

## HQ TransÉnergie Hearing R-3669-2008- Phase 2

### Information Requests #2 Submitted by: Robert A. Sinclair, Potomac Economics, on Behalf of Newfoundland and Labrador Hydro.

Qualifications: Dr. Sinclair is an energy economist specializing in wholesale electricity market monitoring and transmission system monitoring.

In the forgoing information requests please observe the following:

“HQT” refers to Hydro Quebec TransÉnergie

“HQD” refers to Hydro Quebec Distribution

“HQT 890 OATT” refers to the Open Access Transmission Tariff HQT has proposed in connection with Demande R-3669-2008 – Phase 2 (version March 27, 2009).

“*Pro forma* 890 OATT” refers to the pro forma OATT attached as Appendix C to U.S. Federal Energy Regulatory Commission Order 890 (“Order 890” refers to Final Rule in Federal Energy Regulatory Commission Docket Nos. RM05-17-000 and RM-05-25-000. “Order 890 A” refers to Final Rule in Federal Energy Regulatory Commission Docket Nos. RM05-17-001, 002 and RM-05-25-001,002).

The phrase “consistent with or superior to” is used as these words are meant in paragraph 135 of the *pro forma* 890 OATT

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HQT’s filing text entitled: “*Fiches sur les modifications proposées aux tarifs et conditions des services de transport d’Hydro-Québec*” (HQT-2, Document 1) lists the themes of the modifications proposed to the text of HQT’s OATT. These themes along with the related OATT articles are as follows:

- Uniformité et transparence pour le calcul de la capacité de transfert disponible: Appendice C; Appendice C-1
- Crédits pour clients du service en réseau intégré propriétaires d’installations de transport; Article 30.9.
- Cession ou revente de capacité: Articles 23.1; 23.2; 23.3; Appendice A-1
- Pénalités liées à l’exploitation : pénalités pour utilisation du réseau sans réservation ou au-delà de la capacité réservée: Articles 3; 28.6; 36.5.
- Services Complémentaires; Annexes 2, 3, 6, 7.

- Service ferme conditionnel et nouvelle répartition de la production: Articles 13.4; 13.5; 13.6; 14.7; 15.14; 19.1; 19.3; 27; 32.3; 40.3.
- Droit de renouvellement: Article 2.2.
- Acquisition du service de transport : délais pour études d'impact, prolongation pour commencement du service et priorité des réservations: Article 13.2; 14.2; 17.2; 17.7; 18.2; 19.9; 32.5.
- Désignation des ressources en réseau, justification et suppression: Articles 1.50; 1.51; 29.2; 30.1; 30.2; 30.3; 30.4; 37.1; 38.1; 38.2; 38.3; 38.5.
- Service secondaire: Articles 28.4; 36.3.
- Normalisation des règles et pratiques d'affaires: affichage sur sites OASIS et Web; Article 4.
- Réciprocité: Article 6.
- Solvabilité: Article 11; Appendice L

The Final Rule issued by FERC in Order 890 organizes the reform under the following headings:

- I. Consistency and Transparency of ATC Calculations
- II. Coordinated, Open and Transparent Planning
- III. Transmission Pricing
- IV. Non-Rate Terms and Conditions (which includes redispatch and conditional firm notions as well as Designation of Network Resources)
- V. Enforcement.

The information requests in this document are grouped by FERC's five categories of reform and also by the themes identified by HQT.

The information requests are predicated on the principle that an OATT text that does not exactly match the Pro Forma 890 OATT must meet the standard of being "consistent or superior". In this context, the information requests take into consideration FERC "Commission Determinations" by which FERC directs or requires that certain actions be taken by transmission providers in order to ensure that the text of the OATT meets the requirements of the reform.

The requirements and directions given by FERC should be reflected in the actions taken by HQT in the context of the reform, if the HQT text is to be "consistent or superior". Thus the

***Information Requests submitted By: Robert A. Sinclair, Potomac Economics, on behalf of Newfoundland and Labrador Hydro.***

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Page 3

information requests are based on a consideration of the proposed HQT modifications relative to the FERC final order 890 and 890A.

## **I. Transmission Pricing**

### **HQT Themes:**

- Pénalités liées à l'exploitation: pénalités pour utilisation du réseau sans réservation ou au-delà de la capacité réservée: Articles 3; 28.6; 36.5.
- HQT-9, Document 1 (tarification des services de compensation d'écarts de réception et de livraison) dated May 29, 2009.

### **Preamble IESO Agreement**

Letter From IESO dated March 27, 2009 where by the IESO and HQT issued a joint statement that Schedule 4 and 5 do not apply to generators located within the IESO Control Area such as are OPG Saunders generation facilities.

*Order 890 paragraph 669. Some commenters stated that the Commission should require transmission providers to establish, or permit market participants to establish, markets or pools for the netting and settlement of imbalances. As explained previously, the purpose of this rule is to strengthen the pro forma OATT to remedy undue discrimination and not to impose any particular market structure. If transmission providers offer to modify their OATTs to allow such pools, we will consider such proposals.*

### **Questions**

- 1.1 Please provide more detail explaining the conclusion that imbalances “can be dealt with at a balancing authority level”.
- 1.2 How will the balancing authorities deal with the imbalances? What steps are included in the process to make it transparent and verifiable?
- 1.3 What is the nature of the agreement made with the IESO? Is it the creation of a “pool” as described in the above cited “Final Order” text par.669? Please provide a copy of the agreement.

- 1.4 Can similar arrangements as are considered with the IESO be made with other neighbouring areas? What are the standard terms and conditions for others to avail of such an arrangement?
  
- 1.5 Is there a process whereby such agreements are approved by the Régie?