

Fred James

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September 25, 2020

Ms. Marija Tresoglavic
Acting Commission Secretary and Manager
Regulatory Support
British Columbia Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Ms. Tresoglavic:

**RE: 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 Order G-20-18 Directives 3b and 3c**

BC Hydro writes in compliance with Order No. G-20-18 (**Order**) to provide its summary reports for F2020 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.

Further to BC Hydro's F2019 report, 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. No additional staff have been hired and systems were all automated at the time of implementation. Powerex remains the only Transmission customer that has used dynamic scheduling and BC Hydro has not seen any increase in administration requirements.

- (ii) Because of the above, neither BC Hydro's F2020 actuals, nor its F2021 plan that is included in its F2020 to F2021 Revenue Requirements Application, currently under review by the Commission, 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; Energy Imbalance Market (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) In the F2019 report, BC Hydro clarified 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 EIM competitiveness 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).

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- (ii) Powerex remains the only Transmission Customer that has participated in the EIM as of F2020 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 Commission. Customers have not expressed any concerns with the implementation approach approved by the Commission 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-6 would have been beneficial, or if the current implementation has been a hindrance to their participation.

For further information, please contact Anthea Jubb at 604-623-3545 or by email at bchydroregulatorygroup@bchydro.com.

Yours sincerely,



Fred James
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