



**ORDER NUMBER**  
**G-73-22**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

British Columbia Hydro and Power Authority (BC Hydro)  
Open Access Transmission Tariff (OATT)  
Attachment C Amendments Application –  
Methodology to Assess Available Transfer Capability

**BEFORE:**

D. M. Morton, Panel Chair  
A. K. Fung, QC, Commissioner  
C. M. Brewer, Commissioner

on March 11, 2022

**ORDER**

**WHEREAS:**

- A. On September 9, 2021, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) an application seeking approval to Amend Attachment C of the Open Access Transmission Tariff (OATT) pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) (Application);
- B. In the Application, BC Hydro seeks approval of the following amendments to Attachment C of the OATT:
  1. To delete one sentence in section 4.5.1 of Attachment C to enable BC Hydro to address its amended practice to allow firm counterflow schedules to create firm available transmission capability (ATC) for sale under BC Hydro's OATT if certain conditions are met; and
  2. To address additional housekeeping items in Attachment C;
- C. By Order G-284-21, dated September 28, 2021, the BCUC established a public hearing process with a Regulatory Timetable for the review of the Application, which included notice of the Application, intervener registration, and BCUC and Intervener information requests;
- D. On October 8, 2021, the Commercial Energy Consumers Association of British Columbia (CEC) submitted a request to extend the Intervener Registration deadline due to difficulties experienced in accessing electronic documents on the BCUC website;
- E. By Order G-294-21, date October 13, 2021, the BCUC amended the Regulatory Timetable to align with a request by the CEC to extend the Intervener Registration deadline due to difficulties experienced in accessing electronic documents on the BCUC website;
- F. By October 20, 2021, Powerex Corp. (Powerex), TransAlta Corporation (TransAlta), Evolugen by Brookfield Renewable (Evolugen), Capital Power, and CEC had registered as interveners;

- G. On November 5, 2021, BC Hydro submitted a request to extend the deadline for filing BC Hydro Responses to BCUC and Interveners Information Request (IR) No.1 to provide more time to allow BC Hydro to prepare responses;
- H. By Order G-331-21, dated November 10, 2021, the BCUC amended the Regulatory Timetable as requested by BC Hydro;
- I. On November 22, 2021, BC Hydro submitted its responses to BCUC and Interveners IR No. 1, which included both public and confidential responses along with a request seeking confidential treatment of the confidential responses;
- J. By Order G-369-21, dated December 13, 2021, the BCUC amended the Regulatory Timetable requesting Interveners and BC Hydro to provide submission on further process;
- K. On December 16, 2021, Powerex, Capital Power, Evolgen, TransAlta, and CEC submitted letters indicating that they would like to proceed to final argument;
- L. On December 21, 2021, BC Hydro submitted its response to the Interveners' submissions and requested the proceeding move forward with final arguments;
- M. By order G-391-21, dated December 23, 2021, the BCUC amended the Regulatory Timetable moving the proceeding to final arguments;
- N. On January 12, 2022, BC Hydro submitted its final argument;
- O. On January 26, 2022, the interveners submitted their final arguments;
- P. On February 2, 2022, BC Hydro submitted its reply argument; and
- Q. The BCUC has reviewed the Application, evidence and arguments submitted in the proceeding, and determines that the approvals sought in the Application are warranted and makes the following determinations.

**NOW THEREFORE** pursuant to section 59 to 61 of the UCA and for the reasons for decision attached as Appendix A to this order, the BCUC orders as follows:

1. The BCUC approves the Amendments to Attachment C in the OATT.
2. BC Hydro is directed to comply with all directives and reporting requirements as outlined in the reasons for decision.
3. Exhibit B-3-1 will be held confidentially by the BCUC.
4. BC Hydro must file amended OATT Rate Schedules in accordance with the terms of this order within 30 days for endorsement by the BCUC.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 11<sup>th</sup> day of March, 2022.

BY ORDER

*Original signed by:*

D. M. Morton  
Commissioner

Attachment

**British Columbia Hydro and Power Authority (BC Hydro)**  
**Open Access Transmission Tariff (OATT)**  
**Attachment C Amendments Application –**  
**Methodology to Assess Available Transfer Capability**

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**Reasons for Decision**

March 11, 2022

Before:

D. M. Morton, Panel Chair  
A. K. Fung, QC, Commissioner  
C. M. Brewer, Commissioner

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## 1.0 Introduction

### 1.1 Application and Approval Sought

On September 9, 2021, British Columbia Hydro and Power Authority (BC Hydro) filed with the British Columbia Utilities Commission (BCUC) an application seeking approval to Amend Attachment C of the Open Access Transmission Tariff (OATT) pursuant to sections 59 to 61 of the Utilities Commission Act<sup>1</sup> (UCA) (Application). BC Hydro proposes to delete one sentence in section 4.5.1 of Attachment C to enable BC Hydro to address its amended practice to allow firm counterflow schedules to create firm available transmission capability (ATC) for sale under BC Hydro's OATT if certain conditions are met and to address additional housekeeping items in Attachment C.

Additionally, BC Hydro requests that the BCUC keep confidential Appendix D of the Application filed as Exhibit B-1-1 because it contains market sensitive information as well as portions of its responses to BCUC IR No. 1 filed as Exhibit B-3-1.

### 1.2 Background

In the Application, BC Hydro proposed to remove the sentence "Firm Counter-flows will add capacity to the calculation of non-firm ATC in the Scheduling Horizon," in section 4.5.1 of Attachment C. The removal of this sentence will allow BC Hydro to determine whether Firm Counter-flows could add capacity to firm ATC or non-firm ATC. The current Attachment C does not allow BC Hydro to distinguish between distinct firm counterflows, and as a result, all firm counterflow adds capacity to non-Firm ATC.

BC Hydro defines an ATC path as "any combination of Point(s) of Receipt to Point(s) of Delivery for which ATC is calculated". BC Hydro further states that it currently has "six ATC paths as set out in its Total Transfer Capability/Available Transfer Capability Business Practice for which calculations of available transmission capacities in both directions of flow between BC-US, BC-AB and BC-FortisBC are undertaken."<sup>2</sup>

The amendment will, according to BC Hydro, enable firm counterflows to add capacity of firm ATC as it pertains to the Canadian Entitlement.<sup>3</sup> Currently, the Canadian Entitlement adds capacity to non-firm ATC. A Transmission Customer, BC Hydro Power Supply (BCPS), suggested that since the Canadian Entitlement is "assured" it should be used to add capacity to firm ATC instead.

When BC Hydro was asked whether or not BCPS is a private corporation, or other entity, and to identify any links it may have to BC Hydro or any governmental agency, it responded as follows:

BCPS (entity code for BC Hydro Generation System Operations) is one of BCHA's (entity code for BC Hydro Transmission Provider) Transmission Customers under the OATT. BCHA, as the Transmission Provider, administers the OATT and is obligated to provide access to its transmission system to all Transmission Customers that is not unduly discriminatory or preferential, including its own related generation customer and marketing affiliate. BCPS, as one of BCHA's Transmission Customers, makes requests to purchase Transmission Services on OASIS.

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<sup>1</sup> *Utilities Commission Act*, s 59 - 61.

<sup>2</sup> Exhibit B-1, p. 3, footnote 5.

<sup>3</sup> Exhibit B-1, p. 5-7, section 1.3.

BCHA and BCPS are functionally separate divisions under BC Hydro's Standards of Conduct (SOC) requirements. At a high level, the purpose of the SOC is to protect against discrimination by a Transmission Provider in the provision of wholesale transmission services by ensuring that its related employees that are designated as "marketing function employees" do not preferentially receive certain non-public transmission information. The BCUC approved BC Hydro's current SOC on June 24, 2020 *sic* under Order No. G-111-10 and these standards came into force on July 5, 2010.<sup>4 5</sup>

BC Hydro stated that it considered the proposal from BCPS and consulted with all Transmission Customers to inform them that it was considering amending Attachment C to allow firm counterflows to add capacity to the calculation of firm ATC.<sup>6 7</sup>

### 1.3 Regulatory Process

On September 28, 2021, the BCUC established a written hearing process for review of the Application which consisted of intervener registration, BCUC Information Requests (IR)s, intervener IRs, and responses from BC Hydro<sup>8</sup>.

By October 20, 2021, the Commercial Energy Consumers Association of BC (CEC), Powerex, Capital Power ("Capital Power"), Evolgen by Brookfield ("Evolugen"), and TransAlta Corporation ("TransAlta") had registered as interveners in the proceeding. Transmission Customers Capital Power, Evolgen, and TransAlta together (Transmission Customer Intervener Group) submitted IRs, submission on further process, and Final Arguments as one group. Following the IR response from BC Hydro, the BCUC, by Order G-369-21, amended the regulatory timetable seeking submissions on further process.

By December 21, 2021, submissions on further process were submitted by BC Hydro and the Interveners requesting the proceeding progress to Final Arguments. By Order G-391-21, the BCUC amended the regulatory timetable to progress the regulatory process to Final Arguments.

By January 26, 2022, BC Hydro and Interveners had submitted their final arguments to the proceeding. On February 2, 2022, BC Hydro submitted its reply to Final Arguments.

## 2.0 Legislative Framework

The Panel's review of the Application considers sections 59 to 61 of the *Utilities Commission Act (UCA)*.

Section 59(1) of the UCA states:

59(1) A public utility must not make, demand or receive

(a) an unjust, unreasonable, unduly discriminatory or unduly preferential rate for a service provided by it in British Columbia, or

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<sup>4</sup> Exhibit B-4-CEC IR 1.1.1.

<sup>5</sup> Order No. G-111-10 was issued June 24, 2010

<sup>6</sup> Exhibit B-1, p. 5-7, section 1.3.

<sup>7</sup> Exhibit B-1, p. 14, section 4.

<sup>8</sup> Order G-284-21

(b) a rate that otherwise contravenes this Act, the regulations, orders of the commission or any other law.<sup>9</sup>

Section 59(4) confirms that the BCUC is the sole judge factually of whether a rate is unjust, unreasonable, unduly discriminatory or unduly preferential.<sup>10</sup>

### 3.0 Overall Determination

#### 3.1 Benefits of Incremental firm-ATC created as result of implementing proposed amendments

BC Hydro submits “By implementing this change in practice as requested by BCPS, BC Hydro ratepayers can benefit from increased Firm Transmission Sales. Specifically, if Firm ATC leads to higher Firm Transmission Service sales, this will directly off-set the residual Transmission Revenue Requirement that is recovered from ratepayers through the Network Integration Transmission Service charge and ultimately through the bundled service rates.”<sup>11</sup>

BC Hydro states that “the proposed amendments to Attachment C will provide incremental benefits to ratepayers if the BC Hydro transmission system is utilized to a greater degree as a result of the sale of incremental Firm Transmission Service and that it may also benefit Transmission Customers by making available incremental Firm Transmission Service which may be needed to participate in emerging and evolving markets.”<sup>12</sup> Furthermore, BC Hydro adds “The proposed amendments may increase the use of the transmission system by providing a higher value transmission service which, if sold, would benefit BC Hydro Transmission Customer ratepayers as well as BC Hydro ratepayers more generally. However, the proposed amendment to Attachment C is just and reasonable regardless of whether there are quantifiable benefits to ratepayers.”<sup>13</sup>

#### *Positions of Interveners*

The CEC submits that it “does not have dependable quantification for the range of potential benefits but is of the view that there is likely to be only an upside in the change in sales and corresponding revenues arising from the Application.”<sup>14</sup>

Powerex submits that “there are significant benefits associated with being able to increase the quantity of Firm Transmission Service that is offered to customers and the changes proposed by BC Hydro will enable these benefits to be realized.”<sup>15</sup>

The Transmission Customer Intervener Group submits that “[t]he [proposed] OATT amendments are not in the public interest as no ratepayer benefit has reasonably been demonstrated.”<sup>16</sup> In BC Hydro’s reasoning as to why ratepayers could benefit from the proposed amendments, the Transmission Customer Intervener Group submits that “BC Hydro ... ignore[d] any potential corresponding volumetric reduction in the sale of non-firm service.

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<sup>9</sup> *Utilities Commission Act*, s 59 – 61.

<sup>10</sup> *Utilities Commission Act*, s 59 (4).

<sup>11</sup> BC Hydro Final Argument, p. 14, para 31.

<sup>12</sup> BC Hydro Reply Argument, p. 11, para 27.

<sup>13</sup> BC Hydro Reply Argument, p. 13, para 33.

<sup>14</sup> CEC Final Argument, p. 8, para 56.

<sup>15</sup> Powerex Final Argument, p. 7, para 24.

<sup>16</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p. 9, para 30.

This is significant since any incremental firm ATC would displace non-firm ATC.”<sup>17</sup> Furthermore, the Transmission Customer Intervener Group states “the [proposed] OATT amendments enable preferential access to BC Hydro's affiliates and eliminate or limit competition from other transmission customers.”<sup>18</sup>

### *Panel Determination*

The Panel agrees with BC Hydro, the CEC, and Powerex that should more firm transmission be purchased because of the increase in firm ATC made available by amending Attachment C as proposed, there could be benefits to the ratepayer. The Panel accepts that BC Hydro, at this time, would not be able to provide the quantifiable benefit to the ratepayer because, as the Transmission Provider, BC Hydro cannot realistically guarantee that Transmission Customers will purchase more firm Transmission Service should it become more readily available.

**The Panel directs BC Hydro to file, within 30 days of issuance of this order, on a confidential basis as required, the total firm Transmission Service and non-firm Transmission Service purchased by each OATT Transmission Customer for the last five fiscal years (F18 – F22). The Panel further directs BC Hydro to file, in its annual report, on a confidential basis as required, the total firm Transmission Service and non-firm Transmission Service purchased by each OATT Transmission Customer at the end of each fiscal year starting with F23.**

## **3.2 Do the amendments meet the legal test?**

BC Hydro submits that it “has demonstrated that its proposed amendment to Attachment C to allow BC Hydro the flexibility to change its practice to allow assured Firm Counterflows to create incremental Firm ATC meets the legal test of being just and reasonable and not unduly preferential or unduly discriminatory.”<sup>19</sup> BC Hydro submits that “the legal test to be met in determining whether a rate should be approved is set out in sections 59-61 of the UCA. Specifically, the UCA requires BC Hydro’s rates to not be “unjust, unreasonable, unduly discriminatory or unduly preferential.”<sup>20</sup>

BC Hydro submits that “No Transmission Customer will have unduly preferential access in respect of the purchase of the incremental Firm ATC arising from assured Firm Counterflows [and] All Transmission Customers will be able to purchase this ATC when offered for sale on a first-come, first-served basis, consistent with its existing practice of releasing all ATC arising from Counterflow schedules as incremental Non-Firm ATC.”<sup>21</sup>

BC Hydro states that “various Transmission Providers deal with Firm Counterflow ATC differently based on the specific circumstances in the respective systems. However, there is no requirement for Transmission Providers to be aligned in this regard. Specifically, there is no requirement or expectation that Transmission Providers uniformly determine what constitutes “Firm Counterflows” for the purpose of creating incremental Firm ATC as shown by the language in the MOD-029 Standard.”<sup>22</sup>

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<sup>17</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p. 9, para 31.

<sup>18</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p. 4, para 17.

<sup>19</sup> BC Hydro Reply Argument, p.7 para 15.

<sup>20</sup> BC Hydro Reply Argument, p. 7 para 14.

<sup>21</sup> BC Hydro Reply Argument, p. 14, para 36.

<sup>22</sup> BC Hydro Reply Argument, p.25, para 65 – 66.



### *Positions of Interveners*

The CEC recommends that the BCUC approve the amendments to the OATT Attachment C and the housekeeping amendments as proposed by BC Hydro.<sup>23</sup>

Powerex submits that “there is neither a requirement nor expectation that ATC calculations be included in a [transmission service provider]’s OATT. While many aspects of an entity’s OATT can be prescriptive, the Federal Energy Regulatory Commission’s (FERC) pro-forma OATT does not require a [transmission service provider] to outline management of counterflows in Attachment C.”<sup>24</sup>

Powerex states that it “depends on BC Hydro transmission service in order to be able to export from B.C. the desired volume of electricity and to be able to arrange those exports in the hours that provide the greatest value. BC Hydro’s evidence is consistent with Powerex’s experience in that Firm Transmission Service is increasingly demanded by purchasers of electricity products, who seek assurances that the supply they will rely on to maintain reliability will be delivered when they need it most.”<sup>25</sup>

Finally, Powerex submits that “BC Hydro has demonstrated that the amendment to OATT Attachment C are reasonable and appropriate and in Powerex’s view, should be approved as filed.”<sup>26</sup>

The Transmission Customer Intervener Group submits that “the Application is deficient and the amendments proposed therein are unduly discriminatory or, otherwise, unlikely to result in any overall benefit. The Application is silent on how the applied-for changes comply with the statutory scheme.”<sup>27</sup>

The Transmission Customer Intervener Group submits that “the [proposed] OATT amendments enable preferential access to BC Hydro’s affiliates and eliminate or limit competition from other transmission customers. Further, the intent to use firm counterflows to support resource adequacy (“RA”) sales and scheduling practices for the Canadian Entitlement substantially affirm that there will be no competition or, at best, limited competition on a “first come, first serve” basis. Consequently, the OATT amendments do not support open access and fair competition.”<sup>28</sup>

The Transmission Customer Intervener Group suggests that BC Hydro could initiate the use of a simultaneous submission window (SSW) to offer the incremental firm-ATC that will be created from the Canadian Entitlement.<sup>29</sup>

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<sup>23</sup> CEC Final Argument, p. 1, para 1 – 2.

<sup>24</sup> Powerex Final Argument, p.4, para 14.

<sup>25</sup> Powerex Final Argument, p. 5, para 19.

<sup>26</sup> Powerex Final Argument, p. 7, para 27.

<sup>27</sup> Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation Final Argument, p. 1, para 3.

<sup>28</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p. 4, para 17.

<sup>29</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p.6, para 20.

### *BC Hydro Reply*

In reply, BC Hydro argues that it “has demonstrated through this proceeding that all Transmission Customers will have the same access to ATC created by Counterflow, whether it is Non-Firm ATC or incremental Firm ATC created from assured schedules”. BC Hydro further asserts:

No Transmission Customer will have unduly preferential access in respect of the purchase of the incremental Firm ATC arising from assured Firm Counterflows as suggested by the Joint Intervener Group. All Transmission Customers will be able to purchase this ATC when offered for sale on a first-come, first-served basis, consistent with its existing practice of releasing all ATC arising from Counterflow schedules as incremental Non-Firm ATC.<sup>30</sup>

Regarding the Transmission Customer Intervener Group suggestions for the use of an SSW, BC Hydro responds that it is not in alignment with BC Hydro’s OATT and is not consistent with industry standard practice. BC Hydro further argues that an SSW would not only require it “to undertake a substantial change to its business systems, but it would also require BC Hydro to further amend its OATT to change the standard language to reflect this unique and non-standard approach for only one Firm TSR associated with the Canadian Entitlement”.<sup>31</sup>

### *Panel Determination*

The Panel finds no evidence that the proposed amendments provide BC Hydro or its affiliates preferential access to firm Transmission nor do they limit competition from other Transmission Customers. For the reasons set out below, the Panel is satisfied that the proposed amendments to Attachment C are not unjust, unreasonable, unduly discriminatory or unduly preferential. The transmission system can benefit from increased firm capacity and BC Hydro has demonstrated that customers may share in those benefits even though they cannot be quantified at this time. **Therefore, the Panel approves the proposed amendments.**

The Panel acknowledges the Transmission Customer Intervener Group’s argument that the “first-come, first-served” approach currently used by BC Hydro enables preferential access to BC Hydro’s affiliates and eliminates or limits competition from other Transmission Customers. It provides an alternative approach based on the use of an SSW.

The Panel finds that the Transmission Customer Intervener Group has not provided sufficient evidence that the “first-come first-served” approach is unduly discriminatory. The examples cited in its Final Argument do not demonstrate that any customer has an undue advantage over others. For example, the Transmission Customer Intervener Group argues that “[u]nless BCPS elects to submit schedules prior to the hourly SSW window, there would be no opportunity for transmission customers to participate in the open lottery process utilized for all other regularly occurring firm ATC releases pursuant to the BC Hydro ATCID”<sup>32</sup>. However, the evidence shows that SSWs are used to create an initial and fixed duration window within the first five minutes of the “no earlier than” time for each transmission service increment (e.g. monthly, hourly).<sup>33</sup> Transmission service requests received during that time are processed on a first come, first served basis (if there is sufficient ATC) or are deemed to be submitted simultaneously and allocated according to a pre-determined method (if there is insufficient ATC). Outside of the SSW (five-minute window), ATC is offered for sale on a first-come, first-served basis. In our view, this does not constitute undue discrimination. Transmission Customers who require capacity on a firm basis may be better served by purchasing that capacity at the firm rate.

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<sup>30</sup> BC Hydro Final Argument, paras. 34-36.

<sup>31</sup> BC Hydro Reply Argument, pp. 22- 25.

<sup>32</sup> Final Argument of Capital Power Corporation, Evolgen (by Brookfield) & TransAlta Corporation, p. 8, para 25.

<sup>33</sup> BC Hydro Reply Final Argument, p. 15, para 40.

Given that the majority of traffic on the transmission system is from BC Hydro's affiliates and that these amendments were suggested by a subsidiary department of BC Hydro, we acknowledge there could be a perception that the proposed amendments will favour these customers, although there is no persuasive evidence before us that this will be the case. Therefore, we are prepared to consider measures that are designed to improve transparency of BC Hydro's handling of transmission service requests.

However, for the reasons cited by BC Hydro above, we are not persuaded that the alternative approach suggested by the Transmission Customer Intervener Group is reasonable or practical. Instead, **the Panel directs BC Hydro to file, on an annual basis, any request made to allow additional firm counterflow to increase capacity of firm ATC. BC Hydro should indicate the process adopted for reviewing each request along with the determination made by the Transmission Provider following that review process.**

### 3.3 Housekeeping Amendments

BC Hydro submits:

In addition to the amendment discussed above to Section 4.5.1 of Attachment C, BC Hydro is seeking approval of a number of housekeeping changes in Attachment C to align it with the MOD-029 Standard. BC Hydro's language in Attachment C is no longer precisely aligned with the language in the MOD-029 Standard and so these alignment edits have been made. This involves revising existing definitions to align language and adding definitions that were previously missed. BC Hydro does not view these amendments as substantive in that the language used has already been approved in B.C. by virtue of the approval of the MOD-029 Standard.<sup>34</sup>

#### *Positions of Interveners*

Powerex and the Transmission Customer Intervener Group did not provide evidence for or against the proposed housekeeping amendments.

CEC submits "that the housekeeping amendments are required and recommends approval."<sup>35</sup>

#### *Panel Determination*

The Panel agrees that the proposed housekeeping amendments are not substantive and are designed to align the language in Attachment C with that in the MOD-029 Standard. Accordingly, **the Panel approves the proposed housekeeping amendments.**

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<sup>34</sup> BC Hydro Final Argument, p. 15, para 39.

<sup>35</sup> CEC Final Argument, p. 10, para 62.