of October 27, 2025, FEI**  
3                               **Response to BCUC-All IR 3.1 and 3.2, p. 21**

4           In its responses to BCUC IR 3.1 and 3.2, FortisBC Energy Inc. (FEI) affirmed that British  
5           Columbia's greenhouse gas (GHG) inventory uses a strict territorial accounting approach,  
6           meaning GHG emissions are reported where they occur. FEI confirmed that under current  
7           practice, CO2 emissions from combusting Renewable Natural Gas (RNG) are counted in  
8           BC's inventory even if the CO2 is biogenic. FEI acknowledged that when RNG is sourced  
9           from outside BC, the emission reductions at the source (such as avoided methane  
10          releases) do not fully appear in BC's GHG inventory.

11          4.1    **Producing Jurisdiction's Treatment of Avoided Methane:** Please explain  
12                               whether, and if so how, the producing jurisdiction's decision to account for avoided  
13                               methane affects FEI's practice with respect to ensuring the "chain of custody" and  
14                               "exclusivity" of environmental attributes that FEI purchases outside British  
15                               Columbia (i.e. avoiding double counting).

16  
17    **Response:**

18    FEI's practice with respect to ensuring the chain of custody and exclusivity of environmental  
19    attributes is not affected by a producing jurisdiction's accounting treatment of avoided emissions.

20    As explained in FEI's response to BCUC-All IR1 3.1, avoided emissions are currently not  
21    considered in jurisdictional emissions inventories that employ location-based emissions  
22    quantification, like the Government of British Columbia.

23    However, if for any reason new legislative or regulatory requirements are imposed that impact the  
24    quantification of the carbon intensity of the biomethane, then FEI would have the contractual right  
25    to terminate the contract and no longer purchase the biomethane if the resulting carbon intensity  
26    was above the contractual maximum.

27    Note that even without the avoided methane emissions, the purchased biomethane would likely  
28    still meet the carbon intensity threshold in the GGRR. Therefore, how the producing jurisdiction  
29    decides to account for avoided methane would likely not impact FEI's ability to acquire RNG under  
30    the GGRR.

31

1 **IR from BCSEA:**2 **5.0 Topic: Low Carbon Fuel Standard Credits**3 **Reference:**

4 In its response to BCSEA information requests in the BCUC's [proceeding regarding FEI's](#)  
5 [Annual Report for 2025 and 2026 Rates](#), FEI states:

6 "FEI's approach to the acquisition of RNG for 2025-2026 is generally the same as in the  
7 past. FEI continues to consider several criteria when considering supply, including:

- 8 • Cost (\$/GJ): Cost for ratepayers associated with the acquisition of the RNG;
- 9 • Volume/size: Larger projects generally provide for greater efficiency when  
10 contracting and tend to result in lower costs for customers;
- 11 • Carbon intensity: FEI considers carbon intensity as it contributes to value related to  
12 the BC-LCFS, the Clean Fuel Regulations and total GHG emissions reductions; and
- 13 • Time to first gas: FEI prioritizes suppliers who can meet supply needs sooner.

14 FEI continues to prioritize projects located in BC. In addition to local benefits, RNG projects  
15 located in BC qualify for the BC-LCFS, which provides value to FEI's NGT customers.  
16 However, RNG projects in BC generally have a longer development cycle and tend to be  
17 smaller, which can contribute to higher costs compared to out-of-BC supply." [\[Exhibit B-6,](#)  
18 **BCSEA IR 8.1, pdf p. 14, in the FEI Annual Report for 2025 and 2026 Delivery Rates**  
19 **proceeding.]**

20 [and]

21 "FEI will seek a BC LCFS fuel code for all of its in-province supply of RNG, which for 2025  
22 and 2026 is approximately 380 TJ and 700 TJ, respectively. Typically, however, there is  
23 a delay between new in-province RNG plants producing RNG and the BC LCFS fuel code  
24 application process as plant operations need to be stabilized so that the required data can  
25 be collected. With respect to BC LCFS credit monetization, carbon credits are awarded to  
26 the dispenser (or user) of the eligible fuel. In the case of RNG, the credits will be awarded  
27 to CNG or LNG customers who dispense (or use) the RNG, not FEI. As such, FEI cannot  
28 provide a forecast of how customers will manage their BC LCFS credits." [\[Exhibit B-6,](#)  
29 **BCSEA IR 8.2, pdf p. 14, underline added, in the FEI Annual Report for 2025 and**  
30 **2026 Delivery Rates proceeding.]**

31 5.1 Please explain how BC LCFS credits acquired by FEI in relation to in-Province and  
32 out-of-Province RNG, once certified, are distributed to FEI customers who have  
33 used the RNG in question.

34

35 **Response:**

36 FEI allocates RNG with an approved BC LCFS fuel code to customers that use RNG as a  
37 transportation fuel in Compressed Natural Gas (CNG) and/or LNG engines. FEI allocates RNG

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1 from all eligible RNG sources to all customers that use RNG as a transportation fuel, resulting in  
2 the same credit generation per GJ of RNG consumed. FEI's RNG customers are then able to  
3 directly claim the associated carbon credits under the BC LCFS.

4