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September 23, 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. 1598931  
British Columbia Utilities Commission (BCUC or Commission)  
British Columbia Hydro and Power Authority (BC Hydro)  
Open Access Transmission Tariff (OATT)  
Dynamic Scheduling Amendments Application (Application)  
Compliance with BCUC Order No. G-20-18 Directives 3b and 3c**

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BC Hydro writes in compliance with Order No. G 20-18 (**Order**) to provide its summary reports for F2019 as required under directives 3b and 3c of the Order as follows:

## **1 Directive 3b; Dynamic Scheduling Operating Costs**

Directive 3b of the Order requires BC Hydro to provide:

- b. A summary report detailing any significant changes in actual operational costs associated with administering dynamic scheduling, compared to: (i) the prior fiscal year; and (ii) expected budgets as approved by the Commission through the revenue requirement process, for F2019 and F2020, to be filed no later than 180 days following the close of the fiscal year.

As stated in section 7 – Implementation Requirements, of the Application of October 2, 2017, an update to BC Hydro's Market Operations and Development System was required to enable dynamic scheduling on imports and exports using any transmission reservation priority in advance of the February 1, 2018 start of Energy Imbalance Market (**EIM**) parallel operations. Due to the expedited timeline required to implement dynamic scheduling to facilitate Powerex's participation in the EIM, the implementation costs were to be recovered from Powerex.

BC Hydro confirms that the implementation schedule was achieved allowing Powerex to commence parallel EIM operations on February 1, 2018 with go-live on April 4, 2018. It

has been possible for customers to dynamically schedule import and export energy on BC Hydro's Transmission System since February 1, 2018.

In response to directive 3b:

- (i) Since implementation of dynamic scheduling, BC Hydro has not experienced any "significant changes in actual operational costs" that can be attributed to the administration of dynamic scheduling.

Additional scheduling processes related to dynamic scheduling for the EIM market were automated during implementation, with costs recovered from Powerex. No additional manual processes have been undertaken by market operations staff that can be attributed to the administration of dynamic scheduling.

- (ii) Because of the above, neither BC Hydro's F2018 or F2019 actuals, nor its F2020 plan or F2021 plan that are included in its F2020 to F2021 Revenue Requirements Application, currently under review by the BCUC, contain any actual costs or budgeting allowances for additional operating costs that can be attributed to the implementation of the expansion of dynamic scheduling.

## **2 Directive 3c; EIM Outcomes**

Directive 3c of the Order requires BC Hydro to provide:

- c. A summary report for F2019 and F2020, to be filed no later than 180 days following the close of the fiscal year, providing a comparison of how outcomes would have been different if the new OATT Attachment Q-6 (as contained in Appendix B of the Application) had been implemented instead of the amendments to Attachment Q-1. Specifically, BC Hydro should provide comment on the potential benefits to OATT customers and the levels of residual capacity on transmission reservations that could have been used for dynamic scheduling/ EIM purposes on zero priority schedules.

In response to directive 3c:

- (i) BC Hydro clarifies that the amendments to Attachment Q-1, which were approved by Order No. G-20-18, would also have been required in order to implement Attachment Q-6. Amendments to Attachment Q-1 enabled Transmission Customers to schedule dynamically on both import and export paths and to allow dynamic scheduling on any transmission service including Firm and Non-Firm Point-To-Point Transmission Service. Attachment Q-6 would have given eligible Transmission Customers the ability to schedule EIM transactions, pursuant to Attachment Q-1, using their own unused capacity at the lowest transmission curtailment priority (first to be curtailed) at no additional costs. Thus, Attachment Q-6 could not have been approved and implemented "instead of the amendments to Attachment Q-1" since the amendments to Attachment Q-1 expanded dynamic scheduling to provide participants with greater flexibility to participate in the EIM.

The cost to the customer, its ability to obtain the required transmission capacity, and therefore its ability to compete in the EIM, were addressed by the inclusion of the ability to schedule dynamically on any transmission reservation priority as approved in Order No. G-20-18. Attachment Q-6 would have further addressed transmission access concerns by allowing customers to use zero priority schedules on their own residual capacity at no additional costs (i.e., using transmission capacity they had already purchased from BC Hydro).

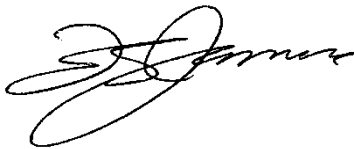
- (ii) Currently, Powerex is the only Transmission Customer that has participated in the EIM in F2019 and therefore is the only Transmission Customer that would have been eligible to utilize Attachment Q-6 had it been applied for and approved by the BCUC. BC Hydro is not aware of any other customer pursuing EIM participation, and customers have not expressed any concerns with the implementation approach for Attachment Q-1 as approved by the BCUC Order.

At this time, BC Hydro has not seen any potential additional benefits that would have been achieved by its Transmission Customers if Attachment Q-6 were in effect. Currently, Powerex is transacting in the EIM on a regular basis and BC Hydro has not been informed by any Transmission Customer if additional residual capacity available under Attachment Q-1 would have been beneficial, or if the current implementation has been a hindrance to their participation.

Since no customer has indicated a need to utilize zero priority schedules due to a lack of available capacity, BC Hydro does not see a need to seek approval of Attachment Q-6 at this time and believes that the cost and effort required to implement Attachment Q-6 are not justified.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at [bchydroregulatorygroup@bchydro.com](mailto:bchydroregulatorygroup@bchydro.com).

Yours sincerely,



Fred James  
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