

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-122-10

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

and

**An Application by Cloudworks Energy Inc.
for Registration as Responsible Entities for certain functions required for compliance with
Mandatory Reliability Standards**

BEFORE: L.F. Kelsey, Commissioner July 29, 2010
D.A. Cote, Commissioner

O R D E R

WHEREAS:

- A. 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 British Columbia Utilities Commission (Commission) by December 31, 2009; and
- 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 comment to the Commission on the WECC's recommendations; and
- C. On April 28, 2010, WECC recommended to the Commission that the Commission approve the Cloudworks Energy Inc. (Cloudworks) registration for the functions of Generator Owner, Generator Operator, Transmission Owner and Transmission Operator based on Cloudworks' six Generating Facilities which have a combined capacity of 150 MVA and are tied together with a 138 kV collector system to a common 138 kV bus and step up transformers to 360 kV before being connected to the BC Hydro system at Upper Harrison Terminal and that they also meet the North American Electric Reliability Corporation (NERC) definitions for Transmission Owner/Operator and Generation Owner/Operator; and
- D. Commission Order G-67-09 adopted the NERC Glossary of Terms in effect as of 12 February 2008 and the NERC functional Model version 3; and
- E. On May 17, 2010, Cloudworks disputed WECC's recommendations stating that they believed they should not be required to register for the functions of Transmission Owner or Transmission Operator arguing that the 138 kV system was not part of the Bulk Transmission System and that they did not operate above 200 kV; and

- F. On June 24, 2010, WECC replied to Cloudworks' arguments stating that the Generating facilities met the criteria of BC Regulation 32/2009 section 2(d)(iii) and the 138 kV Bus and step up transformers met the criteria for transmission facilities. Furthermore, the criteria for exclusion below 200 kV was moot as Cloudworks already met the criteria for transmission facilities under BC Regulation 32/2009 section 2(a)(i); and
- G. On July 12, 2010, Cloudworks replied to the WECC explanation stating that they believed that they should be registered for either transmission operator based on owning and operating a 138 kV collector system, in which case their generation facilities should be defined under Regulation 32/2009 section 2(d)(ii) or they should be registered for Generation Owner/Operator based on Regulation 32/2009 section 2(d)(iii) in which case the 138 kV collector system should not be considered part of the Bulk Transmission system as the collector bus is considered to be after this system and therefore would not qualify for Transmission Owner or Operator. Cloudworks further argued that they should not be required to meet the same level of reporting and accountability as the Provincial Transmission network; and
- H. The Commission has considered the Arguments and determines that the Generation facilities of Cloudworks meet the criteria of BC Regulation 2(d)(iii) and the 138 kV collector bus and step up transformers meet the definition of transmission facilities connected to the Bulk Transmission System. Furthermore, Cloudworks meets the definition of Transmission Owner, Transmission Operator, Generator Owner and Generator Operator according to the NERC Glossary of Terms adopted by Order G-67-09. The Commission also notes that although Cloudworks is required to register for some of the same functions as the Provincial Transmission Network owner and operator it will not have the same requirements under the prescribed standards and therefore does not have the same level of reporting. Cloudworks' level of accountability is the same as any other registered Entity.

NOW THEREFORE the Commission approves the functional registration for Cloudworks Energy Inc. for the functions of Generator Operator, Generator Owner, Transmission Owner, and Transmission Operator as recommended by the WECC.

DATED at the City of Vancouver, in the Province of British Columbia, this 30th day of July 2010.

BY ORDER

Original signed by:

D.A. Cote
Commissioner