

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

RÉGIE DE L'ÉNERGIE

No : R-4008-2017

ÉNERGIR, L.P.

Applicant

and

GCP Énergies Inc.

Intervenor

and

Interested persons and intervenors

**ARGUMENTS FROM INTERVENOR GCP ÉNERGIES INC.
HEARING OF MAY 8 AND 9, 2019**

GCP ÉNERGIES INC. RESPECTFULLY SUBMITS THE FOLLOWING:

1. In its decision D-2019-031, the Régie asked participants to provide additional arguments and evidence regarding the following questions:
 - a) Does the Régie have the necessary authority under the *Act respecting the Régie de l'énergie* to include costs in a tariff for the purpose of developing RNG in Québec? And if it has such authority, is it fair and reasonable to exercise it?
 - b) Would an FIT approved by the Régie use the monopoly distribution position in a way that alters the rules of free market access for RNG in Québec?
 - c) Could an FIT approved by the Régie be perceived as fixing or controlling the supply price for an unregulated product?
2. In this document, GCP Énergies Inc. (“GCP”) wishes to make submissions only on the second of these questions.
3. On this topic, GCP reiterates the position it expressed in its application for intervention to the effect that Énergir’s proposal to buy renewable natural gas (“RNG”) from producers

under a feed-in tariff (“FIT”) is in fact likely to significantly affect access to the RNG market for players such as GCP.

4. Indeed, granting Énergir the right to offer, under an arrangement, an FIT that would significantly exceed avoided supply costs or production costs, is likely to lead all RNG producers targeted to undertake such agreements.
5. In so doing, the production of RNG available for resale through brokers such as GCP would likely disappear, simultaneously resulting in the disappearance of these players from the RNG market.
6. GCP notes that Énergir, in its arguments submitted on April 17, 2019, disregards the ubiquity conferred by its monopoly over distribution in the natural gas market and the impact such ubiquity could have not only directly on the natural gas distribution market, but also on that of the supply and sale of natural gas and RNG.
7. Furthermore, GCP notes that the approval by the Régie of an FIT potentially offered by Énergir runs counter to the objective of maintaining the deregulated supply market sought by the Régie, as highlighted in its decision D-2019-031, which cites the opinion stated in its decision D-2001-214.
8. The fact that Énergir’s current application affects only producers subsidized under the *Programme de traitement des matières organiques par biométhanisation et compostage* (“PTMOBC”) [program for processing organic matter using biomethanation and composting] in no way changes the fact that this application runs counter to the objective of maintaining an unregulated market, and GCP underscores that a favourable decision to Énergir’s application could open the door to much more significant regulation of the RNG market as a whole.
9. In light of the foregoing, GCP submits that an FIT approved by the Régie would effectively result in the use of the monopoly distribution position of Énergir in a way that alters the rules of free market access for RNG in Québec.

RESPECTFULLY SUBMITTED

MONTREAL, April 23, 2019

(S) Woods LLP

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