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Utilities Commission

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ORDER NUMBER
R-23-24

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 November 6, 2024

ORDER

WHEREAS:

A. By Order R-8-22 dated March 14, 2022, the British Columbia Utilities Commission (BCUC) initiated a proceeding to review the Planning Coordinator (PC) Function Registration and Planning Coordinator Issues (PC Function Registration and PC Issues Proceeding) raised by the British Columbia Hydro and Power Authority (BC Hydro) and interveners registered in the currently adjourned MRS Planning Coordinator Assessment Report proceeding for Reliability Standards applicable to the PC function (PC Assessment Report Proceeding);

B. The PC Assessment Report Proceeding commenced on May 31, 2021, when BC Hydro submitted to the BCUC a Mandatory Reliability Standards (MRS) Planning Coordinator Assessment Report (PC Assessment Report). In the PC Assessment Report, BC Hydro assessed the reliability standards and glossary terms related to the PC function and made recommendations in respect thereof;

C. On June 25, 2021, BC Hydro filed its proposed implementation approach (BC Hydro Implementation Approach) as part of the PC Assessment Report Proceeding and provided information regarding its anticipated timing to register as a PC for its own Bulk Electric System (BES) assets and consideration of, including other entities registered under the MRS Program (Entities) into its PC oversight;

D. On October 8, 2021, BC Hydro filed its reply to letters of comment and submitted that in light of the issues presented in its response and submissions filed to date, it was apparent to BC Hydro that the PC Assessment Report filing was premature. BC Hydro also recommended that the PC Assessment Report Proceeding be suspended, and a new proceeding be established to address whether a single PC model or multiple PC model is desirable in the Province and to identify the appropriate Entity or Entities to register as PC(s) (PC Issues);

E. On November 1, 2021, interveners responded to BC Hydro's October 8, 2021 submission and agreed that the BCUC should suspend the PC Assessment Report Proceeding and establish a new proceeding to address the PC Issues;

F. On January 26, 2022, the BCUC adjourned the PC Assessment Report Proceeding and recommended that the BCUC initiate a separate proceeding regarding the PC Issues;

G. 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 the PC Function Registration and PC Issues Proceeding;

H. On December 20, 2023, the BCUC established a further regulatory timetable for the PC Function Registration and PC Issues Proceeding with proposals from registered Transmission Planners on implementation of one or more PCs for the Province and Intervener comment on those proposals;

I. On April 2, 2024, FBC and BC Hydro filed proposals recommending a multiple PC model in which FBC and BC Hydro are each registered as a PC responsible for their own BES assets (Multiple PC Model). To facilitate this Multiple PC Model, FBC and BC Hydro have agreed on various high-level principles and mandates by which PCs in a Multiple PC Model should act and proposes establishment of a working group to coordinate transmission planning activities and discussion of any issues that arise on an ongoing basis;

J. On August 5, 2010, the BCUC accepted BC Hydro's registration as a Planning Authority under the MRS Program. In BC Hydro's Multiple PC Model proposal dated April 2, 2024, it submits that as of July 29, 2022, it has fully implemented the PC function for its own BES assets;

K. By May 1, 2024, RCIA, FBC, CEC and BC Hydro filed comments on the Multiple PC Model proposals;

L. On May 21, 2024, the BCUC established a further regulatory timetable including BCUC and Interveners Information Requests No. 2 to the Western Electricity Coordinating Council (WECC) (IR No. 2) and BCUC and Interveners Information Requests No. 1 to registered Transmission Planners (IR No. 1 to TPs);

M. On May 24 and May 31, 2024 respectively, the BCUC and CEC issued IR No. 2 to WECC. On July 9, 2024, WECC filed its responses to IR No. 2;

N. On July 15, 2024, the BCUC issued IR No. 1 to TPs, BC Hydro and FBC. On August 9, 2024, BC Hydro and FBC filed their responses; and

O. The BCUC has considered the Multiple PC Model proposals and the evidence and submissions filed in this proceeding and makes the following determinations.

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

1. FBC is to register as PA/PC for its own BES assets, effective October 1, 2025.

2. BC Hydro and FBC are directed to provide the BCUC quarterly updates on the implementation of the dual PC model as outlined in the decision below. The first quarterly update is due by March 31, 2025.

3. BC Hydro and FBC are directed to file with the BCUC annual reports following the completion of the implementation of the dual PC model as outlined in the decision below. The first annual report is due by November 1, 2026.

4. BC Hydro and FBC are directed to comply with all other directives contained in the decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of November 2024.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner

DECISION

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Executive Summary

On February 24, 2022, the British Columbia Utilities Commission (BCUC) initiated this proceeding to address Planning Coordinator (PC) issues and registration under the Mandatory Reliability Standards (MRS) Program (PC Function Registration and PC Issues Proceeding). The essence of this proceeding is to resolve the ongoing disagreement between the British Columbia Hydro and Power Authority (BC Hydro) and FortisBC Inc. (FBC) as to which entity/entities (Entities) should be registered as the PC for the bulk electric system (BES) in British Columbia (BC) and thereby assume the compliance obligations associated with that function.

After the resolution of the Transmission Planner (TP) mapping exercises that ensured applicable coordination relationships between Entities and registered TPs, the BCUC directed the registered TPs (BC Hydro and FBC) to file proposals regarding how the PC function is to be implemented in the Province.

BC Hydro and FBC filed proposals in which they both recommend a multiple PC model where each Entity is registered as a PC for its own BES assets. They state that notwithstanding their efforts, they were unable to come to an agreement for BC Hydro to act as the PC for all Entities, making the single PC model unfeasible. Specifically, BC Hydro and FBC could not agree on the allocation of a single PC model's compliance obligation nor the allocation of costs and cost recovery mechanisms between them.

The Panel has concerns that having multiple PCs in BC may have more adverse impacts on overall BES reliability than a single PC overseeing the planning of the entire BES in the Province. However, the Panel finds that a dual registration PC model in the Province is an acceptable compromise at this time given BC Hydro's and FBC's inability to agree on PC compliance obligations, cost allocations and cost recovery mechanisms and based on the fact that both BC Hydro and FBC have the technical expertise and resources to assume and perform the PC function for their own BES assets within their respective footprints and their mutual assurances to the BCUC that they will work together and be able to coordinate their PC functions and fill any gaps between them. The Panel directs BC Hydro and FBC to implement the dual PC model as they have proposed by October 1, 2025.

The Panel has also outlined reporting requirements by BC Hydro and FBC to ensure oversight of the implementation of the dual PC model in the Province as well as the ongoing operations of the PCs. The Panel also notes that any affected parties, including interconnected Entities, other adjacent PCs or ratepayers, have the opportunity to file complaints for review by the BCUC should any issues arise with this dual PC model in the Province going forward.

1.0 Introduction

On February 24, 2022, the BC Utilities Commission (BCUC) initiated this proceeding to address Planning Coordinator (PC) issues and registration under the Mandatory Reliability Standards (MRS) Program (PC Function Registration and PC Issues Proceeding). The essence of this proceeding is to resolve the ongoing disagreement between the British Columbia Hydro and Power Authority (BC Hydro) and FortisBC Inc. (FBC) as to which entity/entities (Entities) should be registered as the PC for the bulk electric system (BES) in British Columbia (BC) and thereby assume the compliance obligations associated with that function. That disagreement has led to a situation where the Province to date still has gaps in the PC function which is supposed to oversee the planning of the BES in the region.

This proceeding arises out of an earlier proceeding initiated by BC Hydro on May 31, 2021, in which BC Hydro filed its Planning Coordinator assessment report (PC Assessment Report) for review by the BCUC pursuant to Section 125.2(3) of the *Utilities Commission Act* (UCA) (PC Assessment Report Proceeding). The PC Assessment Report presents the reliability impacts, suitability, standard applicability and potential costs of adopting the 12 reliability standards referencing the PC function that are new or held in abeyance in BC (PC Standards). In the PC Assessment Report, BC Hydro indicated that 11 of the 12 PC Standards are suitable for adoption in BC at that time and recommended the retirement of one standard referencing the PC function. BC Hydro also recommended that four terms contained in the North American Electric Reliability Corporation (NERC) Glossary of Terms that have been held in abeyance be adopted in BC. BC Hydro states that the PC Assessment Report recommendations were predicated on two assumptions:[1]

1. BC Hydro will be the PC for its own BES assets only at this time and consideration will be given in future to the potential expansion of BC Hydro's PC footprint to include Entities that are interconnected to BC Hydro's system that are also registered under the MRS Program, with the exception of FBC; and
2. FBC will be the planning authority (PA)/PC for its own BES assets.

BC Hydro notes that these assumptions are not conclusive of how registration for the PA and PC functions will occur in BC as this is a matter for the BCUC to determine through a separate process. These assumptions have only been made by BC Hydro for the purpose of assessing the PC Standards.[2]

On June 25, 2021, BC Hydro filed its proposed implementation approach, which set out the anticipated timing for registering as the PC and engaging other Entities interconnected to the BC Hydro system (Implementation Approach).

On September 10, 2021, the BCUC issued an amended regulatory timetable in the PC Assessment Report Proceeding. The BCUC sought additional submissions on the following issues:[3]

1. Whether the PC Standards assessed in the PC Assessment Report should be adopted at this time, pending determination of which Entities should be or are registered for the PC function in BC;
2. If the PC Standards in the PC Assessment Report should be adopted at this time, the recommended effective date(s) of those standards; and
3. Further process, with supporting reasons, for the review of the Implementation Approach.

[1] PC Assessment Report Proceeding, Exhibit B-1, p. 1.
[2] PC Assessment Report Proceeding, Exhibit B-1, p. 1.
[3] Order R-20-21.

In its submissions, FBC raised issues regarding BC Hydro's Implementation Approach and concerns about whether it was appropriate to address those matters without first mapping the areas of existing PA/PC and Transmission Planner (TP) responsibilities within the Province.[4] FBC also submitted that the two underlying assumptions in BC Hydro's PC Assessment Report are contrary to BC Hydro's earlier recommendation that BC Hydro perform the PC function on a voluntary basis for all Entities under the MRS Program. In making that recommendation, BC Hydro had noted that a single PC for the Province had the benefits of:[5]

- systematically, regularly and explicitly addressing potential interactions between BC Hydro's and FBC's systems (being the only TPs registered in BC at the time);
- ensuring a single interpretation of PC MRS ensures consistent planning practices; and
- resulting in the most efficient and effective planning infrastructure for BC.

FBC stated that it is concerned that both the PC Assessment Report and BC Hydro's Implementation Approach would be considered without the prior mapping of TP areas to determine existing TP responsibilities and potential gaps, and further noted the need to address those gaps. FBC highlights that if cost allocations were based on TP registration, as BC Hydro appeared to contemplate, without first performing the functional mapping to determine the TP for an Entity to interface with the PA/PC, costs cannot be properly allocated, and coordination cannot be done meaningfully.[6]

According to FBC's submissions in the PC Assessment Report Proceeding, having multiple PA/PCs for the Province was not the most reasonable and cost-effective course of action and may not be in the best interest of overall system reliability.[7] At that time, FBC did not consider that it needed to be registered as a PA/PC based on the assumption that BC Hydro was the sole PA/PC for the entire Province. However, FBC indicated that it might apply to register as such only if the BCUC and WECC determined that it was appropriate, or if the necessary safeguards were not put in place in relation to BC Hydro's role as a single PA/PC for the entire BES.[8]

The Panel notes that FBC has since changed its position on this issue in this proceeding, as discussed later in Section 2.1 of this decision.

On January 26, 2022, following its review of the submissions on the PC Function, the Panel adjourned the PC Assessment Report Proceeding and on February 24, 2022, established this proceeding to consider the following issues in determining the most appropriate PC model for the Province:[9]

1. Whether a single or multiple PC model is desirable and feasible for BC; and
2. Which Entity or Entities participating in the Mandatory Reliability Standards MRS Program (Entities) should register for the PC function and what the footprint of such registration(s) should be.

FBC, BC Hydro, Movement of United Professionals (MOVEUP), Commercial Energy Consumers Association of British Columbia (CEC) and Residential Consumer Intervener Association (RCIA) registered as interveners in the PC Registration and PC Issues Proceeding (collectively, Interveners).

[4] PC Assessment Report Proceeding, Exhibit C2-3, p. 1.
[5] PC Assessment Report Proceeding, Exhibit C2-3, p. 17.
[6] PC Assessment Report Proceeding, Exhibit C2-3, p. 29.
[7] PC Assessment Report Proceeding, Exhibit C2-3, p. 28–29.
[8] PC Assessment Report Proceeding, Exhibit C2-3, p. 29.
[9] Order R-4-22.

1.1 Legislative Authority

Section 8 of the UCA provides that the BCUC may appoint or engage persons having special or technical knowledge necessary to assist the commission in carrying out its functions.

Section 125.2(2) of the 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 BC.

Section 125.2(10) of the UCA provides that 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 ordered that Entities must register with the BCUC[10], and adopted the Rules of Procedure for Reliability Standards in British Columbia (BC ROP), including Appendix 1 to the BC ROP and the Registration Manual for BC Mandatory Reliability Standards (Registration Manual)[11]. The BCUC then appointed the Western Electricity Coordinating Council (WECC) as its Administrator for registering Entities and monitoring compliance with MRS for BC.[12]

On September 1, 2017, the BCUC approved the most recent revisions and updates to the BC ROP, including the Registration Manual.[13] The Registration Manual provides that Entities in BC are required to be registered and comply with BCUC adopted Reliability Standards if, among other things, they perform a function identified in Section 2.1.2 of the Registration Manual. The function types identified in Section 2.1.2 are listed below. Of particular note is that the Registration Manual lists the PA/PC as one single function.

Function Type	Acronym
Balancing Authority	BA
Distribution Provider	DP
Generator Operator	GOP
Generator Owner	GO
Planning Authority/Planning Coordinator	PA/PC
Reliability Coordinator	RC
Resource Planner	RP
Transmission Owner	TO
Transmission Operator	TOP
Transmission Planner	TP
Transmission Service Provider	TSP

[10] Order G-67-09.
[11] Order G-123-09.
[12] By Order G-123-09, dated October 15, 2009. WECC's role as Administrator for the BC MRS Program is pursuant to the terms of the Administration Agreement between WECC and the BCUC dated October 8, 2009, and most recently renewed on July 2, 2024.
[13] Order R-40-17.

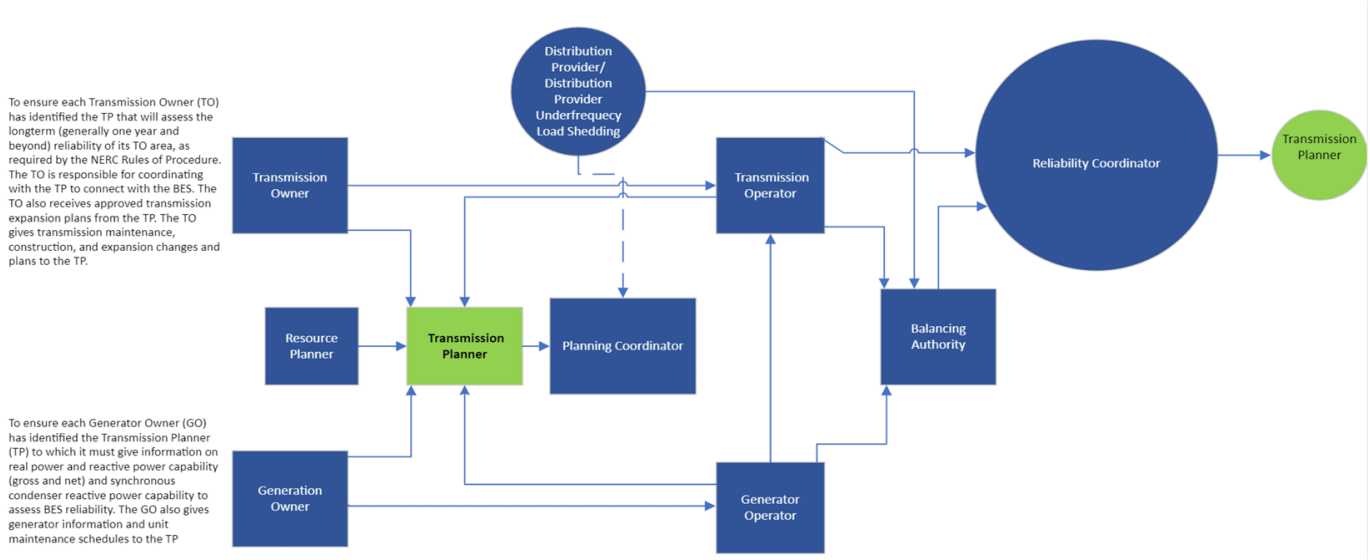
1.3 Planning Coordinator Function under the Mandatory Reliability Standards Program

The NERC Glossary of Terms dated March 8, 2023 (Glossary of Terms), which have been adopted by the BCUC, defines PC in reference to the PA in the following terms: "see Planning Authority", suggesting that they are considered one and the same. The Glossary of Terms goes on to define PA as the responsible Entity that coordinates and integrates transmission facilities and service plans, resource plans and protection systems.[14]

WECC confirms that the PA and PC terms are defined interchangeably and therefore used synonymously under the MRS Program.[15]

WECC submits Figure 1 below depicting the relationships between the PC, TP, Transmission Owner, Generation Owner and Distribution Provider functions under the MRS Program, explaining that while the functions of a TP and a PC are similar, the PC function and related reliability standards are designed to encompass a larger transmission footprint. The MRS establish coordination and relationships between the PC function and its associated TPs. With few exceptions, the MRS address coordination of planning information and tasks for functional asset owners such as Transmission Owners, Generation Owners and Distribution Providers as a relationship between the TP function and those Entities.[16]

Figure 1: A Linear Look at Mapping[17]



1.4 Transmission Planner Mapping and Planning Coordinator Review

The initial phase of this proceeding involved two mapping exercises conducted by WECC to ensure that applicable Entities had a mapped TP. During the streamlined review process conducted in this proceeding on January 26, 2023, BC Hydro submitted that Catalyst Paper Powell River (Catalyst) was the only remaining Transmission Owner that did not have a mapped TP.

[14] NERC Glossary of Terms dated March 8, 2023, p. 23.
[15] Exhibit A2-2, p. 2.
[16] Exhibit A2-5, pp. 4–5.
[17] Exhibit A2-8, p. 2.

On December 20, 2023, the BCUC determined that Catalyst would be registered as a TP for its own transmission assets[18], thus concluding the initial phase of this proceeding to address gaps associated with the TP function.

After applicable Entities were mapped to a TP, the BCUC established a regulatory timetable for submissions of proposals from TPs for the implementation of one or more PCs for the Province and Intervener comments on the proposals. BC Hydro and FBC submitted proposals for a multiple PC model in which both would perform the PC function for their own BES assets. The Panel refers to this model as the dual PC model in the remainder of this decision.

Following the receipt of these submissions, the BCUC issued a further regulatory timetable for information requests (IRs) to WECC and to currently registered TPs canvassing the issues discussed below.

2.0 Planning Coordinator Issue Questions

2.1 Is a Single or Multiple Planning Coordinator Model Desirable and Feasible for the Province?

In response to BCUC IRs, WECC states that there are regions in the United States portion of the Western Interconnection with multiple PCs, and such circumstances have generally worked.[19] However, WECC cautions that issues may arise with a multiple PC model if PCs are using inconsistent planning criteria and methodologies, miscommunicating or not communicating with adjacent PCs about contingency studies, or failing to communicate regarding any required data sharing or ensuring adequate data quality.[20] Regulatory gaps may also occur if Entities in a PC area do not know who their PC is, PCs are not clear for whom they are performing the PC function, or PCs are unwilling to perform the function for new or existing TPs in the area.[21]

BC Hydro and FBC now agree that a multiple PC model is their desired approach for the Province.[22] They state that notwithstanding their efforts, they were unable to come to an agreement for BC Hydro to act as the PC for all Entities, making the single PC model unfeasible. Specifically, BC Hydro and FBC could not agree on the allocation of a single PC model's compliance obligation nor the allocation of costs and cost recovery mechanisms between them.[23]

The role of a PC is to coordinate and integrate transmission facility and service plans, resource plans and protection system plans among the TPs and Resource Planners within its area of purview. WECC states that much of what the PC does could be done by the TP, but it is the PC's function to also consider the broader perspective across multiple PCs and adjacent PCs.[24] FBC states that it could not agree with BC Hydro on which Entity would be responsible for completing the obligations respective to each TP and PC function or how to complete the PC compliance requirements.[25] BC Hydro states that any agreement to perform PC services on behalf of an Entity must include an appropriate and clearly defined allocation of compliance roles and responsibilities, including and, where required, specific assignment of compliance obligations with respect to applicable MRS and requirements.[26]

[18] Order R-56-23.
[19] Exhibit A2-15, p. 6.
[20] Exhibit A2-15, p. 3.
[21] Exhibit A2-15, pp. 4-5.
[22] Exhibit C1-10, p. 2; Exhibit C2-18, p. 4.
[23] Exhibit C1-13, IR 1.1; Exhibit C2-21, IR 1.1.1.
[24] Exhibit A2-15, IR 3.1.1.
[25] Exhibit C1-13, IR 1.1.
[26] Exhibit C2-21, IR 1.1.1.

The CEC submits that the multiple PC model is the best option in this case, being supported by both major utilities.[27] The CEC considers the possibility of a decline in reliability with the multiple PC model to be offset by BC Hydro's and FBC's commitment to the model they propose. The CEC notes that it believes BC Hydro has extensive experience in performing the PC function for itself and is reassured by FBC's narrative with respect to its ability to meet PC requirements; and is confident that both utilities will conduct the necessary coordination that would continue to occur between them under the multiple PC model.[28]

RCIA submits that it consistently advocates for regulated utilities to provide residential ratepayers with reliable electricity at the lowest cost by ensuring efficient roles, minimizing redundancy and enforcing reliability and that it contends that the proposed multiple PC model is sub-optimal and contradicts these principles.[29]

With respect to costs, BC Hydro submits that the cost compliance measures associated with assuming the role of PC is $853,000 for the initial year of implementation and $365,000 thereafter.[30] FBC believes that BC Hydro's initial cost estimates[31] were significantly higher than its own cost estimates for taking on the additional PC tasks for FBC's BES assets. FBC has estimated its incremental costs to range from $40,000 to $80,000 for one-time implementation and $35,000 to $70,000 for ongoing sustainment. FBC further states that under a single PC model, incremental costs and efforts would still be incurred as compliance obligations would need to be allocated between TPs and the PC. FBC believes that the incremental costs to FBC's ratepayers under a single PC model would be at least the same or more as those for FBC becoming a PC for its own BES assets.[32]

BC Hydro and FBC also have differing views on the cost recovery mechanism under a single PC model. BC Hydro maintains that costs associated with performing PC services for an adjacent Entity should be allocated to the Entity receiving the services, and does not believe that BC Hydro ratepayers should bear the incremental costs.[33] FBC believes that the cost recovery mechanism should be similar to that used for the Reliability Coordinator in the Province. FBC views that any costs BC Hydro incurs as PC for the Province should be recovered through rates charged to BC Hydro customers, including FBC because the PC role furthers the reliability of the entire BES and benefits all electricity ratepayers in the area the PC serves, rather than simply benefiting a given TP connected to that system.[34]

RCIA states that it is concerned with the costs associated with the establishment of a multiple PC model as it may require additional administrative resources and funding to facilitate meetings, manage communication channels and oversee dispute resolution processes. RCIA also states that it is concerned that a dispute resolution process, while essential for addressing conflicts between PCs and TPs, may incur additional costs in terms of legal fees, arbitration expenses and administrative overhead which could lead to further delays in system planning and implementation. RCIA notes that these costs would be passed down to ratepayers.[35] RCIA submits that it supports the need for streamlined processes and accountable actions, contributing to the overarching goal of providing reliable electricity to residential ratepayers at the lowest possible cost.[36]

[27] Exhibit C4-9, p. 4.
[28] Exhibit C4-9, p. 3.
[29] Exhibit C5-7, p. 2.
[30] Exhibit C2-21, IR 1.1.2.
[31] In Exhibit C2-18, BC Hydro submitted that its initial estimates for assuming the role of PC for the province were approximately $2.8 million in one time implementation costs and approximately $1.3 million in annual sustainment costs.
[32] Exhibit C1-13, IR 1.2.
[33] Exhibit C2-21, IR 1.1.1.
[34] Exhibit C1-13, IR 1.1.
[35] Exhibit C5-7, p. 2.
[36] Exhibit C5-7, p. 3.

Panel Determination

The PC coordinates and integrates transmission facility and service plans, resource plans, and protection systems plans among the TPs and Resource Planners within the PC area. The Panel views that the PC function plays an integral role in ensuring the reliability of the BES for the Province. This proceeding was initiated based on issues raised in the PC Assessment Report Proceeding regarding BC Hydro's Implementation Approach where BC Hydro contemplated becoming the single registered PC for all Entities in the Province. At that time, both BC Hydro and FBC agreed that this would benefit overall system reliability.

The Panel continues to believe that a single PC model is the optimal model given the integrated nature of the BES in the Province. However, despite their efforts, BC Hydro and FBC have been unable to agree on specific elements regarding the roles and responsibilities between PCs and TPs for current and future PC related standards under a single PC model. In the absence of such agreement, the BCUC would have to unilaterally order one or the other to perform the PC functions for the entire BES in the Province notwithstanding their objections. The Panel is reluctant to do so, particularly since to date, no issues have arisen from the lack of a single registered PC for the Province. The Panel contemplated giving BC Hydro and FBC more time to reach an agreement on a single PC model for BC, but it has become evident that they have reached an impasse on this issue such that further negotiation efforts would be unlikely to result in a different outcome.

The Panel finds this impasse regrettable and avoidable. While the Panel would have preferred the adoption of a single PC model for the Province, BC Hydro and FBC offer their assurances that as individual PCs, they would be able to jointly coordinate planning activities to ensure the reliability of the BC and interconnected western BES as a whole. The Panel considers a dual PC model, as agreed to by BC Hydro and FBC, to be an acceptable compromise solution for the Province at this time. In any event, a dual PC model is preferable to having no registered PC overseeing the entire BES for the Province, a situation that has persisted for years, fortunately without any known adverse consequences to date. The Panel is reluctant to perpetuate the status quo. In the Panel's view, it is simply not in the public interest to allow the Province to continue without one or more Entities assuming direct responsibility for carrying out the PC function for the BES.

The Panel accepts WECC's evidence that there are regions in the U.S. portion of the western interconnection with multiple PCs and such circumstances have generally worked.[37] In those jurisdictions, it is the responsibility of both the PC and the individual Entities within the PC's area to ensure that they are mapped to the appropriate PC and that the PC has the most up-to date transmission facilities, service plans, resource plans, and protection systems accounted for in its models.[38]

While the Panel continues to be concerned that having multiple PCs may impact overall BES reliability more than a single PC model, it finds, in light of WECC's evidence, that a dual registered PC model in the Province is an acceptable compromise for the following reasons. The Panel is somewhat reassured that at least in respect of compliance obligations relating to reliability, BC Hydro has already assumed those obligations for the entire Province as of August 23, 2019 as a result of the BCUC's acceptance of BC Hydro's registration as Reliability Coordinator pursuant to Order G-199-19. Given the inability of BC Hydro and FBC to arrive at an acceptable agreement for the implementation of a single PC model for the Province, the Panel considers that their agreement on a dual PC model alternative is consistent with the public interest, at least insofar as it relates to costs, because each registered PC can manage its own incremental costs to comply with their respective PC obligations along with the recovery of those costs from its own ratepayers.

[37] Exhibit A2-15, IR 3.3.
[38] Exhibit A2-15, IR 3.4.

2.2 Which Entity or Entities Should Register for the Planning Coordinator Function and What Should their Footprints be?

In order to address the question of which Entity/Entities should register for the PC function and to determine the scope of their footprints, it is important to understand the history of BC Hydro's current registration as PA/PC in the Province, which is summarized below.

On July 9, 2010, BC Hydro informed WECC of a change in circumstance whereby BC Hydro, as of July 5, 2010, assumed all of British Columbia Transmission Corporation's (BCTC) assets, properties, obligations, and liabilities and requested BCTC be deregistered for its MRS functions. On July 15, 2015, WECC recommended that the BCUC approve the deregistration for BCTC and register BC Hydro for those functions in place of the latter. Pursuant to that recommendation, on August 5, 2010, the BCUC accepted the deregistration of BCTC and registered BC Hydro for the additional MRS functions of Transmission Operator, Balancing Authority, PA, TP, Transmission Service Provider, Transmission Owner and Distribution Provider.[39]

On September 1, 2017, the BCUC updated the BC ROP to align with the evolving British Columbia MRS Program.[40] As part of this order, the BCUC revised the functional types under Section 2.1.2 to reflect the updated NERC Glossary of Terms that define the PA and PC as one single function under the function type "PA/PC".

In the current proceeding, BC Hydro affirmed that it has commenced all activities associated with the PC function for its BES assets for the standards currently in effect in BC, with a Compliance Date of July 29, 2022.[41] WECC responded to the BCUC's request to comment on BC Hydro's PC registration progress update.[42] In its submission, WECC states that BC Hydro noted it could not amend its existing registration to include the PC function because the WECC registration system (webCDMS) does not allow such amendments. WECC confirmed that webCDMS does not currently allow BC Entities to explicitly register as PCs. The reason is that the BCUC Registration Manual currently identifies the Planning Authority/Planning Coordinator as a single functional type. This effectively meant that having already registered as a PA, BC Hydro could not also be registered again as a PC since the two are synonymous according to the Registration Manual. In addition, the NERC Glossary of Terms, adopted by the BCUC[43] along with new and revised reliability standards in MRS assessment reports, defines "Planning Coordinator" as "See Planning Authority," and therefore, the two terms are used interchangeably.[44]

In light of the disagreement between BC Hydro and FBC with respect to PC compliance obligations and costs, FBC now proposes to register as a PC for its own BES assets. FBC is confident of its ability to take on PC responsibilities, as well as continuing to perform shared TP/PC responsibilities with effective standards, under expanded MRS standards for PCs in a cost-effective manner that would serve overall system reliability. The PC is responsible for coordinating and assessing the longer-term reliability of its PC area, and FBC states that it has extensive experience in this regard. Being registered as a PC for its own BES assets allows FBC to have the autonomy to define, direct and complete MRS requirements associated with the PC function.[45] FBC proposes that it and BC Hydro each be registered as the PC for each Entity's BES footprint effective October 1, 2025.

[39] Order G-128-10.
[40] Order R-40-17.
[41] Exhibit C2-18, p. 5.
[42] Exhibit A2-2, pp. 2–3.
[43] Order R-19-24.
[44] Exhibit A2-2, p. 3.
[45] Exhibit C1-10, pp. 2–3.

This corresponds with the timing of the retirement of reliability standard FAC-010-3 to prevent any stranded costs to comply, and also provides sufficient time for FBC and BC Hydro to become compliant with PA/PC standards already effective in BC.[46]

BC Hydro submits that both it and FBC have the operational expertise and capacity to take on the responsibilities associated with the PC function and accordingly, are the most suitable and appropriate Entities to perform the PC function for their respective BES assets at this time.[47]

BC Hydro and FBC agree that the most suitable PC area methodology for the Province at this time is the Area Coordinator methodology as outlined in WECC's Methodology for Defining Planning Coordinator Areas in the WECC Region (White Paper).[48] The White Paper describes this methodology as an approach that aligns with the boundaries used for coordinating power flow and stability data in WECC cases. The actual PC boundaries would be based on the location of the facilities, and a PC reports to an Area Coordinator that aggregates data across several PC areas. The footprint for any particular Area Coordinator is readily identifiable based on the data contained in WECC databases and PCs within that footprint will be able to easily identify the subset of facilities they are responsible for coordinating.[49] FBC states that this methodology reflects BC Hydro and FBC's current reporting structure in which BC Hydro submits PC reports to WECC for both BC Hydro and FBC.[50]

Panel Determination

The Panel notes that BC Hydro is *de facto* already registered as a PC for its own BES assets by having previously registered as PA pursuant to the Registration Manual. For the reasons outlined below, the Panel finds that there is no reason why FBC cannot or should not also be registered as a PC for its own BES assets at this time and, as agreed to by both Entities, follow the Area Coordinator methodology to define their respective footprints. In accordance with the BCUC Registration Manual[51] and the NERC Glossary of Terms accepted by the BCUC[52], the PA/PC is defined as one functional type. Therefore, the Panel will use the terms PA and PC synonymously in the remainder of this decision.

In order to give effect to the parties' agreed dual PC model, the Panel directs FBC to register as a PA/PC under the MRS Program for FBC's own BES assets, effective October 1, 2025.

Based on the evidence in this proceeding, the Panel finds that BC Hydro and FBC have the technical expertise and resources to assume and perform the PC function for their own BES assets within their respective footprints. To competently undertake the role of PC in the Province, an Entity should be experienced, sophisticated and have sufficient capacity to act in the best interest of the overall BES reliability in BC. As such, the BCUC will review any potential future application for additional PC registrations, as required by the MRS Registration Manual, to ensure that the Entity is capable of fulfilling the responsibilities of a PC. Furthermore, should issues or complaints arise in relation to the functionality or costs of a dual PC model in the Province, the BCUC may reconsider this matter.

[46] Exhibit C1-10, p. 6.
[47] Exhibit C2-21, IR 1.1.8.
[48] Exhibit C1-13, IR 2.1; Exhibit C2-21, IR 1.1.3.
[49] WECC Methodology for Defining Planning Coordinator Areas in the WECC Region dated September 14, 2015, p. 8.
[50] Exhibit C1-10, p. 3.
[51] Order R-40-17.
[52] Order R-19-24.

3.0 Implementation

3.1 Working Group and Terms of Reference

BC Hydro and FBC propose that to implement a dual PC model in an efficient manner, a working group with all registered TPs and PCs should be established (Working Group). They assert that the Working Group would ensure communication and coordination of electrical system planning activities on an ongoing basis and be used to address the gaps WECC has identified in multiple PC models. A terms of reference document for the Working Group would define the purpose and structure of PC activities.[53]

FBC recommends terms of reference documents applicable to Reliability Coordinator oversight and working groups be used as templates for the terms of reference document for the Working Group. That document would outline the development of methodologies to determine PC planning areas and acceptable planning models, resolve conflicts and maintain ongoing communication among all the PCs.[54] FBC states that Working Group participation by BC Hydro and itself, as the primary Entities in the Province, is required to develop the terms of reference but other adjacent PCs will be invited to meetings as required to ensure further coordination.[55] FBC also states that the Working Group meetings could include regular reviews of planning criteria to identify, correct and/or understand any variability that may impact adjacent areas.[56]

BC Hydro proposes that discussions in the Working Group will determine how to coordinate with other PCs to address planning areas, planning models, conflict resolution processes and ongoing communication processes between Entities and adjacent PCs.[57] BC Hydro currently has established planning processes with adjacent PCs on an ongoing basis, but indicated that the use of planning criteria is not always consistent due to, in part, the differing versions of the TPL-001 standard effective in each region. This issue is mitigated by ongoing communication with adjacent PCs, especially when planning events potentially impact the other PCs so joint studies can be conducted to develop corrective action plans.[58]

3.2 Timeline

BC Hydro proposed that the finalization of PC and TP principles, terms of reference, and a dispute resolution process be completed by November 20, 2024, on the condition that decisions on the PC Function Registration and PC Issues Proceeding be issued by June 30, 2024.[59] FBC responded by stating that while it does not disagree with BC Hydro's proposed date, it anticipates the timeline may be adjusted depending on the issuance of the BCUC decision.[60] As stated in Section 2.2 above, FBC requests that the multiple PC model become effective for BC Hydro and itself on October 1, 2025. BC Hydro submits that it has no concerns with this original timeline provided that it is extended to reflect the timing of the issuance of the BCUC decision.[61]

BC Hydro has the additional complexity of having to integrate Catalyst into its PC footprint when all necessary agreements and cost recovery mechanisms are established.

[53] Exhibit C1-10, p. 5; Exhibit C2-18, p. 8.
[54] Exhibit C1-13, IR 2.2.
[55] Exhibit C1-13, IR 2.2.1.
[56] Exhibit C1-13, IR 2.3.
[57] Exhibit C2-21, IRs 1.1.4 and 1.1.4.1.
[58] Exhibit C2-21, IRs 1.1.5 and 1.1.6.
[59] Exhibit C2-18, p. 9.
[60] Exhibit C1-13, IR 3.1.
[61] Exhibit C2-21, IR 1.3.1.

At this time, BC Hydro does not have a timeline to execute these agreements as it is dependant on Catalyst's ability to execute the TP function and negotiations establishing cost recovery.[62] BC Hydro provides that if it is not able to come into an agreement with Catalyst, Catalyst would need to register as PC for its own assets or acquire PC services from another Entity.[63]

Panel Determination

The Panel determines that BC Hydro and FBC will have until October 1, 2025 to implement the dual PC model in the Province. **The Panel directs BC Hydro and FBC to jointly establish the Working Group and develop a terms of reference document that defines how PCs determine their respective PC areas, provides planning models and criteria, and establishes communication and conflict resolution processes and any other information required to function with dual PCs in the Province by October 1, 2025**. Within this timeline, BC Hydro is required to work on integrating Catalyst into its PC footprint and establishing all the necessary agreements to ensure Catalyst's transmission facilities are included in BC Hydro's PC activities.

The Panel also determines that ongoing implementation updates will be necessary so that the BCUC is aware of any issues that may arise. **Therefore, the Panel directs quarterly updates to be submitted by both BC Hydro and FBC until their respective PC implementation is complete.** Updates may be filed with a single filing from BC Hydro and FBC or two separate filings by each Entity. Filings are to be submitted to the BCUC within 30 days following each three-month period over the term of the implementation, i.e. the first quarterly update report is to cover November 6, 2024 to February 28, 2025 and be submitted on or before March 31, 2025.

To ensure that all areas of the Province are covered by at least one PC and the processes to establish the finalization of PC and TP principles, terms of reference and a dispute resolution process for the Working Group, WECC will need to review the processes established by the PCs. WECC will also need to ensure that a PC covers all necessary Entities and that the processes developed by the Working Group are sufficient to perform PC activities. The Panel recommends that BC Hydro and FBC work closely with WECC in that regard.

Additionally, the Panel directs update reports by BC Hydro and FBC on an annual basis regarding the status of the dual PC model, including changes to the Working Group or terms of reference, issues that have come up and how they were resolved, and any other information relevant to the PC function. Given the Panel's concerns with the novelty of the dual PC model in this Province, the difficulties BC Hydro and FBC have had allocating the compliance responsibilities of the TP and PC functions amongst them, and the dynamics of the dual PC model being new to both parties, the Panel finds that annual updates will be beneficial to maintaining oversight of how the PCs continue to function. The Panel also notes that any affected parties, including interconnected Entities, other adjacent PCs or ratepayers, have the opportunity to file complaints to the BCUC should any issues arise with this dual PC model in the Province. Annual filings are to be submitted to the BCUC within 30 days after each one-year period following the implementation of the PC function, with the first annual report to be submitted by November 1, 2026.

As the PC registration issues and gaps that were presented at the beginning of this proceeding have now been resolved, the Panel recommends that the BCUC reopen the currently adjourned PC Assessment Report Proceeding to review the adoption of reliability standards applicable to the PC function**.** In that regard, the Panel notes that more than three years have now elapsed since BC Hydro filed its initial PC Assessment Report such that an update should be filed, particularly in light of the fact that FBC will also be a registered PC in the Province by October 1, 2025. The Panel recommends that the BCUC direct BC Hydro to file such an update on a timely basis.

[62] Exhibit C2-21, IRs 1.1.10 and 1.1.10.1.
[63] Exhibit C2-21, IR 1.1.10.2.

The Panel notes that under section 125.2(3) of the UCA, BC Hydro is the entity that must review each reliability standard and provide to the BCUC a report assessing various factors. Once BC Hydro submits the report, the BCUC must then make the report public and consider any comments the BCUC receives in reply to the report. Further, once the BCUC adopts a standard, it could request from BC Hydro under s. 125.2(8.1) of the UCA a report assessing the applicability of any standard it adopts to a specified person, class of persons, or a person in respect of specified equipment. Again, the BCUC would then make the report public and seek comment from the public including any affected party. In the normal course, these provisions would ensure that FBC as an affected party would have the opportunity to comment on the adoption of any applicable PC standards. However, in light of FBC's pending registration as a PA/PC for its own BES assets, the Panel expects BC Hydro to closely consult with FBC with respect to the contents of its update on the PC Assessment Report prior to its filing, given that any recommendations made by BC Hydro therein will apply equally to and directly affect FBC as a registered PC going forward.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of November 2024.

Original signed by:

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A. K. Fung, KC
Panel Chair

Original signed by:

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C. M. Brewer
Commissioner

Original signed by:

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W. M. Everett, KC
Commissioner