

August 30, 2021

BC Hydro
333 Dunsmuir St.
Vancouver, B.C.
V6B 5R3

Via Email

**Attention: Brenda Ambrosi
BC Hydro Market Policy and Operations Manager**

Dear Ms. Ambrosi,

Re: Comments on Redlined TTC/ATC Business Practice Document to Reflect BC Hydro Power Supply (“BCPS”) Proposed Changes

On July 30th, 2021, BC Hydro Grid Operations (“BC Hydro”) posted a bulletin communicating that it will proceed with changes to allow firm counterflows to create additional ATC when energy with deliveries on firm transmission from source to sink have been scheduled. BC Hydro also provided responses to feedback submitted by Capital Power, Evolgen and TransAlta. On August 10th, 2021, BC Hydro posted a follow-up bulletin with draft modifications to its *TTC/ATC Business Practice* indicating how it plans on implementing these changes. Customer comments on the redlined changes were also invited. This letter provides feedback from Capital Power, Evolgen, Heartland Generation and TransAlta.

Firstly, the proposed new subsection 4.1 of the redlined *TTC/ATC Business Practice* states that Firm ATC will be “made available at the precise time the counterflow energy is scheduled.” Though consistent with BC Hydro’s July 30th response that it will release firm counterflow as ATC in the same manner as is done with non-firm counterflow, concerns regarding preferential access as expressed by the customers during the initial comment phase remain.

BCPS is the scheduling agent for the Columbia treaty. As the entity scheduling firm counterflows, it will have preferential access to volumes and timing of these imports. In other words, the Canadian Entitlement volumes available to be counterflowed and the exact time they will be posted will only be known by a single party—BCPS. Similarly, only BCPS will be aware of whether these volumes (in part or full) are to be scheduled with the intent to counterflow and known well in advance of the pre-scheduling time horizon or at least prior to the posting of TTC, ATC, TRM, and existing transmission commitments on OASIS. This establishes an unlevel playing field between BCPS and other transmission customers under the proposed changes now being implemented. Such unequal access causes undue harm to competition for Firm ATC and creates unnecessary risk for those who possess or seek to acquire transmission (firm or otherwise).

Utilization of the Canadian Entitlement for the purposes of counterflows should be done in a manner that advances fair competition for ATC. To remedy these concerns, a simultaneous submission window for counterflow of firm ATC should, instead, be implemented. This should be done concurrently with the posting of released ATC volumes that become available as a result. It is

understood that BC Hydro already has procedures for a simultaneous submission window process.¹ This should equally apply here.

Secondly, proposed new subsection 4.1 notes the following:

If, at any time, a Transmission Customer fails to meet any of the eligibility requirements in this section or the energy deliveries that are assured fail to be delivered, except during reliability events and transmission outages, the Transmission Provider may immediately suspend the Firm Counterflow adjustment provision for this Transmission Customer

Parties to this letter are supportive of this outcome resulting from the failure to meet the eligibility requirements for firm counterflow. However, it is strongly recommended that BC Hydro provide further clarity regarding the outcome where a firm importer adjusts or terminates their schedule for non-reliability reasons.

It is also worth noting that BC Hydro often engages in reliability curtailments on certain paths even for firm transmission holders. This is particularly concerning as BC Hydro confirmed in its response to customer comments that ATC volumes currently can be and are scheduled above TTC levels. Implementation of the BCPS proposed business practice change may now exacerbate such issues. Consequently, the undersigned parties request that BC Hydro provide details on what level of reliability they expect to meet the assured delivery obligation as well as what would occur should this metric not be met. This was previously requested by TransAlta in comments submitted May 17th, 2021 but were not addressed in BC Hydro's response.

Finally, the undersigned would appreciate BC Hydro holding a public workshop to address the matters described in this letter, as well as how such changes will affect intertie transactions and the interplay between BC Hydro, BCPS, and Powerex. Such public workshops would increase transparency, enhance transmission consumer confidence in the proposed changes and ensure fair and open transmission access for all participants. This would also incentivize marketers to augment supply and demand, and ultimately lower costs for BC ratepayers.

The parties to this letter appreciate BC Hydro's July 30th response and August 10th follow-up bulletin with the redlined changes as well as the opportunity to provide feedback. Should BC Hydro have any questions regarding the above comments or wish to discuss, please feel free to reach out to the undersigned.

Yours sincerely,

<Original Signed by>

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Capital Power*

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¹ See, for example, section 4.0 on the 5-minute simultaneous submission window (for midnight bidding) of BC Hydro's business practices for submitting a short-term transmission service request.