



ORDER NUMBER
E-14-20

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

and

FortisBC Energy Inc.
Section 71 Filing of Biomethane Purchase Agreement between FortisBC Energy Inc.
and Faromor CNG Corporation

BEFORE:

T. A. Loski, Panel Chair
E. B. Lockhart, Commissioner
R. I. Mason, Commissioner

on April 23, 2020

ORDER

WHEREAS:

- A. On April 1, 2020, pursuant to section 71 of *Utilities Commission Act* (UCA) and the British Columbia Utilities Commission (BCUC) Rules for Natural Gas Energy Supply Contracts (Rules), FortisBC Energy Inc. (FEI) applied to the BCUC seeking acceptance for a Biomethane Purchase Agreement (BPA) between FEI and Faromor CNG Corporation (Faromor) (Application);
- B. Section 18(1) of the *Clean Energy Act* (CEA) defines a prescribed undertaking as "...a project, program, contract or expenditure that is in a class of projects, programs, contracts or expenditures prescribed for the purpose of reducing greenhouse gas emissions in British Columbia.";
- C. Section 18(3) of the CEA states that "the commission must not exercise a power under the UCA in a way that would directly or indirectly prevent a public utility...from carrying out a prescribed undertaking.";
- D. Section 2(3.8) of the Greenhouse Gas Reduction Regulation (GGRR) states that the acquisition of renewable natural gas (RNG) is a prescribed undertaking subject to:
 1. the public utility paying no more than \$30/GJ; and
 2. the total volume of RNG purchased in a calendar year does not exceed 5% of the total volume of natural gas provided by public utility to its non-bypass customers in 2015;
- E. Under the BPA, Faromor will supply biomethane, which is a type of RNG, processed from dairy manure in a facility located in Ilderton, Ontario, which will be purchased by FEI and will be notionally delivered to the FEI system by displacement at the Huntingdon interconnection point;

- F. The BCUC has not reviewed the Application from a public interest perspective as the BPA is a prescribed undertaking under section 18(1) of the CEA;
- G. FEI requests that the redacted portions of the Application and certain appendices be kept confidential due to their commercially sensitive nature; and
- H. The BCUC has reviewed the Application and considers the following determinations to be warranted.

NOW THEREFORE pursuant to section 71 of the UCA, the Rules, section 18 of the CEA and section 2(3.8) of the GGRR, the BCUC orders as follows:

1. The BCUC accepts for filing the BPA between FEI and Faromor.
2. The BCUC will keep the redacted portions of the Application and certain appendices confidential as requested by FEI as they contain commercially sensitive information.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of April 2020.

BY ORDER

Original signed by:

T. A. Loski
Commissioner