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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-140-10**

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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

An Application by Catalyst Paper
for Registration as Responsible Entities for Certain Functions
Required for Compliance with Mandatory Reliability Standards

BEFORE: A.A. Rhodes, Commissioner September 16, 2010

O R D E R

WHEREAS:

- A. British Columbia Utilities Commission (Commission) Order G-123-09 approved the Registration Manual for entities subject to adopted Mandatory Reliability Standards and required that entities subject to the standards register with the Commission by December 31, 2009;
- B. The Registration Manual requires that the Western Electricity Coordinating Council (WECC), in its role as the Mandatory Reliability Standards Administrator, review and recommend registration for all applicable Entities and allow 21 days for Entities to provide comments to the Commission on WECC's recommendations;
- C. Commission Order G-67-09 adopted the North American Electric Reliability Corporation (NERC) Glossary of Terms in effect as of 12 February 2008 and the NERC functional Model version 3;
- D. On May 14, 2010, WECC recommended to the Commission that the Commission approve Catalyst Paper's (Catalyst) registration for the Crofton Division Entity, the Elk Falls Division Entity, the Port Alberni Division Entity and the Powell River Division Entity for the functions of Transmission Owner, Transmission Operator, Distribution Provider, and Load Serving Entity. In addition, WECC recommended that the Powell River Division register for the functions of Generator Operator and Generator Owner;
- E. On June 3, 2010, Catalyst wrote to the Commission stating that they believed all of Catalyst's facilities should be exempt from MRS because the High Voltage System was operated as a radial transmission system in the case of Crofton, Elk Falls, and Powell River and solely operated by British Columbia Hydro and Power Authority/British Columbia Transmission Corporation in the case of Port Alberni. In addition, Catalyst noted that the Elk Falls facility is indefinitely curtailed and requested that it be exempt until a final determination is made regarding its future;
- F. On June 24, 2010, WECC responded to Catalyst's letter of dispute. WECC disagreed with Catalyst's interpretation of radial facilities pointing out that Crofton, Elk Falls, Powell River and Port Alberni are dually fed by 138 kV transmission lines. All Facilities meet the definition of a Bulk power system and section 2.a.(i) of BC Reg. 32/2009 and the NERC definitions for Transmission Owner and Transmission Operator. With respect to the Distribution Provider functions, all facilities receive load at 138 kV and distribute it at 69 kV and therefore meet the definition of distributor as defined by

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BC Regulation 32/2009. In addition, they all have under frequency load shedding equipment per 2.c. (ii) of BC Regulation 32/2009 and meet the NERC definition of Distribution Provider. With respect to the Load Serving Entity functions WECC states that all facilities meet the definition of direct user and section 2.b of BC Regulation 32/2009 and the NERC definition of Load Serving Entity. With respect to the Generator Owner and Generator Operator functions for Powell River, WECC refutes Catalyst's arguments regarding radial facilities noting that this exclusion only pertains to loads. WECC also notes that all generation is connected to the grid at the Powell River substation and on occasion Powell River has supplied power to the grid. WECC notes that Powell River Energy Inc. is the operator of the generation and therefore agrees with Catalyst that the Generator Operator function should be assigned to Powell River Energy Inc.;

- G. On August 11, 2010, WECC revised its recommendations for Catalyst Powell River and recommended that Powell River Energy Inc. be registered for Generator Operator and Generator Owner instead of Catalyst Powell River;
- H. Neither Powell River Energy Inc. nor Catalyst disputed this recommendation;
- I. On June 30, 2010, the Commission requested rebuttal comments from Catalyst by July 13, 2010;
- J. No further comments were received by the due date;
- K. On August 16, 2010, Catalyst Paper confirmed that the production of the Elk Falls Division has been permanently curtailed, however, the site remains energized indefinitely to operate the environmental treatment system;
- L. The Commission has considered the submissions and recommendations and agrees with WECC's recommendations for Catalyst Paper's Crofton Division, Elk Falls Division, Powell River Division, and Port Alberni Division for the functions of Transmission Owner, Transmission Operator, Distribution Provider, and Load Serving Entity, and its interpretation of BC Regulation 32/2009 and the definitions contained in the NERC glossary of terms.

NOW THEREFORE the Commission orders as follows:

- 1. Functional registration for Catalyst Paper's Crofton, Elk Falls, Powell River and Port Alberni Divisions for the functions of Transmission Owner, Transmission Operator, Distribution Provider, and Load Serving Entity is approved as recommended by WECC.
- 2. Catalyst Paper is required to file mitigation plans with WECC for any of the standards that it is in violation of by 90 days from the date of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of September 2010.

BY ORDER

Original signed by:

A.A. Rhodes
Commissioner