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June 25, 2019

Mr. Patrick Wruck Commission Secretary and Manager Regulatory Support British Columbia Utilities Commission Suite 410, 900 Howe Street Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

RE: Project No. 1598978 British Columbia Utilities Commission (BCUC or Commission) British Columbia Hydro and Power Authority (BC Hydro) Application for Reliability Coordinator (RC) Registration with the Mandatory Reliability Standards (MRS) Program Responses to BCUC Panel Information Request No. 2

BC Hydro writes to provide as Exhibit B-12, its responses to BCUC Panel Information Request No. 2.

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

Yours sincerely,

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Fred James Chief Regulatory Officer

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Enclosure (1)

British Columbia Utilities Commission Panel Information Request No. 2.3.1 Dated: June 18, 2019 British Columbia Hydro & Power Authority Response issued June 25, 2019	Page 1 of 1
British Columbia Hydro & Power Authority Application for Reliability Coordinator Registration with the Mandatory Reliability Standards Program	Exhibit: B-12

Reference: British Columbia Reliability Coordinator Oversight Group Exhibit B-11, IR 29.2 RC functional registration

In its response to British Columbia Utilities Commission (BCUC) Information Request (IR) 29.2, British Columbia Hydro and Power Authority (BC Hydro) stated:

If a dispute cannot be resolved and the dispute relates to a subject matter within the BCUC's jurisdiction, the dispute may be referred to the BCUC for a decision.

2.3.1 Please explain and provide examples of all situations where BC Hydro considers the BCUC would not have jurisdiction over matters of the oversight group.

RESPONSE:

The RC Registered Entities Oversight Group is a consultative stakeholder group aimed at providing opportunities for MRS registered entities to stay engaged in RC activities, provide input to BC Hydro and make recommendations on the provision of RC services. The Oversight Group will not decide how the BCRC will perform the function. If registered as RC, BC Hydro will bear the sole responsibility for performing the RC function and ensuring compliance with the RC standards.

If registered as RC, any disputes or complaints that may arise with respect to BC Hydro's non-compliance with RC standards can be dealt with by the BCUC, in accordance with the provisions of the Utilities Commission Act and the BCUC Rules of Procedure for Reliability Standards in British Columbia. If an issue with respect to possible non-compliance with an RC reliability standard were to arise, it would be dealt with and referred to WECC, as BCUC's administrator, in the same way any other issues of non-compliance with MRS are addressed by BC Hydro, other registered entities, WECC or the BCUC.

BC Hydro does not see a need for BCUC oversight of the consultative working groups BC Hydro proposes to put in place with respect to its performance of the role of RC, its decision-making processes or RC activities and therefore does not see a role for BCUC adjudication of issues within the scope of the RC Registered Entities Oversight Group's mandate.

BC Hydro expects that in the event an aggrieved party is dissatisfied with a decision of the RC Registered Entities Oversight Group or a dispute arises within the group, that party will make its own determination about whether it seeks involvement by the BCUC (including whether the BCUC has jurisdiction over the matter).

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Reference: British Columbia Reliability Coordinator Oversight Group Exhibit B-11, IR 29.2 RC functional registration

In its response to British Columbia Utilities Commission (BCUC) Information Request (IR) 29.2, British Columbia Hydro and Power Authority (BC Hydro) stated:

If a dispute cannot be resolved and the dispute relates to a subject matter within the BCUC's jurisdiction, the dispute may be referred to the BCUC for a decision.

2.3.2 Please explain who at BC Hydro would make the decision of whether a matter is within the BCUC's jurisdiction or outside of the BCUC's jurisdiction.

RESPONSE:

British Columbia Utilities Commission Panel Information Request No. 2.3.3 Dated: June 18, 2019 British Columbia Hydro & Power Authority Response issued June 25, 2019	Page 1 of 1
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If a dispute cannot be resolved and the dispute relates to a subject matter within the BCUC's jurisdiction, the dispute may be referred to the BCUC for a decision.

2.3.3 If the matter is considered to be within the BCUC's jurisdiction, please explain who makes the decision to refer the matter to the BCUC.

RESPONSE:

British Columbia Utilities Commission Panel Information Request No. 2.3.4 Dated: June 18, 2019 British Columbia Hydro & Power Authority Response issued June 25, 2019	Page 1 of 1
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Reference: British Columbia Reliability Coordinator Oversight Group Exhibit B-11, IR 29.2 RC functional registration

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If a dispute cannot be resolved and the dispute relates to a subject matter within the BCUC's jurisdiction, the dispute may be referred to the BCUC for a decision.

2.3.4 If the matter is considered to be within the BCUC's jurisdiction, please explain who makes the decision not to refer the matter to the BCUC.

RESPONSE:

British Columbia Utilities Commission Panel Information Request No. 2.3.5 Dated: June 18, 2019 British Columbia Hydro & Power Authority Response issued June 25, 2019	Page 1 of 1
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Reference: British Columbia Reliability Coordinator Oversight Group Exhibit B-11, IR 29.2 RC functional registration

In its response to British Columbia Utilities Commission (BCUC) Information Request (IR) 29.2, British Columbia Hydro and Power Authority (BC Hydro) stated:

If a dispute cannot be resolved and the dispute relates to a subject matter within the BCUC's jurisdiction, the dispute may be referred to the BCUC for a decision.

2.3.5 The provision for reference of an unresolved dispute to the BCUC for resolution is discretionary as currently drafted because of the use of the word "may". Please explain why an aggrieved party (whether it is BC Hydro or an entity) should not have the right to require that the dispute be referred to the BCUC for resolution.

RESPONSE:

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Reference: British Columbia Reliability Coordinator Oversight Group Exhibit B-11, BCUC IR 27.1.1 Membership

In its response to BCUC IR 27.1.1, BC Hydro stated:

After a period of attempting to reach consensus, the Oversight Group may seek other assistance to help in moving an issue forward. This could include assigning the issue to a working group as discussed in section VIII of the TOROG, or the help of an external facilitator. The TOROG does not contemplate BCUC adjudication of decisions by the Oversight Group.

2.4.1 Please explain the rationale why the BC Hydro Terms of Reference for the British Columbia Reliability Coordinator Registered Entities Group (TOROG) does not contemplate using the BCUC as an external facilitator or adjudicator in the event that consensus cannot be reached.

RESPONSE:

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Reference: Regulatory Timetable Exhibit A-14 WECC full certification review report to the BCUC

The Western Electricity Coordinating Council's (WECC) Full Certification Review Report will be filed with the BCUC on July 2, 2019. The Panel notes that prior to its finalization, BC Hydro will have an opportunity to comment on WECC's draft report before it is filed with the BCUC.

2.5.1 Please confirm if BC Hydro would be amenable to making WECC's report available for information purposes to registered interveners no later than July 4, 2019.

RESPONSE:

Confirmed.

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- 2.5.1 Please confirm if BC Hydro would be amenable to making WECC's report available for information purposes to registered interveners no later than July 4, 2019.
 - 2.5.1.1 If not, please provide reasons why not.

RESPONSE:

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Reference: Regulatory Timetable Exhibit A-14 WECC full certification review report to the BCUC

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2.5.2 If confidentiality issues prevent the full release of WECC's report, please confirm whether BC Hydro would be amenable to preparing a non-confidential summarized version of the report and making it available for information purposes to registered interveners no later than July 4, 2019.

RESPONSE:

Confirmed. BC Hydro will prepare a public version of the report and make it available for information purposes to registered interveners no later than July 4, 2019.

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 - 2.5.2.1 If not, please provide reasons why not.

RESPONSE:

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Reference: Governance Exhibit B-6, BCUC IR 5.3 Governance risk evaluation

In its response to BCUC IR 5.3, BC Hydro stated:

The current scope and responsibilities contemplated by BC Hydro is provided below:

1.→ RC Registered Entities Oversight Group¶

a. → Scope¶

- - RC Services
- - RC · performance · metrics [emphasis added]¶
- - RC procedures with impact on the B.C. registered entities.
- \bullet General updates on the state of reliability within WECC \P
- b.→Responsibilities¶
 - → Provide recommendations to BC Hydro on the provisions of RC services¶
 - - Provide recommendations to BCHydro on changes to RC procedures
 - - Raise questions to BC Hydro relating to the scope so that they can be addressed to the whole of the oversight group ¶
- 2. → RC and BA/TOP Operations Working Group¶
 - a. → Scope¶
 - - Next-day operations for all registered BAs and TOPs within B.C. ¶
 - - Real-time operations for all registered BAs and TOPs within B.C.¶
 - - Review of operating procedures specific to the RC, BA and TOPs¶
 - - Joint initiatives between RC and BA/TOP functions (e.g. training)¶
 - b.→Responsibilities¶
 - - Provide input to the RC on improving next-day and real-time operations processes¶
 - → Provide input to the RC on procedures and joint initiatives involving the RC, BA and TOPs¶

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BC Hydro anticipates formalizing the forgoing in terms of reference that will be finalized closer to the date when the groups are constituted.

2.6.1 Please confirm what, if any, performance metrics BC Hydro has developed to effectively measure its performance as Reliability Coordinator for BC (if approved).

RESPONSE:

BC Hydro has not developed performance metrics at this time but is currently evaluating options for performance metrics. As part of this evaluation, BC Hydro is reviewing performance metrics currently in use by PEAK Reliability in its role as the RC and intends to consult with other RCs on the development of their performance metrics. BC Hydro plans to finalize the metrics to be used prior to the planned September 2, 2019 go-live date and intends to report on reliability performance metrics to the RC Registered Entities Oversight Group.

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Reference: Governance Exhibit B-6, BCUC IR 5.3 Governance risk evaluation

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- - RC procedures with impact on the B.C. registered entities.
- → General updates on the state of reliability within WECC¶

b.→Responsibilities¶

- → Provide recommendations to BCHydro on the provisions of RC· services¶
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- → Raise questions to BC Hydro relating to the scope so that they can be addressed to the whole of the oversight group¶

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- 2. RC and BA/TOP Operations Working Group¶
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b.→ Responsibilities¶

- → Provide input to the RC on improving next-day and real-time operations processes¶
- - Provide input to the RC on procedures and joint initiatives involving the RC, BA and TOPs¶

BC Hydro anticipates formalizing the forgoing in terms of reference that will be finalized closer to the date when the groups are constituted.

- 2.6.1 Please confirm what, if any, performance metrics BC Hydro has developed to effectively measure its performance as Reliability Coordinator for BC (if approved).
 - 2.6.1.1 If so, please explain how these performance metrics differ from the tools currently used by PEAK.

RESPONSE:

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- 2.6.1 Please confirm what, if any, performance metrics BC Hydro has developed to effectively measure its performance as Reliability Coordinator for BC (if approved).
 - 2.6.1.2 If BC Hydro has not planned to make use of performance metrics, please explain why not.

RESPONSE:

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- → Raise questions to BC Hydro relating to the scope so that they can be addressed to the whole of the oversight group¶

2. - RC and BA/TOP Operations Working Group¶

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BC Hydro anticipates formalizing the forgoing in terms of reference that will be finalized closer to the date when the groups are constituted.

2.6.2 What performance metrics has BC Hydro developed to measure the quality of information being provided by other Transmission Operators and entities?

RESPONSE:

BC Hydro has not developed performance metrics related to the data and information that will be provided by other Transmission Operators and entities.

As part of establishing readiness for the RC function, BC Hydro is validating the data and information received from entities to ensure the quality is sufficient to support the RC data requirements. This will continue as an ongoing process and a performance metric may be contemplated at a future date.

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 - \bullet Provide input to the RC on procedures and joint initiatives involving the RC, <code>BA</code> and <code>TOPs </code>

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BC Hydro anticipates formalizing the forgoing in terms of reference that will be finalized closer to the date when the groups are constituted.

2.6.3 What practices will BC Hydro be using to encourage improved performance from entities in BC?

RESPONSE:

BC Hydro views the RC Registered Entities Oversight Group and BA/TOP Working Group as opportunities to review and encourage industry best practices and overall improvements amongst entities. BC Hydro hopes the RC Registered Entities Oversight Group and BA/TOP Working Group will provide a forum to discuss industry issues, best practices and encourage overall industry engagement by entities to support a broader appreciation of how their operations can impact reliability of entities within and outside of B.C.