



STANDING OFFER PROGRAM

Program Rules

Version 3.2

April 2016





**Standing Offer Program
Rules**

April 2016

For more information, please contact:

Standing Offer Program
Business and Economic Development
BC Hydro
17th Floor – 333 Dunsmuir Street
Vancouver, BC V6B 5R3
standing.offer@bchydro.com

© BC Hydro 2016, All rights reserved.

Table of Contents

1.	Introduction	3
2.	Eligibility Requirements	3
3.	Energy Price.....	10
4.	Application Process and Review	11
5.	Interconnection.....	19
6.	Electricity Purchase Agreement	21
7.	Additional Rules	22
8.	Further Information.....	23
9.	Reference Documents	24
	Glossary – Standing Offer Program Rules.....	i

Standing Offer Program Rules

1. Introduction

BC Hydro's Standing Offer Program ("[SOP](#)") encourages the development of new small and clean or renewable energy [Projects](#) by multiple developers throughout British Columbia. The SOP was developed to streamline the process for selling electricity to BC Hydro for Projects that will be connected to BC Hydro's [Distribution System](#), and to simplify the contract, called the [Standard Form Electricity Purchase Agreement](#) ("Standard Form EPA"), between BC Hydro and the [Developer](#). The SOP is also intended to decrease transaction costs for Developers while remaining cost-effective for ratepayers, and embodies the principles and policies set out in the [BC Energy Plan](#) and the [Clean Energy Act](#). BC Hydro intends for the SOP to provide Project development opportunities to a broad range of experienced and new Developers alike.

The SOP Rules ("the Rules") explain the SOP eligibility requirements, the payment price offered by BC Hydro for energy delivered under the SOP, and the [Application](#) process. Additional information about the SOP, including Frequently Asked Questions ("FAQs") on a number of topics and how the SOP was developed, can be found at www.bchydro.com/standingoffer.

2. Eligibility Requirements

To be eligible for the SOP, the Developer and the Project must meet both the key eligibility requirements and the standard eligibility requirements outlined below. If an Application is submitted without meeting the key eligibility requirements, it will be rejected immediately. The Developer must also meet the standard eligibility requirements before the [Application Review](#) process is completed in order to be offered an [EPA](#) for the Project.

KEY ELIGIBILITY REQUIREMENTS

2.1 Generation Technology

- The generation technologies meets the requirements to be considered either [Commercial Operation Generation Technology](#) or [Completed Prototype Generation Technology](#); and
- The generators are new. Projects with existing generation are not eligible to apply under the SOP. At sites where there is existing generation, only incremental generation from one or more additional new generating units is eligible to apply under the SOP, provided the new generation is measured, or is capable of being measured, separately from existing generation.

2.2 Eligible Energy

Energy delivered to BC Hydro under the EPA must be [Clean Energy](#) generated from a [Clean or Renewable Resource](#).

Energy that does not qualify as Clean Energy due to the use of some [Auxiliary Fuel](#) for [Start-up](#) or for other limited operational requirements may be eligible for the SOP at BC

Hydro's [discretion](#). When BC Hydro exercises its discretion to allow a Project that uses Auxiliary Fuel to participate in the SOP, the use of Auxiliary Fuel in each calendar year must not exceed the [Auxiliary Fuel Annual Baseline](#).

2.3 Location

- Projects must be located in British Columbia, which includes Canadian and British Columbia territorial waters; and
- Projects must not be located in a [Protected Area](#).

2.4 Project Size

The generators must have a combined total [Nameplate Capacity](#) over 100 [kW](#) up to and including 15 [MW](#). Where a Project is part of a [Project Cluster or Common Generation Facility](#), the aggregate nameplate capacity of all generators in the Project Cluster or Common Generation Facility must not exceed 15 MW. This rule supports the objective of creating opportunities for many developers in the SOP.

If the Project is expected to be connected to the Distribution System in an area where BC Hydro has system constraints, BC Hydro Generator Interconnections may require that the Project has a [Maximum Power Injection](#) that is less than 15 MW. In that case, BC Hydro will not accept an Application with a Nameplate Capacity that is greater than the maximum permitted by BC Hydro's Generator Interconnections for the Project.

BC Hydro may request any additional information it requires to assess the reasonableness of Project's Nameplate Capacity or expected generation specified in the Application, including verification by a qualified B.C. registered professional engineer.

2.5 BC Hydro Incentives

A Project is not eligible for the SOP if the Project has received funding or has a reasonable expectation of receiving funding from BC Hydro through a [Load Displacement](#) or [Demand Side Management](#) program. Projects that have been subject to BC Hydro funding other than through a Load Displacement or Demand Side Management program may be eligible for the SOP at the discretion of BC Hydro.

2.6 Permits, Site Control and Zoning

The [Application Form](#) identifies the permits, site control and evidence of zoning that are key or standard eligibility requirements that must be satisfied by the Project.

2.6.1 Permits – The Developer must have obtained the permits specified in the Application Form to the extent required for the Project under applicable laws.

Where the Project consists of a Completed Prototype Generation Technology, BC Hydro reserves the discretion to identify the permits that are required prior to an offer of an EPA following a review of the Project.

2.6.2 Site Control – The Developer must demonstrate that it has obtained the right to use the site for the Project (including, unless otherwise acceptable to BC Hydro in its discretion, all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built) for a period generally consistent with the Term of the EPA or a shorter period if acceptable to BC Hydro in its discretion.

2.6.3 Zoning – If local government land use requirements apply to all or any part of the Project site (including all areas where the generating facility and related access roads, transmission lines and other Project facilities will be built), that part of the Project site must be appropriately zoned for the applicable Project use. Please refer to section 121 of the *Utilities Commission Act* and the Public Utility Regulation.

Where the Project forms part of a Common Generation Facility, BC Hydro may require the Developer to provide evidence that the permits, site control and zoning requirements are satisfied for the entire Common Generation Facility.

2.7 Public Utility Status

If a Developer is a “public utility” for purposes of the *Utilities Commission Act* it must have an exemption from regulation as a public utility under Part 3 of the *Utilities Commission Act* with respect to the sale of energy to BC Hydro under the EPA (e.g., Minister’s Order No. M-22-0205). A Developer that is otherwise a public utility, such as one actively serving customers, is not eligible to apply under the SOP.

2.8 Customers of Public Utilities Other than BC Hydro

Customers taking electrical service from a public utility other than BC Hydro are not eligible to apply under the SOP, with the exception of customers that take only back-up or start-up electricity service from that public utility.

2.9 Target Commercial Operation Date

The [Target Commercial Operation Date](#) (“Target COD”) submitted by the Developer in the Application must be:

- a) a reasonable estimate of the date on which the Project is expected to achieve [COD](#) with considerations for the SOP application review process, interconnection study and any implications there may be on the Project maintaining its generator interconnection queue position as per the [Open Access Transmission Tariff](#) or established Distribution Generator Interconnection practices.
- b) in a year where there is sufficient room available for the Project’s annual energy volume in BC Hydro’s [Energy Volume Target](#) at the time of application; and
- c) within three years, but not earlier than six months, after signing the EPA [please note that BC Hydro’s interconnection agreements require COD to occur within three years of execution].

Developers are expected to review the [SOP Website](#) for available annual energy volumes and use this information to select their Projects' Target COD year. BC Hydro does not represent or warrant that the available volume posted on the SOP Website will be or remain available at the time developers submit an Application. Developers are encouraged to contact BC Hydro prior to submitting an Application to verify the energy volume expected to be available in their Target COD year.

The Target COD selected by a Developer for a Project will be eligible for registration in the corresponding COD year after BC Hydro has determined, in its discretion, that the Developer and Project have met the key eligibility criteria as described in section 2 of these Rules. Target CODs will be registered on a first-come, first-served basis.

BC Hydro may request any additional information it requires to assess the reasonableness of the Project's Target COD or the Project's estimated energy specified in the Application. If BC Hydro determines, in its discretion, that the Target COD is not achievable, BC Hydro may reject the Application.

If the Developer's selected Target COD year has insufficient room in the Energy Volume Target to allow for the Project's annual energy, BC Hydro will give the Developer the opportunity to postpone their Target COD to the next COD year with sufficient available energy volume. If the Developer declines to postpone their Target COD, BC Hydro may reject the Application.

BC Hydro may, at its discretion, allow a Project to exceed the available energy volume in its Target COD year. In determining whether to allow a Project to exceed the available energy volume in the Target COD year, BC Hydro may consider:

- the extent to which all or part of the Project's energy exceeds the available energy volume in the Target COD year;
- if a majority of the Project's energy is available in its Target COD year;
- if BC Hydro's available energy volume is already expected to be exceeded by other projects registered in the Target COD year;
- if the available energy volume was exceeded in the year before the Target COD year; and
- if there is available energy volume in the year following the Project's Target COD year to apply any excess energy to.

STANDARD ELIGIBILITY REQUIREMENTS

2.10 Projects Behind a BC Hydro Customer Load

Projects located [Behind a BC Hydro Customer Load](#) are eligible to apply under the SOP; however, BC Hydro will only purchase energy on a [Net-of-Load](#) basis.

2.11 Previous, Current and Future EPAs with BC Hydro

If BC Hydro signed an EPA with respect to a Project, that Project is eligible for SOP, provided that (i) the Project did not achieve commercial operation while the original EPA was in effect, and (ii) the original EPA has been terminated in accordance with its terms and all other post-termination conditions and restrictions in that EPA have been satisfied.

BC Hydro may determine in its discretion whether or not a Project submitted to the SOP constitutes the same project as a project for which an EPA was previously signed with BC Hydro. Factors BC Hydro may consider include, but are not limited to, the location, permits, licenses and site tenure, and the Developer (including ownership structure) of the Project submitted to the SOP, relative to the prior project.

If a Project is part of a Common Generation Facility or a Project Cluster, and BC Hydro has entered into an EPA(s) for generation from that Common Generation Facility or from any project in that Project Cluster, the Project is eligible for the SOP provided the aggregate nameplate capacity of all generators in the Project Cluster or Common Generation Facility does not exceed 15 MW and the Project otherwise meets the eligibility requirements. If BC Hydro accepts an Application from a Project that is part of a Common Generation Facility or Project Cluster, any EPA will contain provisions to address delivery limitations and priorities.

If the existing generation in a Common Generation Facility or Project Cluster is the subject of a BC Hydro SOP EPA, BC Hydro will determine, in its discretion, if the new, incremental generation will be offered a separate EPA or whether the pre-existing EPA will be amended to include the new generation.

2.12 Environmental Attributes

All [Environmental Attributes](#) for the energy delivered to BC Hydro under the EPA must be transferred to BC Hydro. The value of the Environmental Attributes is included in the price paid for energy delivered under the SOP and is not paid separately to the Developer. For Projects where Greenhouse Gas (“[GHG](#)”) emissions can be reduced in the process of methane capture and combustion, such as biogas, landfill gas control systems, and other similar projects, the term “Environmental Attributes” excludes any rights associated with GHG reductions arising from the methane capture and combustion process for those projects. Those credits will be retained by the Developer. For biomass Projects, the term “Environmental Attributes” excludes rights derived from the harvest, collection or delivery of fuel to the Project. Those rights will be retained by the Developer.

2.13 EPAs with Third Parties

A Project is not eligible for the SOP if there are any agreements with a third party or parties for the purchase and sale of electricity from any generator in the Project or, from any generator in the Common Generating Facility or Project Cluster if the Project is part of a Common Generating Facility or Project Cluster. Any such third party agreements must be terminated prior to submitting an Application for the SOP.

2.14 Conflicts of Interest

The Developer must not be in or have the potential to be in an actual, apparent or deemed conflict of interest as a result of entering into an EPA with BC Hydro. The Developer must inform BC Hydro, by completing and submitting a Conflict of Interest Statement form, of any disclosures required under BC Hydro's Contractor Standards for Ethical Conduct and any potential conflicts of interest it may have with BC Hydro or BC Hydro's directors, officers or employees. The Conflict of Interest Statement form and BC Hydro's Contractor Standards for Ethical Conduct can be found on the Documents page of the SOP Website at www.bchydro.com/standingoffer.

If the Developer has any directors, officers, owners (with 20 per cent or more direct or indirect ownership in the Developer or its affiliates), or Project team members who have been employed by BC Hydro or its subsidiaries at any time in the two years preceding the submission of the Application, BC Hydro will deem there to be a conflict of interest.

BC Hydro will review the Conflict of Interest Statement form and determine, in its discretion, whether there is any actual, apparent or deemed conflict of interest.

2.15 Interconnection

All Projects must be interconnected to the [Transmission System](#) or the Distribution System through a direct interconnection or an [Indirect Interconnection](#).

Projects located outside the [Integrated System Area](#) in another utility's service territory may be eligible for the SOP, but the delivery of energy must be at a specified point of delivery on the [Integrated System](#), and the Developer must bear all costs of transmission and energy losses to that point of delivery.

Projects that would require BC Hydro to transmit energy to the Lower Mainland through another jurisdiction or another utility's service territory, including Projects in the Fort Nelson service area, are not eligible for the SOP.

For Projects with an Indirect Interconnection:

- the Developer will be required to deliver energy to BC Hydro at a specified [Point of Interconnection](#) ("POI") on the Transmission System or Distribution System and the Developer will be responsible for all risks, costs and energy losses associated with transmission of energy to that POI;
- BC Hydro must be satisfied that adequate arrangements are in place to enable BC Hydro to accurately determine the quantity of energy delivered to that POI;
- the Developer must demonstrate to BC Hydro that it has obtained the right to transmit energy to the POI for the [Term](#) of the EPA from any owner(s) of the transmission or distribution facilities the Project will use (e.g., by providing a copy of private line agreement between the line owner and the Developer);
- before BC Hydro offers an EPA for the Project, BC Hydro will amend the Standard Form EPA to address the Developer's responsibilities associated with the Indirect Interconnection. If the owner(s) of the transmission or distribution facilities the Project will use to transmit its energy to the POI are seeking to enter into an EPA with BC

Hydro for their project(s) at the same time, their EPAs may similarly be amended and the parties may be required to enter into a joint [Interconnection Agreement](#);

- if the owner(s) of the transmission or distribution facilities that the Project will use to transmit its energy to the POI have already entered into an EPA(s) with BC Hydro, BC Hydro may require the Developer to secure the owner's agreement to amend its EPA(s) and Interconnection Agreement to address the risks, costs and energy losses associated with the Indirect Interconnection;
- BC Hydro is likely to require additional time to review the Application, make necessary amendments to the Standard Form EPA, make amendments to EPA(s) of the owner(s) of the transmission or distribution facilities that the Project will be using, and conduct the [System Impact Study](#). Developers are expected to take these anticipated delays into consideration when selecting a Target COD; and
- Developers should be aware that if the Indirect Interconnection is overly complicated or would be burdensome for BC Hydro to administer, the Application may be rejected.

2.16 First Nations

BC Hydro will assess the adequacy of First Nations consultation before it makes a decision to offer an EPA for the Project. In its assessment, BC Hydro will consider a number of factors, which may include:

- information on how the Developer determined which First Nations to consult;
- the extent to which the Project has gone through the B.C. permitting and land tenure processes and any permit(s) or licence(s) of occupation issued for the Project. BC Hydro will consider the issuance of land tenure, permits and licenses to indicate that a Crown agency has completed First Nations consultation. Permits and tenures issued by the Ministry of Forests, Lands and Natural Resource Operations will also indicate that the Crown agency has considered impacts of the sale of power to BC Hydro in its consultation process;
- information on the potential impact from the Project on asserted Aboriginal rights and title, and information on how the Developer reached this impact assessment; and
- information on the level of consultation as evidenced by consultation reports, logs, letters of support, correspondence and any other material submitted demonstrating consultation with First Nations for the Project.

For a Project being developed by one or more First Nations, BC Hydro will also consider:

- The consultative boundaries of other First Nations overlapping with the Project area. Depending on the circumstances of the Project, BC Hydro may require the First Nation(s) to consult with other First Nations whose consultative boundaries include the Project area.

- Where a Project is being developed by a First Nation(s) owned company, the First Nation(s) must provide information about how its Chief and Council is kept informed of the Project development including the Project ownership information provided in response to section 1.3 of the Application.

BC Hydro strongly encourages all Developers to contact their local FrontCounter BC office to confirm they have all of the necessary permits or permit amendments in place and to obtain information on any First Nations consultation that may be required in relation to the Project. FrontCounter BC is the Provincial government’s “single window service” within the Ministry of Forests, Lands and Natural Resource Operations for natural resource authorizations and permits. Developers should include any information obtained from FrontCounter BC in the Application.

3. Energy Price

To determine the price BC Hydro will pay for energy delivered under an EPA, the SOP uses a base price in 2016\$ determined by the region of the POI for the Project. The base price is set out in the table below.

Figure 1 – Base Price

Region of POI	Base Price (2016\$/MWh)
Vancouver Island	110.01
Lower Mainland	111.56
Kelly/Nicola	104.39
Central Interior	106.80
Peace Region	102.06
North Coast	103.47
South Interior	106.50
East Kootenay	109.94

One hundred percent of the base price will be escalated at CPI annually up to the year in which an EPA is signed; escalation will be effective as of January 1st in each year. If CPI data is not available when the EPA is signed, the EPA will provide for a base price adjustment when the CPI data is released. After the EPA is signed, 50 per cent of the escalated base price is further escalated annually at CPI effective as of January 1st in each year.

The escalated base price is further adjusted based upon the time of day and month when the energy is delivered to establish the payment price for each MWh of energy delivered to the POI. The time of delivery adjustments are contained in the Standard Form EPA.

The price described above applies to the quantity of energy delivered at the POI.

The price per MWh described above is the only amount payable by BC Hydro. There is no additional payment for Environmental Attributes, for environmental certification (as defined in the Standard Form EPA) or any other expenses. The price will apply for one non-renewable EPA term of the duration selected in the Application.

Developers should note that BC Hydro is currently reviewing SOP pricing, including escalation and adjustments. BC Hydro expects that new pricing will take effect for Projects with Target CODs beginning in 2020.

4. Application Process and Review

4.1 Pre-Application Meeting and Preliminary Assessment

Potential applicants to the SOP are strongly encouraged to request a meeting or conference call with BC Hydro at any time prior to submitting an Application. The purpose of the pre-application meeting is to review the SOP Rules, the Application process, the Standard Form EPA, the interconnection requirements and study costs, First Nations consultation requirements and other matters required to facilitate the Application process, such as available annual energy volume, basic interconnection information and other topics that may be the subject of a preliminary assessment.

To arrange a pre-application meeting or conference call, Developers should submit:

- a completed Pre-Application Meeting Form, available on the Documents page of the SOP Website at www.bchydro.com/standingoffer; and
- a scanned copy of the completed Confidentiality and Compliance Agreement signed by the Developer, also available on the Documents page of the SOP Website at www.bchydro.com/standingoffer.

by email to the SOP Administrator at standing.offer@bchydro.com.

Potential applicants to the SOP may also request a preliminary assessment of whether the Developer and/or the Project meet certain eligibility requirements of the SOP. To request a preliminary assessment of specific eligibility requirements for the SOP, Developers should submit:

- a written request for a preliminary assessment of one, or more, specific eligibility requirement(s) for the SOP including a description of the Developer and the Project. For a Project Cluster preliminary assessment, include a completed Appendix 1 – Project Cluster and/or Common Generation Facilities available on the Documents page of the SOP Website; and
- a scanned copy of the completed Confidentiality and Compliance Agreement signed by the Developer, available on the Documents page of the SOP Website at www.bchydro.com/standingoffer.

by email to the SOP Administrator at standing.offer@bchydro.com.

A preliminary assessment is based on the information provided to BC Hydro in the request for the preliminary assessment and the SOP Rules in effect at the date of the preliminary assessment. A preliminary assessment is not binding on BC Hydro. Any variance between the information contained in a request for a preliminary assessment and the information contained in an Application or actual Project conditions may result in

a final decision that is different from the preliminary assessment. As set out in Section 7.5 of the Rules, BC Hydro may amend the SOP Rules at any time. A change in the SOP Rules may also result in a final decision that is different from the preliminary assessment.

4.2 Submitting an Application

To apply for the SOP, the Developer must submit the following:

- a scanned copy of a completed SOP Application signed by the Developer, with applicable exhibits, in electronic form; and
- a scanned copy of the completed Confidentiality and Compliance Agreement signed by the Developer (if not previously submitted with a pre-application meeting or preliminary assessment request).

by email to the SOP Administrator at standing.offer@bchydro.com or delivered on one (1) disk or USB flash drive to:

BC Hydro
Standing Offer Program
17th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3
Attention: SOP Administrator

The Application Form and Confidentiality and Compliance Agreement are available on the Documents page of the Standing Offer Program Website at www.bchydro.com/standingoffer.

4.3 Review and EPA Process

4.3.1 Application Review

a) Completeness Review – Upon receipt of the Application, BC Hydro will provide the Developer with a written acknowledgement and will perform a completeness review to ensure that it has all the information required to proceed with the Application Review. At a minimum, the Developer will have submitted:

- a signed application;
- all exhibits marked for inclusion by the Developer; and
- a signed Confidentiality and Compliance Agreement.

In order to commence the Application Review, the Confidentiality and Compliance Agreement must be valid – that is, it must be with the appropriate entity which needs to be in good standing.

In the event the Application is incomplete, BC Hydro may request additional information or clarification from the Developer. Depending upon how much information is missing from the Application, BC Hydro will either (1) keep the Application and request submission of the missing information subject to Section 4.6 of the Rules or (2) reject the Application.

BC Hydro will notify the Developer in writing upon completion of the completeness review.

b) Initial Eligibility Review and Application Review – BC Hydro will perform an initial eligibility review and the Application Review.

An initial eligibility review assesses whether the Developer and the Project meet the key eligibility requirements as described in Section 2 of the Rules. BC Hydro will reject an application that has not met the key eligibility requirements upon submission of the Application.

Once BC Hydro determines that the Developer and Project meet the key eligibility requirements, the Application Review continues with the assessment of whether the Developer and the Project meets all eligibility requirements.

In the event BC Hydro is unable to confirm the Project's eligibility under the SOP, BC Hydro may request additional information or clarification from the Developer. Depending upon how much information is missing from the Application, BC Hydro will either (1) keep the Application and request submission of the missing information subject to Section 4.6 of the Rules or (2) reject the Application.

BC Hydro will notify the Developer in writing of the result of the Application Review, and if the Application is retained or rejected following completion of this step. If retained, BC Hydro will also advise the Developer on the status of registering the Project's energy volume under its Target COD year.

c) Registration Under the Energy Volume Target – For each Application that is retained following completion of the steps described in Section 4.3.1 b) of the Rules, BC Hydro will register the Project's energy volume under its Target COD year as described in Section 2.9 of the Rules. BC Hydro will notify the Developer in writing upon completion of the registration.

4.3.2 Review of System Impact Study

a) For each Application that is retained following completion of the steps described in Section 4.3.1 of the Rules, BC Hydro will request that the Developer begin the System Impact Study (or other study if applicable). The Developer must file a complete application with BC Hydro Generator Interconnections for the System Impact Study and pay the applicable study fees within 28 [Days](#) after the request, or the Application may be rejected.

- b) If the Developer submits a System Impact Study application with a [Plant Capacity](#) and Nameplate Capacity or other material information that is not the same as the Plant Capacity and Nameplate Capacity or other information described in the Application, the Application will be rejected.
- c) Upon completion of the System Impact Study, BC Hydro will review the System Impact Study to determine whether BC Hydro is ready to support the Project's interconnection to the Distribution System or Transmission System. BC Hydro may reject an Application if the System Impact Study indicates that the proposed interconnection and [Interconnection Network Upgrades](#) are not capable of being completed at least 90 Days prior to the Target COD specified by the Developer in the Application, or it indicates [Interconnection Network Upgrade Costs](#) that are not acceptable to BC Hydro.

Developers should note that a System Impact Study may become out-of-date and invalid if further studies or steps are not commenced within the time required by BC Hydro Generator Interconnections.

4.3.3 EPA Preparation

- a) Following completion of the steps described in Section 4.3.2 of the Rules:
 - i) BC Hydro will review any Project-specific EPA changes requested by the Developer in the Application. BC Hydro may request additional information or clarification regarding proposed changes; and
 - ii) BC Hydro may advise the Developer of required changes to the Standard Form EPA based on a review of the Application.

BC Hydro then expects to provide the Developer with a draft EPA for the Developer's review and comment. If required, BC Hydro may also exchange subsequent drafts with the Developer. Once BC Hydro sends a draft EPA to the Developer, the Developer is expected to provide its response and comments to BC Hydro within a commercially reasonable period of time. Failure to do so may result in rejection of the Application.

Developers should note that Projects with an Indirect Interconnection or that are otherwise unusually complicated, will require an extended time for BC Hydro to review and make changes to the Standard Form EPA.

- b) For each Application that is retained following completion of the steps described in Section 4.3.3 a) of the Rules:
 - i) BC Hydro will request that the Developer completes and submits a [Statement of Project Changes](#) that identifies any changes to any information in the Application; and
 - ii) BC Hydro will prepare a final draft EPA and present it to the Developer for review and comment.

The Developer is required to submit a Statement of Project Changes and provide comments on the final draft EPA within a commercially reasonable period of time or the Application may be rejected.

4.3.4 EPA Offer and Acceptance

- a) After completion of the process described in Section 4.3.3 of the Rules, including the filing of all required documents, BC Hydro will send the Developer either an offer of an EPA or a notice of rejection of the Application.
- b) If the Developer wishes to accept the offer of an EPA, the Developer must sign the EPA and deliver it to BC Hydro at the address specified in Section 4.2 of the Rules. If the Developer has not delivered the signed EPA within a commercially reasonable period of time, BC Hydro's offer of an EPA will be withdrawn.
- c) Subject to Section 4.3.4 d) of the Rules, BC Hydro will send a fully signed EPA to the Developer after receipt by BC Hydro of the signed EPA from the Developer.
- d) BC Hydro may withdraw an offer of EPA, without liability, at any time prior to delivery of the fully-signed EPA to the Developer.

- 4.4 Amending Applications** – Developers may amend an Application at any time prior to delivery of an offer of an EPA by BC Hydro to the Developer. Any such amendment may extend BC Hydro's Application review and EPA offer timelines.

Developers should note that any amendments that may result in a change to an interconnection queue position or System Impact Study may invalidate the interconnection queue position or the System Impact Study. If the generator interconnection queue position or System Impact Study become invalid (as determined by BC Hydro Generator Interconnections) prior to execution of an EPA by both BC Hydro and the Developer, the Application may be rejected.

- 4.5 Withdrawing Applications** – Developers may withdraw a submitted Application, without liability, at any time prior to signing an EPA on written notice to BC Hydro.

- 4.6 Request for Further Information/Meetings** – BC Hydro may, but is not required to, request further information, clarification or verification concerning an Application or other communication received from a Developer. Failure to respond to such a request within 28 Days after the date of the request may result in rejection of an Application. BC Hydro may telephone or meet with any Developer or group of Developers at any time prior to or following submission of any Application or Applications.

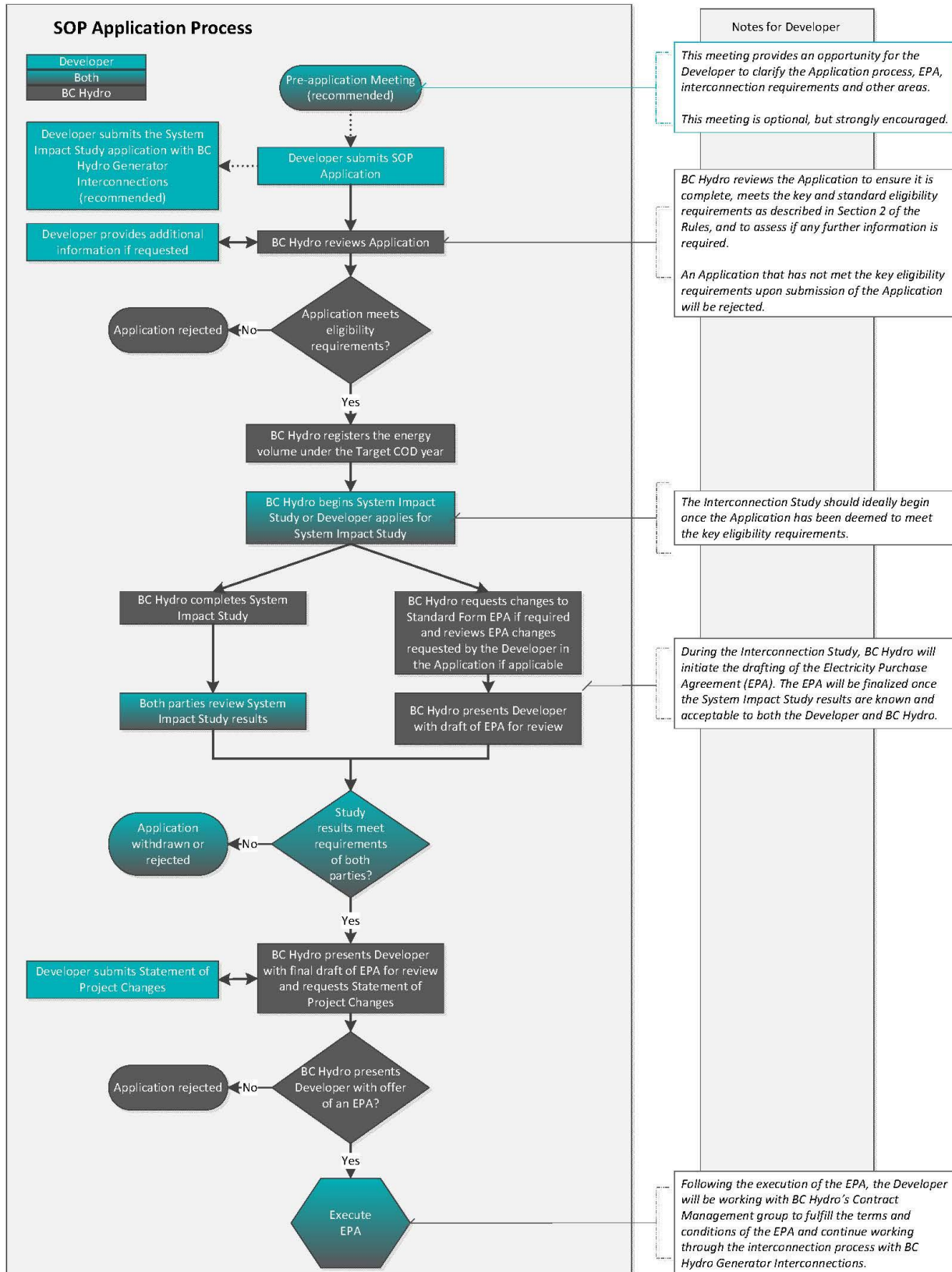
- 4.7 Due Diligence and Consultation** – BC Hydro may, but is not required to, undertake any investigation or inquiries and/or undertake any consultation with any governmental or regulatory authority or any other person or group as BC Hydro considers necessary in its discretion with respect to a Developer, a Project, and/or an Application and may, in reviewing an Application, consider any information received as a result of such investigation, inquiry and/or consultation.

- 4.8 Rejecting Applications** – BC Hydro may accept or reject any Application and may decide to offer or not to offer an EPA to a Developer at its discretion. BC Hydro may reject an Application at any stage in the Application Review process notwithstanding any prior decision by BC Hydro in the Application review process or prior completion of any step in the Application review process. Reasons for rejection of an Application and/or a decision not to offer an EPA to a Developer may include, but are not limited to:
- i)** an incomplete Application;
 - ii)** an Application that does not meet the eligibility requirements set out in Section 2 of the Rules;
 - iii)** failure to respond to a request by BC Hydro for additional information, failure to respond to or accept Project-specific EPA changes requested by BC Hydro and/or failure to file a System Impact Study or Statement of Project Changes within the required time limits;
 - iv)** a generator interconnection queue position or System Impact Study that become invalid at any time prior to execution of an EPA by both BC Hydro and the Developer;
 - v)** a System Impact Study and generator interconnection queue position (if applicable) that indicate that the proposed interconnection and Interconnection Network Upgrades are not capable of being completed at least 90 Days prior to the Target COD specified by the Developer in the Application;
 - vi)** an Application that proposes Standard Form EPA amendments that are not acceptable to BC Hydro;
 - vii)** an Application for a Project that BC Hydro determines requires material Standard Form EPA amendments or that is too complex to be an appropriate Project for the SOP;
 - viii)** an Application for a Project that will result in Interconnection Network Upgrade Costs that are not acceptable to BC Hydro;
 - ix)** an Application in respect of which any of the information included in the Application is not satisfactory to BC Hydro in any respect;
 - x)** an Application in respect of which BC Hydro determines that the Developer has, or by entering into an EPA, would have, an actual, apparent, or deemed conflict of interest; or
 - xi)** an Application in respect of which BC Hydro determines that the Project and/or the Developer are unsuitable for the SOP or that it would not be in the public interest to offer an EPA for the Project or to the Developer.

If the Application is rejected, the Developer can request an information meeting with BC Hydro to discuss the reasons for the rejection.

A rejected Application can be resubmitted at a later date provided the deficiencies or issues noted as reasons for rejection have been addressed. A rejected Application will have its Target COD deregistered.

Figure 2 – Application Process



5. Interconnection

INTERCONNECTION REQUEST PROCESS

The interconnection process will be conducted by BC Hydro Generator Interconnections. All inquiries should be directed to distribution.generators@bchydro.com.

- 5.1 Interconnection Requirements** – All generators connected to BC Hydro’s Transmission System or Distribution System are required to meet BC Hydro’s technical interconnection requirements. In order to determine these requirements and assess the impacts to BC Hydro’s system from the proposed interconnection for the purpose of identifying the required network upgrades, technical studies must be performed. These studies provide cost estimates of the required upgrades.
- 5.2 Direct Interconnections** – A valid System Impact Study is required for all Projects that are expected to be directly interconnected to the Transmission System or Distribution System. For Projects under 1 MW that are expected to be directly interconnected to the Distribution System, BC Hydro Generator Interconnections may, in its discretion, accept an interconnection study for the Project other than a System Impact Study (e.g., a screening study). The Plant Capacity in the System Impact Study or, other interconnection study if applicable, must be equal to the Plant Capacity in the SOP Application and EPA.

For Projects that are interconnected directly to the Distribution System, the Developer may obtain an optional screening study prior to submitting an Application to the SOP which provides a conceptual level estimate of the interconnection requirements for the Project. For Projects that are interconnected directly to the Transmission System, the Developer may obtain an optional feasibility study prior to submitting an Application to the SOP that provides a high level assessment of technical requirements and potential interconnection costs. These studies are available prior to investing in a System Impact Study but do not replace the requirement for a valid System Impact Study prior to entering into an EPA.

Following the completion of the System Impact Study, Developers will typically be required to apply for a [Facilities Study](#). A Facilities Study is generally required before the Developer enters into an Interconnection Agreement for the Project. While a Facilities Study is not required before an EPA is offered, BC Hydro encourages developers to begin the Facilities Study application as soon as reasonably practical after the completion of the System Impact Study..

All interconnection studies are a part of the interconnection process. For further information regarding any of the studies referred to above, please contact BC Hydro Generator Interconnections (see Section 5.5 of the Rules).

- 5.3 Indirect Interconnections** – A valid System Impact Study is required for all Projects with an Indirect Interconnection to the Distribution System or the Transmission System through a [BC Hydro Customer](#) facility or a private transmission line. The Developer must arrange for the BC Hydro Customer or the owner of the private line to contact BC Hydro

Generator Interconnections to obtain the required System Impact Study and any required Facilities Study.

A System Impact Study is not required for Projects with an Indirect Interconnection to the Distribution System or the Transmission System through a public utility such as the FortisBC system. The Developer will need to contact that public utility regarding the interconnection of the Project to the public utility's system. The INU Threshold, as described in Section 5.9 of the Rules, does not apply to Projects interconnected through a public utility such as FortisBC.

- 5.4 Early Contact and System Impact Study Timing** –Developers are strongly encouraged to contact BC Hydro Generator Interconnections early in the planning process to discuss the interconnection concept and feasibility for their Project.

As previously noted, a System Impact Study may become invalid if further studies or further steps are not commenced within the time required by BC Hydro Generator Interconnections. Accordingly, BC Hydro recommends Developers file their System Impact Study application with BC Hydro Generator Interconnections at the time they submit their Application to the SOP.

- 5.5 Interconnection Issues** – For questions related to interconnection, please contact BC Hydro Generator Interconnections at:

BC Hydro Generator Interconnections
6911 Southpoint Drive, Edmonds B03
Burnaby, B.C. V3N 4X8
Email: distribution.generators@bchydro.com or
transmission.generators@bchydro.com

Complete details on the interconnection process can be found at
www.bchydro.com/distributiongenerators or www.bchydro.com/transmissiongenerators.

RESPONSIBILITY FOR COSTS

- 5.6 Interconnection Study Costs** – The Developer will be responsible for the costs of all studies required for the interconnection of the Project to the Distribution System or Transmission System.
- 5.7 Transmission Costs** –The Developer will be responsible for the cost to transmit power sold under the EPA to the POI. BC Hydro will be responsible for the cost to transmit power acquired under the EPA from the POI to BC Hydro's Integrated System.
- 5.8 Interconnection Costs** – Interconnection costs refer to the cost of any modifications or additions to the Distribution System or Transmission System arising from the direct or indirect interconnection of the Project to the Distribution System or Transmission System as the case may be. An estimate of these costs will be provided in the System Impact Study. The System Impact Study will (1) identify those costs that are the responsibility of the Developer and (2) provide an estimate of Interconnection Network Upgrade Costs ("INU Costs").

- 5.9 INU Costs and INU Threshold** – Unless the EPA is terminated prior to 90 Days after COD, BC Hydro is responsible for all INU Costs incurred after the effective date of an EPA up to the [INU Threshold](#). The INU Threshold will be escalated at CPI annually up to the year in which an EPA is signed, effective as of January 1st starting in 2017. BC Hydro will also be responsible for INU Costs in excess of the INU Threshold resulting from a change in the [Base Case](#) after the effective date of the EPA, but excluding any changes to the Base Case caused by the Developer or the Project. The Developer is responsible for all costs in excess of the INU Threshold, except as described above.
- 5.10 Transmission Network Upgrade (TNU) Costs** – BC Hydro is responsible for [TNU Costs](#), except for TNU Costs that arise as a result of any Project changes made by the Developer relative to the information provided as part of the Application, including the System Impact Study.
- 5.11 Network Upgrade (NU) Security** – After receipt by the Developer of the interconnection Facilities Study, and prior to entering into any agreement for construction of Interconnection Network Upgrades with BC Hydro Generator Interconnections, the Developer must deliver the [NU Security](#) to BC Hydro for 100 per cent of the INU Costs as estimated in the System Impact Study.

The required amount of NU Security may change from time to time to reflect the full amount of INU Costs estimated plus any TNU Costs that are the responsibility of the Developer due to Project changes made by the Developer relative to the information provided as part of the Application, including the System Impact Study.

The required form of NU Security can be found on the Documents page on the SOP Website.

The NU Security will be returned to the Developer within 15 Days after the date that is 90 Days after COD after deducting any amounts payable by the Developer for INU Costs and Base Case liabilities, as prescribed by BC Hydro Generator Interconnections.

- 5.12 Revenue Meters** – Developers are required to have a revenue class [Revenue Meter](#) for the Project which is sealed and approved for revenue purposes by Measurement Canada.

The Revenue Meter must be leased from BC Hydro and its installation must be in accordance with BC Hydro's revenue metering requirements. Developers should contact BC Hydro Generator Interconnections as early as possible in the Project development process, and in advance of the Target COD, to make arrangements for the location, installation and testing of the Revenue Meter, with a copy to BC Hydro's Contract Management group at ipp.contract@bchydro.com.

6. Electricity Purchase Agreement

- 6.1 Standard Form EPA** – The Standard Form EPA for the SOP is available at www.bchydro.com/standingoffer.

The Standard Form EPA is based on a “standard” type of Project and Developer. For example, the Standard Form EPA assumes that the Project consists of a new generator

that is not part of a Common Generation Facility, has a direct and independent interconnection to the Distribution System or the Transmission System and will have a Revenue Meter that measures output only from the Project and no other electricity generators. The Standard Form EPA also assumes that the Developer is a corporation.

- 6.2 EPA Changes** – BC Hydro may require changes to the Standard Form EPA with respect to any Application where BC Hydro considers in its discretion that changes to the Standard Form EPA are required based on the information in the Application.

Developers are encouraged to carefully review the Standard Form EPA prior to submitting an Application. Developers may propose changes to the Standard Form EPA in their Application. BC Hydro may in its discretion accept or reject any proposed changes to the Standard Form EPA. BC Hydro may reject an Application that contains proposed changes to the Standard Form EPA that are not acceptable to BC Hydro. Developers should make every effort to limit the number of proposed changes to the Standard Form EPA.

- 6.3 EPA Term** –The EPA will have a single term of 20 to 40 years, as selected by the Developer, or 10 to 40 years for Projects Behind a BC Hydro Customer Load, commencing on the Commercial Operation Date (as defined in the Standard Form EPA).

After the term of the EPA expires, BC Hydro will determine whether it is prepared to enter into negotiations with the owner of the Project regarding a new EPA for the Project. BC Hydro's determination will be based on its need for the electricity, prevailing market conditions, energy price, and power procurement practices at the time. If BC Hydro wishes to enter into a new EPA for the Project, BC Hydro expects that the price it offers for energy will assume that all initial capital costs for the Project have been recovered during the term of original EPA.

7. Additional Rules

- 7.1 Costs** – Developers are responsible for all costs incurred by them in connection with the SOP, including the costs of preparing an Application and any other submission required under the SOP, all interconnection study costs and the execution and delivery of any EPA.
- 7.2 Nature of Process** – The SOP is *not* a Call for Tenders. No legal offer, legal contract or legal duties or obligations of any kind whatsoever, whether express or implied, are intended to be created by or under the Rules, or by the filing of an Application, or the acceptance of an Application for review, or the review of an Application, or in any other manner whatsoever under or in connection with the SOP except for those arising under an EPA that has been signed and delivered by both the Developer and BC Hydro.
- 7.3 Waiver** – BC Hydro may waive any provision of these Rules, including any of the eligibility requirements, where BC Hydro determines in its discretion that such waiver would be consistent with the objectives of the SOP or is otherwise in the public interest or the ratepayers' interest.

- 7.4 Program Suspension/Cancellation** – BC Hydro may cancel or suspend the SOP at any time without any liability to any Developer or to any other person.
- 7.5 Program Amendments** – BC Hydro may amend the SOP Rules, the Application Form, the Standard Form EPA and any [Reference Documents](#) in any respect in whole or in part at any time, provided that any such amendments shall not affect any EPA that has been offered to a Developer prior to the amendment. Any amendment will apply to all EPAs offered after the amendment.
- 7.6 No Liability** – BC Hydro (including its affiliates, and their respective directors, officers, employees, contactors, subcontractors, consultants, agents and representatives), incurs no liability of any nature or kind whatsoever to any person in connection with the SOP or the administration of the SOP, or information provided with respect to, or in the course of, the SOP, or the acceptance, rejection, or review of any Application, or any other decision, assessment, determination, statement, act or omission whatsoever, whether negligent or not, relating to the SOP or its administration.
- 7.7 Unsolicited Information Not Considered** – BC Hydro is not required to consider any information with respect to an Application that is not contained in the Application, or any written response to a request from BC Hydro for further information, clarification or verification.
- 7.8 Ownership of Documents** – All Applications and all documents filed with an Application and all other submissions by a Developer under or in relation to the SOP will be retained by, and become the property of, BC Hydro, provided however that BC Hydro does not thereby acquire any ownership interest in intellectual property embedded therein.
- 7.9 Other BC Hydro Power Procurement Processes** – BC Hydro may at any time reject an Application for a Project that is the subject of a submission in any other BC Hydro power procurement process.
- 7.10 Filing Requirements** – If the last day for completing any act required or contemplated under the Rules falls on a day that is a Saturday, Sunday or other day recognized as a statutory holiday in British Columbia, the time for completing that act will be extended to the next day that is not a Saturday, Sunday or other day recognized as a statutory holiday in British Columbia.

8. Further Information

Developers should direct any questions regarding the SOP in writing to the SOP Administrator as follows:

by email to: standing.offer@bchydro.com

or by mail to: BC Hydro
Standing Offer Program
17th Floor, 333 Dunsmuir Street
Vancouver, BC V6B 5R3
Attention: SOP Administrator

Any questions submitted and subsequent answers may be posted at www.bchydro.com/standingoffer.

To avoid any potential misunderstandings and for administrative ease, Developers must not contact any BC Hydro director, officer or employee on any matter pertaining to the SOP except as set out above or, in the case of inquiries with respect to the interconnection process, as set out in Section 5 of the Rules.

Communication from Developers should originate from the contact person(s) specified in the Application. Contact persons can be changed by notice to the SOP Administrator. Developers should communicate in writing (which may include email).

9. Reference Documents

- A. Pre-Application Meeting Form
- B. Application Form
- C. Statement of Project Changes Form
- D. Standard Form EPA
- E. Conflict of Interest Statement Form
- F. BC Hydro's Contractor Standards for Ethical Conduct
- G. Confidentiality and Compliance Agreement
- H. Project Cluster and/or Common Generation Facilities

Glossary – Standing Offer Program Rules

All references to section numbers are to sections of the SOP Rules, not the Application Form or Standard Form EPA, unless otherwise expressly stated.

1. **Application** means the Application Form for a Project as submitted by the Developer to BC Hydro together with all amendments thereto filed by the Developer and all supporting documents and information filed by the Developer with BC Hydro with respect to the Project, including the interconnection study or studies and Statement of Project Changes. [\[back\]](#)
2. **Application Form** means the form titled “Standing Offer Program Application Form” available at www.bchydro.com/standingoffer. [\[back\]](#)
3. **Application Review** means the review process conducted by BC Hydro once a completed Application has been received, as outlined in Section 4.3.1 of the Rules. [\[back\]](#)
4. **Auxiliary Fuel** means any combustible fuel that would render the energy generated as a result of such combustion ineligible for acceptance as energy generated by a Clean or Renewable Resource. [\[back\]](#)
5. **Auxiliary Fuel Annual Baseline** means 3 per cent of the total fuel, excluding [Start-up Fuel](#), and determined in [GJ](#), used to generate the energy sold to BC Hydro under an EPA in each calendar year. [\[back\]](#).
6. **Base Case** means the base case power flow, short circuit, and stability data models used as the basis for the Interconnection Study. [\[back\]](#)
7. **BC Energy Plan** means the document titled “The BC Energy Plan: A Vision for Clean Energy Leadership” published by the B.C. Ministry of Energy in 2007. [\[back\]](#)
8. **BC Hydro** means British Columbia Hydro and Power Authority. [\[back\]](#)
9. **BC Hydro Customer** means a customer of BC Hydro as defined in the BC Hydro Electric Tariff. However, the following are not customers for the purpose of the SOP: (i) a public utility, as defined in the *Utilities Commission Act*; including any affiliates; an entity that has as its primary business or purpose generation and sale of electricity, including independent power producers (IPPs); an entity that takes only back-up or start-up electricity service from BC Hydro. [\[back\]](#)
10. **Behind a BC Hydro Customer Load** means a Project with an Indirect Interconnection through a facility that purchases power from BC Hydro. [\[back\]](#)
11. **Clean Energy** means energy that is generated from a Clean or Renewable Resource. [\[back\]](#)
12. **Clean Energy Act** means the *Clean Energy Act*, SBC 2010, c. 22, as amended from time to time. [\[back\]](#)

13. **Clean or Renewable Resource** has the meaning given in the *Clean Energy Act* and regulations from time to time which at the date of publication of the Rules is biomass, biogas, geothermal heat, hydro, solar, ocean, wind or any biogenic waste, waste heat and any additional prescribed resources. [\[back\]](#)
14. **Commercial Operation Date (“COD”)** has the meaning given in the Standard Form EPA. [\[back\]](#)
15. **Commercial Operation Generation Technology** means that the generation technology is readily available in commercial markets and in commercial use (not demonstration use only), as evidenced by at least one generation plant (which need not be owned or operated by the Developer) generating energy for a period of not less than one year, to a standard of reliability generally required by Good Utility Practice (as defined in the Standard Form EPA). [\[back\]](#)
16. **Common Generation Facility** – see definition of “Project Cluster and Common Generation Facilities”. [\[back\]](#)
17. **Completed Prototype Generation Technology** means that the generation technology has completed a program of testing, with satisfactory results, using a sub-scale or full-scale prototype of the technology to simulate real-world conditions, which sufficiently demonstrates technical viability and safe performance of the technology at full-scale and under real-world conditions, as evidenced by the certification of a professional engineer (or equivalent engineering designation) registered or licensed in a jurisdiction that regulates the practice of engineering. [\[back\]](#)
18. **CPI** means the British Columbia Consumer Price Index, All Items (Not Seasonally Adjusted) as published by Statistics Canada or any successor agency thereto. [\[back\]](#)
19. **Day** means any calendar day including Saturday, Sunday or British Columbia statutory holiday. [\[back\]](#)
20. **Demand Side Management** means actions that modify customer demand for electricity, helping to defer the need for new energy and capacity supply additions. [\[back\]](#)
21. **Developer** means the developer or owner of a Project that submits an Application under the SOP. [\[back\]](#)
22. **Discretion** (whether or not capitalized) means sole, absolute and unfettered discretion unless the Rules expressly state otherwise. [\[back\]](#)
23. **Distribution System** means the distribution, protection, control and communication facilities in British Columbia that are or may be used in connection with, or that otherwise relate to, transmission of electrical energy at 35 [kV](#) or less and that are owned by BC Hydro, and includes all additions and modifications thereto and repairs and replacements thereof. [\[back\]](#)
24. **Energy Volume Target** means the target in GWh that BC Hydro will set from time to time for the annual amount of energy to acquire from the SOP and Micro-Standing Offer Program. [\[back\]](#)

25. **Environmental Attributes** has the meaning given to that term in the Standard Form EPA. [\[back\]](#)
26. **EPA** means an electricity purchase agreement offered to a Developer under the Standing Offer Program. [\[back\]](#)
27. **Facilities Study** means a detailed interconnection study that consists of a project plan which includes the detailed design for the network upgrades required for interconnection, and specifies and estimates the cost of the equipment, engineering, procurement and construction work required to implement the conclusions of the System Impact Study. [\[back\]](#)
28. **GJ** means gigajoule. [\[back\]](#)
29. **Greenhouse Gas or GHG** means: (i) one or more of the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride; and (ii) any other gas that is identified as having significant global warming potential and is added, at any time before the expiry of the Term, to Schedule 1 to the *Canadian Environmental Protection Act, 1999*, or to the *Greenhouse Gas Reduction Targets Act* (British Columbia), or to any other regulation(s) governing the emission of the gases noted in (i) from the Project. [\[back\]](#)
30. **Indirect Interconnection** means the indirect interconnection of a Project to the Distribution System or Transmission System through (i) a configuration involving generating equipment interconnected through a BC Hydro customer facility, or (ii) a private transmission line or distribution line owned by a party other than the proposed [Seller](#) under the EPA, such as an existing independent power producer, or (iii) a public utility transmission/distribution system owned and operated by any party other than BC Hydro, such as the FortisBC system; or (iv) a transmission/distribution system that is owned by the proposed Seller under the EPA or one of its affiliates that transmits energy in addition to the energy generated by the Project. [\[back\]](#)
31. **Integrated System** means the Transmission System and the Distribution System, both within British Columbia, excluding the Fort Nelson service area and certain remote areas where electricity supply is provided by local generation which is isolated from the provincial transmission system. [\[back\]](#)
32. **Integrated System Area** means that part of British Columbia within which Projects may be connected directly to the Integrated System as determined by BC Hydro Generator Interconnections. [\[back\]](#)
33. **Interconnection Agreement** means an agreement with BC Hydro for the interconnection of the Project to the BC Hydro Distribution System or Transmission System. [\[back\]](#)
34. **Interconnection Network Upgrades or INU** means those additions, modifications and upgrades to the Transmission System or Distribution System identified in the interconnection study (and as further refined in subsequent interconnection studies) determined by BC Hydro to be “interconnection network upgrades” under the applicable policies of BC Hydro or under the OATT in effect from time to time. [\[back\]](#)

35. **Interconnection Network Upgrade Costs or INU Costs** means all costs for the design, engineering, procurement, construction, installation and commissioning of Interconnection Network Upgrades. See Section 5.9 of the Rules. [\[back\]](#)
36. **Interconnection Network Upgrade Threshold or INU Threshold** means \$157.59 (2016\$) per kilowatt of Plant Capacity as defined in Appendix 2 of the EPA or the Maximum Power Injection, whichever is lower. [\[back\]](#)
37. **kV** means kilovolt. [\[back\]](#)
38. **kW** means kilowatt. [\[back\]](#)
39. **Load Displacement** means a reduction in electricity sales by the electricity provider to the customer due to electricity conservation or customer self-generation, although the customer's pattern of peak and off-peak periods (load shape) may not have changed. [\[back\]](#)
40. **Maximum Power Injection** means the maximum amount of power the Project can inject on the Distribution System, expressed in MW, as specified by BC Hydro Generator Interconnections. [\[back\]](#)
41. **MVA** means megavolt ampere. [\[back\]](#)
42. **MW** means megawatt. [\[back\]](#)
43. **MWh** means megawatt-hour. [\[back\]](#)
44. **Nameplate Capacity** means the aggregate of the nameplate capacities of all the generators included in the Project. For each generator, nameplate capacity is expressed in MW and consistent with the equipment manufacturer's maximum rated generating capacity. Where the nameplate capacity is expressed in [MVA](#), the nameplate capacity will be multiplied by the power factor stated on a generator's nameplate to determine the nameplate capacity in MW. [\[back\]](#)
45. **Net-of-Load** means that, in a given hour, only the generation (MWh) produced by a Developer (including a BC Hydro Customer) that is in excess of the energy consumed (MWh) by a BC Hydro Customer during the same hour will be eligible for sale to BC Hydro under the EPA at the prevailing SOP price (\$/MWh). [\[back\]](#)
46. **Network Integration Transmission Service Study** has the meaning given in the OATT. [\[back\]](#)
47. **Network Upgrade Security or NU Security** means a letter of credit in the amount described in Section 5.11 of the Rules, in the form found on the Documents page of the SOP Website, with such modifications as approved by BC Hydro in writing and issued and advised as required under Section 5.11 of the Rules. [\[back\]](#)
48. **Open Access Transmission Tariff or OATT** means the tariff that governs both wholesale transmission services and generator interconnection services offered by BC Hydro to its customers. [\[back\]](#)

- 49. Plant Capacity** means the Nameplate Capacity of the generators for a new project or a portion of the Nameplate Capacity of the generators that is allocated to the SOP where a new generator is added to existing project, expressed in MW. [\[back\]](#)
- 50. Point of Interconnection or POI** means:
- a. for a Project with a direct interconnection to the Distribution System or the Transmission System, the point at which the Project interconnects with the Distribution System or Transmission System;
 - b. for a Project with an Indirect Interconnection through a BC Hydro Customer facility, the point at which the customer's load interconnects with the Distribution System or Transmission System; or
 - c. for a Project with an Indirect Interconnection through: (i) a private transmission or distribution line owned by a party other than the proposed Seller under the EPA; or (ii) a public utility transmission/distribution system owned and operated by any person other than BC Hydro, or (iii) a transmission or distribution system owned by the Seller or any of its affiliates that transmits energy in addition to the energy generated by the Project, the point at which the private line or the public utility line interconnects with the Distribution System or Transmission System, as specified in the EPA. [\[back\]](#)
- 51. Project** means an electrical generation facility and includes all land and interests in land, buildings, equipment and material related to the generation facility as required for the generation and delivery of electrical energy to the point of delivery under the EPA. In the case of a Project that consists of incremental new generation, the "Project" for the purposes of the SOP consists of the new generator(s) and related facilities that are added to an existing generating facility. [\[back\]](#)
- 52. Project Cluster and Common Generation Facilities:**
- a. A Project Cluster means two or more existing or proposed Projects that BC Hydro determines in its discretion are so closely related to each other that they should be considered a project cluster for the purposes of the SOP.

BC Hydro will generally determine that a Project Cluster exists where the existing or proposed Projects have the following characteristics (although BC Hydro may conclude otherwise in its discretion): (i) have common direct or indirect ownership or control; (ii) have common development timelines; (iii) are being developed by the same or an affiliated developer; (iv) are located in close proximity (e.g., in same watershed); and/or (v) share any tenures, permits, facilities or other infrastructure such as roads, power lines, interconnection facilities or POI. Projects with common development timelines that are in close proximity may be considered as a Project Cluster despite having separate majority owners.
 - b. A Common Generation Facility means the Project together with any other existing or proposed generator that BC Hydro determines in its discretion is so closely connected

with, or related to, the Project that the Project and the other existing or proposed generator should be considered a single generation facility for the purposes of the SOP.

BC Hydro will generally determine that a Common Generation Facility exists where a Project together with another existing or proposed generator have the following characteristics (although BC Hydro may conclude otherwise in its discretion): (i) are located on the same site or in close proximity to each other and use the same fuel source; (ii) share common facilities and infrastructure; and/or (iii) the energy generated is metered by a single Revenue Meter.

BC Hydro may determine that a Project Cluster or a Common Generation Facility exists even if there are no shared tenures, permits, ownership, facilities or other infrastructure. This situation would arise if BC Hydro considers in its discretion that such separation was put in place for the purpose of meeting the SOP eligibility requirements.

There may be certain exceptional cases where, notwithstanding the existence of limited shared infrastructure, BC Hydro may determine, in its discretion that a Project Cluster or a Common Generation Facility does not exist.

Furthermore, there may be some instances where BC Hydro may require two or more Projects or generators to share interconnection facilities and/or a POI in order to provide BC Hydro with technical or other benefits. In such cases, BC Hydro will use its discretion to determine whether the Projects or generators are eligible to apply under the SOP notwithstanding the shared infrastructure.

The foregoing does not limit the circumstances in which BC Hydro may in its discretion determine that a project cluster exists. [\[back\]](#)

- 53. Protected Area** has the meaning given in British Columbia's *Clean Energy Act* which at the date of publication of the Rules is: (a) a park, recreation area, or conservancy, as defined in section (1) of the *Park Act*; (b) an area established under the *Environment and Land Use Act* as a park or protected area, or (c) an area established or continued as an ecological reserve under the *Ecological Reserve Act* or by the *Protected Areas of British Columbia Act*. [\[back\]](#)
- 54. Reference Documents** means the documents listed in Section 9 of the Rules. [\[back\]](#)
- 55. Revenue Meter** means a meter that measures energy output and/or consumption for purposes of calculating payments under an EPA and that meets the requirements specified in the EPA. [\[back\]](#)
- 56. Rules** has the meaning given in Section 1 of the Rules.
- 57. Seller** means a Developer that enters into an EPA with BC Hydro. [\[back\]](#)
- 58. SOP** means the Standing Offer Program as described in these Rules. [\[back\]](#)
- 59. SOP Administrator** means the person appointed by BC Hydro to act as the SOP Administrator as described in Section 4 of these Rules.

60. **Standard Form EPA** means the Standard Form Electricity Purchase Agreement for the Standing Offer Program available at www.bchydro.com/standingoffer. [\[back\]](#)
61. **Standing Offer Program (“SOP”)** means the Standing Offer Program as described in these Rules. [\[back\]](#)
62. **Standing Offer Program Website** means the website with respect to the Standing Offer Program located at www.bchydro.com/standingoffer. [\[back\]](#)
63. **Start-up** means a “black start” or “cold start” of generation facilities, from the time when fuel is first combusted until the time when generation is stabilized. [\[back\]](#)
64. **Start-up Fuel** means that quantity of Auxiliary Fuel, expressed in GJ, used in a Start-up. [\[back\]](#)
65. **Statement of Project Changes** has the meaning given in Section 4.3.3 of the Rules. [\[back\]](#)
66. **System Impact Study** means a detailed interconnection study which evaluates the impact of a proposed Project on the reliability of BC Hydro’s system and provides a planning-level estimate of the interconnection costs and Interconnection Network Upgrades. [\[back\]](#)
67. **Target Commercial Operation Date or Target COD** means the date when the Developer expects the Project to achieve COD as specified by the Developer in the Application. [\[back\]](#)
68. **Term** means the term of the EPA as specified by the Developer in the Application. [\[back\]](#)
69. **Transmission Network Upgrades or TNU** means those additions, modifications and upgrades to the Transmission System identified in the [Network Integration Transmission Service Study](#) as determined by BC Hydro.
70. **Transmission Network Upgrade Costs or TNU Costs** means all costs incurred by BC Hydro after an EPA is entered into for the design, engineering, procurement, construction, installation and commissioning of Transmission Network Upgrades. [\[back\]](#)
71. **Transmission System** means the transmission, substation, protection, control and communication facilities (transmitting energy at voltages greater than 35 kV) owned and operated by BC Hydro in British Columbia, and includes all additions and modifications thereto and repairs or replacements thereof. [\[back\]](#)