



ORDER NUMBER
E-16-21

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

and

FortisBC Energy Inc.

Filing of Amending Agreements No. 2 and No. 3 to the Biomethane Purchase Agreement between FEI and Greater Vancouver Sewerage and Drainage District (Metro Vancouver) pursuant to Section 71 of the *Utilities Commission Act* and British Columbia Utilities Commission Rules for Natural Gas Energy Supply Contracts

BEFORE:

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

on June 21, 2021

ORDER

WHEREAS:

- A. On April 14, 2021, pursuant to section 71 of the *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 an Amending Agreement No. 2 and Amending Agreement No. 3 (Amending Agreements) to the Biomethane Purchase Agreement (BPA) between FEI and Greater Vancouver Sewerage and Drainage District (Metro Vancouver) (Application);
- B. By Order E-13-13, dated September 30, 2013, the BCUC accepted the BPA between FEI and Metro Vancouver, and by Order G-175-13, dated October 24, 2013, the BCUC approved FEI's capital expenditures on the interconnection facilities;
- C. 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.";
- D. 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.";
- E. On May 25, 2021, the Lieutenant Governor In Council, by Order in Council (OIC) 306/2021, approved an amendment to the Greenhouse Gas Reduction (Clean Energy) Regulation (GGRR), which among other things, repealed and replaced section 2 (3.8) to state:

(3.8) The public utility acquires renewable natural gas

(a) at costs that meet the following criteria, as applicable:

(i) if the public utility acquires renewable natural gas by purchasing it, the price of the renewable natural gas does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the contract for purchase is signed;

(ii) if the public utility acquires renewable natural gas by producing it, the levelized cost of production reasonably expected by the public utility does not exceed the maximum amount, determined in accordance with section 9, in effect in the fiscal year in which the public utility decides to construct or purchase the production facility, and,

(b) that, in a calendar year, does not exceed 15% of the total amount, in GJ, of natural gas provided by the public utility to its non-bypass customers in 2019, subject to subsection (3.9) and section 10;

- F. Under the Amending Agreements, Metro Vancouver will supply biomethane produced by the anaerobic digestion of waste water at the LuLu Island Waste Water Treatment Plant located in Richmond, British Columbia, which will be purchased by FEI for injection into FEI's existing natural gas system;
- G. On May 21, 2021, the BCUC issued staff questions to FEI and on May 27, 2021, FEI provided responses;
- H. 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;
- I. FEI requests that the redacted portions of the Application and certain appendices be kept confidential due to their commercially sensitive nature; and
- J. The BCUC has reviewed the Application and considers the following determinations are warranted.

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

1. The BCUC accepts for filing the BPA between FEI and Metro Vancouver.
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 21st day of June 2021.

BY ORDER

Original signed by:

T. A. Loski
Commissioner