



705 Sunglo Drive
Penticton, BC V2A 8X7

Dear Commission Secretary,

RE: Fortis Energy Inc (FEI)'s 2026 Long Term Gas Resource Plan – FTFO Letter of Comment

First Things First Okanagan (FTFO) has concerns about information presented in FEI's 2026 Long Term Gas Resource Plan (LTGRP) and the direction the company is pursuing. From various workshops and presentations¹, studies², and Fortis's initiation of redactions in a BC gas report³, we conclude that FEI tends to cherry pick and interpret facts to suit their storyline, and omits data that doesn't fit with their goal of continued growth of gas use in BC.

A key concern is that FEI compares gas and electricity at a 1 to 1 energy ratio, failing to include the fact that electric heat pumps (EHP) are 2-5 times more efficient than gas⁴. This omission results in skewed data and leads to incorrect conclusions.

For example, Figure 2.1⁵ implies that it is more expensive to heat with electricity than with gas. While this is true for baseboards, which have about the same efficiency as gas furnaces, it is not true for EHPs, which use 2-5 times less electricity because of their greater efficiency. As EHP technology continues to evolve, EHPs will become even more efficient and heating costs will drop further. Gas, on the other hand, has already reached maximum efficiency and gas heating costs will only go up as FEI injects higher percentages of RNG into their gas stream and the number of customers declines.

FEI's LTGRP leads the reader to incorrectly conclude that full electrification would be more expensive than gas options and that it would challenge the electric grid.

¹ Sep 23, 2025 Penticton; various Council meetings throughout BC, e.g. Richmond Nov 4, 2025. Further details and examples available upon request.

² [Obstructing decarbonization through efficiency: Gas utilities and demand side management politics in Canada - ScienceDirect](https://www.sciencedirect.com/science/article/pii/S0301421526003861#sec2) (https://www.sciencedirect.com/science/article/pii/S0301421526003861#sec2) and [Better poison is the cure? Critically examining fossil fuel companies, climate change framing, and corporate sustainability reports](https://cssn.org/wp-content/uploads/2020/10/Megura-and-Gunderson_2022_Better-poison-is-the-cure_Energy-Research-and-Social-Science-85.pdf) (https://cssn.org/wp-content/uploads/2020/10/Megura-and-Gunderson_2022_Better-poison-is-the-cure_Energy-Research-and-Social-Science-85.pdf)

³ [Redacted B.C. gas report sparks claims of misinformation - Business in Vancouver](https://www.biv.com/news/resources-agriculture/redacted-bc-gas-report-sparks-claims-misinformation-8272845) (https://www.biv.com/news/resources-agriculture/redacted-bc-gas-report-sparks-claims-misinformation-8272845)

⁴ The exception is at very low temperatures when EHP efficiency drops to about 1.0 COP, which is almost the same as that of gas furnaces (approx .97 COP)

⁵ https://docs.bcuc.com/documents/proceedings/2026/doc_86847_b-1-fei-2026-long-term-gas-resource-plan-application.pdf, page 2-15

In reality, full electrification would save ratepayers money and total electricity use would drop. Clean Energy Canada's Dec 2025 study [More for Less](https://cleanenergycanada.org/report/more-for-less/)⁶ found that "British Columbians would save a collective \$675 million a year on energy bills, while total electricity use would fall, thanks to heat pumps' much greater efficiency—even with cooling expanded to every home that currently lacks it (44% of households)."

This contrasts starkly with FEI's conclusion that a "Diversified pathway" to decarbonization is necessary. It also raises questions about the validity of other information presented in their LTGRP.

The Kelowna Electrification Case Study and Dual-Fuel Study seem particularly suspect. The fact that these studies were led by, and continue to be overseen by, FortisBC doesn't give confidence that the data and conclusions are objective. FortisBC is a private company that makes greater profits from its gas utility (FEI) than from its electricity utility (FBC)⁷, so it is unsurprising that the studies support the continued use of gas.

One example of inaccuracies is on page 4-31 of the LTGRP where FEI itemizes key base assumptions used in its Customer Affordability modelling tool:

Bullet 2 - "FEI and FBC residential retail rates as of January 1, 2025, and nominal gas and electric rate escalators of 3 percent and 4 percent annual, respectively".

The gas rate escalator of 3% appears to be wildly optimistic given that gas rates increased by about 15% in 2025⁸ (while electricity rates only increased by 3.63%⁹) and that FEI plans to inject increasing amounts of RNG into their gas stream. RNG is 5-8 times more expensive than natural gas, with a median price of approximately \$20 per MMBtu¹⁰ as compared to about \$3 per MMBtu for natural gas¹¹.

FEI places great weight on results of the two studies and extrapolates their conclusions to the entire province. However, we know that cold climate EHPs work well and are affordable, otherwise households in Quebec, northern Europe and other jurisdictions would not be embracing the technology. Why should BC need gas backup when other cold-climate areas do not? The answer is, we don't. FEI appears to be ignoring studies that have found EHPs to be more affordable for heating and cooling than gas furnace + AC systems.

⁶ <https://cleanenergycanada.org/report/more-for-less/>

⁷ https://www.fortisinc.com/docs/default-source/finance-regulatory-reports/annual-reports/q1-2026---prmda-fs---final.pdf?sfvrsn=aa37119f_6

⁸ <https://www.fortisbc.com/about-us/news-events/media-centre-details/2025/12/09/change-in-gas-rates-for-fortisbc-customers-on-january-1> and <https://www.fortisbc.com/about-us/news-events/media-centre-details/2026/06/16/small-rate-change-to-fortisbc-gas-bills-july-1>

⁹ <https://www.fortisbc.com/about-us/news-events/media-centre-details/2025/12/11/electricity-rates-will-change-on-january-1--2026--to-help-meet-growing-customer-demand>

¹⁰ <https://www.aga.org/news/news-releases/new-study-renewable-natural-gas-is-a-cost-effective-scalable-tool-for-u-s-decarbonization-and-energy-security/>

¹¹ We use the fossil industry's term "RNG" for biomethane and "natural gas" for fossil methane in this document to avoid any confusion.

In its LTGRP, FEI expresses concern about FBC's possible infrastructure challenges in the Kelowna area due to fuel switching from gas to electricity. While we encourage joint planning between FEI and FBC (and BCHydro), it seems that FEI is using this particular situation and the results of Fortis's Dual-Fuel Study to 'prove' that Kelowna cannot do without dual-fuel heating systems.

It is important to note that FEI's case for dual-fuel systems is based on electricity peaks that only occur on very cold winter days (-25 C), of which there may be a handful per year, or none. With all the technology that is available today, surely demand side management (DSM) techniques could be employed to avoid these rare peaks, rather than customers needing a gas furnace in addition to an EHP. For example, installation of solar and battery storage could be encouraged through rebates like BC Hydro's.¹² Presumably FBC will explore these and other low-cost peak shaving and peak avoidance options in their forthcoming 2026 Long Term Electricity Resource Plan.

We ask the BCUC to please consider the following:

- Disallow FortisBC's \$10,000 rebate for dual-fuel systems – If these systems are truly more cost effective than all electric systems, they do not need subsidies. It is inappropriate for FEI ratepayers to be funding rebates that encourage gas use when that energy source is a major cause of climate change and other options exist.
- Encourage FortisBC to offer rebates for solar and battery storage.
- Carefully examine FortisBC's plans for the increased use of alternative fuels such as RNG or related trading practices outside the Province of British Columbia. Areas of concern are limited domestic supply, increased cost resulting in higher utility bills, and questionable contributions towards achieving provincial climate targets.

As we write this letter, the air is thick with smoke from the Summerland fire and our cars are packed, ready to flee if winds carry embers toward us. Across the world, especially in Europe and Canada, this has become an unprecedented summer of fires and floods. These events will become more and more frequent unless we rapidly transition away from fossil fuels, which are the major cause of climate change.

FEI's LTGRP promotes decarbonization solutions that all involve continuing to burn things. Replacing natural gas with LNG, RNG, hydrogen, and dual-fuel heating systems will do little to reduce the burning of our forests and communities; in fact it will prolong the transition away from fossil fuels. They are greenwashing methods that allow FEI to meet its emission reduction requirements while continuing to profit from gas, and are distractions from the true solution, which is electrification using renewable energy.

We are encouraged to see that the BCUC is now actively pursuing joint planning efforts between BC Hydro, FEI and FBC. Only such a concerted strategy can ensure that the provincial energy supply and distribution is optimized for future challenges. Fortunately, many affordable and

¹² <https://app.bchydro.com/accounts-billing/electrical-connections/customer-generation/solar-battery-rebates.html>

technologically proven pathways are now available towards an integrated, flexible and sustainable energy infrastructure that can further develop BC's standing as a competent producer and user of clean energy. We are confident that the BCUC will provide clear and assertive leadership by working closely with industry in jointly optimizing the development of the most effective strategy towards a future of clean and affordable energy for all.

Sincerely,

Sue Kirschmann and Henry Sielmann