



ORDER NUMBER
R-56-23

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 December 20, 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 raised 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;
- B. 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 related PC Issues;
- C. On July 15, 2022, the Administrator of the Mandatory Reliability Standards Program, the Western Electricity Coordinating Council (WECC), filed a report with the BCUC regarding the results of the Transmission Planner (TP) mapping exercise (TP Report). The TP Report identifies gaps with Entities having no functional relationships to a registered TP, specifically BC Hydro, which could result in failure to coordinate and exchange planning information as specified in the adopted Mandatory Reliability Standards;
- D. On January 26, 2023, the BCUC held a Streamlined Review Process (SRP) to address issues pertaining to the Transmission Planner mapping, with WECC, FBC, BC Hydro, RCIA and CSWLP in attendance. At the SRP, BC Hydro proposed a path forward for next steps in this proceeding (Path Forward);
- E. 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 this proceeding;

- F. On February 23, 2023, Catalyst Paper Powell River Division (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 its situation at Powell River with Powell River Energy Inc. (PREI), jointly owning the transmission asset;
- G. By March 3, 2023, CSWLP, FBC, BC Hydro, RCIA and CEC filed submissions on regulatory next steps to pursue the implementation of a PC(s) in the province and final arguments for the TP phase of this proceeding;
- H. After considering the letters of comment, the BCUC issued Order R-11-23 dated April 4, 2023, directing WECC to initiate another TP mapping exercise and establishing a further regulatory timetable for BC Hydro proposals to accept or reject TP mapping requests;
- I. On June 30, 2023, WECC submitted the results of the latest TP mapping exercise which indicated that BC Hydro had accepted TP mapping requests from the Entities that submitted such request, with the exception of PREI;
- J. On July 4, 2023, BC Hydro filed its proposed implementation timelines to accept or reject the TP mapping request from Catalyst and/or PREI (Implementation Proposals). BC Hydro submits that Catalyst is in the process of selling the assets at its site. The Implementation Proposals include four options that Catalyst may choose to pursue contingent on the sale of its assets;
- K. By Order R-39-23 dated July 24, 2023, the BCUC issued a further regulatory timetable for BC Hydro and Catalyst's submissions on the Implementation Proposals;
- L. On September 29, 2023, Catalyst filed its submission stating that its preferred approach is to have an agreement with PREI to include the transmission lines and associated equipment in its Generator Owner footprint; however, PREI does not support such an agreement;
- M. On September 29, 2023, BC Hydro filed its submission in response to Catalyst stating that the Transmission Owner is accountable for ensuring there is a TP and therefore submits that Catalyst be registered as a TP for its transmission system and assume compliance responsibilities associated with that function;
- N. By Order R-51-23 dated October 11, 2023, the BCUC established a further regulatory timetable for WECC to make a recommendation regarding TP registration for Catalyst and Catalyst's response;
- O. On October 27, 2023, WECC filed its recommendation stating that under these circumstances, it would typically recommend Catalyst to be registered to perform the TP function for its facilities, effective May 31, 2021;
- P. On November 17, 2023, Catalyst submitted its response stating that the mill was permanently closed on August 16, 2023 and that it was unfair that a closed site that is not generating any revenue should incur the regulatory burden to facilitate PREI's energy and BC Hydro's transmission revenues; and
- Q. The BCUC has considered all the submissions filed in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to section 125.2(10) of the *Utilities Commission Act* and for the reasons for decision set out in Appendix B to this order, the BCUC orders as follows:

1. Catalyst is registered as a transmission planner for its own transmission assets, effective May 31, 2021.

2. Catalyst is granted six months from the date of this order to develop and implement processes to comply with reliability standards associated with its transmission planner function.
3. A further regulatory timetable is established as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of December 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 (2024)
Registered Transmission Planners' proposals on implementation of one or more Planning Coordinator(s) for the province	Tuesday, April 2
Intervener comment on proposals	Wednesday, May 1
Further 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

By Order R-51-23 dated October 11, 2023, the British Columbia Utilities Commission (BCUC) issued a regulatory timetable seeking a registration recommendation from the Western Electricity Coordinating Council (WECC) for Catalyst Paper Powell River Division (Catalyst) as the Transmission Planner (TP) for its Transmission Owner and Operator assets.

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; the Registration Manual for BC Mandatory Reliability Standards (MRS) (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 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 or obligation of an Entity to perform particular reliability functions.

1.3 Regulatory Process

In the reasons for the decision to Order R-11-23 dated April 4, 2023, the Panel agreed with interveners in this proceeding that the review of the Planning Coordinator (PC) function cannot move forward until the Transmission Owner/TP mapping with Catalyst and Powell River Energy Inc. (PREI) is addressed. Subsequently, the Panel requested Catalyst and the British Columbia Hydro and Power Authority (BC Hydro) to propose an approach in which an appropriate TP would be mapped to Catalyst and PREI.

On July 4, 2023, BC Hydro stated that Catalyst was in the process of selling the assets on the site and submitted the following four options that Catalyst could pursue:¹

- 1) Catalyst, as Transmission Owner, registers as TP and performs the TP function itself;
- 2) Catalyst, as Transmission Owner, registers as TP and hires an external service provider, such as BC Hydro or a consulting firm, to perform the TP function;
- 3) Catalyst, as Transmission Owner, registers as TP, the BCUC issues an order to enable the assignment of TP compliance responsibility in this specific case, and BC Hydro and Catalyst enter into an agreement for the assignment of compliance responsibility for TP; or
- 4) PREI, as Generator Owner, and Catalyst reach an agreement to enable PREI to include the lines and associated equipment in their MRS footprint so that no TP function is required.

On September 27, 2023, Catalyst stated its preferred approach was option 4 but were unable to come to an agreement with PREI.² PREI confirmed that it opposed option 4 and stated that since it believed the TP function belonged with Catalyst, it had not been performing that function and is not equipped with the information or capacity to take on that function.³ PREI also provided that it supports option 1 as it views Catalyst as the only logical entity to assume the compliance responsibilities associated with the TP function.⁴

2.0 Transmission Planner Registration Recommendation

On October 27, 2023, WECC filed its recommendation stating that it would recommend that Catalyst be registered to perform the TP function for its facilities. WECC explains that while it would be beneficial for BC Hydro to perform the TP function, as it is currently registered as Reliability Coordinator and TP and currently collecting data from a wide area view, Catalyst and BC Hydro have not entered into an agreement to perform that function on Catalysts' behalf; therefore, Catalyst should be registered to perform the TP function for its facilities. WECC recommends the TP registration for Catalyst be effective May 31, 2021, the date when Catalyst's Transmission Operator function went into effect.⁵

On November 17, 2023, Catalyst submitted its response to WECC's recommendation, stating that it was frustrated with the lack of support from BC Hydro or PREI to volunteer to perform the Transmission Owner / Transmission Operator functions for the site but recognizes that there is no requirement for them to do so. Catalyst states that the mill site has not been in operation since December 2021 and was permanently closed on August 16, 2023. Catalyst contends that it is unfair that a closed site, which is not generating any revenue, should incur the regulatory burden to facilitate PREI's energy and BC Hydro's transmission revenues. Catalyst suggests, in consideration of a Memorandum of Understanding between the province and the Tla'amin Nation, that the BCUC give the Tla'amin Nation an opportunity to provide its perspective on the regulatory administration associated with the Tiskwat site on which Catalyst's transmission facilities are located.⁶

¹ Exhibit C2-16, p. 2.

² Exhibit E-1-1, p. 1.

³ Exhibit E-2, p. 2.

⁴ Exhibit E-2, p. 2.

⁵ Exhibit A2-13, pp. 1-2.

⁶ Exhibit E-1-2, p. 1.

Panel Determination

The Panel accepts WECC's recommendation to register Catalyst as TP for its own transmission facilities, effective May 31, 2021. As owner of its transmission facilities, Catalyst remains responsible for the compliance obligations under the MRS Program. The Panel understands that the Tiskwat site is not operating, and is sympathetic to Catalyst's concerns, but nevertheless determines that the compliance responsibilities fall on Catalyst as the current owner of the transmission facilities in accordance with the requirements of the MRS Program. Notwithstanding these findings, we strongly urge BC Hydro and PREI, as affected stakeholders, to communicate and collaborate in the sharing of information with Catalyst in carrying out the latter's responsibilities as TP of its transmission facilities. It is in the interest of all parties that this is done effectively for the benefit of the overall electricity grid in British Columbia. Given these circumstances, the Panel is granting Catalyst, as the TP for its transmission facilities, six months from the date of this order to develop and implement the necessary processes to comply with applicable reliability standards.

The Panel finds that submissions from the Tla'amin Nation are not necessary in this proceeding as Catalyst is the current owner of the transmission facilities within the scope of the TP registration. Once the sale of the Tiskwat site has been finalized, the BCUC will review any application for potential changes to Catalyst's registration at that time.

3.0 Further Regulatory Process

By Order R-5-23, the BCUC requested submissions from interveners in this proceeding proposing regulatory next steps for the review of the PC function. BC Hydro submitted the following key questions that should be addressed to implement the PC role in the province (PC Issues):⁷

1. Whether a single PC model or multiple PC model is desirable and feasible for the province; and
2. Which entity or entities should register as a PC in BC and what footprint area those registrations should cover.

BC Hydro submitted its views that BC Hydro and FortisBC Inc. (FBC), as the only registered TPs at the time, would be impacted by determinations made with respect to the PC function. Therefore, BC Hydro proposes the BCUC give it and FBC three months to resume and carry out discussions to try to come to an aligned recommendation with respect to the PC(s) roles in the province. BC Hydro stated that these discussions would focus on developing principles for the roles and responsibilities between PC(s) and TPs for current and future PC related standards for a one PC model for the province. Following these discussions, BC Hydro and FBC would report on the progress made and outcomes achieved, including a joint recommendation for the PC function and proposed next regulatory steps.⁸

FBC submitted that BC Hydro's proposal aligns with FBC's views as the only registered TPs (at the time) and recommends that the BCUC allow BC Hydro and FBC time to discuss and develop a proposal for BCUC review to implement the PC function in BC and provide an update on the proposal progress after three months. Following the filing of final proposals by BC Hydro and FBC, there will be an opportunity for interveners to file information requests (IRs), written arguments or alternatively, seek oral process. Further to the PC Issues, and in order for the BCUC and MRS registered entities to be assured that having either a single PC, or BC Hydro in that role, is or remains workable, FBC submitted the following to be addressed by both FBC and BC Hydro:⁹

⁷ BC Hydro Reply to Letter of Comment in the MRS PC Assessment Report Proceeding, dated October 8, 2023, p. 9.

⁸ BC Hydro Final Arguments, dated March 3, 2023, p. 2.

⁹ FBC Final Arguments, dated March 3, 2023, pp. 5-6.

- How a single PC, which is itself among the TPs it coordinates, would ensure impartial, fair and transparent decision making by which its own TP interests are not favoured; and
- How to determine the allocation of work that either the PC and/or TP could perform as identified by MRS reliability standard requirements.

The Residential Consumer Intervener Association (RCIA) submitted a process that includes one round of IRs to explore the implications of a single PC compared to multiple and further regulatory steps as determined necessary by the BCUC to determine the number of PC(s) and who they are. RCIA notes that it does not expect to file evidence but would value an opportunity to make submissions based on responses to IRs. RCIA also proposes the last phase in the proceeding needs to address the implementation plan and cost allocation of implementing the PC.¹⁰

Panel Determination

The Panel determines that a further regulatory timetable is warranted to review the PC Issues. The regulatory timetable includes submissions by currently registered TPs for implementation proposals of the PC function in the province followed by intervener comments on those proposals. As proposed by BC Hydro and FBC, the Panel is granting a three month timeline for registered TPs to develop aligned implementation proposals for the PC function. Submissions should address the following:

- Whether TPs are in agreement with a single PC model for the province and if so, why, and if not, why not;
- Views on whether one entity should carry out the PC role, and whether BC Hydro is the most appropriate entity to do so and why or why not;
- Proposals regarding principles and/or mandates on coordination between TPs and the PC(s); and
- Any other relevant information on implementation of one or more PC(s) in the province.

After submissions from TPs, interveners will have the opportunity to comment on the proposals and make submissions on next steps based on the regulatory timetable established in this proceeding.

¹⁰ RCIA Final Arguments, dated March 3, 2023, p. 3.