

CANADA

RÉGIE DE L'ÉNERGIE

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PROVINCE OF QUEBEC

ÉNERGIR, s.e.c.

DISTRICT OF MONTREAL

Applicant

-and-

N°: R-4008-2017

SUMMITT ENERGY QUÉBEC LP /  
ÉNERGIE SUMMITT QUÉBEC S.E.C.  
et al.

Intervenors

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**PLAN OF ARGUMENT OF SUMMITT ENERGY QUÉBEC LP  
WITH RESPECT TO PRELIMINARY ISSUES 1 AND 2  
HEARING OF SEPTEMBER 4 AND 6, 2018**

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**SUMMITT ENERGY QUÉBEC LP RESPECTFULLY STATES:**

1. As required by the Régie de l'énergie (the "**Régie**") in its decision D-2018-109 dated August 16, 2018 (the "**Decision**") and in its letter A-0012 to the participants dated August 20, 2018, Intervenor Summitt Energy Québec LP / Énergie Summitt Québec S.E.C. ("**Summitt Energy**"), hereby submits its plan of argument with respect to the two preliminary issues set out in paragraphs 22 to 27 of the Decision, namely:

Issue 1: The timeliness and appropriateness of examining the method by which Énergir wishes to buy Renewable Natural Gas ("**RNG**"), by setting a feed-in tariff ("*tariff de rachat garanti*" or "**TRG**"), in the absence of a new regulatory framework; and

Issue 2: Whether voluntary customers interested in a potential RNG rate offered by Énergir can constitute a "*class of consumer*" within the meaning of Section 52 of the *Act respecting the Régie de l'énergie*.

**ISSUE 1: The timeliness and appropriateness of examining the method by which Énergir wishes to buy RNG, by setting a TRG**

2. Summitt Energy is in agreement and supports the position put forward by Énergir in its plan of argument on Issue 1 (B-0040).

3. It is expected that the new regulatory framework determining the quantity of RNG to be delivered by Énergir will be in force in the short term.
4. By its application in the present proceedings, Énergir has submitted to the Régie for approval its supply plan describing the characteristics of the contracts that it intends to enter into in order to meet the needs of Quebec markets for RNG.
5. In establishing the prices that Énergir intends to offer to subsidized producers of GNR, the proposed TRG will have a decisive impact on one of the characteristics of future GNR supply contracts, which in turn will be reflected in the tariff and service conditions under which RNG will be offered to voluntary consumers.
6. The determination of Énergir's initial price point for RNG is a critical factor in these proceedings. Summitt Energy understands that the price at which Énergir acquires RNG in Quebec is intended to be high enough to promote the production of RNG in Quebec. However, it should also be high enough to ensure a level playing field, so that suppliers such as Summitt Energy:
  - a. have an economic incentive to supply RNG in Quebec;
  - b. are able to source supplies of RNG from non-subsidized producers of RNG; and
  - c. are able to price their own supply of RNG competitively with that of Énergir.
7. If Énergir prices RNG too low, it will create an "artificial price" for the voluntary purchase of RNG, which would be anti-competitive for suppliers. This "artificial price" would only be subject to increase in order for Énergir to recoup its costs for the program.
8. Conversely, if Énergir initially prices RNG too high, it will not gain interest in the voluntary product, which can potentially result in significant amounts of stranded costs and/or a significant increase in RNG cost to the existing customer base.
9. In light of the foregoing, and subject to further representations that may be made at the hearing on September 4 and 6, Summitt Energy invites the Régie to conclude that it is appropriate to proceed with the review of the method (TRG) by which Énergir wishes to buy the RNG.

**ISSUE 2: The concept of "class of consumers"**

10. With respect to the issue of whether voluntary purchasers of RNG can constitute a "*class of consumer*" under Section 52 of the *Act respecting the Régie de l'énergie*, Summitt Energy defers to the Régie.
11. Summitt Energy reserves its right to make further representations at the upcoming hearing.

**The whole respectfully submitted.**

Montreal, August 23, 2018

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**FISHMAN FLANZ MELAND PAQUIN LLP**  
Attorneys for Intervenor Summitt Energy Québec LP