

Enclosure 1: Proposed Amendments:

1. Proposed Amendments to OATT Attachment M-1 in Response to Order No. 845

FERC Order No. 845 contains eight major reforms. These reforms are grouped below into general areas of improvement that FERC is seeking to address through reform to the large generator interconnection provisions of its *pro forma* OATT. Except where FERC has required the development of certain transmission provider specific definitions and procedures, and in three other instances, BC Hydro's proposed amendments generally reflect FERC's reforms to its *pro forma* OATT. For each of the Order No. 845 reforms below, BC Hydro includes reference to where it proposes to incorporate the reform through amendments to OATT Attachment M-1 and these are included in the blackline versions of the affected tariff pages.

- a. Improving certainty for interconnection customers, by:
 - (i) Removing the limitation that interconnection customers may only exercise the option to build a transmission provider's interconnection facilities and stand alone network upgrades in instances when the transmission provider cannot meet the dates proposed by the interconnection customer. This reform is reflected in BC Hydro's proposed amendments to the definition of Stand Alone Network Upgrades in section 1.0 of the Standard Generator Interconnection Procedures (SGIP) and in article 1.0 of the Standard Generator Interconnection Agreement (SGIA); in amendments to article 5.1 of the SGIA; and in proposed new article 5.1.3 of the SGIA.
 - (ii) Requiring that transmission providers establish interconnection dispute resolution procedures that allow a disputing party to unilaterally seek non-binding dispute resolution. BC Hydro does not propose to adopt this reform since it already has equivalent provisions in place. The approved SGIA contains a dispute resolution procedure as appendix G that is appropriate for interconnection projects in British Columbia and allows either party to initiate a binding arbitration process.
- b. Promoting more informed decisions by interconnection customers, by:
 - (i) Requiring transmission providers to outline and make public a method for determining contingent facilities, which are unbuilt facilities and network upgrades that are required to support an interconnection request. This reform is reflected by a BC Hydro's proposed definition of Contingent Facilities in section 1.0 the SGIP and a new section 3.8 in the SGIP, both of which are included in BC Hydro's proposed amendments.
 - (ii) Requiring transmission providers to list the specific study processes and assumptions for forming the network models used for interconnection studies. This reform is reflected in BC Hydro's proposed amendments to Section 2.3 of the SGIP. BC Hydro's proposed amendment is slightly different than the FERC reform. BC Hydro rarely receives requests from interconnection customers for access to network models and underlying assumptions and proposes that a password protected website include instructions for Interconnection Customers to follow should they wish to access the network models and underlying assumptions. BC Hydro believes that this deviation from the FERC reforms is appropriate in British Columbia.
 - (iii) Revising the definition of Generating Facility to explicitly include electric storage resources. This reform is reflected in BC Hydro's proposed amendments to the definitions of Generating Facility in section 1.0 of the SGIP and in article 1.0 of the SGIA.
 - (iv) Establishing reporting requirements for aggregate interconnection study performance. This reform is reflected in BC Hydro's proposed amendments to the SGIP by new sections 3.5.1

through 3.5.2, including subsections. The re-numbering of existing sections 3.5 and 3.6 of the SGIP to sections 3.6 and 3.7 would also be required and are included in BC Hydro's proposed amendments.

- c. Enhancing the interconnection process by providing an expedited service for interconnection customers by:
- (i) Allowing interconnection customers to request a level of interconnection service that is lower than their generating facility capacity. This reform is reflected in BC Hydro's proposed amendments to sections 3.1, 4.4.1, 4.4.2, 6.3, 7.3 and 8.3 of the SGIP, and a new item 5(i) of SGIP Appendix 1.
 - (ii) Requiring transmission providers to allow for provisional interconnection agreements that provide for limited operation of a generating facility prior to completion of the full interconnection process. This reform is reflected in BC Hydro's proposed amendments to section 1.0 of the SGIP and article 1.0 of the SGIA to include new definitions of Provisional Interconnection Service and Provisional Standard Generation Agreement; and a new article 5.9.2 of the SGIA. A new article 5.9 heading, re-numbering of article 5.8.1 to 5.9.1 and re-numbering of articles 5.9 through 5.18 of the SGIA would also be required.
 - (iii) Requiring transmission providers to create a process for interconnection customers to use surplus interconnection service at existing points of interconnection. This reform is reflected by a proposed new definition of Surplus Interconnection Service in section 1.0 the SGIP and in article 1.0 of the SGIA; and by new sections 3.3 and 3.3.1 in the SGIP. Adoption of this reform would also require re-numbering of existing sections 3.3 through 3.4 of the SGIP, including sub-sections.
 - (iv) Requiring transmission providers to set forth a procedure to allow transmission providers to assess and, if necessary, study an interconnection customer's technology changes without affecting the interconnection customer's queued position. This reform is reflected by a proposed new definition of Permissible Technological Advancement in section 1.0 the SGIP; proposed amendments to sections 4.4.1 and 4.4.2 of the SGIP; and a proposed new section 4.4.6 of the SGIP.

2. Proposed Amendments to OATT Attachment M-1 in Response to Order No. 842

FERC Order No. 842 is intended to address concerns related to declining frequency response performance of interconnected electric systems by revising the requirement for the provision of primary frequency response such that all newly interconnecting generating facilities, both synchronous and non-synchronous, must install, maintain, and operate equipment capable of providing primary frequency response as a condition of interconnection.

BC Hydro proposes to adopt the Order No. 842 reforms. These reforms are reflected by the proposed addition of section 9.6 of the SGIA, including sub-sections, and of new item 5(h) of SGIP Appendix 1. BC Hydro proposes to adopt all reforms with the exception of one, which is not applicable in British Columbia since it relates only to generating facilities that are regulated by the United States Nuclear Regulatory Commission.

The proposed amendments would apply to new generator Interconnection Requests only and would not be applied retro-actively to existing facilities. The proposed amendments are included in the blackline versions of the affected tariff pages.

3. Amendment to OATT Attachment M-1 Study Timelines

BC Hydro is proposing an additional amendment to Attachment M-1, to address estimate accuracy and the target interconnection study timelines in order to align Attachment M-1 with BC Hydro's Interconnection Study and Project Delivery practices and requirements. These are applied on a consistent basis to project delivery across BC Hydro to ensure that BC Hydro meets its obligations as a regulated utility in British Columbia; including its commitments to First Nations engagement, protection of the environment, and its requirements to ensure project prudence. BC Hydro is proposing amendments to SGIP sections 6.3, 6.5, 7.4 and 8.4 as shown in the blackline versions of the affected tariff pages.

4. Proposed Housekeeping Amendments to OATT Attachment M-1

BC Hydro proposes the following additional amendments of a housekeeping nature:

- a. Amendments to the Tables of Contents of the SGIP and SGIA as required to reflect the proposed Order No. 845 and Order No. 842 amendments as discussed above.
- b. Amendments to reflect section numbering in Attachment M-1 as required based on the proposed Order No. 845 and Order No. 842 amendments as discussed above.
- c. Amendments to reflect BC Hydro role of Applicable Reliability Coordinator in British Columbia as approved by the Commission through Order No. G-199-19. BC Hydro proposes to amend the definition of Applicable Reliability Coordinator in section 1.0 of the SGIP and to make additional amendments to sections 4.4.5 and 13.1 of the SGIP.
- d. Amendments to correct errors of a typographical nature as required.
- e. Amendments to conform the headers of all Attachment M-1 tariff pages with the style of the OATT.

5. Proposed Amendments to OATT Rate Schedule 05 in Response to FERC Order No. 784

FERC Order No. 784 requires transmission providers to take into account the speed and accuracy of regulation resources in its determination of reserve requirements for Regulation and Frequency Response Service. BC Hydro proposes to adopt the Order No. 784 reforms. These reforms are reflected in proposed amendments to the preamble section of OATT Rate Schedule 05: Regulation and Frequency Response Service as shown in the blackline versions of the affected tariff pages.

6. Proposed Amendments to Attachment B – Form of Service Agreement for Long-Term Firm Point-To-Point Transmission Service

BC Hydro is proposing to amend the roll over provision in Attachment B. Currently, section 5 of Attachment B provides that the Transmission Provider will determine that there is either sufficient or insufficient capacity to accommodate the rollover of the service agreement at the end of the contract term. The amendment will allow the Transmission Provider to determine whether there is sufficient capacity to accommodate the rollover of the service agreement at a later date, towards the end of the contract term. The proposed amendments affect sections 5 and a new section 9 of the form of agreement as shown in the blackline versions of the affected tariff pages.

7. Proposed Amendments to Attachment L – Creditworthiness Provisions

BC Hydro: OATT Generator Interconnection Amendments Application

BC Hydro is proposing to amend the security and prepayment terms for Point-to-Point Transmission Service to: (i) require that Transmission Customer provide security at least 10 business days before commencement of service rather than 5 business days; and (ii) add flexibility regarding the amount of security and terms that are acceptable to BC Hydro, which will allow the Transmission Customer and BC Hydro to address non-standard agreements on a case-by-case basis. The proposed amendments are to Section 5 of Attachment L, as shown in the blackline versions of the affected tariff pages.