

May 17, 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: BC Hydro Power Supply (“BCPS”) Proposed Changes to TTC/ATC Business Practice and ATC Implementation Document

On April 30th, 2021, BC Hydro Grid Operations posted a Bulletin regarding a request from BCPS (the “Bulletin”). The request seeks changes to the current TTC/ATC Business Practice and ATC Implementation Document (“ATCID”) that would allow for firm counterflow scheduling from BC to the U.S. based on the Canadian Entitlement to be reflected in the determination of BC Hydro’s Firm ATC (the “Proposal”). Capital Power is an active market participant in the wholesale electricity industry and is a BC Hydro transmission customer that transacts across the Western Electricity Coordinating Council (“WECC”) region. The comments below are provided in response to the Bulletin’s request for feedback on the Proposal.

According to the Bulletin, Capital Power understands that BCPS believes its proposal is warranted for the following reasons: i) Attachment C of the BC Hydro Open Access Transmission Tariff (“OATT”) allows for firm counterflows to be reflected in the Firm ATC (“ATC_F”) formula; ii) Canadian Entitlement deliveries should be considered firm as there is an assured delivery of a firm generating resource on firm transmission from source to sink with full visibility to the Transmission Provider; and iii) the Proposal would result in an increase of ATC_F on the export path to the U.S. border. Based on the information available and subject to further details regarding the proposal and implementation being provided, Capital Power disagrees with the rationale for the Proposal and opposes it at this time.

While it is recognized that Attachment C of the OATT allows for firm counterflows to be reflected in the calculation of ATC_F, this is nothing new nor is this anything different than what is outlined in the WECC reliability standards MOD-001-1a and MOD-29-2a. In fact, doing so is not a requirement. M9 of MOD-29-2a states that “...that any variable may legitimately be zero if the value is not applicable or calculated to be zero (such as counterflows, TRM, CBM, etc...)”. Further, R3.2 of MOD-001-1a requires a description of how such counterflows are addressed in Firm ATC calculations and a rationale for that accounting is to be provided.

The Bonneville Power Administration (“BPA”), a neighbouring Balancing Authority, includes COUNTERFLOW_F as a variable in the calculation of ATC_F in their ATCID. Like BC Hydro’s current practice, the BPA also excludes firm counterflows as part of their ATC_F calculation. The BPA rationale in their ATCID notes that “...it does not want to offer firm transfer capability due to

counterflow that may not be scheduled as this could lead to Curtailments of Firm Transmission Service in the Real-time horizon.” Presumably, this determination was made in spite of the assured delivery of Canadian Entitlement and, as at this time, Capital Power is unaware of any proposed changes from the BPA that parallels BCPS’s request. In any event, Capital Power is concerned that BCPS’s proposal could lead to the outcome noted in the BPA rationale causing unnecessary harm to existing and prospective BC transmission customers.

It is also worth noting that over the course of 2020, the BPA undertook initiatives to improve the determination of their short-term ATC. This included calculation adjustments that would mitigate the possibility of ATC values exceeding TTC path ratings.¹ It is unclear at this point whether the same would occur on the BC side of the interchange due to the Proposal. Regardless, the BPA noted that this work result in “...ATC values that don’t assume counterflows will materialize across impacted paths after this change is implemented.” The BCPS proposal, however, appears to be in direct opposition to this or, at very least, is silent on this issue.

In Order 890, the Federal Energy Regulatory Commission (“FERC”) amended regulations and the pro forma open access transmission tariff to prevent undue discrimination and preference in transmission service. FERC adopted several reforms addressing the potential for undue discrimination in the determination of ATC by requiring consistency in how ATC is evaluated as well as providing greater transparency about how a transmission provider calculates and allocates ATC. As part of this Order, FERC stated the following:

We believe that counterflows, if treated inconsistently, can adversely affect reliability and competition, depending on how they are accounted for. Accordingly, we reiterate that public utilities, working through NERC and NAESB, are directed to develop an approach for accounting for counterflows, in the relevant ATC standards and business practices.² [Emphasis added]

Capital Power believes that the BCPS proposal would be a departure from and counter to these findings: i) treatment of counterflows would be inconsistent between BC Hydro and the BPA; ii) calculated ATC may exceed TTC which may adversely affect reliability; and iii) the potential lack of visibility leading to curtailment of Firm ATC may harm BC Hydro transmission customers as well as competition for this capacity. For these reasons, Capital Power opposes the Proposal at this time. Should BC Hydro determine to accept the Proposal, Capital Power strongly recommends that enhancements to the visibility of the ATC determination and greater assurances to fair access of firm and non-firm transmission for all transmission customers be considered.

Yours sincerely,

<Original Signed >

Santi Churphongphun
Manager, Regulatory and Environmental Policy

¹ See, for example, slide 12, BPA Short-Term Available Transfer Capability (ST ATC) Project Update, January 30, 2020 Webinar: <<https://www.bpa.gov/transmission/CustomerInvolvement/TC20Implementation/Documents/013020-ST-ATC-Update-webinar.pdf>>

² United States Of America 118 FERC ¶ 61,119 Federal Energy Regulatory Commission, Docket Nos. RM05-17-000 and RM05-25-000, FERC Order 890, Issued February 16, 2007, <https://www.nerc.com/files/order_890.pdf>