

Powerex/British Columbia Transmission Corporation (“BCTC”) Relationship

Who is BCTC?

Formed in May of 2003, the British Columbia Transmission Corporation is a British Columbia Crown corporation that independently manages, maintains and operates BC Hydro’s high voltage transmission assets. BCTC is not a subsidiary of BC Hydro. Rather, it is a separate Crown with no management ties to BC Hydro. BC Hydro continues to own the core transmission assets.

A key responsibility of BCTC is to ensure open and non-discriminatory access to the BC transmission system for those who desire access to wholesale transmission services. Regulated by the British Columbia Utilities Commission (“BCUC”), it will be BCTC’s responsibility to maintain and plan new investment in transmission infrastructure as well.

Powerex and BCTC

Powerex is the wholly owned power marketing subsidiary of BC Hydro. Buying and selling electricity and natural gas primarily in Western North America, Powerex accesses wholesale electricity transmission throughout this region from a variety of transmission providers, including the BCTC.

Since 1997, pursuant to BC Hydro’s Wholesale Transmission Service (“WTS”) tariff and Powerex’s Power Marketing Authorisation (“PMA”) issued by the Federal Energy Regulatory Commission (“FERC”), Powerex and BC Hydro have abided by FERC Order 888 compliant standards of conduct, as approved by the BCUC. Those standards require functional separation of transmission from the other functions of BC Hydro. As such, Powerex, in accessing BC Hydro transmission, has had to abide by the rules of the “open access” Wholesale Transmission Service (“WTS”) tariff. This means that Powerex has to compete with all other users of BC Hydro’s WTS tariff, and BCTC has to administer the WTS in a fashion that meets the standards of the BCUC (and FERC Order 888) tariff.

The evolution of wholesale electricity markets and the ISO

The trend in North American wholesale markets is moving from functional separation of transmission services within a corporation to full separation via Independent System Operators (“ISO”). ISOs, such as BCTC, eliminate completely the contention of discriminatory access, even though prior to their establishment, a wires operator (such as BC Hydro) may have had non-discriminatory access to its wires. The assurance of non-discriminatory access helps to enhance the confidence of all market participants -- that the service provision is being done in a fair and reasonable manner.

Powerex and transmission in BC

As discussed above, Powerex does not provide transmission service (or transmission-like services) in BC. That is the sole responsibility of BCTC. However, Powerex can and is very interested in buying electricity in BC from Independent Power Producers (“IPPs”) and self-generators, using transmission service from BCTC.

BCTC Contacts

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