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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-162-11

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

and

**A Mandatory Reliability Standards Assessment Report No. 3
by British Columbia Hydro and Power Authority and
the Determination of Reliability Standards for Adoption in British Columbia**

BEFORE: L.F. Kelsey, Commissioner
D. Morton, Commissioner

September 1, 2011

O R D E R

WHEREAS:

- A. Pursuant to section 125.2(2) of the *Utilities Commission Act* (the Act), the British Columbia Utilities Commission (the Commission) has exclusive jurisdiction to determine whether a “reliability standard” as defined in the Act is in the public interest and should be adopted in British Columbia;
- B. Ministerial Order MO39 dated February 22, 2009, made a Mandatory Reliability Standards Regulation which prescribes the parties that are subject to reliability standards adopted under section 125.2(6) of the Act;
- C. In order to facilitate the Commission’s consideration of reliability standards, British Columbia Hydro and Power Authority (BC Hydro) is required under section 125.2(3) of the Act to review each reliability standard and provide the Commission with a report assessing: (a) any adverse impact of the reliability standard on the reliability of electricity transmission for British Columbia if the reliability standard were adopted; (b) the suitability of the reliability standard for British Columbia; (c) the potential cost of the reliability standard if it were adopted; (d) any other matter prescribed by regulation or identified by order of the Commission;
- D. On March 3, 2011, BC Hydro filed a report (Mandatory Reliability Standards Assessment Report No. 3) pursuant to section 125.2(3) of the Act assessing one new reliability standard (PRC-023-1) and revisions to 19 existing reliability standards developed by the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC). The 19 existing reliability standards were adopted in British Columbia by the Commission under Orders G-67-09 and G-167-10;
- E. BC Hydro concluded that one new reliability standard and all revisions, 27 in total, to the 19 existing standards are suitable for adoption in British Columbia;
- F. Pursuant to section 125.2(5)(a) of the Act, the Commission posted the Mandatory Reliability Standards Assessment Report No. 3 on its website at www.bcuc.com and by Order G-66-11 dated March 31, 2011, directed BC Hydro to publish a Notice of Mandatory Reliability Standards Assessment Report No. 3 and Process for Public Comments, and established the Regulatory Timetable for comments;

- G. The Commission received no comments to the Report;
- H. The Commission has reviewed and considered the Mandatory Reliability Standards Assessment Report No. 3 and the reliability standards assessed in it. The Commission determines that the standards assessed in BC Hydro's Mandatory Reliability Standards Assessment Report No. 3 are in the public interest and should be adopted in British Columbia to maintain or achieve consistency with other jurisdictions that have adopted the reliability standards, subject to the terms of this Order;
- I. The Commission considers that it is appropriate to provide an effective date for entities to come into compliance with the reliability standards to be adopted in this Order;
- J. Following the issuance of Order G-151-11, approving Mandatory Reliability Standards Assessment Report No. 3, the Commission was advised that the clauses requiring the rescinding of certain standards posed a potential problem for the Administrator's auditing procedures. In addition, BC Hydro's Mandatory Reliability Standards Assessment Report No. 3 recommended adopting the April 20, 2010 NERC Glossary. This glossary however was superseded by the May 24, 2011 updated glossary (Order G-151-11 adopted the May 24, 2010 Glossary in error). This glossary has now also been updated by an August 4, 2011 Glossary which is currently used by NERC and WECC for the administration of all adopted standards.
- K. The Commission therefore determines that Order G-151-11 should be replaced by this Order.

NOW THEREFORE the Commission orders as follows:

- 1. Order G-151-11 is rescinded as of the date of that Order, and replaced with this Order.
- 2. The Effective Date of each of the standards adopted in this Order is the latter of October 30, 2011 or that which is stated in a standard adopted by this Order.
- 3. The Commission adopts Version 3 of the eight CIP standards listed in the table found in Attachment A to this Order. These standards' Effective Dates shall be as provided in Directive 2. Version 2 of the eight CIP standards, although adopted, shall not become effective, being superseded by Version 3.
- 4. Version 1 of the eight CIP standards adopted by this order remains in effect until the Effective Dates of Version 3 of those standards.
- 5. The Commission adopts, subject to Directive 2, the 11 other revised standards that are listed in the table found in Attachment A to this Order under the heading "Subsequent Version of Standard."
- 6. The Commission adopts the new standard PRC-023-1.
- 7. Attachment C to this Order contains the text of the standards adopted by this Order.
- 8. The Commission adopts the NERC Glossary of Terms Used in Reliability Standards dated August 4, 2011, which defines terms employed in the reliability standards, and which is posted to the WECC and NERC websites, to be effective as of the date of this Order and is attached as Attachment D.

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9. The Commission directs that individual requirements within reliability standards that incorporate by reference reliability standards that have not been adopted by the Commission are of no force or effect.
10. The Commission adopts the Compliance Provisions, as defined in the Rules of Procedure for Reliability Standards in British Columbia, that accompany each of the adopted British Columbia reliability standards, in the form directed by the Commission to be posted in the WECC website, as amended from time to time.
11. As a result of this Order and Orders G-67-09 and G-167-10, the standards listed in the table found in Attachment B to this Order are the reliability standards adopted in British Columbia as of the date of this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of October 2011.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments