



**ORDER NUMBER**  
**G-304-22**

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

and

British Columbia Hydro and Power Authority  
Open Access Transmission Tariff Generator Interconnection Amendments

**BEFORE:**

A. K. Fung, KC, Panel Chair  
A. C. Dennier, Commissioner  
B. A. Magnan, Commissioner

on October 27, 2022

**ORDER**

**WHEREAS:**

- A. On January 27, 2022, British Columbia Hydro and Power Authority (BC Hydro) filed an application with the British Columbia Utilities Commission (BCUC) seeking approval to Amend Attachment M-1, Rate Schedule (RS) 05, Attachment B, and Attachment L of the Open Access Transmission Tariff (OATT) pursuant to sections 58 to 61 of the *Utilities Commission Act* (UCA) (Application);
- B. In the Application, BC Hydro seeks approval of the following amendments to the OATT:
  - i. To Attachment M-1 to reflect the reforms established under Federal Energy Regulatory Commission (FERC) Order Nos. 845, 845-A, 842, 784, and 784-A;
  - ii. To Attachment M-1 to address target interconnections study timelines for generator interconnections to its transmission system in British Columbia;
  - iii. To Attachment B to allow the transmission provider to determine that it is uncertain whether there is sufficient capacity to accommodate the rollover of the service agreement when it is executed, and to make that determination towards the end of the contract term;
  - iv. To Attachment L regarding the amount, timing and form of security that must be provided when a transmission customer does not meet the creditworthiness provisions of the OATT; and
  - v. To address additional non-material housekeeping items.
- C. By Order G-33-22, dated February 15, 2022, the BCUC established a regulatory process for the proceeding, which was subsequently amended by BCUC Orders G-101-22, G-139-22, G-191-22, G-215-22, and G-255-22. The regulatory process included two rounds of written information requests, final arguments, and reply to final arguments; and

- D. The BCUC has reviewed the Application, evidence and arguments submitted in the proceeding, and determines that the approvals sought in the Application are warranted.

**NOW THEREFORE** pursuant to section 59 to 61 of the UCA and for the reasons for decision attached as Appendix A to this order, the BCUC orders as follows:

1. Amendments to Attachment M-1 of the OATT, including the five appendices to Attachment M-1, as shown in Appendix B of the Application, are approved effective 180 days from the date of this Order.
2. Amendments to OATT Rate Schedule 05, as shown in Appendix B of the Application, are approved effective as of the date of this Order.
3. Amendments to Attachment B and Attachment L of the OATT, as shown in Appendix B of the Application are approved, effective as of the date of this Order.
4. OATT housekeeping amendments as shown in Appendix B of the Application, are approved, effective as of the date of this Order.
5. BC Hydro is directed to post a bulletin on its transmission website notifying customers and interested parties of this Order within 30 days of the date of this Order.
6. BC Hydro is directed to file amended OATT tariff pages in accordance with the terms of this Order within 30 days for review and endorsement by the BCUC.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of October 2022.

BY ORDER

*Original signed by:*

A. K. Fung, KC  
Commissioner

Attachment

British Columbia Hydro and Power Authority  
Open Access Transmission Tariff Generator Interconnection Amendments

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REASONS FOR DECISION

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## Executive Summary

On January 27, 2022, BC Hydro filed an application with the British Columbia Utilities Commission (BCUC) seeking approval to Amend Attachment M-1, Rate Schedule (RS) 05, Attachment B, and Attachment L of the Open Access Transmission Tariff (OATT) pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) (Application). The Application was separated into three categories;

- Amendments to Attachment M-1
- Amendments to RS 05; and
- Amendments to Attachments B and L.

The proposed amendments correspond to changes that the Federal Energy Regulatory Commission (FERC) has made to its *pro forma* OATT.

BC Solar and Storage Industries Association (BCSSIA) and the Commercial Energy Consumers Association of BC registered as Interveners in the proceeding. The review process included two rounds of written information requests, final arguments, and BC Hydro reply to final arguments.

Most of the proposed amendments were uncontested by the Interveners. However, BCSSIA raised concerns with respect to three specific aspects of the Application:

- i. The dispute resolution process under the OATT;
- ii. The proposed changes to interconnection study timelines; and
- iii. the Application's potential impact on BC Hydro's market power.

The Panel reviewed the Application and the evidence and submissions in the proceeding and found:

- i. The dispute resolution procedures and confidentiality process for arbitration in the OATT are consistent with or superior to those of the FERC reforms under its *pro forma* OATT and are appropriate for BC Hydro's service area in British Columbia.
- ii. The proposed interconnection studies timelines proposed by BC Hydro will provide customers with more accurate information as to actual completion target timelines for interconnection studies.
- iii. There is no supporting evidence that the proposed amendments by BC Hydro will lead to BC Hydro exercising market power and make it more difficult to develop utility-scale solar energy and energy storage in B.C., nor evidence as to how the proposed interconnection study timelines within the Application have the appearance of raising barriers to competition or demonstrating the exercise of market power by BC Hydro.

The Panel determined that the proposed amendments in the Application are just and reasonable and not unduly preferential or unduly discriminatory.

## 1.0 Introduction

### 1.1 Background

British Columbia Hydro and Power Authority (BC Hydro) is the Transmission Provider under the Open Access Transmission Tariff (OATT) in British Columbia. The OATT sets out the terms and conditions for the provision of BC Hydro's Open Access Transmission services in British Columbia. BC Hydro is submitting this application under its role as transmission provider (Transmission Provider) under the OATT independent of any other aspects of its business, such as that of its energy trading subsidiary Powerex Corp. (Powerex), or as a Customer under the OATT.<sup>1</sup>

BC Hydro, as Transmission Provider, generally seeks approval of amendments to its OATT that are consistent with or superior to Federal Energy Regulatory Commission's (FERC) *pro forma* OATT to enable Powerex to satisfy certain FERC obligations. Specifically, for Powerex to engage in wholesale electricity sales in the U.S. at market-based rates, FERC requires Powerex to demonstrate that its affiliated Transmission Provider, BC Hydro, has adopted and is implementing an OATT that is consistent with or superior to FERC's *pro forma* OATT, or is otherwise offering comparable, non-discriminatory access to its transmission facilities.

Every three years, Powerex is required to provide market power analysis to FERC. Powerex submits the report to FERC stating that market power in British Columbia is mitigated using the OATT which provides comparable open access transmission service in all material respects to that offered under the FERC *pro forma* OATT.

In order to enable Powerex to meet that requirement, BC Hydro filed this application to the BCUC for approval of certain amendments to align the OATT with the FERC *pro forma* OATT prior to Powerex's filing its next report with FERC.

### 1.2 Application and Approval Sought

On January 27, 2022, BC Hydro filed an application with the British Columbia Utilities Commission (BCUC) seeking approval to Amend Attachment M-1, Rate Schedule (RS) 05, Attachment B, and Attachment L of the OATT pursuant to sections 59 to 61 of the Utilities Commission Act (UCA) (Application). The Application was separated into three categories; Amendments to Attachment M-1, Amendments to RS 05, and Amendments to Attachments B and L. A summary of the changes to each category is provided below. The proposed amendments correspond to changes that FERC has made to its *pro forma* OATT as specified below.

#### 1.2.1 Amendments to OATT Attachments M-1

BC Hydro proposes to make amendments to OATT attachment M-1 in response to FERC Order No. 845 and 845-A. FERC Order No. 845 and No. 845-A include amendments to the *pro forma* OATT that are intended to improve certainty for interconnection customers by providing an option for customers to build Stand Alone Network Upgrades regardless of whether the Transmission Provider is able to meet the requested customer timeline and establishes an interconnection dispute resolution procedure that allows a disputing party to unilaterally seek non-binding dispute resolution.<sup>2</sup> FERC Orders No. 845 and No. 845-A further include changes to the *pro forma* OATT to promote more informed interconnection decisions, and enhance the interconnection process.<sup>3</sup>

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<sup>1</sup> Exhibit B-1, p. 7, section 1.4.3.

<sup>2</sup> Exhibit B-1, p. 17, section 3.1.1, p.p. 15 – 18 Section 4.1.

<sup>3</sup> Exhibit B-1, p. 2, section 1.1.

Additionally, BC Hydro proposes to make amendments to OATT Attachment M-1 in response to FERC Order No. 842. FERC Order No. 842 includes amendments to the *pro forma* Generator Interconnection Agreements with the aim to address concerns related to declining frequency response performance of interconnected electric systems by requiring newly interconnecting synchronous and non-synchronous Generating Facilities, to install, maintain, and operate equipment capable of providing primary frequency response as a condition of interconnection<sup>4</sup>.

Further, BC Hydro proposes to make amendments to OATT Attachment M-1 Study Timelines that BC Hydro believes more accurately reflect actual timelines experienced by performing the studies.

### **1.2.2 Amendments to OATT RS 05**

BC Hydro proposes to make amendments to OATT RS 05 in response to FERC Order No. 784 and 784-A. FERC Orders No. 784 and No. 784-A require Transmission Providers to consider the speed and accuracy of regulation resources in their determination of reserve requirements for Regulation and Frequency Response Service.<sup>5</sup>

### **1.2.3 Amendments to OATT Attachments B and L**

BC Hydro proposes amendments to OATT Attachments B and L that are intended to improve regulatory efficiency. In Attachment B, BC Hydro proposes amendments that allow the Transmission Provider to determine that it is uncertain whether there is sufficient capacity to accommodate the rollover service agreement when it is executed, and to make that determination towards the end of the contract term.<sup>6</sup> BC Hydro also proposes amendments to Attachment L regarding the amount, timing and form of security that must be provided when a transmission customer does not meet the creditworthiness provisions of the OATT.<sup>7</sup>

Additionally, BC Hydro proposes certain non-material housekeeping amendments to the OATT.

## **1.3 Regulatory Process**

On February 15, 2022, the BCUC established a written hearing process for the review of the Application which consisted of intervenor registration, BCUC Information Requests (IR)s, intervenor IRs, responses from BC Hydro, and a deadline to submit letters of comment.<sup>8</sup>

By March 1, 2022, the Commercial Energy Consumers Association of BC (CEC) and BC Solar and Storage Industries Association (BCSSIA) had registered as intervenors in the proceeding. The intervenors submitted IRs, submissions on further process, and final arguments.

Following the IR response from BC Hydro, the BCUC amended the regulatory timetable seeking submissions on further process.<sup>9</sup>

The BCUC further amended the regulatory timetable to allow a second round of IRs with a limited scope as outlined in the accompanying reasons.<sup>10</sup>

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<sup>4</sup> Exhibit B-1, p. 14, section 3.3.

<sup>5</sup> Exhibit B-1, p. 39, section 5.1.

<sup>6</sup> Exhibit B-1, Appendix A.

<sup>7</sup> Ibid.

<sup>8</sup> Order G-33-22.

<sup>9</sup> Order G-139-22.

<sup>10</sup> Order G-191-22.

By September 12, 2022, BC Hydro and Interveners had submitted their final arguments to the proceeding. On September 20, 2022, BC Hydro submitted its reply to final arguments.

## 2.0 Legislative Framework

The Panel conducts its review of the Application pursuant to the legislative framework provided in sections 59 to 61 of the *Utilities Commission Act* (UCA).

Specifically, section 59(1) of the UCA states:

59(1) A public utility must not make, demand or receive

(a) an unjust, unreasonable, unduly discriminatory or unduly preferential rate for a service provided by it in British Columbia, or

(b) a rate that otherwise contravenes this Act, the regulations, orders of the commission or any other law.<sup>11</sup>

Section 59(4) confirms that the BCUC is the sole judge factually of whether a rate is unjust, unreasonable, unduly discriminatory or unduly preferential.<sup>12</sup>

## 3.0 Issues Arising

As already noted, BC Hydro seeks approval to amend Attachment M-1, RS 05, Attachment B, and Attachment L of the OATT along with certain non-material housekeeping amendments. BC Hydro submits that “the amendments proposed in the Application are just and reasonable, are not unduly discriminatory or unduly preferential, and should be approved as filed.”<sup>13</sup>

The CEC agrees with BC Hydro that the Application should be approved.<sup>14</sup>

BCSSIA does not have concerns relating to most of the proposed amendments within the Application but raises three specific issues.<sup>15</sup>

Firstly, BCSSIA raises concerns that the Application may fail to achieve all the FERC’s intended purposes.<sup>16</sup> BCSSIA is specifically concerned that BC Hydro is proposing to not adopt the FERC reforms as they pertain to the Dispute Resolution procedure<sup>17</sup>. Secondly, BCSSIA is concerned that BC Hydro is proposing to increase the Interconnection Study Timelines in OATT Attachment M-1.<sup>18</sup> Thirdly, BCSSIA believes that these two areas of the Application may “increase the appearance of the monopoly utility exercising market power and make it more difficult to develop utility-scale solar energy and energy storage in B.C.”<sup>19</sup> Further, BCSSIA argues that these two

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<sup>11</sup> *Utilities Commission Act*, s 59 – 61.

<sup>12</sup> *Utilities Commission Act*, s 59 (4).

<sup>13</sup> BC Hydro Final Argument, p. 2, para. 4.

<sup>14</sup> CEC Final Argument, p. 1, para. 1.

<sup>15</sup> BCSSIA Final Argument, p. 4.

<sup>16</sup> BCSSIA Final Argument, p. 5.

<sup>17</sup> *Ibid.*

<sup>18</sup> BCSSIA Final Argument, p. 4.

<sup>19</sup> BCSSIA Final Argument, p. 5.

proposals, “can raise barriers to competition, which inherently increases BC Hydro’s market power and reduces B.C.’s ability to attract investment in utility-scale solar and energy storage.”<sup>20</sup>

In this section, the Panel address the specific issues raised by BCSSIA with respect to amendments to Attachment M-1, RS 05, Attachment B, and Attachment L of the OATT, and specifically the following:

- i. the Dispute Resolution procedures within the OATT;
- ii. changes to Interconnection Study Timelines; and
- iii. the Application’s potential impact on BC Hydro’s market power.

### 3.1 Dispute Resolution Procedures

FERC Order No. 845 requires that the Dispute Resolution procedure for the *pro forma* OATT be updated to allow a disputing party to unilaterally seek non-binding dispute resolution.<sup>21</sup> BC Hydro is proposing to not change its Dispute Resolution procedure within the OATT as the Dispute Resolution procedure contained therein already allows for one party to unilaterally seek binding (as opposed to non-binding) dispute resolution<sup>22</sup>.

#### *Position of the Parties*

The BCSSIA has two concerns with BC Hydro not proposing to adopt the FERC reforms that pertain to the Dispute Resolution procedure in its *pro forma* OATT. The first concern is that BC Hydro is not proposing to adopt a process for disputing parties to unilaterally seek non-binding arbitration during the dispute resolution process. The second concern is that Dispute Resolution process should be public and not be confidential.<sup>23</sup>

The BCSSIA believes that the failure to provide a party with the opportunity to unilaterally seek non-binding arbitration does not align with FERC’s intent to provide disputing parties with the choice between binding and non-binding arbitration in the dispute resolution process. As a result, the BCSSIA, “does not agree with BC Hydro’s assertion that the Appendix G provisions are equivalent or superior to the two-fold FERC *pro forma* OATT provisions that provide for binding arbitration by mutual agreement and non-binding dispute provisions that can be unilaterally initiated by the utility or the interconnected customer.”<sup>24</sup>

The BCSSIA further submits that the starting position for the Dispute Resolution procedure is that it should be held in public.<sup>25</sup>

In response, BC Hydro states that it does not agree that the intent of the FERC reforms is to provide disputing parties with the option to seek binding or non-binding arbitration. Rather, the FERC reforms are intended to address concerns that dispute resolution was unavailable where there was no mutual agreement to pursue an arbitration under FERC’s *pro forma* OATT.<sup>26</sup> Further BC Hydro notes, “while the dispute resolution procedures in

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<sup>20</sup> BCSSIA Final Argument p. 5.

<sup>21</sup> BC Hydro Final Argument, p. 6 para 15.

<sup>22</sup> BC Hydro Final Argument p. 6, para 16.

<sup>23</sup> BCSSIA Final Argument p.p. 5 –10, Section 3.2.

<sup>24</sup> BCSSIA Final Argument, p. 9. Section 3.2.

<sup>25</sup> BCSSIA Final Argument, p. 10 Section 3.2.

<sup>26</sup> BC Hydro Reply to Final Argument, p 2, section 2.1.1.



Appendix G are different than FERC's *pro forma* LGIP regarding whether mutual consent is needed for binding arbitration, Appendix G is consistent with or superior to section 13.5.5 of FERC's *pro forma* LGIP."<sup>27</sup>

Second, BC Hydro argues that the FERC *pro forma* OATT refers to the Commercial Arbitration Rules of the American Arbitration Association which do not address whether the dispute resolution should be held confidentially, as it is left to the parties to determine the confidentiality of the resolution process.<sup>28</sup> BC Hydro submits that "generally having arbitrations confidential, unless otherwise agreed to by the parties (as provided for by section 63 of the Arbitration Act), remains appropriate."<sup>29</sup>

The CEC agrees with BC Hydro that it is not necessary to amend the existing Dispute Resolution procedure if the Dispute Resolution procedure is already equivalent or superior to the *pro forma* OATT, and particularly so in that the existing procedure is specific to the requirements in BC.<sup>30</sup>

### Panel Discussion

The Panel agrees that the intent of the FERC reforms to the *pro forma* OATT is to provide a process for a party to initiate dispute resolution in the absence of any mutual agreement to pursue arbitration because, prior to the reforms, a disputing party would not have further recourse if the other party wished not to pursue binding arbitration. In other words, if a disputing party chose to pursue binding arbitration but the other party did not agree to arbitration, then the disputing party would be unable to seek further resolution. The new FERC reforms provide an alternative means for a disputing party to unilaterally seek non-binding dispute resolution. The Panel finds that the dispute resolution already in place within the OATT, is consistent with or superior to that of the FERC *pro forma* because under the OATT, a disputing party can seek unilateral binding resolution. In other words, both parties do not need to agree to seek binding resolution and neither party can block the other from seeking binding dispute resolution. The Panel further considers that a non-binding resolution of a dispute to be inferior to a binding resolution because the former effectively perpetuates the dispute, absent the agreement of the other party to abide by the results of a non-binding dispute resolution process.

Further, BCSSIA has not provided sufficient evidence to demonstrate that the current confidentiality provisions for dispute resolution process are inferior. The Panel finds that the current confidentiality provisions outlined in section 63 of the *Arbitration Act* are appropriate for governing the dispute resolution process within British Columbia and accordingly declines BCSSIA's request to require further amendments to Appendix G.

## 3.2 Interconnection Study Timelines

One of the FERC 845 reforms, that aims to promote more informed interconnection decisions, requires that the Transmission Provider (BC Hydro) report on its completion of interconnection studies within established timeframes.<sup>31</sup>

In the Application, BC Hydro proposes to change interconnection study timelines to more accurately reflect actual studies completion durations.<sup>32</sup> The proposed timelines are longer than the timelines outlined in the FERC

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<sup>27</sup> BC Hydro Reply to Final Argument, p. 3, section 2.1.1.

<sup>28</sup> BC Hydro Reply to Final Argument, p.p. 4 – 5, section 2.1.2.

<sup>29</sup> BC Hydro Reply to Final Argument, p. 5, section 2.1.2.

<sup>30</sup> CEC Final Argument, p. 6, para 43.

<sup>31</sup> BC Hydro Final Argument, p. 11, para 21.

<sup>32</sup> BC Hydro Final Argument, p. 11, para 22.

*pro forma* OATT. The following BCUC staff table summarizes the difference between the FERC Order 845 proposed timelines and BC Hydro's amended timelines in the Application:

Study	FERC Order 845 <sup>33</sup>	BC Hydro Application <sup>34</sup>	Difference
Interconnection Feasibility Study	45 days	60 days	15 days
Re-study	45 days	60 days	15 days
Interconnection System Impact Study	90 days	150 days	60 days
Interconnection Facilities Study	90 or 180 days (Depending on cost accuracy)	270 days (cost estimate with a target accuracy range of +15/-10 percent cost estimate)	N/A <sup>35</sup>

BC Hydro states that there are additional factors that make interconnection studies longer in British Columbia than in other jurisdictions.<sup>36</sup> Specifically, BC Hydro interconnection study timelines “include First Nation engagement, environmental mitigation and the management of financial risk and impacts to ratepayers.”<sup>37</sup>

BC Hydro further notes that, “if the timelines are not amended to reflect actual study durations, then the metrics posted by BC Hydro regarding whether the studies were completed within the target timelines would provide less meaningful information to interconnection customers, because they would always show a variance to the target timelines.”<sup>38</sup>

### *Position of the Parties*

BCSSIA does not agree that the interconnection study timelines should be increased. BCSSIA submits that since BC Hydro has implemented improvements to its interconnection study process, it would be more prudent to wait and assess the results of the improvements to the timelines prior to extending them.<sup>39</sup> BCSSIA further states, “It may also be counter-productive to increase the target timelines at this time. The timelines should be reasonable, but they should still operate as somewhat of an incentive for BC Hydro to achieve – and as a benchmark against which its performance improvements can be measured”<sup>40</sup>

In contrast, the CEC submits that the BCUC should approve the study timelines as proposed by BC Hydro.<sup>41</sup> Further, the CEC submits, “that the allowance of variances from the FERC Pro Forma OATT are in place to accommodate unique regional circumstances of the utilities, and this is the case in this instance.”<sup>42</sup>

BC Hydro states that, “the primary purpose of the proposed amendments to the target interconnections study timelines is for the metrics posted by BC Hydro regarding whether the studies were completed within the target

<sup>33</sup> Order 845, para 290, <https://www.ferc.gov/sites/default/files/2020-06/Order-845.pdf>.

<sup>34</sup> Exhibit B-1, p.p. 37 – 39, section 4.4.

<sup>35</sup> FERC Order 845 states 90 days with a cost estimate of +/- 20% and 180 days for a cost estimate +/- 10%.

<sup>36</sup> Exhibit B-1, p.p. 37 – 38, Section 4.4.

<sup>37</sup> BC Hydro Final Argument, p. 11, para, 22.

<sup>38</sup> BC Hydro Final Argument, p.p. 11 – 12, para, 24.

<sup>39</sup> BCSSIA Final Argument, p.p. 16 – 17, Section 3.3.

<sup>40</sup> BCSSIA Final Argument, p. 17, section 3.3.

<sup>41</sup> CEC Final Argument, p. 12, para, 93.

<sup>42</sup> CEC Final Argument, p. 12, para, 92.

timelines to provide meaningful information to interconnection customers. If BC Hydro were to wait to amend the target timelines, then the metrics posted by BC Hydro during that period will fail to provide customers with that meaningful information.”<sup>43</sup>

BC Hydro notes that should actual timelines change in the future due to improvements in the interconnection study process, or for any other reason, then BC Hydro could amend the interconnection study timelines at that time.<sup>44</sup>

BC Hydro states, “the target interconnections study timelines should provide a reasonably accurate estimate of interconnections study timelines that customers can expect, and which BC Hydro must use “reasonable efforts” to achieve.”<sup>45</sup>

### *Panel Discussion*

The Panel finds that BC Hydro has provided sufficient evidence that a deviation from the FERC *pro forma* OATT is warranted in respect of the expected interconnection study timelines because of the unique regional circumstances of the utility, as the CEC submits. The Panel agrees that interconnection study timelines should provide accurate estimates of the time to complete interconnection studies based on the specific circumstances applicable to the Transmission Provider in the area and that doing so will provide customers with meaningful information to enable them to establish accurate plans based on realistic expectations of study completion targets. The Panel does not see value in providing customers with target timelines that BC Hydro is unable to realistically achieve. In the Panel’s view, there is no benefit to customers from BC Hydro providing target study completion timelines that it knows from previous experience it cannot realistically meet, as this does not provide the customer with the assurance it needs to engage in appropriate planning.

That being said, the Panel strongly encourages BC Hydro to continue to look for ways to improve its interconnection study process that would result in shorter target interconnection study timelines, which appear to be a current source of frustration for customers awaiting interconnection. The Panel notes that should BC Hydro experience a marked improvement to the duration of interconnection study timelines going forward, the Panel expects BC Hydro to amend its target timelines for interconnection studies to reflect such improvement.

## **3.3 Potential Effect on Market Power**

### *Position of the Parties*

BCSSIA, in its Final Argument, implies that each of its concerns as discussed above raises market power issues<sup>46</sup>, that in turn, “may make it more difficult to develop utility-scale solar energy and energy storage in B.C.”<sup>47</sup> BCSSIA claims that “Excessively restrictive dispute resolution procedures act to effectively reduce any competitor’s bargaining power and so, likewise, can be construed as an exercise of undue market power.”<sup>48</sup> The BCSSIA submits that unduly lengthy timelines or high costs for interconnection studies have the appearance of raising barriers to competition and thereby exercising market power.<sup>49</sup>

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<sup>43</sup> BC Hydro Reply to Final Argument, p. 6, section 2.2.

<sup>44</sup> BC Hydro Reply to Final Argument, p. 7, section 2.2.

<sup>45</sup> Ibid.

<sup>46</sup> BCSSIA Final Argument.

<sup>47</sup> BCSSIA Final Argument, p. 5 section 3.1.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

BC Hydro states that, “it is unclear how the dispute resolution procedures in Appendix G would “reduce any competitor’s bargaining power””<sup>50</sup> as either party can seek binding arbitration within the Dispute Resolution Procedure.<sup>51</sup>

BC Hydro does not agree with BCSSIA’s suggestion that the proposed amendments to the interconnection study timelines within the Application have the appearance of raising barriers to competition and exercising market power.<sup>52</sup>

BC Hydro further notes that, “its OATT mitigates against vertical market power and ensures that all eligible transmission customers, including BC Hydro and its affiliates, receive access to the BC Hydro-owned transmission system on the same terms and conditions and at the same rates.”<sup>53</sup>

### *Panel Discussion*

The Panel does not agree that the proposed amendments within the Application may increase the appearance of the monopoly utility exercising market power and make it more difficult to develop utility-scale solar energy and energy storage in B.C. Furthermore, the Panel does not find that the Dispute Resolution procedure within the OATT to be excessively restrictive, nor does it reduce any competitor’s bargaining power; rather, the Dispute Resolution procedure in the OATT may actually increase a competitor’s bargaining power as the procedure grants disputing customers the right to pursue binding dispute resolution even in the absence of agreement from BC Hydro.

Additionally, the Panel finds that there is no evidence that the proposed amendments to the interconnection study timelines within the Application have the appearance of raising barriers to competition or to demonstrate the exercise of market power by BC Hydro; rather, accurate interconnection study timelines may increase competition as potential customers will have more confidence in the accuracy of the timelines for completion of the studies for their business planning purposes. The Panel also agrees with BC Hydro that the OATT effectively mitigates against vertical market power by ensuring that all eligible transmission customers receive access to the transmission system on the same terms and conditions and at the same rates without preference or discrimination on the part of BC Hydro.

## **4.0 Panel Determination on the Application**

In section 3 above, the Panel made the following key findings:

- The Dispute Resolution procedures and confidentiality process for arbitration in the OATT are consistent with or superior to the FERC reforms and appropriate for BC Hydro’s service area in B.C.
- The proposed interconnection studies timelines proposed by BC Hydro will provide customers with more accurate information as to actual completion target timelines for the completion of interconnection studies.
- There is no supporting evidence that the proposed amendments by BC Hydro will lead to BC Hydro exercising market power and make it more difficult to develop utility-scale solar energy and energy storage in B.C., nor evidence as to how the proposed interconnection study timelines within the

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<sup>50</sup> BC Hydro Reply to Final Argument, p. 8, section 3.

<sup>51</sup> Ibid.

<sup>52</sup> Ibid.

<sup>53</sup> BC Hydro Reply to Final Argument, p.p. 8 – 9, section 3.

Application have the appearance of raising barriers to competition or demonstrating the exercise of market power by BC Hydro.

The Panel agrees with BC Hydro that the proposed amendments in Attachment M-1 and OATT RS 05 are consistent with reforms that FERC has adopted for its *pro forma* OATT and that the FERC reforms that affect Attachment M-1 and RS 05 are intended to improve certainty for interconnection customers, promote more informed decisions by interconnection customers, enhance the interconnection process, and address concerns related to declining frequency response performance of interconnected electric systems.

The Panel further agrees that the proposed amendments to the target interconnections study timelines in Attachment M-1 reflect BC Hydro's experience with actual study durations, the proposed housekeeping amendments to Attachment M-1 would improve clarity, correct a typographical error and support BC Hydro in maximizing benefits to all BC Hydro ratepayers and in enhancing BC Hydro's energy reliability. The proposed amendments to OATT Attachment B would benefit both transmission customers and BC Hydro by providing more certainty regarding the rollover of service agreements. The proposed amendments to OATT Attachment L provide adequate time to process security or prepayment received from interconnection customers, and also provide BC Hydro more flexibility to address non-standard forms of security and prepayment on a case-by-case basis. No party opposes BCUC approval of the related non-material housekeeping amendments proposed by BC Hydro as part of the Application.

Based on the foregoing, the Panel finds that the proposed amendments in the Application are just and reasonable and not unduly preferential or unduly discriminatory. As a result, **the Panel approves the proposed amendments. Accordingly, pursuant to sections 58 to 61 of the UCA, the BCUC orders the following:**

- The amendments to Attachment M1 of the OATT, including the five appendices to Attachment M-1, as shown in Appendix B of the Application, are approved effective 180 days from the date of this Order.
- The amendments to OATT Rate Schedule 05, as shown in Appendix B of the Application, are approved effective as of the date of this Order.
- The amendments to Attachment B and Attachment L of the OATT, as shown in Appendix B of the Application, are approved effective as of the date of this Order.
- The OATT housekeeping amendments as shown in Appendix B of the Application, are approved effective as of the date of this Order.
- BC Hydro is directed to post a bulletin on its transmission website notifying customers and interested parties of this Order within 30 days of the date of this Order.
- BC Hydro is directed to file amended OATT tariff pages in accordance with the terms of this Order within 30 days for review and endorsement by the BCUC.