



ORDER NUMBER
R-29-16

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Catalyst Paper Crofton Division
Application to Change Registration required for compliance with Mandatory Reliability Standards

BEFORE:

D. M. Morton, Commissioner
H. G. Harowitz, Commissioner
R. D. Revel, Commissioner

on June 24, 2016

ORDER

WHEREAS:

- A. On April 7, 2016, the Western Electricity Coordinating Council (WECC) issued a Recommendation for Deregistration of Catalyst Paper Crofton Division (Crofton) for the functions of Transmission Owner (TO), Transmission Operator (TOP) and Load Serving Entity (LSE) with the British Columbia Mandatory Reliability Standards Program (BC MRS Program) and noted that it reserved recommendation to deregister Crofton as a Distribution Provider (DP) (Recommendation);
- B. Section 125.2 of the *Utilities Commission Act* (UCA) assigns exclusive jurisdiction to the British Columbia Utilities Commission (Commission) to determine whether a "reliability standard," as defined in the UCA, is in the public interest and should be adopted in British Columbia;
- C. The Mandatory Reliability Standards Regulation (MRS Regulation), Ministerial Order M039, deposited February 23, 2009, described the parties subject to reliability standards adopted under section 125.2(6) of the UCA, and on June 4, 2009, the Commission issued Order G-67-09 specifying that entities subject to reliability standards must register with the Commission;
- D. In accordance with the Administration Agreement between the WECC and the Commission, dated September 8, 2009, and renewed August 21, 2014, WECC makes registration recommendations in its role as Administrator for the BC MRS Program;
- E. The Registration Manual, approved by Commission Order G-123-09 and amended by Commission Order R-34-15, requires an Entity to notify WECC of any change in circumstance affecting its registration and allows the Entity 21 days to respond to any registration recommendation issued by WECC;
- F. By Order G-140-10, the Commission approved the registration Crofton for the functions of TO, TOP, LSE and DP with the BC MRS Program;

- G. On October 7, 2014, Ministerial Order M325 amended the MRS Regulation to include a revised definition of the bulk power system to reference the Bulk Electric System (BES) definition and to clarify that a reliability standard adopted under section 125.2(6) of the UCA applies to all owners, operators and direct users of an element that is part of the bulk power system;
- H. On November 17, 2015, the UCA was amended to repeal sections 125.2(8) and 125.2(9) concerning the applicability of reliability standards and include updated sections 125.2(8) and 125.2(9), pursuant to which, the Commission may, by order, specify that a reliability standard adopted under the UCA applies or does not apply to a specified person, a class of persons or a person in respect of specified equipment;
- I. On May 19, 2016, noting that the recent amendment to the MRS Regulation removed the legislated applicability of standards, the Commission issued Order R-19-16 to clarify that Mandatory Reliability Standards adopted by the Commission and in effect in BC apply to those entities currently registered in the BC MRS Program for the applicable functions;
- J. On April 21, 2016, and in response to the Recommendation, Crofton informed the Commission that it was pleased with WECC's recommendation to deregister it for TO, TOP and LSE functions and stated it should also be deregistered as DP because the British Columbia Hydro and Power Authority (BC Hydro) owned and operated specific equipment at the Crofton facility relevant to the DP function;
- K. The Commission invited WECC and BC Hydro to respond to the Crofton filing and subsequent correspondence followed including varying positions on the ownership and maintenance responsibility of specific equipment at the Crofton facility; and
- L. The Commission reviewed the Recommendation and considers deregistration of Crofton for the TO, TOP and LSE functions is warranted and in the absence of sufficient evidence to make a determination beyond the scope of the Recommendation, the Commission considers the relevance of Commission Order R-19-16. The Commission may consider Catalyst Paper Crofton Division's deregistration as Distribution Provider at a later date if appropriate.

NOW THEREFORE pursuant to section 125.2(10) of the *Utilities Commission Act* (UCA) and in accordance with the Registration Manual that is Appendix 1 to the Rules of Procedure for Reliability Standards in British Columbia, the British Columbia Utilities Commission approves the deregistration of Catalyst Paper Crofton Division for the functions of Transmission Owner, Transmission Operator and Load Serving Entity with the British Columbia Mandatory Reliability Standards Program. Mandatory Reliability Standards pertaining to these functions and adopted by the Commission pursuant to section 125.2 of the UCA no longer apply to Catalyst Paper Crofton Division and Catalyst Paper Crofton Division is no longer required to submit compliance filings for the Reliability Standards applicable to those functions.

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of June 2016.

BY ORDER

Original Signed By:

D. M. Morton
Commissioner