

# BC Hydro

## Standards of Conduct

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### **1. General Principles**

- a) As more fully described and implemented in subsequent sections of this part, BC Hydro must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transmission of electric energy.
- b) As more fully described and implemented in subsequent sections of this part, BC Hydro's transmission function employees must function independently from its marketing function employees, except as permitted in this part or otherwise permitted by Commission order.
- c) As more fully described and implemented in subsequent sections of this part, BC Hydro and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public transmission function information to BC Hydro's marketing function employees.

- d) As more fully described and implemented in subsequent sections of this part, BC Hydro must provide equal access to non-public transmission function information disclosed to marketing function employees to all its transmission customers, affiliated and non-affiliated, except as permitted in this part or otherwise permitted by Commission order.

## **2. Definitions**

- a) Affiliate of a specified entity means:
- (1) Another person that controls, is controlled by or is under common control with, the specified entity. An affiliate includes a division of the specified entity that operates as a functional unit.
  - (2) "Control" as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 per cent or more creates a rebuttable presumption of control.
- (a.1) Commission means the British Columbia Utilities Commission.
- (b) Internet website refers to the Internet location where BC Hydro posts the information, by electronic means, required under these Standards of Conduct.
- (c) Marketing functions means: the sale for resale, or the submission of offers to sell, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales.
- (d) Marketing function employee means an employee, contractor, consultant or agent of BC Hydro or of an affiliate of BC Hydro who actively and personally engages on a day-to-day basis in marketing functions.
- (e) Open Access Same Time Information System or OASIS refers to the Internet location where BC Hydro posts the information required by Section 4 of BC Hydro's tariff, and where it may also post the information

required to be posted on its Internet Web site by these Standards of Conduct.

- (e.1) Tariff means BC Hydro's Open Access Transmission Tariff.
- (f) Transmission means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with other transmission facilities.
- (g) Transmission customer means any eligible customer, shipper or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.
- (h) Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.
- (i) Transmission function employee means an employee, contractor, consultant or agent of BC Hydro who actively and personally engages on a day-to-day basis in transmission functions.
- (j) Transmission function information means information relating to transmission functions.
- (k) Reserved.
- (l) Transmission service means the provision of any transmission as defined in Section 2(f) of these Standards of Conduct.
- (m) Waiver means the determination by BC Hydro, if authorized by its tariff, to waive any provisions of its tariff for a given entity.

### **3. Non-discrimination Requirements**

- (a) BC Hydro must strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, if the tariff provisions do not permit the use of discretion.

- (b) BC Hydro must apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a not unduly discriminatory manner, if the tariff provisions permit the use of discretion.
- (c) BC Hydro may not, through its tariffs or otherwise, give undue preference to any person in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).
- (d) BC Hydro must process all similar requests for transmission in the same manner and within the same period of time.

#### **4. Independent Functioning Rule**

- (a) General rule. Except as permitted in this part or otherwise permitted by Commission order, BC Hydro's transmission function employees must function independently of its marketing function employees.
- (b) Separation of functions.
  - (1) BC Hydro is prohibited from permitting its marketing function employees to:
    - (i) Conduct transmission functions; or
    - (ii) Have access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.
  - (2) BC Hydro is prohibited from permitting its transmission function employees to conduct marketing functions.

#### **5. No-Conduit Rule**

- (a) BC Hydro is prohibited from using anyone as a conduit for the disclosure of non-public transmission function information to its marketing function employees.

- (b) An employee, contractor, consultant or agent of BC Hydro, and an employee, contractor, consultant or agent of an affiliate of BC Hydro that is engaged in marketing functions, is prohibited from disclosing non-public transmission function information to any of BC Hydro's marketing function employees.

## **6. Transparency Rule**

- (a) Contemporaneous disclosure.

- (1) If BC Hydro discloses non-public transmission function information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of Section 5, BC Hydro must immediately post the information that was disclosed on its Internet Web site.

- (2) If BC Hydro discloses, in a manner contrary to the requirements of Section 5, non-public transmission customer information, or any other information that the Commission has determined is to be subject to limited dissemination, BC Hydro must immediately post notice on its Web site that the information was disclosed.

- (b) Exclusion for specific transaction information. BC Hydro's transmission function employee may discuss with its marketing function employee a specific request for transmission service submitted by the marketing function employee. BC Hydro is not required to contemporaneously disclose information otherwise covered by Section 5 if the information relates solely to a marketing function employee's specific request for transmission service.

- (c) Voluntary consent provision. A transmission customer may voluntarily consent, in writing, to allow BC Hydro to disclose the transmission customer's non-public information to BC Hydro's marketing function employees. If the transmission customer authorizes BC Hydro to disclose its information to marketing function employees, BC Hydro must post notice on its Internet Web site of that consent along with a statement that it did not

provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

(d) Posting written procedures on the public Internet. BC Hydro must post on its Internet Web site current written procedures implementing the standards of conduct.

(e) Identification of affiliate information on the public Internet.

(1) BC Hydro must post on its Internet Web site the names and addresses of all its affiliates that employ or retain marketing function employees.

(2) BC Hydro must post on its Internet Web site a complete list of the employee-staffed facilities shared by any of BC Hydro's transmission function employees and marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.

(3) BC Hydro must post information concerning potential merger partners as affiliates that may employ or retain marketing function employees, within seven days after the potential merger is announced.

(f) Identification of employee information on the public Internet.

(1) BC Hydro must post on its Internet Web site the job titles and job descriptions of its transmission function employees.

(2) BC Hydro must post a notice on its Internet Web site of any transfer of a transmission function employee to a position as a marketing function employee, or any transfer of a marketing function employee to a position as a transmission function employee. The information posted under this section must remain on its Internet Web site for 90 days. No such job transfer may be used as a means to circumvent any provision of this part. The information to be posted must include:

(i) The name of the transferring employee,

- (ii) The respective titles held while performing each function (i.e., as a transmission function employee and as a marketing function employee), and
- (iii) The effective date of the transfer.

(g) Timing and general requirements of postings on the public Internet.

- (1) BC Hydro must update on its Internet Web site the information required by these Standards of Conduct within seven business days of any change, and post the date on which the information was updated. BC Hydro may also post the information required to be posted under these Standards of Conduct on its OASIS, but is not required to do so.
- (2) In the event an emergency, such as an earthquake, flood, fire or hurricane, severely disrupts BC Hydro's normal business operations, the posting requirements in this part may be suspended by BC Hydro. If the disruption lasts longer than one month, BC Hydro must so notify the Commission and may seek a further exemption from the posting requirements.
- (3) All Internet Web site postings required by this part must be sufficiently prominent as to be readily accessible.

(h) Exclusion for and recordation of certain information exchanges.

- (1) Notwithstanding the requirements of Sections 4(a) and 5, BC Hydro's transmission function employees and marketing function employees may exchange certain non-public transmission function information, as delineated in Section 6(h)(2), in which case BC Hydro must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case a record must be made of the exchange as soon as practicable after the fact. BC Hydro shall make the record available to the Commission upon request. The record may consist of hand-written or typed notes, electronic records

such as e-mails and text messages, recorded telephone exchanges, and the like, and must be retained for a period of five years.

- (2) The non-public information subject to the exclusion in Section 6(h)(1) is as follows:
  - (i) Information pertaining to compliance with Reliability Standards adopted by the Commission, and
  - (ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.
- (i) Posting of waivers. BC Hydro must post on its Internet Web site notice of each waiver of a tariff provision that it grants in favour of an affiliate, unless such waiver has been approved by the Commission. The posting must be made within one business day of the act of a waiver. BC Hydro must also maintain a log of the acts of waiver, and must make it available to the Commission upon request. The records must be kept for a period of five years from the date of each act of waiver.

## **7. Implementation Requirements**

- (a) Effective date. BC Hydro must be in full compliance with the standards of conduct on the date it commences transmission transactions with an affiliate that engages in marketing functions
- (b) Compliance measures and written procedures.
  - (1) BC Hydro must implement measures to ensure that the requirements of Sections 4 and 5 are observed by its employees and by the employees of its affiliates.
  - (2) BC Hydro must distribute the written procedures referred to in Section 6 (d) to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.

- (c) Training and compliance personnel.
- (1) BC Hydro must provide annual training on the standards of conduct to all the employees listed in paragraph (b)(2) of this section. BC Hydro must provide training on the standards of conduct to new employees in the categories listed in paragraph (b)(2) of this Section, within the first 30 days of their employment. BC Hydro must require each employee who has taken the training to certify electronically or in writing that s/he has completed the training.
  - (2) BC Hydro must designate a chief compliance officer who will be responsible for standards of conduct compliance. BC Hydro must post the name of the chief compliance officer and provide his or her contact information on its Internet Web site.
- (d) Books and records. BC Hydro must maintain its books of account and records separately from those of its affiliates that employ or retain marketing function employees, and these must be available for Commission inspections.