



June 5, 2025

Sent via email/eFile

BCUC REVIEW OF RENEWABLE NATURAL GAS DEFINITION AND ACCOUNTING	EXHIBIT A-2
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To: Stakeholders

**Re: British Columbia Utilities Commission – Review of Renewable Natural Gas Definition and Accounting –
Regulatory Timetable**

By Order G-137-25, attached, the British Columbia Utilities Commission (BCUC) establishes an inquiry (Inquiry) to examine the BCUC's definition of renewable natural gas (RNG) and the sufficiency of mechanisms for ensuring that greenhouse gas (GHG) emissions associated with biomethane purchased from projects located outside of British Columbia (BC) are properly accounted for. This includes consideration of whether further acquisitions of out-of-province biomethane are consistent with the requirements of the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR).

The background on this Inquiry, information on how parties can participate, and the scope of submissions requested by the BCUC are outlined below.

Background

In the July 2022 and June 2023 final reports resulting from the BCUC's Inquiry into the Acquisition of Renewable Natural Gas by Public Utilities in British Columbia,¹ the BCUC concluded that, for the purposes of the GGRR, a public utility would be acquiring RNG if:

- Biomethane is acquired with its associated environmental attributes;² or
- Conventional natural gas (i.e., fossil gas) is acquired along with an appropriate quantum of transferable environmental attributes arising from the production of biomethane elsewhere.³

The BCUC highlighted the importance of environmental attributes in the final reports as they are, in essence, the rationale for claiming that an amount of RNG that is purchased by a public utility and then sold to BC customers is from an organic source. For this definition to work, environmental attributes must be severable, and effective tracking and accounting of the environmental attributes is necessary to preserve reporting and monetary value to users of the gas system and to avoid double-counting that would undermine the intended purpose of RNG acquisition (i.e., GHG reduction).⁴

¹ Inquiry into the Acquisition of Renewable Natural Gas by Public Utilities in British Columbia Phase 1 Report dated July 28, 2022 (Phase 1 Report) and Inquiry into the Acquisition of Renewable Natural Gas by Public Utilities in British Columbia Phase 2 Report dated June 13, 2023 (Phase 2 Report).

² Phase 1 Report, p. 18.

³ Phase 2 Report, p. 24.

⁴ Phase 1 Report, pp. 14, 18; Phase 2 Report, p. 32.

To date, Fortis Energy Inc. (FEI) has filed the majority of applications with the BCUC regarding the acquisition of RNG. For example, on May 31, 2021, the BCUC accepted, as an RNG prescribed undertaking under the GGRR, FEI's purchase of biomethane and associated environmental attributes from an anaerobic digester located in Iowa, United States of America, with notional delivery to the Huntingdon interconnection point in BC.⁵ As part of the BCUC's acceptance, the BCUC established certain annual compliance requirements for FEI's biomethane purchase agreements (BPAs). These include, among other things, a requirement for a signed attestation letter from each seller to be filed with the BCUC confirming that all environmental attributes have been successfully transferred to FEI and that there has been no duplication of credits during the reporting period.⁶

FEI has filed several annual compliance reports with the BCUC, the most recent of which was submitted on April 30, 2025 for the 2024 calendar year (BPA Annual Report). While the BCUC emphasized the importance of robust accounting of environmental attributes in the previous inquiry, in the BPA Annual Report, FEI indicates that it does not receive environmental certificates that can be retired in association with its RNG purchases, rather FEI tracks the amounts of RNG purchased, sold, and held in inventory. FEI considers that the use of RNG by end-customers constitutes retirement of the environmental attribute. Additionally, it is unclear from the attestation letters that all of the environmental attributes associated with the RNG production are being transferred to FEI. For instance, certain of the attestation letters include exclusions for credits generated under the Clean Fuel Regulations, raising questions as to whether environmental attributes are being double-counted under certain programs and whether the terms of the BPA are being enforced.⁷

Recently, the BCUC received a letter from Stand.earth requesting that the BCUC undertake a further inquiry into RNG practices and GHG reduction claims in BC. Stand.earth expressed concerns with, among other things, the lack of a functioning interjurisdictional mechanism to verify the environmental attributes associated with RNG purchases and the potential for GHG reductions from out-of-province RNG to be counted both in BC and in the jurisdiction in which they are produced. Stand.earth suggests that further investigation by the BCUC is warranted to clarify the role of RNG in achieving actual GHG reductions within BC.⁸

In light of the above, the BCUC considers this to be an appropriate time to examine the BCUC's definition of RNG and whether purchases of further out-of-province biomethane are consistent with the RNG prescribed undertaking in the GGRR.⁹

Submissions

The BCUC seeks input from interveners on the following key questions in relation to the Inquiry:

1. Is the BCUC's current definition of RNG, which captures biomethane produced inside BC as well as outside of BC, consistent with the intent of the GGRR?
 - a. If amendments to the definition of RNG are required, what amendments would be appropriate and what purpose would the amendments serve?
 - b. Are the existing compliance requirements sufficient to protect against the double-counting of environmental attributes in BC and in other jurisdictions? For example, is there sufficient evidence that when fossil gas, with an attached environmental attribute from biomethane produced elsewhere, is burned in BC the emissions associated with that fossil gas are added to the total GHG emissions in the other jurisdiction?

⁵ Order and Decision E-14-21 dated May 31, 2021.

⁶ See, Order E-14-21 and Exhibit A2-1, BCUC Letter dated July 11, 2022.

⁷ Exhibit A2-1, FEI 2024 BPA Annual Compliance Report, p. 6, Appendix A.

⁸ Exhibit A2-1, Stand.earth letter.

⁹ Greenhouse Gas Reduction (Clean Energy) Regulation, B.C. Reg. 102/2012, s. 2.2.

- c. If not, what amendments to the existing compliance requirements or changes to approach would be appropriate?
2. Do you believe that there are any other matters that should be considered in relation to out-of-province environmental attributes? If so, please describe.

Interveners

Those who wish to actively participate in the Inquiry are invited to file a request to intervene in accordance with the process set out in Rule 9 of the BCUC Rules of Practice and Procedure (Rules).¹⁰ Pursuant to sections 10.02 and 10.03 of the Rules, interveners with similar interests may be required to work together and therefore should seek to coordinate with each other to promote regulatory efficiency and avoid duplication of evidence for this proceeding.

Letters of Comment and Interested Parties

Members of the public who wish to file written submissions must use the [Letter of Comment Form](#)¹¹ and submit their letter of comment via the BCUC's website. Letters of comment will be posted on our website if accepted by the BCUC. The deadline to submit letters of comment is November 10, 2025.

Further, those with an interest in following the Inquiry may register with the BCUC to receive automated email notifications of all documents posted to the Inquiry's webpage.

Participant Cost Awards

Participant Cost Award (PCA) funding will be limited in this proceeding. Parties who intend to apply for PCA must provide a PCA cost estimate with their Request to Intervene. The PCA cost estimate should be broken out sufficiently to provide the BCUC with a reasonable understanding of the parties' anticipated costs and, if applicable, should note the expected cost and nature of any intervener evidence that the party is considering. As with all BCUC proceedings, participant funding is not guaranteed upon acceptance as an intervener. The merits of each request for participant funding will be assessed at the conclusion of the Inquiry in accordance with Part VI of the Rules. This includes, among other things, consideration of whether the participant has contributed to a better understanding by the BCUC of the issues in the Inquiry.

Sincerely,

Electronically signed by Sara Hardgrave

Sara Hardgrave
Acting Commission Secretary

GP/kk
Enclosure

¹⁰ Order G-296-24, [BCUC Rules of Practice and Procedure](#).

¹¹ <https://www.bcuc.com/Forms/LetterOfComment>



ORDER NUMBER
G-137-25

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Utilities Commission
Review of Renewable Natural Gas Definition and Accounting

BEFORE:

M. Jaccard, Panel Chair
T. A. Loski, Commissioner
B. A. Magnan, Commissioner

on June 5, 2025

ORDER

WHEREAS:

- A. On July 28, 2022 and June 13, 2023, the British Columbia Utilities Commission (BCUC) issued its final reports in Phase 1 and Phase 2 of the Inquiry into the Acquisition of Renewable Natural Gas (RNG) by Public Utilities in British Columbia (Final Reports). Among other things, in the Final Reports the BCUC concluded that, for the purposes of the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR), a public utility would be acquiring RNG if:
- biomethane is acquired with its associated environmental attributes; or
 - conventional natural gas (i.e., fossil gas) is acquired along with an appropriate quantum of transferable environmental attributes arising from the production of biomethane elsewhere;
- B. Since issuance of the Final Reports, questions have arisen respecting the transfer and potential double-counting of the environmental attributes associated with RNG purchased from projects located outside of British Columbia; and
- C. The BCUC considers that establishing an inquiry to examine the BCUC's definition of RNG and the sufficiency of mechanisms for ensuring that greenhouse gas emissions associated with biomethane purchased from projects located outside of British Columbia are properly accounted for is warranted. This includes consideration of whether further acquisitions of out-of-province biomethane are consistent with the requirements of the GGRR.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable is established, as set out in Appendix A to this order.
2. In accordance with the BCUC Rules of Practice and Procedure (Rules), parties who wish to actively participate in the Inquiry must complete a Request to Intervene Form, available on the Get Involved in a Proceeding section of the BCUC's website at <https://www.bcuc.com/GetInvolved/GetInvolvedProceeding> by July 8, 2025.
3. Parties who intend to apply for Participant Cost Award (PCA) funding must provide a PCA cost estimate with their Request to Intervene. The PCA cost estimate must be sufficiently detailed to provide the BCUC with a reasonable understanding of the parties' anticipated costs and note the expected cost and nature of any intervenor evidence that the party is considering.
4. Interveners may make submissions on the questions set out in Appendix B by August 27, 2025.
5. In accordance with the Rules, any party wishing to provide comments is invited to submit a Letter of Comment by November 10, 2025. Letters of comment must be in the Letter of Comment Form available on the BCUC's website at <https://www.bcuc.com/Forms/LetterOfComment>.

DATED at the City of Vancouver, in the Province of British Columbia, this 5th day of June 2025.

BY ORDER

Electronically signed by Mark Jaccard

M. Jaccard
Commissioner

Attachment

British Columbia Utilities Commission
Review of Renewable Natural Gas Definition and Accounting

REGULATORY TIMETABLE

Action	Date (2025)
Intervener registration (including PCA cost estimates, if any)	Tuesday, July 8
Intervener submissions regarding the questions set out in Appendix B	Wednesday, August 27
BCUC and Intervener Information Requests (IRs) No. 1 on Intervener submissions	Wednesday, October 8
Responses to BCUC and Intervener IRs No. 1	Monday, October 27
Letters of comment deadline	Monday, November 10
Intervener reply submissions (if any)	Monday, November 24

British Columbia Utilities Commission
Review of Renewable Natural Gas Definition and Accounting

QUESTIONS

1. Is the BCUC's current definition of RNG, which captures biomethane produced inside BC as well as outside of BC, consistent with the intent of the GGRR?
 - a. If amendments to the definition of RNG are required, what amendments would be appropriate and what purpose would the amendments serve?
 - b. Are the existing compliance requirements sufficient to protect against the double-counting of environmental attributes in BC and in other jurisdictions? For example, is there sufficient evidence that when fossil gas, with an attached environmental attribute from biomethane produced elsewhere, is burned in BC the emissions associated with that fossil gas are added to the total GHG emissions in the other jurisdiction?
 - c. If not, what amendments to the existing compliance requirements or changes to approach would be appropriate?
2. Do you believe that there are any other matters that should be considered in relation to out-of-province environmental attributes? If so, please describe.