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**BRITISH COLUMBIA
UTILITIES COMMISSION**

CONFIDENTIAL

**ORDER
NUMBER R-60-14**

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

and

Innergex Renewable Energy Inc.
Contesting Alleged Violation of Mandatory Reliability Standards:
EOP-008-0 Requirement 1 – Violation ID: BCUC2013000467
PER-002-0 Requirement 1 – Violation ID: BCUC2013000470
PER-002-0 Requirement 2 – Violation ID: BCUC2013000458
PER-002-0 Requirement 3 – Violation ID: BCUC2013000471
PER-002-0 Requirement 4 – Violation ID: BCUC2013000472
PER-003-0 Requirement 1 – Violation ID: BCUC2013000473

BEFORE: D. M. Morton, Panel Chair/Commissioner December 19, 2014
L. E. Kelsey, Commissioner
N.E. MacMurchy, Commissioner

O R D E R

WHEREAS:

- A. Order G-123-09 approved the Compliance Monitoring Program (CMP), which provides a process for dealing with violations to Mandatory Reliability Standards (MRS) adopted by the British Columbia Utilities Commission (Commission);
- B. On July 25, 2014, the Western Electricity Coordinating Council (WECC), acting as the Commission's MRS Administrator, issued a Notice of Alleged Violation (NOAV) to Innergex Renewable Energy Inc. (Innergex) for the alleged violation of the Reliability Standards listed above. The NOAV described the nature of the Alleged Violations and provided an assessment of the severity of the Alleged Violations. The NOAV also cited section 4.1.1 of the CMP, pursuant to which a NOAV will be treated as confidential unless and until the Commission confirms the Alleged Violation;

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- C. Section 4.2 of the CMP provides an entity 30 days to respond to a NOAV and provides that if contested, WECC can either modify or affirm the violation. If still contested, the Commission will hold a hearing to decide whether or not to confirm the violation;
- D. By email dated September 9, 2014, Innergex contested the Alleged Violations identified above with reasons, following which, with further review, WECC affirmed the violations;
- E. On November 19, 2014, Innergex submitted that it continues to contest WECC's Alleged Violations and exercised its right to a hearing on the matter. Specifically, Innergex requested the Commission conduct the hearing in person;
- F. On December 2, 2014, by Order R-58-14 and in accordance with section 4.2.5.3 of the Compliance Monitoring Program, the Commission established a hearing into the NOAV and requested WECC and Innergex to comment on their availability and willingness to participate by way of a Streamlined Review Process (SRP). Both parties were also invited to file evidence that pertains to any formal relationship between Innergex and British Columbia Hydro and Power Authority (BC Hydro) as it relates to this matter and to provide a submission on whether or not BC Hydro should be included as a party to this hearing;
- G. On December 15, 2014, WECC and Innergex filed comments. Innergex filed two letters: in the first letter Innergex confirmed it was amenable to an SRP and stated that it would be useful to include BC Hydro in the hearing process; and in the second letter Innergex requested a settlement discussion with WECC and the Commission. WECC submitted that it is conditionally amenable to an SRP if the Commission limits its review to only issues concerning the application and interpretation of the standards as applicable to a Generator Owner (GO), Generator Operator (GOP), Transmission Owner (TO) and/or a Transmission Operator (TOP). WECC noted if the hearing is to consider whether some GO/GOP/TO/TOPs should be subject to fewer standards than others, then an SRP may not be suitable. WECC took no position on whether BC Hydro should be made a party; and
- H. The Commission has reviewed WECC and Innergex's submissions and has determined that a settlement discussion is not appropriate, and finds that an SRP is appropriate for the review of this matter.

NOW THEREFORE pursuant to sections 4 of the Compliance Monitoring Program and 125.2 of the *Utilities Commission Act*, the Commission orders as follows:

- 1. A hearing will be conducted to review the contested Notice of Alleged Violation regarding the following reliability standards filed by the Western Electricity Coordination Council (WECC) and contested by Innergex (the standards):
 - i. EOP-008-0 Requirement 1
 - ii. PER-002-0 Requirements 1, 2, 3 and 4
 - iii. PER-003-0 Requirement 1

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2. The hearing will proceed in accordance with the preliminary regulatory timetable attached as Appendix A to this order.
3. The scope of the hearing is limited to the following:
 - a. Has WECC properly interpreted and applied the standards?
 - b. If WECC properly interpreted and applied the standards, has WECC proven that Innergex did not comply with the standards?
4. WECC and Innergex are directed to file any remaining evidence on this matter by Friday, January 9, 2015, including, but not necessarily limited to, the following:
 - a. WECC must provide confirmation that the standards are applied to GOs, GOPs, TOs and/or TOPs in WECC and other NERC region in the same manner. If that is not the case, WECC must provide further evidence of any such differences in application of the standards; and
 - b. Innergex must confirm whether or not it is subject to the standards in any other jurisdiction. In the event that Innergex is subject to the standards in other jurisdictions, Innergex must provide any evidence that would demonstrate that the standards are applied in a different manner in those jurisdictions than WECC applies them in this matter.
5. All evidence filed and included in the record of this proceeding will be open to examination by way of one round of information requests, as outlined in the regulatory timetable attached as Appendix A to this order.
6. The Commission is not opposed to BC Hydro's participation in the hearing process and, if Innergex continues to believe it would be useful to include BC Hydro in the hearing process due to its role as balancing authority and its specific involvement in relation to the Harrison Hydro LP – Kwalsa Substation, Innergex may invite BC Hydro to participate. If Innergex invites BC Hydro to participate and BC Hydro accepts, the Commission directs Innergex to notify the Commission and WECC in writing by January 9, 2015, that BC Hydro will be an active party to the proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of December 2014.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

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Regulatory Timetable

ACTION	DATE (2015)
Evidence Filing	Friday, January 9
WECC Information Request No. 1 to Innergex on Innergex Evidence	Friday, January 23
Innergex Information Request No. 1 to WECC on WECC Evidence	Friday, January 23
Commission Information Request No. 1 to WECC and Innergex	Friday, January 23
WECC and Innergex Responses to Information Requests	Friday, February 6
Streamlined Review Process (tentative)	Tuesday, February 17