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January 11, 2023

B.C. Sustainable Energy Association  
c/o William J. Andrews, Barrister & Solicitor  
70 Talbot Street  
Guelph, ON  
N1G 2E9

Attention: Mr. William J. Andrews

Dear Mr. Andrews:

**Re: FortisBC Inc. (FBC)**  
**Application for Approval of a Large Commercial Interruptible Rate (Application)**  
**Response to the B.C. Sustainable Energy Association (BCSEA) Information**  
**Request (IR) No. 2**

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On July 6, 2022, FBC filed the Application referenced above. In accordance with the further regulatory timetable established in British Columbia Utilities Commission Order G-331-22 for the review of the Application, FBC respectfully submits the attached response to BCSEA IR No. 2.

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

If further information is required, please contact the undersigned.

Sincerely,

**FORTISBC INC.**

***Original signed:***

Diane Roy

Attachments

cc (email only): Commission Secretary  
Registered Parties

FortisBC Inc. (FBC or the Company) Application for Approval of a Large Commercial Interruptible Rate (Application)	Submission Date: January 11, 2023
Response to British Columbia Sustainable Energy Association (BCSEA) Information Request (IR) No. 2	Page 1

**13.0 Topic: LCIR and Green Hydrogen**

**Reference: Exhibit B-5, FBC Response to BCSEA IR1 10.4; Exhibit B-3, FBC Response to BCUC IR1 11.1, 12.6**

BCSEA's IR1 10.4 and FBC's response are as follows:

"10.4 What kinds of businesses or industries does FBC consider might be attracted to become FBC customers under the LCIR?

Response:

The customers that are most likely to be interested in the LCIR are those whose processes can tolerate limited interruptions and are stable, flat loads. Loads of this type can include cryptocurrency mining operations, cannabis production, and hydrogen production."

Section 6 of the GHG Reduction (Clean Energy) Regulation (GGRR) provides that for hydrogen to be the subject of a prescribed undertaking it must, among other things, be "derived from water using electricity that is generated primarily from clean or renewable resources" or "waste hydrogen, as defined in the Clean or Renewable Resource Regulation...".

13.1 Please discuss the applicability of the LCIR to customers who intend to produce hydrogen that qualifies under the GGRR, i.e., hydrogen that is "derived from water using electricity that is generated primarily from clean or renewable resources."

**Response:**

The LCIR is available to any Customer that meets all of the requirements to take service under the rate without consideration of the GGRR. The rate is not being proposed as a GHG mitigation measure. However, in order for FBC (or more likely FEI) to purchase the hydrogen from the producer as a prescribed undertaking under section 6 of the GGRR, a number of conditions are spelled out in the regulation, including the requirement that hydrogen that is derived from water uses electricity that is generated primarily from clean or renewable resources.

13.2 Does FBC's regular electricity (without the proposed Clean Market Adder) qualify as "electricity that is generated primarily from clean or renewable resources" under the GGRR?

FortisBC Inc. (FBC or the Company) Application for Approval of a Large Commercial Interruptible Rate (Application)	Submission Date: January 11, 2023
Response to British Columbia Sustainable Energy Association (BCSEA) Information Request (IR) No. 2	Page 2

1    **Response:**

2    Under the *Clean Energy Act* (CEA), a "clean or renewable resource" means biomass, biogas,  
3    geothermal heat, hydro, solar, ocean, wind or any other prescribed resource. While there is no  
4    indication in the CEA of what is considered "primarily" for the purpose of the GGRR, FBC's view  
5    is that taken together as a whole, its resources satisfy the requirement.

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9           13.3    If the Clean Market Adder is implemented, would electricity from FBC qualify as  
10                "electricity that is generated primarily from clean or renewable resources" under  
11                the GGRR?

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13    **Response:**

14    Please refer to the response to BCSEA IR2 13.2.

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FortisBC Inc. (FBC or the Company) Application for Approval of a Large Commercial Interruptible Rate (Application)	Submission Date: January 11, 2023
Response to British Columbia Sustainable Energy Association (BCSEA) Information Request (IR) No. 2	Page 3

**14.0 Topic: Prioritizing Applicants for RS 38**

**Reference: Exhibit B-3, FBC Response to BCUC IR1 20.5**

BCUC IR1 20.5 and FBC's response are as follows:

"20.5 Please discuss the 'the potential system and overall customer benefits of, as well as provincial energy objectives associated with, competing LCIR proposals' that FBC might consider when making an approval decision outside of the noted first come, first served basis processing of applications.

Response:

The 'LCIR Consultation Q&A Aug – Final' response, which was written in the summer of 2021, represented what FBC considered to be a workable means of allocating access to interruptible service at the time. Further discussions on the practicality of choosing one Customer over another on these factors led FBC to adopt the approach described in the response to BCUC IR1 20.4, which does not attempt to weigh potentially subjective factors.

However, FBC recognizes that in the evolving energy landscape it is currently in, certain potential uses of electricity directly related to British Columbia meeting greenhouse gas targets may be recognized as priority loads. To the extent that RS 38 service could potentially support these efforts, it may be necessary for FBC to consider priority for such applications in consultation with the BCUC." [underline added]

**14.1** Please explain what FBC means by "certain potential uses of electricity directly related to British Columbia meeting greenhouse gas targets may be recognized as priority loads." Would the recognition be done by the BC Government? By the BCUC? FBC?

**Response:**

As a rule, FBC does not engage in making subjective assessments of the relative societal value or attractiveness of customer load. Customer additions are assessed as they arrive. However, to the extent that certain types of loads may be recognized as priorities in the future, and potentially formalized as such through a legislative tool, FBC may be required to reflect such a consideration in its evaluation. The referenced language was included in the response to BCUC IR1 20.5 to recognize this possibility. FBC would only prioritize load on this basis in response to a government direction or policy or pursuant to an application to the BCUC to do so.

FortisBC Inc. (FBC or the Company) Application for Approval of a Large Commercial Interruptible Rate (Application)	Submission Date: January 11, 2023
Response to British Columbia Sustainable Energy Association (BCSEA) Information Request (IR) No. 2	Page 4

1    **15.0    Topic:            Annual Report to BCUC**

2            **Reference:    Exhibit B-3, FBC Response to BCUC IR1 26.2**

3            In response to a list of additional topics for annual reporting on RS 38, FBC states:

4                    “FBC has reviewed the additional reporting scope and can confirm that it considers  
5                    these additional items potentially achievable. However, FBC expects it to be a  
6                    large amount of additional work to collect and analyze the required data and that  
7                    this effort and the associated cost has not been incorporated into the rate. FBC  
8                    can provide an estimate of the costs related to reporting once the final content of  
9                    the report is known.”

10           15.1    Would FBC be amenable to reporting on: use of RS 38 in support of efforts to  
11                    reduce BC GHG emissions? If so, would the same caveat apply? If not, why not?

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13           **Response:**

14           FBC anticipates that customer type would be included in even the most basic of reporting  
15           requirements and expects that this would be sufficient to determine whether RS 38 use included  
16           customers that operated in an industry where GHG mitigation was a primary goal. FBC does not  
17           believe that assessing the impact of individual customers or segments of customers with regard  
18           to GHG mitigation is the role of the utility; rather, it is the role of those customers.

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