

# ▶ British Columbia – US Comparator

Standard-Making and Enforcement Functions

Prepared by: ▶ British Columbia Utilities Commission ▶ October 11, 2019

## CURRENT RELIABILITY STANDARDS

A list of Mandatory Reliability Standards adopted in British Columbia (BC), is accessed from both the BCUC and WECC websites:

<https://www.wecc.org/Standards/Pages/Default.aspx>

## KEY ORGANIZATIONS IN BRITISH COLUMBIA'S ELECTRICITY SECTOR

### MINISTRY OF ENERGY, MINES AND PETROLEUM

The Ministry of Energy, Mines and Petroleum Resources is responsible for the BC electricity sector. The Ministry develops and oversees BC policies with regard to electrical power generation and transmission, including replacing and upgrading infrastructure. See the *2007 BC Energy Plan: A Vision for Clean Energy Leadership*. The Ministry administers statutes relating to the energy sector and has policy responsibilities under the *Utilities Commission Act (UCA)*. The Ministry also oversees the British Columbia Hydro and Power Authority (BC Hydro) through the *British Columbia Hydro and Power Authority Act*.

### BRITISH COLUMBIA UTILITIES COMMISSION

The British Columbia Utilities Commission (BCUC) is an independent, quasi-judicial, regulatory agency that operates under and administers the UCA. The BCUC's primary responsibility is the regulation of energy utilities under its jurisdiction to ensure that the rates charged for energy are fair, just and reasonable, and that utilities provide safe, adequate and secure service to their customers.

The BCUC's mandate in the MRS Program is described in legislation (UCA). Specifically, the BCUC adopts or rejects reliability standards in BC and is responsible for the administration of the BC MRS Program. In addition, the BCUC also has the authority to impose administrative penalties for contraventions of MRS in accordance with the UCA and the *Administrative Penalties Regulation, BC Reg. 316/2012, OIC 731/2012*.

### WESTERN ELECTRICITY COORDINATING COUNCIL

The BCUC engages the Western Electricity Coordinating Council (WECC) as the BCUC's Administrator for the BC MRS Program. Through the Administration Agreement, the BCUC grants WECC authority to act as the BCUC's Administrator in the assessment of registration criteria and administration of approved reliability standards in BC. WECC's authority is limited to actions and obligations specified in the BCUC's Rules of Procedure for Reliability Standards in BC, as well as the Registration Manual and Compliance Monitoring Program, or as otherwise ordered by the BCUC.

### BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

BC Hydro is a provincially owned crown corporation and the largest electric utility in BC. BC Hydro delivers electricity to its customers through a network of over 75,000 kilometers of transmission and distribution lines and its system connects with other transmission systems in Alberta and Washington State. BC

Hydro’s responsibilities in the MRS Program are outlined in the UCA and MRS Regulation. Specifically, BC Hydro evaluates MRS for suitability in BC according to certain criteria stated in accordance with the UCA and the *Mandatory Reliability Standards Regulation* (MRS Regulation), *BC Reg. 32/2009, MO39*. In consultation with stakeholders, BC Hydro assesses reliability standards approved by FERC and reports to the BCUC on their suitability for adoption in BC.

The following table identifies the provincial organizations responsible for each of the functions that underpin the framework for monitoring and enforcing compliance with reliability standards in the province, and the U.S. organizations that support this framework. It also identifies the U.S. organizations that are involved in standards development, monitoring and enforcing compliance with reliability standards in the U.S.

FUNCTIONS <sup>1</sup>		PROVINCIAL ORGANIZATION	RELEVANT US ORGANIZATION	US COMPARATOR
STANDARDS MAKING <sup>2</sup>	Standards Approval	BCUC <sup>(1)</sup>	Not Applicable	FERC
	Standards Development	Not applicable	NERC and WECC	NERC and WECC
	Entity Registration	BCUC <sup>(2)</sup>	WECC <sup>(2)</sup>	NERC and WECC in their respective roles
COMPLIANCE MONITORING	Compliance Monitoring and Violation Detection	BCUC <sup>(3)</sup>	WECC <sup>(3)</sup>	NERC or WECC in their respective roles, FERC
ENFORCEMENT PROCESSES	Execution of Investigations (4)	BCUC <sup>(5)</sup>	WECC <sup>(5)</sup>	WECC or NERC in their respective roles, FERC
	Violation Determination and Imposes Administrative Penalties	BCUC <sup>(6)</sup>	WECC recommends NOAVs to BCUC	WECC , NERC, or FERC
VIOLATION PREVENTION AND OUTREACH	Violation Prevention, Outreach, including Education (7)	BCUC to a limited extent	WECC	WECC, or NERC in their respective roles, FERC

<sup>1</sup> This table is intended to illustrate *who has authority over these various processes vs. who has authority for their execution.*

<sup>2</sup> Reliability standards include NERC and WECC reliability standards approved by FERC.

FUNCTIONS <sup>1</sup>		PROVINCIAL ORGANIZATION	RELEVANT US ORGANIZATION	US COMPARATOR
APPEALS	First Right of Appeal	BCUC	Not applicable	NERC Board of Trustees Compliance Committee (BOT CC)
	Second Right of Appeal	Supreme Court or Court of Appeal <sup>(8)</sup>	Not applicable	FERC
	Third Right of Appeal	Not applicable	Not applicable	US Court of Appeals
OVERSIGHT	Approval of BC's Rules of Procedure	BCUC	Not applicable	FERC
	Approval of BC's Compliance Monitoring Program and Implementation Plan	BCUC	Not applicable	FERC for approval of the CMEP and NERC for approval of a Regional Entity's Implementation Plan
	Performance Oversight of CMP	BCUC	Not applicable	WECC, or NERC BOT CC in their respective roles

## TABLE DEFINITIONS

### PROVINCIAL ORGANIZATION

The BC organization accountable and responsible for performing the function according to provincial legislation for matters concerning entities in BC.

### RELEVANT US ORGANIZATION

The US organization assisting the BCUC in administrative matters related to the function described, in accordance with the approved Administrative Agreement (Order G-123-09, Oct. 15, 2009).

### US COMPARATOR

The US organization that is responsible for performing the functions according to US law.

## TABLE NOTES

### (1) STANDARDS APPROVAL

Pursuant to section 125.2(2) of the *Utilities Commission Act (UCA)* the British Columbia Utilities Commission (BCUC) has exclusive jurisdiction to determine whether a “reliability standard” as defined in the UCA, is in the public interest and should be adopted in BC. To provide the necessary information required for determinations and in accordance with the UCA, the British Columbia Hydro and Power Authority (BC Hydro) submits a Mandatory Reliability Standard (MRS) Assessment Report to the BCUC assessing the new and revised reliability standards adopted in the US by the Federal Energy Regulatory Commission (FERC) within the annual assessment period (December 1 to November 30). The Assessment Report is developed in consultation with Registered Entities in the BC MRS Program. Further, in consultation with stakeholders regarding the estimated time required for the entities to implement and come into compliance with the reliability standards, BC Hydro suggests BC effective dates for each of the reliability standards assessed. After a public comment process, the BCUC adopts reliability standards in the Assessment Report to maintain or achieve consistency with other regions, unless the BCUC determines otherwise after a hearing.

### (2) ENTITY REGISTRATION

Entities subject to adopted Mandatory Reliability Standards are required to register with the BCUC. The Western Electricity Coordinating Council (WECC) in its role as the BCUC’s Administrator for the BC MRS Program reviews registration materials provided by all applicable Entities and makes recommendations to the BCUC.

### (3) COMPLIANCE MONITORING

The Rules of Procedure for Reliability Standards in BC include the Compliance Monitoring Program and describe the procedures for monitoring and enforcement of adopted reliability standards. The processes include among other things Audits, Self-Certifications, Spot-Checks, Self-Reports, and Periodic Data Submittals. An annual Implementation Plan, recommended by WECC and approved by the BCUC, identifies the Actively Monitored Standards List and schedules for the procedures listed above for the upcoming year. WECC assists the BCUC with the compliance monitoring activities for BC entities in accordance to the annual Implementation Plan approved by the BCUC.

### (4) EXECUTION OF INVESTIGATIONS

The BCUC may execute investigations and may direct WECC to execute investigations.

### (5) INVESTIGATIONS

As the BCUC’s Administrator, WECC may conduct investigations at the direction of the BCUC.

#### (6) VIOLATION DETERMINATION AND SANCTION IMPOSITION

The BCUC makes violation determinations for all BC entities and pursuant to Bill 30 – 2012, the Energy and Mines Statutes Amendment Act – 2012, has the authority to impose administrative penalties and set financial limits for confirmed violation of a reliability standard. Penalty maximums are outlined in the Administrative Penalties Regulation.

#### (7) VIOLATION PREVENTION AND OUTREACH

The BCUC communicates openly with entities and endeavours to foster a culture of compliance with the BC MRS Program. The BCUC has offered educational workshops to entities from time to time and relies on WECC for entity outreach on technical matters. In addition to alerts and other publications issued by NERC and/or WECC to help inform entities and prevent violations, the BCUC may issue similar notices for this purpose. WECC considers prevention of recurrence when reviewing mitigation plans before recommending them for acceptance by the BCUC.

#### (8) APPEALS TO BCUC DETERMINATIONS

There are two (2) avenues of recourse for enforcement decisions made by the BCUC: first through the BCUC's Application/Request for Reconsideration and, subsequently, through an appeal to the BC Supreme Court or BC Court of Appeal.

#### (9) PUBLIC DISCLOSURE

Possible and Alleged Violations are confidential unless the BCUC determines they are Confirmed Violations and the BCUC considers that disclosure would not relate to a cyber-security incident or otherwise jeopardize the security of the Bulk Power System.