



ORDER NUMBER
R-11-23

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

and

British Columbia Utilities Commission
Mandatory Reliability Standards Planning Coordinator Function Registration
and Planning Coordinator Issues

BEFORE:

A. K. Fung, KC, Panel Chair
C. M. Brewer, Commissioner
W. M. Everett, KC, Commissioner

on April 4, 2023

ORDER

WHEREAS:

- A. By Order R-8-22 dated March 14, 2022, the British Columbia Utilities Commission (BCUC) established a regulatory timetable for a proceeding to review the Planning Coordinator (PC) Function Registration and Planning Coordinator Issues brought forward by the British Columbia Hydro and Power Authority (BC Hydro) and interveners registered in the currently adjourned Assessment Report Proceeding for Reliability Standards applicable to the PC function (PC Assessment Report Proceeding);
- B. On May 31, 2021, BC Hydro submitted to the BCUC, in the PC Assessment Report Proceeding, a Mandatory Reliability Standards (MRS) Planning Coordinator Assessment Report (PC Assessment Report);
- C. On June 25, 2021, BC Hydro filed, in the PC Assessment Report Proceeding, its proposed implementation approach (Implementation Approach) providing information regarding its anticipated timing to register as a PC for its own Bulk Electric System assets only and to engage other entities registered in the British Columbia Mandatory Reliability Standard (MRS) Program (Entities) that are interconnected to the BC Hydro system on the potential for BC Hydro to provide PC service to those Entities;
- D. BC Hydro made a submission, in the PC Assessment Report Proceeding, recommending the PC Assessment Report Proceeding be adjourned and a new proceeding be established to address whether a single-PC model or multi-PC model is desirable in the province and to identify the appropriate Entity or Entities to register as PC(s) (PC Issues). Intervenors in the PC Assessment Report Proceeding agreed that the BCUC should suspend the proceeding to review the PC Assessment Report and establish a new proceeding to address the PC Issues;

- E. By Order R-4-22 dated January 26, 2022, the BCUC adjourned the PC Assessment Report Proceeding and recommended the initiation of this separate proceeding to review the PC Function Registration and PC Issues;
- F. FortisBC Inc. (FBC), BC Hydro, Movement of United Professionals (MOVEUP), Commercial Energy Consumers Association of British Columbia (CEC), Residential Consumer Intervener Association (RCIA) and Cape Scott Wind LP (CSWLP) have registered as interveners (collectively Interveners) in this proceeding to review the PC Function Registration and PC Issues;
- G. On July 15, 2022, the Administrator of the MRS Program, the Western Electricity Coordinating Council (WECC), filed with the BCUC a report of the results of the Transmission Planner mapping exercise (TP Report). The TP Report identifies gaps with Entities' having no functional relationships to a registered Transmission Planner, specifically with BC Hydro, which could result in failure to coordinate and exchange planning information as specified in the adopted Reliability Standards;
- H. By Order R-2-23 dated January 13, 2023, the BCUC established a Streamlined Review Process for issues pertaining to the Transmission Planner mapping (SRP);
- I. On January 26, 2023, the BCUC held the SRP with WECC, FBC, BC Hydro, RCIA and CSWLP in attendance;
- J. At the SRP, BC Hydro proposed a path forward for next steps in the proceeding (Path Forward). BC Hydro's Path Forward recommends the BCUC:
 - 1. Request WECC to conduct another Transmission Planner (TP) mapping so that BC Hydro can accept mapping requests from registered Generator Owners (GOs) and Distribution Providers (DPs);
 - 2. Amend Section 3.1 of the Registration Manual for British Columbia Mandatory Reliability Standards to include TPs for the assignment of compliance responsibility process; and
 - 3. Request WECC to work with appropriate parties to set out an implementation timeline and activities for Transmission Owner/Operators wishing to map to BC Hydro as its TP. In addition to BC Hydro and FBC, BC Hydro has identified Catalyst Paper Powell River Division (Catalyst) as a Transmission Owner (TO);
- K. At the SRP, BC Hydro also introduced the concept of adopting a Coordinated Functional Registration model in British Columbia as a way to facilitate assigning compliance responsibility to another Entity with regards to specific requirements applicable to the TP;
- L. By Order R-5-23 dated February 9, 2023, the BCUC established a further regulatory timetable for Intervener submissions in response to BC Hydro's Path Forward and final arguments for the TP phase of the proceeding;
- M. On February 23, 2023, Catalyst filed a letter of comment with the BCUC stating that it agrees to negotiations with BC Hydro on the condition that such negotiations include addressing the unique nature of the situation at Powell River with Powell River Energy Inc. (PREI), who jointly owns the transmission asset;
- N. By March 3, 2023, CSWLP, FBC, BC Hydro, RCIA and CEC filed submissions and final arguments for the TP phase of this proceeding; and
- O. The BCUC determines that the establishment of a further regulatory timetable along with the following orders is warranted.

NOW THEREFORE pursuant to section 125.1(10) of the *Utilities Commission Act*, and for the reasons set out in Appendix B, the BCUC orders as follows:

1. A further regulatory timetable is established as set out in Appendix A to this order.
2. WECC is directed to initiate another TP mapping exercise to allow BC Hydro to accept or reject TP requests from interconnected GOs and DPs.
3. BC Hydro is directed to provide a proposed implementation timeline along with a schedule of activities to undertake to accept or reject the TP mapping request from Catalyst and/or PREI for review by the BCUC and WECC within 90 days of the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of April 2023.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner

Attachment

British Columbia Utilities Commission
Mandatory Reliability Standards Planning Coordinator Function Registration
and Planning Coordinator Issues

REGULATORY TIMETABLE

Action	Date (2023)
BC Hydro's proposal to accept or reject TP mapping requests	Monday, July 3, 2023
Further regulatory process	To be determined

British Columbia Utilities Commission
Mandatory Reliability Standards Planning Coordinator Function Registration
and Planning Coordinator Issues

REASONS FOR DECISION

1.0 Introduction

On March 28, 2022, the British Columbia Utilities Commission (BCUC) initiated the current proceeding to review Planning Coordinator (PC) Function Registration and Planning Coordinator Issues brought forward by the British Columbia Hydro and Power Authority (BC Hydro) and interveners registered in the currently adjourned Assessment Report Proceeding for Reliability Standards applicable to the PC function (PC Assessment Report Proceeding).

By Order R-23-22 dated July 29, 2022, the BCUC determined that the current proceeding will first address the gaps identified in a Transmission Planner (TP) mapping report from the Western Electricity Coordinating Council (WECC), the Administrator for the British Columbia Mandatory Reliability Standards program (MRS Program).

1.1 Legislative Authority

Section 125.2(2) of the *Utilities Commission Act* (UCA) assigns exclusive jurisdiction to the BCUC to determine whether a “reliability standard,” as defined in the UCA, is in the public interest and should be adopted in British Columbia (BC).

Section 125.2(10) of the UCA states the BCUC “may make orders providing for the administration of adopted reliability standards.”

1.2 Mandatory Reliability Standards Rules of Procedure

On June 4, 2009, the BCUC issued Order G-67-09 specifying that entities subject to reliability standards (Entities) must register with the BCUC. By Order G-123-09, the BCUC adopted the Rules of Procedure for Reliability Standards in British Columbia (BC ROP) including Appendix 1 to the BC ROP, being the Registration Manual for BC Mandatory Reliability Standards (Registration Manual). The BCUC approved the most recent revisions and updates to the BC ROP including the Registration Manual by Order R-40-17 dated September 1, 2017. The Registration Manual states that Entities are required to be registered and comply with BCUC-adopted Reliability Standards in BC if, among other things, they perform a function identified in Section 2.1.2 of the Registration Manual.

In accordance with the administration agreement (Administration Agreement) between WECC and the BCUC, dated October 8, 2009, and most recently renewed on July 5, 2019, the BCUC appointed WECC as the BCUC’s Administrator for the MRS Program. WECC’s role as BCUC’s administrator includes making recommendations to the BCUC regarding the technical ability of an Entity to perform particular functions.

1.3 Regulatory Process for the Transmission Planner Function

By Orders R-8-22 and R-23-22, the BCUC invited intervener registration for this proceeding. BC Hydro, FortisBC Inc. (FBC), Movement of United Professionals (MOVEUP), the Commercial Energy Consumers Association of British Columbia (CEC), the Residential Consumer Intervener Association (RCIA) and Cape Scott Wind LP (CSWLP) registered as interveners (Interveners).

On June 27, 2022, WECC filed results to the TP mapping exercise and identified gaps related to Generator Owner (GO) and Distribution Provider (DP) Entities not having an accepted TP mapping (TP Report). One round of information requests was issued to Interveners and WECC from the BCUC and other Interveners to address the TP Report. Subsequently, the BCUC established a process for BC Hydro written submissions, other Intervener responses and BC Hydro reply.

On January 26, 2023, the BCUC held a Streamlined Review Process (SRP) to gain clarity on the interpretations of the TP role and to understand the risks and responsibilities involved. WECC, BC Hydro, FBC, CSWLP and RCIA were in attendance. During the SRP, BC Hydro submitted that Catalyst Paper Powell River (Catalyst) is currently the only outstanding TO that requires a TP mapping.

BCUC staff issued a letter to Catalyst inviting it to submit comments related to BC Hydro's proposals at the SRP. On February 23, 2022, Catalyst filed a letter of comment.

By March 3, 2022, CSWLP, BC Hydro, RCIA, FBC and CEC filed responses to BC Hydro's submissions during the SRP and final arguments for the TP phase of the proceeding.

2.0 BC Hydro's Proposed Path Forward

During the SRP, BC Hydro recommended the BCUC to take the following actions (Path Forward):¹

1. Request WECC to conduct another TP mapping exercise in BC;
2. Amend Section 3.1 of the Registration Manual to include the TP function, enabling assignment of compliance responsibility to other Entities registered as TPs; and
3. Request WECC to work with appropriate parties to determine the necessary activities and set out an implementation timeline for BC Hydro to accept mapping request(s) from TOs, which at this time is limited to one to be submitted by Catalyst.

BC Hydro states that if the BCUC were to request WECC to conduct another TP mapping exercise, it would be prepared to accept the mapping requested from Entities registered as GOs and DPs.² BC Hydro states that for TOs, it requests the opportunity to come to an agreement that would address additional tasks, responsibilities and costs for services related to the TO/TP relationship.³ Currently, Catalyst is the only registered TO without an accepted TP mapping.

BC Hydro recommends amendments to the Registration Manual which will allow an Entity registered as a TO to also register as a TP which will then enable it to assign compliance responsibility for standards and requirements applicable to TPs to another registered TP.⁴ BC Hydro views the lack of reference to a TP (as opposed to references to TO) in Section 3.1 of the Registration Manual does not currently allow TPs to assign compliance responsibility to each other.⁵

In order to facilitate coordination of compliance responsibilities, BC Hydro refers to a Coordinated Functional Registration (CFR) approach which enables Entities to enter into agreements that assign compliance responsibility for certain standards and requirements rather than assigning compliance responsibility for the TP function as a whole.⁶ WECC notes that CFRs are used in the United States but it does not accept the agreements

¹ Exhibit C2-14, p. 3.

² Exhibit C2-14, pp. 5-6; SRP Transcript Volume 1, p. 24.

³ Exhibit C2-14, p. 14.

⁴ Exhibit C2-14, p. 3.

⁵ SRP Transcript Volume 1, p. 58.

⁶ Exhibit C2-14, p. 8. SPR Transcript Volume 1, pp. 60-61.

and only reviews them to know and understand which Entities are responsible for specific compliance obligations during its monitoring processes.⁷

3.0 Intervener Submissions

3.1 Response to BC Hydro's Proposed Path Forward

In Catalyst's letter of comment dated February 23, 2023, it states that it would agree to a negotiated settlement on the condition that a three-party agreement is coordinated with BC Hydro and Powell River Energy Inc. (PREI), the registered Generator Owner/Operator and the only other registered Entity on the Powell River system. Catalyst states that the point of interconnection, the 3 km transmission line associated with its TO registration that connects to BC Hydro's portion of the Bulk Electric System (BES), is jointly owned by Catalyst and PREI and both Entities are also signatories to the Transmission Interconnection Agreement with BC Hydro. Catalyst states that it is idle with a skeleton staff on site, whereas PREI continues to operate normally and needs to maintain registration regardless of their respective operating state. Accordingly, their capacity needs to be addressed in a tripartite agreement involving all three parties.⁸

CSWLP, RCIA, FBC and the CEC support BC Hydro's proposed Path Forward. CSWLP believes the Path Forward is a reasonable and appropriate way of addressing the issues surrounding the TP mapping as it relates to GO Entities.⁹ RCIA supports the Path Forward including BC Hydro's proposal to accept TP mapping requests from GOs and DPs, BC Hydro's request to amend Section 3.1 of the Registration Manual and BC Hydro's request to adopt the CFR model.¹⁰ FBC agrees with Recommendations 1 and 2 in BC Hydro's proposed Path Forward, has no objection to Recommendation 3 and expects a similar agreement process would apply to any TO/TP wishing to map to any Entity.¹¹ The CEC recommends that the BCUC accept the proposed Path Forward as laid out in BC Hydro's submissions during the SRP.¹²

3.2 Procedural Next Steps

CSWLP notes that BC Hydro's proposed Path Forward provides a starting point for TO Entities currently not mapped to a TP to begin working toward a solution, but that the proposed Path Forward does not on its own fully resolve the issue of whether the entire BES in BC is covered by a TP. Therefore, CSWLP believes that the further regulatory process for the review of the PC function should not resume until all Entities in BC required to map to a TP have successfully done so.¹³

The CEC submits that it could be simpler and clearer for all involved if the whole mapping process is finalized before the PC issues are dealt with and recommends that the BCUC conclude the mapping portion of the proceeding prior to commencing the examination of the PC issues.¹⁴

⁷ SRP Transcript Volume 1, p. 61.

⁸ Exhibit E-1, p. 1.

⁹ CSWLP Final Argument, p. 1.

¹⁰ RCIA Final Argument, pp. 1-2.

¹¹ FBC Final Argument, pp. 2-3.

¹² CEC Final Argument, p. 1.

¹³ CSWLP Final Argument, pp. 1-2.

¹⁴ CEC Final Argument, p. 12.

RCIA views that it is not necessary to await the outcome of negotiations between BC Hydro and Catalyst with respect to Catalyst's transmission facilities and associated roles.¹⁵

FBC submits that the TP mapping process with respect to GOs and DPs should be allowed to come to its conclusion in parallel with the further steps to address the PC issues. FBC initially suggested that the TP mapping process with respect to TOs should be completed before turning to the remainder of the PC-related regulatory process. However, given the perspectives that Catalyst has provided as part of its letter of comment dated February 23, 2023, FBC is not as concerned with completion of the mapping process vis-à-vis Catalyst before taking next steps in the PC issues review regulatory process.¹⁶

BC Hydro and FBC state that they are carrying out discussions on how to undertake the next phase of the PC issues review regulatory process. As the only TPs registered in BC, both BC Hydro and FBC recommend that the BCUC give them three months to file a joint update of the discussions on the possibility for a proposal on how the PC function would coordinate with TPs.¹⁷

Panel determinations

The Panel agrees with the Interveners and finds that BC Hydro's proposed Path Forward is a reasonable approach to addressing the current gaps related to the TP function as identified in WECC's TP Report. The Panel determines that WECC should initiate another TP mapping exercise to allow BC Hydro to accept or reject TP requests from interconnected GOs and DPs.

With respect to Catalyst, the sole outstanding TO, the Panel determines that it is appropriate for BC Hydro, Catalyst and PREI to come to an agreement regarding the compliance responsibilities of the TO/TP relationship. The Panel finds that WECC's assistance would be beneficial to all parties given the unique operational set up of the Powell River System, and recommends that the BCUC request WECC to assist the parties in determining the requirements for BC Hydro to integrate the TO function. The Panel directs BC Hydro to provide a proposed implementation timeline along with a schedule of activities to undertake to accept or reject the TP mapping request from Catalyst and/or PREI for review by the BCUC and WECC within 90 days of the date of this order.

Given that no Interveners have raised any concerns with BC Hydro's recommendation to amend Section 3.1 of the Registration Manual, the Panel recommends that the BCUC consider including the TP for assignment of compliance responsibility in a separate future proceeding to review potential revisions to the BC ROP. The Panel views any revisions to the BC ROP, including the Registration Manual, should not take place within this proceeding since all Entities potentially impacted by changes to the BC ROP should have the opportunity to participate in a separate future proceeding to review such changes.

The Panel agrees with CSWLP and CEC regarding procedural next steps so the proceeding will not move forward to the PC phase until the TO/TP mapping with Catalyst and PREI is addressed. This phase of the proceeding has dealt with the gaps identified in the TP Report. The Panel views that in order to move forward with the implementation of the PC function in BC, all Entities registered as GOs, DPs and TOs are required to have a mapped TP. Therefore, until the outstanding TO has an accepted mapping of a TP which addresses the existing gaps, the process to address the PC function cannot move forward.

The Panel acknowledges that BC Hydro and FBC are currently in discussions about the roles and responsibilities between the TPs and potential PC(s) for BC and welcomes any updates or proposals resulting from those

¹⁵ RCIA Final Argument, p. 2.

¹⁶ FBC Final Argument, pp. 4-5.

¹⁷ BC Hydro Final Argument, p. 2. FBC Final Argument, p. 5.

discussions. In the meantime, the Panel will determine the next phase of the current proceeding once the gaps in the TP portion are resolved to our satisfaction.