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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER G-65-13**

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IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Inquiry into an Exemption for Biogas and Biomethane Suppliers

**BEFORE:** L. F. Kelsey, Panel Chair

April 25, 2013

### **ORDER**

#### **WHEREAS:**

- A. On December 27, 2012, the British Columbia Utilities Commission (Commission) issued its Report on the FortisBC Energy Inc. Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Inquiry Report). The AES Inquiry Report indicated that future Commission Panels will be required to assess the form of regulation to be imposed on biomethane upgraders, including the possibility of a subsection 88(3) exemption, by taking into consideration factors such as the sophistication of the parties involved, the nature of the contract entered into with the utility, and whether there is a demonstrated track record in operating such facilities;
- B. On February 5, 2013, the Commission Panel in Appendix A to Order G-18-13 regarding the FortisBC Energy Inc. (FEI) Biomethane Service Offering: Post Implementation Report and Application for Approval of the Continuation and Modification of the Biomethane Program on a Permanent Basis (2012 Biomethane Application) stated the issues concerning the size and scope of the Certificate of Public Convenience and Necessity (CPCN) requirements for biomethane facilities, and the appropriateness of any exemption to regulation, to be within the scope of the 2012 Biomethane Application review;
- C. The Commission also commenced by Order G-30-13 on March 4, 2013, the FEI Biomethane Third-Party Suppliers Regulatory Process: Applications for Approval of Third-Party Suppliers' Rates and Acceptance of FEI Biomethane Supply Agreements with Third-Party Suppliers and FEI Capital Expenditures for Related Interconnection Facilities after receiving rate applications from three biomethane suppliers selling to FEI;
- D. On March 28, 2013, the Commission issued Order G-45-13 with regard to the FEI Application for Reconsideration of British Columbia Utilities Commission Order G-29-13 in the Matter of Biomethane Service Offering: Post Implementation Report and Application for Approval of the Continuation and Modification of the Biomethane Program on a Permanent Basis. In the Reconsideration, a submission letter dated March 25, 2013, by Paradigm Environmental Technologies Inc. (Paradigm) encouraged the

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Commission to “Expediently pursue appropriate changes to the *Utilities Commission Act* or an order in council where the Commission be empowered to issue exemptions for biomethane producers. It is our understanding that this change would ensure that it is the energy sales contract with the utility (e.g. FortisBC) and not the supplier itself that would be regulated by the Commission”; and

- E. By Order G-54-13 dated April 10, 2013, the Commission initiated an Inquiry into an Exemption for Biogas and Biomethane Suppliers. Appendix B to Order G-54-13 contained the Proposed Terms of the Exemption and Commission Questions to Interveners. Interveners were given the opportunity to provide their submissions by April 24, 2013;
- F. Submissions from Interveners on the Proposed Terms of the Exemption and Commission Questions were received from B.C. Sustainable Energy Association; FortisBC Energy Inc.; CH Four Biogas, Inc.; Greater Vancouver Sewerage and Drainage District (GVS&DD); Earth Renu Energy Corp.; and Vanport Sterilizers Inc. The submissions included a number of suggested changes to the Proposed Terms of the Exemption. GVS&DD submits that Interveners should have an opportunity to respond to the submissions made by one another to ensure that all material issues are adequately explored in a public forum; and
- G. The Commission Panel considers that Interveners should be given an opportunity to respond to other Intervener submissions before the Commission determines any further regulatory process.

**NOW THEREFORE** the British Columbia Utilities Commission Orders as follows:

1. The Intervener Response Submission to the submissions made by other Interveners, if any, is due to the Commission Secretary by April 30, 2013.
2. The Revised Regulatory Timetable is attached as Appendix A to this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of April 2013.

BY ORDER

*Original Signed By:*

L. F. Kelsey  
Panel Chair

Attachment

AN INQUIRY INTO AN EXEMPTION FOR BIOGAS AND BIOMETHANE SUPPLIERS

REVISED REGULATORY TIMETABLE

ACTION	DATE (2013)
Intervener Response Submission to the submissions made by other Interveners on the Proposed Terms of the Exemption	Tuesday, April 30