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January 20, 2026

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

Dear Registrar:

Re: FortisBC Energy Inc. (FEI)

Utilities Commission Act (UCA) – Section 71 Filing of an Assignment, Novation and Amending Agreement to the Biomethane Purchase Agreement (BPA) Between FEI, Evergreen Environmental (Oshawa) Inc. (Evergreen) and Convertus York Biofuel Ltd. (Convertus) (Application)

Response to the British Columbia Utilities Commission (BCUC) Information Request (IR) No. 1

On October 2, 2025, FEI filed the Application referenced above. In accordance with the amended regulatory timetable established in BCUC Order G-305-25 for the review of the Application, FEI respectfully submits the attached response to BCUC IR No. 1.

If further information is required, please contact the undersigned.

Sincerely,

FORTISBC ENERGY INC.

Original signed:

Sarah Walsh

Attachments

cc (email only): Evergreen, Convertus

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1 **1.0 Reference: ASSIGNMENT, NOVATION AND AMENDING AGREEMENT**
2 **Exhibit B-1, p. 1, Appendix A, p. 2; Exhibit B-3, p. 4**
3 **Order in Council (OIC) 302/2024**
4 **Original BPA and Amending Agreement**

5 In its application, dated October 2, 2025, FortisBC Energy Inc. (FEI) describes the
6 agreement dated September 5, 2025 between FEI and Convertus York Biofuel Ltd.
7 (Convertus) as an “Assignment, Novation and Amending Agreement” (Amending
8 Agreement) to the Biomethane Purchase Agreement (BPA) between FEI and Evergreen
9 Environmental (Oshawa) Inc. (Evergreen) dated March 31, 2021 (Original BPA).

10 FEI further states that the Amending Agreement “[a]ssigns and novates all of Evergreen’s
11 rights, title, interests, duties, liabilities, and obligations in the Original BPA to Convertus
12 [...]”.

13 Articles 1 and 2 of the Amending Agreement provide, in part, that:

14 1.1 **Assignment and Novation.** Subject to the terms of this Agreement, including,
15 without limitation, Article 4:

16 (a) The Assignor [Evergreen] does hereby absolutely assign, set over,
17 transfer, novate and convey to the Assignee [Convertus], effective as of the
18 Effective Date, all of its right, title and interest in the Gas Agreement
19 [Original BPA], to have and hold same unto the Assignee absolutely.

20 [...]

21
22 2.1 **Consent by FEI.** Subject to the terms of this Agreement, including, without
23 limitation, Article 4, FEI hereby:

24 (a) consents to the assignment and novation described in Section 1.1;

25 (b) subject to and without limiting Section 1.1(b), releases and discharges the
26 Assignor of and from the observance and performance of the covenants,
27 agreements, liabilities and obligations of the Assignor to be observed and
28 performed under the Gas Agreement;

29 [...]

30
31 On page 4 of the Supplemental Information filed by FEI on December 8, 2025, FEI states
32 that:

33 The Amending Agreement is an amendment to an existing BPA that has been
34 accepted as a prescribed undertaking and is not a new energy supply agreement...

35 [...]

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1 The Original BPA and the Amending Agreement are not subject to the criteria
2 applicable to a prescribed undertaking established by OIC 302/2024 because the
3 Amending Agreement is not a new supply agreement and none of the changes are
4 relevant to its status as a prescribed undertaking. The Original BPA's status as a
5 prescribed undertaking crystallized when it was executed and was confirmed by
6 the BCUC in Order E-24-21. The contemplated amendments have no bearing on
7 its status as a prescribed undertaking and, therefore, do not trigger the application
8 of the new requirements established in OIC 302/2024.

9 Section 68 of the *Utilities Commission Act* (UCA) provides in part that:

10 "energy supply contract" means a contract under which energy is sold by a seller
11 to a public utility or another buyer, and includes an amendment of that contract,
12 but does not include a contract in respect of which a schedule is approved under
13 section 61 of this Act... [emphasis added]

14 1.1 Please confirm, or explain otherwise, that the Amending Agreement extinguishes
15 all rights and obligations as between FEI and Evergreen under the Original BPA.

16
17 **Response:**

18 The Amending Agreement extinguishes all rights and obligations between FEI and Evergreen
19 under the Original BPA, but in doing so transfers those same rights and obligations to Convertus.
20 Therefore, the Amending Agreement legally substitutes the old party (Evergreen) with the new
21 party (Convertus) and assigns the rights and obligations to the new party (Convertus). Through
22 the Amending Agreement, Convertus is bound by the existing terms of the Original BPA as
23 amended.

24 Consequently, the Original BPA remains valid, in effect and enforceable between FEI and
25 Convertus through the formal assignment and novation in the Amending Agreement. Convertus
26 is simply stepping into the shoes of Evergreen.

27 Further, the Amending Agreement is not a separate and distinct agreement because it cannot be
28 read alone, it cannot stand alone, and its terms cannot be enforced without it being read with and
29 understood within the full context of the Original BPA, which is the foundational document. The
30 Amending Agreement incorporates the Original BPA by reference. Thus, the Original BPA, as the
31 foundational document, must be read together with the Amending Agreement to be understood
32 within the full context of the agreement as a single integrated agreement.

33

34

35

36 1.2 In light of FEI's statement that the "Amending Agreement is an amendment to an
37 existing BPA", and the inclusion of an amendment to an energy supply contract in
38 the definition of "energy supply contract" in section 68 of the UCA, please confirm

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1 or explain otherwise that the Amending Agreement constitutes a distinct energy
2 supply contract from the Original BPA.

3

4 **Response:**

5 Not confirmed. As discussed in the response to BCUC IR1 1.1, the Amending Agreement does
6 not constitute a distinct energy supply contract from the Original BPA. An amendment is a formal
7 change, addition, or correction made to a legal document, law, contract, or constitution, aiming to
8 adapt the original without rewriting it entirely. The terms in the Amending Agreement cannot be
9 read on their own and must be read with the Original BPA, thereby reinforcing that the Amending
10 Agreement is, in fact, a change document and not a distinct energy supply contract.

11 The fact that the Amending Agreement meets the definition of an “energy supply contract” in
12 section 68 of the UCA does not mean it is a distinct energy supply contract, as the definition of
13 “energy supply contract” includes both distinct energy supply contracts and amendments to such
14 contracts. The Amending Agreement is included within the definition of an “energy supply
15 contract” by virtue of it being an *amendment* to a contract under which energy is sold by a seller
16 to a public utility or another buyer. The legal effect of this is that FEI must file the Amending
17 Agreement pursuant to section 71 of the UCA, which FEI has done. This has no bearing on
18 whether the Amending Agreement is a distinct energy supply contract.

19 Further, the fact that FEI must file the Amending Agreement under section 71 does not mean that
20 the Amending Agreement is a new acquisition of RNG that must meet the current criteria in the
21 GRR to be a prescribed undertaking. Only new acquisitions of RNG should trigger the new
22 criterion under the GRR. The Amending Agreement is not a new acquisition of RNG. It is simply
23 an amendment to an existing acquisition of RNG that has already been determined to be a
24 prescribed undertaking under the GRR that existed at the time the Original BPA was executed.

25

26

27

28 1.3 Please provide a further explanation regarding whether the criteria applicable to a
29 prescribed undertaking established by OIC 302/2024 apply to the Amending
30 Agreement, in light of the responses to information requests 1.1 and 1.2 above.

31

32 **Response:**

33 As discussed in the responses to BCUC IR1 1.1 and 1.2, the Original BPA as amended remains
34 in effect and enforceable and does not constitute a distinct energy supply contract from the
35 Original BPA. Therefore, the criteria and requirements of a prescribed undertaking established by
36 OIC 302/2024 are not applicable, as the Original BPA met the requirements of the GRR at the
37 time it was accepted, which were approved by OIC 306/2021.

38

39

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1
2 1.4 In the case that the Amending Agreement is subject to the criteria applicable to a
3 prescribed undertaking established by OIC 302/2024, please explain whether the
4 Amending Agreement meets these criteria. Please provide any supporting records
5 or evidence where applicable.

6
7 **Response:**

8 As discussed in the response to BCUC IR1 1.3, the Amending Agreement is not subject to the
9 criteria established by OIC 302/2024.

10 OIC 302/2024 introduced the new requirement that the public utility:

11 (c) acquires and sells or transfers to its customers the environmental attributes of the
12 renewable natural gas it purchases or produces, and

13 (d) the environmental attributes described in paragraph (c) are retired at the time of sale
14 or transfer to the customers of the public utility.

15 While not applicable, the Amending Agreement meets these requirements. FEI is acquiring the
16 environmental attributes of the RNG pursuant to the terms of the Amending Agreement. Under
17 FEI's RNG Program, which has been approved and is overseen by the BCUC, FEI transfers the
18 RNG's environmental attributes to customers who purchase the RNG and FEI retires the
19 environmental attributes at the time of sale.

20 OIC 302/2024 also introduced the carbon intensity (CI) requirements in section 8.2 of the GGRR,
21 which relate to ensuring that the CI of the RNG is below a threshold of 30.8 gCO₂e/MJ. The CI of
22 the RNG supplied by Convertus under the BPA is forecast and contractually required to be
23 significantly lower than 30.8 gCO₂e/MJ. FEI is undertaking a verification of the forecast CI of the
24 RNG from the Convertus project. FEI would be amenable to filing the verification statement with
25 the BCUC upon request, when it is available.

26
27

28
29 1.4.1 In the case that that the Amending Agreement is not a prescribed
30 undertaking, please explain whether the Amending Agreement is in the
31 public interest, with reference to the criteria set out in section 71(2.1) of
32 the UCA.

33
34 **Response:**

35 The Amending Agreement and the Original BPA form one agreement and continue to be a
36 prescribed undertaking under the GGRR as originally accepted by Order E-24-21. As discussed
37 in the response to question 3 of the Supplemental Information (Exhibit B-3), and in the responses
38 to BCUC IR1 1.1, 1.2, and 1.3 above, the Original BPA qualified as a prescribed undertaking at

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1 the time it was accepted by the BCUC. Therefore, the Original BPA as amended continues to be
2 a prescribed undertaking pursuant to the GGRR in place at the time the Original BPA was
3 accepted, based on the requirements of the GGRR at that time. As the Amending Agreement is
4 a prescribed undertaking, it has been deemed to be in the public interest by the Government of
5 British Columbia.

6