

SECOND AMENDED ADMINISTRATION AGREEMENT  
BETWEEN  
THE BRITISH COLUMBIA UTILITIES COMMISSION  
AND  
THE WESTERN ELECTRICITY COORDINATING COUNCIL

This SECOND AMENDED ADMINISTRATION AGREEMENT (Agreement) has been entered into by the BRITISH COLUMBIA UTILITIES COMMISSION (the BCUC), a regulatory commission established under the laws of British Columbia, Canada and continued under the Utilities Commission Act, R.S.B.C. 1996, c.473 (UCA) and the WESTERN ELECTRICITY COORDINATING COUNCIL (WECC), a Utah non-profit corporation organized under the laws of Utah, United States of America (collectively, the Parties).

RECITALS

- A. Reliability of the electric powersystem has long been a priority in the Province of British Columbia. British Columbians have been engaged with reliability efforts and have been working with WECC, the North American Electric Reliability Corporation (NERC), and their various predecessors for decades.
- B. Pursuant to the UCA, the BCUC is authorized to appoint or engage persons who have special or technical knowledge necessary to assist the BCUC in carrying out its functions. Since October 2009, when the Parties entered into an Administration Agreement (Original Administration Agreement), the BCUC has retained WECC and will continue to engage WECC to assist the BCUC with respect to (1) functional registration of British Columbia entities; and (2) monitoring compliance with the BCUC-approved Reliability Standards. The BCUC is not engaging WECC with respect to enforcement or other matters that are to be addressed solely by the BCUC, however WECC does provide recommendations with respect to enforcement.
- C. Since October 2009, WECC has served as the Administrator in the administration of the Mandatory Reliability Standards Program (MRS Program) in British Columbia.
- D. This Agreement recognizes that the BCUC desires that WECC should continue to serve as the Administrator for British Columbia.
- E. WECC will continue to assist the BCUC by performing (1) functional registration recommendations of British Columbia Entities; and (2) compliance monitoring activities and enforcement recommendations of entities subject to the BCUC-approved Reliability Standards.

## **AGREEMENT**

In consideration of the mutual covenants and agreements herein contained, the Parties hereby agree as follows:

### **1. SCOPE OF AUTHORITY**

The BCUC grants WECC the authority to act as the BCUC's Administrator in the administration of the MRS Program in British Columbia. This grant of authority is restricted to the actions and obligations specified in the BCUC Rules of Procedure (Rules of Procedure), including the Registration Manual, Compliance Monitoring Program, Penalty Guidelines, and as otherwise ordered by the BCUC. WECC shall have the authority to issue notices, request documents, and interview employees from Entities on behalf of the BCUC. WECC shall make recommendations to the BCUC regarding a violation(s) of the Reliability Standard(s), but shall not determine the disposition of a violation of the BCUC-approved Reliability Standards. WECC shall not require any action by an Entity in British Columbia outside of the Administrator role described in this Agreement and the Rules of Procedure.

Nothing in this Agreement delegates any of the BCUC's statutory jurisdiction to WECC. The BCUC is engaging WECC as an entity having special or technical knowledge necessary to assist the BCUC in carrying out its obligations under the UCA. WECC is only being retained to the extent contemplated in this Agreement.

This Agreement shall not in any way constitute a delegation of any BCUC authority to confirm a violation or enforce compliance with the BCUC-approved Reliability Standards or create a partnership or agency between WECC and the BCUC. WECC shall not be deemed to be the legal representative of the BCUC for this Agreement. The trade names and trademarks of each party shall remain the separate and sole property of that individual party.

Nothing in this Agreement reduces the authority WECC may have, independent of this Agreement, as the Regional Entity for the Western Interconnection. Neither does this Agreement impose any restrictions on WECC activities or operations in the United States of America, Mexico, and Alberta, Canada.

### **2. PROVISION OF SERVICES**

WECC shall follow the Rules of Procedure and applicable Orders of the BCUC, when acting as the BCUC's Administrator. WECC shall provide all necessary notices, reports, summaries, and other program documents to the BCUC for review and approval, as required by this Agreement and the Rules of Procedure, or as otherwise ordered by the BCUC.

## **2.1 ADMINISTRATION OF THE BCUC-APPROVED RELIABILITY STANDARDS**

**WECC shall assist the BCUC in the day-to-day administration of the BCUC-approved Reliability Standards, as set out in the Rules of Procedure.**

## **2.2 REGISTRATION OF ENTITIES**

**WECC shall assist the BCUC in the day-to-day administration of registration recommendations, as set out in the Registration Manual.**

## **2.3 MONITORING COMPLIANCE**

**WECC shall assist the BCUC in the day-to-day compliance monitoring and enforcement recommendations of Entities, as set out in the Compliance Monitoring Program.**

**WECC may develop further policies, procedures, guides, checklists, or other documents necessary to carry out: 1) the Rules of Procedure; 2) functional registration recommendations in an efficient manner, in a form consistent with the Rules of Procedure and the Registration Manual; 3) compliance monitoring in an efficient manner, in a form consistent with the Rules of Procedure and the Compliance Monitoring Program; and 4) in providing enforcement recommendations regarding violations in a form consistent with the Rules of Procedure and the Penalty Guidelines. WECC shall submit any such policies, procedures, guides, checklists, or other documents to the BCUC for review and approval before use by WECC. WECC shall make materials relating to the administration of registration and compliance monitoring available on its website.**

**WECC shall draft and submit an annual Implementation Plan (Plan) for the following calendar year to the BCUC for review and approval. The draft Plan shall meet the requirements of the Rules of Procedures, generally, and specifically identified requirements in the Compliance Monitoring Program. The BCUC will review the Plan and either approve the Plan or request changes to the Plan.**

**Information meeting the definitions of Confidential Information or Personal Information in the Rules of Procedure must be handled in accordance with the Rules of Procedure and Section 3 of this Agreement.**

### **2.3.1 Compliance Audits**

**WECC shall perform Compliance Audit activities for, and as directed by, the BCUC in a manner consistent with the Compliance Monitoring Program and a BCUC-approved Implementation Plan. WECC may employ Audit Guidelines to facilitate the Compliance Audit process, or as otherwise ordered by the BCUC.**

**2.3.1.1 WECC shall provide the Entity with advanced notice of an audit as specified in the Compliance Monitoring Program.**

**2.3.1.2 WECC shall designate a Compliance Audit Team for each audit. Unless otherwise ordered by the BCUC, the Compliance Audit Team shall be:**

- i. Comprised of at least one employee of WECC, but may include contractors and other industry experts to comprise a sufficient Compliance Audit Team; and**
- ii. Led by a WECC employee.**

### **2.3.2 Self-Certification**

**WECC shall implement and maintain the Self-Certification program for, and as directed by, the BCUC. WECC shall develop a Self-Certification reporting schedule for approval by the BCUC, develop Self-Certification submittal forms, and receive compliance Information and attestation from Entities.**

### **2.3.3 Spot-Checks**

**WECC shall conduct Spot -Checks for, or as directed by, the BCUC. If WECC has reason to believe that a Spot-Check is necessary, WECC shall advise the BCUC of intention to carry out a Spot-Check.**

### **2.3.4 Compliance Violation Investigations**

**WECC shall conduct Compliance Violation Investigations for, and as directed by, the BCUC. If WECC has reason to believe that a Compliance Violation Investigation should be initiated, WECC shall coordinate with and seek the approval of the BCUC to initiate an investigation.**

### **2.3.5 Self-Reports**

**WECC shall receive and process Self-Reports by Entities for, and as directed by, the BCUC. WECC shall ensure that the submittal forms for Self-Reports are maintained and available via the applicable electronic data submittal platform on its website.**

### **2.3.6 Periodic Data Submittals**

**WECC shall implement and maintain the Periodic Data Submittal process for, and as directed by, the BCUC. WECC shall ensure that the submittal forms for the BCUC-approved Reliability Standards being evaluated are maintained and available via the applicable electronic data submittal platform on its website.**

### **2.3.7 Complaints**

**WECC shall conduct any further activities for, and as directed by, the BCUC in**

response to a Complaint received by the BCUC regarding compliance with the BCUC-approved Reliability Standards.

#### **2.4 MITIGATION PLANS**

After a confirmation of a violation by the BCUC, WECC shall monitor the Entity's implementation of and compliance with any Mitigation Plan and shall maintain a record containing information for each Mitigation Plan, as set forth in the Compliance Monitoring Program.

#### **2.5 REMEDIAL ACTION DIRECTIVES**

WECC may recommend the BCUC issue a Remedial Action Directive to protect the reliability of the Bulk Power System from an Imminent threat.

Following the issuance of a Remedial Action Directive by the BCUC, WECC shall complete the assessment of the Entity's compliance with the Remedial Action Directive. WECC shall maintain a record and notify the BCUC for each Remedial Action Directive as per the Compliance Monitoring Program or as directed by the BCUC.

#### **2.6 WECC STAFFING WECC**

shall:

- I. Provide technically trained staff to implement and administer the BCUC-approved Reliability Standards as outlined in the Rules of Procedure and Orders of the BCUC;
- II. Maintain adequate staffing proficient on the Rules of Procedure; and
- iii. Make available for a Hearing, If required by the BCUC, staff or other Individuals retained by WECC to assist the BCUC Staff or provide evidence as requested.

#### **2.7 WEBSITES**

WECC shall maintain a website available to the BCUC and all Entities. The website shall provide access to information and documentation related to BCUC's MRS Program for BCUC-approved Reliability Standards.

The BCUC shall provide a link to the WECC website on the BCUC's website.

#### **2.8 RECORDS RETENTION POLICY**

WECC shall develop and maintain a records retention policy that meets the minimum time required to maintain the BCUC documentation. WECC shall make a copy of its records retention policy available to the BCUC.

### **3. CONFIDENTIAL, RESTRICTED, AND PERSONAL INFORMATION**

As defined in the BCUC Rules of Procedure, certain information may be designated as Confidential Information, Personal Information, or Restricted Information.

#### **3.1 OBLIGATION TO PRESERVE CONFIDENTIALITY:**

WECC shall take all necessary precautions to maintain the confidentiality of Confidential Information received from Disclosing Parties and in so doing shall not, even under conditions of confidence, make available, disclose, provide or communicate Confidential Information to a third party except as provided under the Rules of Procedure.

##### **3.1.1 Confidentiality During Compliance Monitoring Process**

WECC may not, except with prior BCUC approval, disclose to an Entity or any third party any portion of a document that:

- i. Contains privileged legal advice obtained by WECC while carrying out its mandate under this Agreement;
- ii. Would potentially identify a source, including a governmental or regulatory authority or a self-regulatory organization, that furnished Information or was furnished Information on a confidential basis regarding an investigation, an examination, an enforcement proceeding, or any other type of civil or criminal enforcement action; or
- iii. The BCUC, for any reason, directs must not be disclosed to an Entity or any third party.

#### **3.2 REQUESTS BY NERC OR FOREIGN GOVERNMENT AGENCIES**

WECC shall not disclose Information obtained while carrying out its responsibilities under this Agreement, including but not limited to Personal and Confidential Information, to foreign government agencies, except as ordered or permitted by the BCUC, or under compulsion of law applicable to WECC. WECC shall immediately advise the BCUC and an Entity who has provided Information to WECC if that Information in WECC's possession has been requested by a foreign government agency, unless the law applicable to WECC prohibits WECC from even disclosing that it has received such a request.

In 2018, BCUC, WECC and NERC entered into a Memorandum of Understanding (MOU) that recognizes WECC and NERC may share data related to BC compliance

activities. In accordance with the MOU, this Agreement recognizes that NERC may have access to or routinely receive Information obtained by WECC while carrying out its responsibilities under this Agreement, provided that Restricted Information shall be handled as provided for elsewhere in this Agreement.

### **3.3 INADVERTENT DISCLOSURE TO THIRD PARTY**

In the event that Confidential Information in the course of carrying out its responsibilities under the Rules of Procedure is disclosed inadvertently by WECC to a third party, WECC shall request the third party to destroy, delete or return any originals or copies. WECC must also advise the Disclosing Party and the BCUC of any inadvertent disclosure immediately upon identification of the inadvertent disclosure.

### **3.4 ACCESS BY EMPLOYEES, CONTRACTORS AND AGENTS**

WECC officers, trustees, directors, employees, subcontractors and subcontractors' employees and agents, retained for the purpose of carrying out responsibilities under the Rules of Procedure, are permitted to access Confidential Information as necessary to perform their roles. However, WECC must ensure that such individuals who have access to Confidential Information are aware of the provisions of the Rules of Procedure concerning Confidential Information and have executed a Confidentiality Agreement in a form approved by the BCUC.

### **3.5 ADDITIONAL RESTRICTIONS FOR PERSONAL INFORMATION**

Notwithstanding anything in this Agreement, the Rules of Procedure or a BCUC-approved Reliability Standard, Personal Information must be treated in accordance with the Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996, c.165. WECC must not remove Personal Information from British Columbia, and

Entities are not required to provide Personal Information to WECC if doing so would require the Entity to send Personal Information outside of British Columbia.

### **3.6 ADDITIONAL RESTRICTIONS FOR RESTRICTED INFORMATION**

For any information that is designated by the BCUC as Restricted Information, WECC shall either view such information at the offices of the Entity or the BCUC. WECC shall not remove Restricted Information from British Columbia, and Entities are not required to provide copies of Restricted Information to WECC if doing so would require the Entity to send Restricted Information outside of British Columbia.

WECC shall, subject to further order of the BCUC, destroy, delete or return to the Entity Restricted Information in its possession within one hundred twenty (120) Days of the BCUC determining whether or not to confirm an Alleged Violation, or the Entity's completion of a Mitigation Plan, whichever is later. WECC shall provide the Entity and the BCUC with ten (10) Days advance notice of the destruction or deletion of the Restricted Information so as to give the Entity the opportunity to seek further direction from the BCUC, if necessary. At the request of the Entity or the BCUC, WECC shall confirm, in writing, that all Restricted Information has been destroyed, deleted or returned to the Disclosing Party.

#### **4. BCUC ACKNOWLEDGMENTS AND OBLIGATIONS**

The BCUC and WECC acknowledge that the cost of WECC's services under this Agreement are covered by the funding paid by the British Columbia Hydro and Power Authority to WECC pursuant to section 11.1.2 of the WECC Bylaws. The BCUC shall pay to WECC an additional sum of \$10 dollars as consideration for services rendered to the BCUC under this Agreement.

The BCUC acknowledges that some British Columbia Entities that are members of WECC, have representatives on the WECC committees and participate in WECC processes and activities. The BCUC agrees that such engagement by British Columbia Entities with WECC does not constitute a conflict of interest in WECC's provision of services under this Agreement.

The BCUC acknowledges that WECC is not a prescribed generator, distributor, owner, operator or user of the Bulk Power System in British Columbia and WECC's activities as the Regional Entity for the Western Interconnection are not subject to BCUC jurisdiction relative to compliance under the BCUC-approved Reliability Standards.

The BCUC acknowledges that a change in the Rules of Procedure and in Interpretation Bulletins could significantly affect WECC's ability, costs and willingness to meet its obligations under the terms of this Agreement. The BCUC shall provide advance notice and discuss with WECC prior to approving any changes in the Rules of Procedure.

The BCUC acknowledges that timeliness of addressing the issues raised by WECC and associated recommendations could have significant implications on system reliability across the Western Interconnection. The BCUC shall establish processes that are intended to ensure these issues and WECC's recommendations are addressed in a timely manner. The BCUC shall establish a point of contact for the WECC within the BCUC and ensure that the person(s) is knowledgeable of the Rules of Procedure, the



BCUC-approved Reliability Standards and the associated BCUC processes.

## **5. INDEMNIFICATION**

WECC shall not be liable to any third -parties for any damages, losses, costs or expenses incurred due to WECC's activities under this Agreement and related to the administration of the BCUC-approved Reliability Standards and Rules of Procedure. The BCUC shall indemnify and defend WECC for all claims against WECC In relation to Its activities under this Agreement or related to the administration of the BCUC-approved Reliability Standards and Rules of Procedure; provided WECC has not acted with gross negligence or willful misconduct. WECC shall not be responsible for matters beyond its reasonable control.

## **6. TERM AND TERMINATION**

This Agreement shall continue for five (5) years from the date indicated below. This Agreement shall automatically renew for a subsequent five (5) year term unless a party provides written notice of termination 6 months prior to the initiation of the subsequent term. This automatic renewal option shall apply to all subsequent terms of this Agreement.

Either party may terminate this Agreement for any reason upon six (6) months written notice. In the event of a breach of any material provision of this Agreement, the non-breaching party shall be entitled to terminate this Agreement if the breach Is not corrected within thirty (30) Days of written notice of such breach given by the non-breaching party to the other.

This Agreement may be terminated unilaterally by the BCUC with less than six months' notice: (1) upon the issuance of an Order of the BCUC containing a finding that WECC breached this Agreement or (2) upon a change in the WECC's authority as a Regional Entity In the United States under Section 215 of the Federal Power Act (16 U.S.C. § 8240).

This Agreement may be terminated unilaterally by WECC with less than six months' notice if: (1) the BCUC materially modifies WECC's obligations under this Agreement through a modification to the Rules of Procedure; (2) WECC does not receive the funding from the British Columbia Hydro and Power Authority, referred to in Section 4 of this Agreement; or (3) WECC's authority to monitor compliance In the Western Interconnection as a Regional Entity is terminated by the Federal Energy Regulatory Commission.

In the event of a notice of termination or unilateral termination, the parties agree to meet within 30 days of the written notice of termination to work

together and negotiate in good faith the completion and orderly transition of responsibility for the Administrator activities under this Agreement Including but not limited to ongoing Investigations and the transfer of data and information. Any obligations of the BCUC and WECC under this Agreement shall survive and continue after any expiration or termination.

## **7. U.S LAW, U.S. RELIABILITY STANDARDS, AND NERC/WECC POLICIES AND PROCEDURES**

Provisions of U.S. legislation and U.S. Reliability Standards shall have no application, and are not enforceable, in British Columbia.

The policies, Rules of Procedure, functional registration manuals, and compliance monitoring and enforcement policies and procedures, and other documents of NERC and WECC In relation to U.S. Reliability Standards shall have no application In British Columbia except to the extent that they are expressly Incorporated by reference into the BCUC Rules of Procedure, the Registration Manual, the Compliance Monitoring Program, the Penalty Guidelines or otherwise adopted by British Columbia legislation or regulation or by an Order of the BCUC.

## **8. DISPUTE RESOLUTION**

A party must provide the other party with written notice setting out the nature of any dispute relating to the terms of this Agreement.

Upon receipt of a dispute notice, the Parties shall first attempt to resolve the dispute by negotiation. Each party shall promptly designate a representative to attempt to resolve the dispute. If, within ten (10) business days of the dispute notice, the Parties have been unable to resolve the dispute, the Chair of the BCUC and the Chief Executive Officer of WECC shall attempt to resolve the dispute.

If the dispute is still not resolved after thirty (30) Days of the dispute notice, either party may request the appointment of a mediator.

If the dispute remains outstanding after sixty (60) Days of the dispute notice, either party may submit the dispute to arbitration to be resolved in accordance with the following arbitration procedure:

- i. Any arbitration initiated pursuant to this Agreement shall be conducted in British Columbia before a three-member arbitration panel;
- ii. Each of the Parties shall choose one arbitrator who shall sit on the arbitration panel;

- iii. The two arbitrators so chosen shall within twenty (20) Days select a third arbitrator to chair the arbitration panel;
- iv. The arbitrators chosen for the arbitration panel shall be knowledgeable in electric utility matters and shall not have any current or past substantial business or financial relationships with any of the Parties, excluding prior arbitration;
- v. The arbitration panel shall provide each of the Parties an opportunity to be heard and, except as otherwise provided in this Agreement, shall conduct the arbitration in accordance with the Commercial Arbitration Act, R.S.B.C. 1996, c.55 and any successor legislation;
- vi. Unless otherwise agreed, the arbitration panel shall render a decision within ninety (90) Days of appointment and shall notify the Parties in writing of such decision and reasons therefor;
- vii. The decision of the arbitration panel shall be final and binding on the Parties and judgment on any award may be entered into any court having jurisdiction;
- viii. The decision of the arbitration panel may be appealed solely on the grounds that the conduct of the arbitration panel or the decision itself, violated the standards of the Commercial Arbitration Act, R.S.B.C. 1996, c.55 and any successor legislation; and
- ix. Each of the Parties shall be responsible for its own costs incurred during the arbitration, the cost of the arbitrator chosen by each of the Parties to sit on the arbitration panel and one half of the cost of the third arbitrator chosen.

## **9. MISCELLANEOUS**

9.1 This Agreement has been executed and delivered in a text using the English language and the English language text shall prevail in the interpretation, application, and construction of this Agreement.

9.2 By acknowledging and signing this Agreement where provided below, WECC accepts the terms and conditions of this Agreement.

9.3 The Parties acknowledge that the individuals executing this Agreement have the authority to bind their respective organizations.

9.4 This Agreement and any extension under Section 6 of the Agreement may be signed in counterparts which if read together shall constitute one and same Agreement and each counterpart may be delivered by electronic means, in which case such counterparts shall be deemed to be an original.

9.5 This Agreement may not be assigned by either party without the prior written consent of the other party, which consent may be arbitrarily withheld. Any purported assignment in contravention of this covenant shall be null and void and of no force or effect.

9.6 This Agreement constitutes the entire agreement between the Parties and may only be amended by written agreement executed by both of the parties.

9.7 If any term of this Agreement is held to be unenforceable, such term shall be severed from this Agreement and the remaining terms shall remain in force.

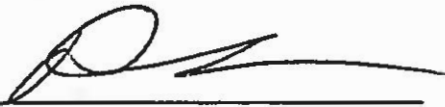
9.8 The terms defined in Section 2 of the Rules of Procedure are applicable in this Agreement and are incorporated by reference. Other terms used but not specifically defined in the Rules of Procedure, its appendices or in this Agreement are defined in the NERC Glossary of Terms Used in Reliability Standards, as adopted by the BCUC from time to time or otherwise have their commonly understood meanings in the electric power industry.

9.9 This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein.

9.10 The headings and captions in this Agreement are for convenience of reference only and shall not define, limit, or otherwise affect any of the terms or provisions hereof.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers as of JULY 05, 2019.

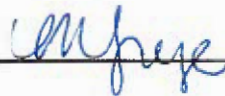
THE BRITISH COLUMBIA UTILITIES  
COMMISSION



DAVID MORTON CHAIR + CEO

JULY 05/2019

THE WESTERN ELECTRICITY COORDINATING  
COUNCIL



Melanie Sney, President + CEO

7-12-19