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November 18, 2016

Ms. Laurel Ross
Acting Commission Secretary
British Columbia Utilities Commission
Sixth Floor – 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Ross:

**RE: British Columbia Utilities Commission (BCUC or Commission)
British Columbia Mandatory Reliability Standards (MRS) Program
Rules of Procedure for Reliability Standards in BC, Appendix 1 (ROP)
British Columbia Hydro and Power Authority (BC Hydro) Reply Comments**

BC Hydro writes in compliance with the Commission letter dated October 25, 2016, to respond to the written submissions on the above matter by November 18, 2016.

The Commission letter dated August 16, 2016 initiated a process requesting comments in writing by no later than October 3, 2016 concerning proposed revisions to the MRS ROP. On September 26, 2016 BC Hydro provided its comments addressing a number of different aspects of the proposed MRS ROP. The following interested parties also submitted response:

- Association of Major Power Customers of BC (**AMPC**) dated October 3, 2016
- Canadian Electricity Association (**CEA**) dated September 26, 2016
- Catalyst Paper dated September 26, 2016
- FortisBC Inc. (**FortisBC**) dated September 27, 2016
- Shell Energy dated September 12, 2016

BC Hydro's reply comments below are organized by the issues raised by the interested parties in their submissions.

1 Comments related to Materiality

The AMPC submissions were substantially focused on their concern that the criteria setting out the requirement for an Entity to register are too general and lacked the necessary details for an Entity to evaluate its materiality as it applies to the reliability of the Bulk Electric System (**BES**).

BC Hydro is supportive of including more details relating to the registration process in the MRS Program and notes that the North American Electric Reliability Corporation's Rules of Procedure (**NERC ROP**) may be leveraged for details to ensure consistency between the MRS Programs, specifically:

Burden of Proof: BC Hydro notes the NERC ROP Appendix 5A (Organization Registration and Certification Manual) states that the burden of proof with respect to the materiality test, set forth in NERC ROP Appendix 5B (Statement of Compliance Registry Criteria), is on the entity making the request, i.e., the entity asking to be excluded from registration (despite satisfying threshold criteria) and the Regional Entity seeking to include an entity for registration (that does not satisfy the threshold criteria).

Materiality: BC Hydro notes that the NERC ROP Appendix 5B 'Notes to the Registry Criteria in Sections I-V' section references a non-exclusive set of factors for consideration to ensure a consistent approach to assessing materiality and that this framework is adopted in the proposed revisions to the B.C. MRS ROP.

Sub-set Lists: BC Hydro notes that NERC ROP Appendix 5A and 5B reference an option for an entity to be granted a sub-set of applicable Reliability Standards. BC Hydro is supportive of including a similar process in B.C.

2 Comments related to Technical Advisory Committee (TAC)

The AMPC and Catalyst submissions supported establishing a TAC.

BC Hydro agrees that while a TAC may be beneficial in providing the Commission with useful technical insight and opinions,¹ BC Hydro does not believe that a TAC is required to be tasked with determining and providing recommendations regarding materiality to the reliability of the BES. The Commission can leverage its Administrator (**WECC**) for insight regarding similar or consistent treatment in jurisdictions subject to NERC oversight. However BC Hydro submits that a detailed process regarding requests for deactivation of, or decisions not to register an entity that meets the registration criteria (refer to response [1](#) above) would document others' roles in the process (i.e., when/if the Balancing Authority or other pertinent entities would provide input).

¹ BC Hydro Comments on BCUC MRS Inquiry Commission Straw-Dogs No. 1, 2 and 3, January 31, 2013, page 7.

3 Comments related to Protection Systems

AMPC and Catalyst state in their submissions that a customer that owns, controls, or operates Facilities that are part of another Registered Entity's Under Voltage Load Shedding (**UFLS**), Special Protection System, Remedial Action Scheme or transmission protection system should not be required to be a Registered Entity.

BC Hydro does not agree with AMPC and Catalyst's submission on this matter. Per the BES definition, it is the equipment owners' (Protection System) responsibility to be compliant with the applicable Reliability Standards including maintenance of the protection elements. With the MRS ROP revision to allow for Distribution Provider (**DP**) with UFLS-Only assets, this will allow the DP to focus on a small scope of Protection and Control (**PRC**) Reliability Standards.

4 Comments related to the Planning Coordinator

In their submission Catalyst asked that additional information for the role of the proposed Planning Coordinator and the relationship with other Registered Entities in B.C. be provided.

BC Hydro notes that Reliability Standards applicable to the Planning Coordinator are held in abeyance. BC Hydro is currently evaluating the Planning Coordinator function for B.C. and the responsibilities associated with the role in the B.C. MRS Program.

5 Comments related to Assignment of Compliance Responsibility

Catalyst proposed in their submission that, as the registration manual is being revised, this would be an appropriate time to review the assignment of compliance responsibility, particularly as it applies to the function of a Transmission Operator (**TOP**) that is also a utility customer.

BC Hydro's notes that per the BES definition, it is the equipment operator's responsibility to be compliant with the applicable Reliability Standards including operating their transmission line. The transmission operating Reliability Standards cover topics such as adequate and reliable telecommunication facilities, etc. BC Hydro's Operating Orders are in place to facilitate interconnected operation and to describe the safety isolation procedures to be followed in order to work on the boundary equipment; they are not in place to "prohibit" an entity from operating their equipment. The coordination for equipment isolation and restoration is to ensure safety and once the line is energized, BC Hydro notifies certain utility customers that they can restore load at their convenience. It is BC Hydro's opinion that BC Hydro is not taking on the TOP function for the entity through these actions.

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BC Hydro is supportive of either a) an entity reviewing the TOP Reliability Standards to ensure the list is pertinent to their particular facility and applying for a subset list if applicable (refer to BC Hydro's response [1](#) above) or b) entering into a TOP Agreement with the entity to perform the TOP function for them.

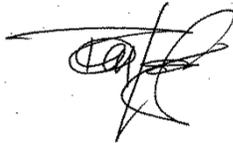
6 Comments related to other submissions

BC Hydro notes that CEA, Fortis BC and Shell's comments regarding the removal of the Purchasing-Selling Entity from the Registration Manual are in alignment with BC Hydro's submissions and has no comments.

The FortisBC submission regarding the removal of the Load Serving Entity, revisions to the Distribution Provider, and recommendation to use the NERC Risk-Based Registration (Phase I) Implementation Guidance as guidance for deactivation and deregistration are in alignment with BC Hydro's submissions and so have no comments.

For further information, please contact Geoff Higgins at 604-623-4121 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Tom Loski
Chief Regulatory Officer

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