

Transmission Standards of Conduct

January 1st 2024

In follow-up to decision D-2023-036

Table of Contents

Chapter 1 – Definitions	5
Chapter 2 – General Principles	6
Chapter 3 – Non-discrimination Requirements	7
Chapter 4 – Independent Functioning Rule	7
Chapter 5 – No-conduit Rule.....	7
Chapter 6 – Transparency Rule	8
Chapter 7 – Reliability Coordinator Designated by the Régie	10
Chapter 8 – Implementation Requirements	11

Chapter 1 – Definitions

In these Transmission Standards of Conduct, the following definitions apply:

“Act”: means the *Act respecting the Régie de l’énergie* (CQLR, c. R-6.01).

“Affiliate of the Transmission Provider”: means other units of Hydro-Québec, including the administrative units carrying out the corporate activities of the Company, persons working within the Transmission Provider and whose activities are not regulated under the Act, the Company’s first-tier subsidiaries, second-tier subsidiaries, limited partnerships and joint ventures under the effective control of the Company.

“Company”: refers to Hydro-Québec.

“Marketing function”: means the sale for resale or purchase for resale of electric energy, with the exception of supply contracts put in place by Hydro-Québec in its electricity distribution activities to meet Québec needs.

“Marketing function employee”: means an employee or agent of a Transmission Provider who actively and personally engages on a day-to-day basis in Marketing functions.

“Open Access Same-Time Information System or OASIS”: refers to an internet Website that is used to request, approve and administer a Transmission service and to disseminate information about the transmission system.

“Régie”: means the Régie de l’énergie.

“Reliability Coordinator”: means the Reliability Coordinator designated by the Régie, under the conditions it determines, as the Reliability Coordinator in Quebec.

“Subsidiary”: means a subsidiary as defined in the *Companies Act* (CQLR, c. C-38).

“Tariff”: means the current text of *Hydro-Québec Open Access Transmission Tariff*.

“Transmission”: means the electricity Transmission service in accordance with the *Hydro-Québec Open Access Transmission Tariff*.

“Transmission customer”: means any eligible customer (or its 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.

“Transmission function”: means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of Transmission service requests.

“Transmission function employee”: means an employee or agent of the Transmission Provider who actively and personally engages on a day-to-day basis in Transmission functions.

“Transmission function information”: means information relating to transmission functions.

“Transmission Provider”: Hydro-Québec when carrying on electric power transmission activities within the meaning of the Act.

“Transmission service”: means the provision of any transmission service in accordance with *Hydro-Québec’s Open Access Transmission Tariff*.

“Website”: refers to an internet location where the Company posts, by electronic means, the information required under these Standards of Conduct and includes the OASIS website.

Chapter 2 – General Principles

2.1 These Standards of Conduct apply to the Company, which owns, operates or controls facilities used for the Transmission of electric energy in commerce with other provinces or the United States and conducts transmission transactions with an Affiliate that engages in Marketing functions.

2.2 The Transmission Provider must treat all Transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis, and must not grant any undue preference or advantage to any person with respect to Transmission services.

2.3 Transmission function employees must function independently from Marketing function employees, except as permitted in these Standards or subject to an authorization granted by a decision of the Régie de l’énergie.

2.4 The Transmission Provider and its employees, contractors, consultants or agents are prohibited from disclosing, or using a conduit to disclose, non-public Transmission function information to Marketing function employees.

2.5 The Transmission Provider must provide equal access to all non-public Transmission function information disclosed to Marketing function employees to all its Transmission customers, affiliated and non-affiliated, except in cases permitted by these Standards and subject to other authorizations granted by the Régie de l’énergie.

2.6 These Standards of Conduct are also intended to prevent, by providing a framework for the Transmission Provider’s transactions with its Affiliates, the business operations of an Affiliate from being subsidized, in whole or in part, by Transmission customers.

2.7 The Transmission Provider may file, with the Régie, a request for an exemption from one or more of the sections of these Standards for good cause.

Chapter 3 – Non-discrimination Requirements

3.1 The Transmission provider must strictly enforce all tariff provisions relating to the sale or purchase of Transmission services.

3.2 The Transmission Provider must apply all tariff provisions relating to the sale or purchase of Transmission services in a fair and impartial manner, by not treating any of its Transmission customers in an unduly discriminatory manner.

3.3 The Transmission Provider 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).

3.4 The Transmission Provider must process all similar requests for Transmission service in the same manner and within the same period of time in comparable circumstances.

Chapter 4 – Independent Functioning Rule

General rule

4.1 Subject to the other provisions of these Standards of Conduct otherwise permitted by the Régie, Transmission function employees must function independently of Marketing function employees.

Separation of functions

4.2 The Transmission Provider is prohibited from permitting 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.

4.3 The Transmission Provider is prohibited from permitting its Transmission function employees to conduct Marketing functions.

Chapter 5 – No-conduit Rule

5.1 The Transmission Provider is prohibited from using anyone as a conduit for the disclosure of non-public Transmission function information to Marketing function employees.

5.2 An employee, contractor, consultant or agent of the Transmission Provider or of one of its Affiliates that is engaged in Marketing functions is prohibited from disclosing non-public Transmission function information to Marketing function employees.

Chapter 6 – Transparency Rule

Contemporaneous disclosure

6.1 If the Transmission Provider discloses non-public Transmission function information, other than information identified in Section 7.3, in a manner contrary to the requirements of Chapter 5, the Transmission Provider must immediately post the information that was disclosed on the Company Website.

6.2 If the Transmission Provider discloses, in a manner contrary to the requirements of Chapter 5, non-public Transmission customer information, critical energy infrastructure information (CEII) or any other information that the Régie has determined is to be subject to limited dissemination, the Transmission Provider must immediately post notice on the Company Website that the information was disclosed.

Exclusion for specific transaction information

6.3 A Transmission function employee may discuss with a Marketing function employee a specific request for Transmission service submitted by a Marketing function employee. The Transmission Provider is not required to contemporaneously disclose information otherwise covered by Chapter 5 if the information relates solely to a Marketing function employee's specific request for Transmission service.

Voluntary consent

6.4 A Transmission customer may voluntarily consent, in writing, to allow the Transmission Provider to disclose the Transmission customer's non-public information to Marketing function employees. If the Transmission customer authorizes such disclosure, the Transmission Provider must post notice of that consent on the Company Website, along with a statement that it did not provide any preferences, either operational or tariff-related, in exchange for that voluntary consent.

Posting written procedures on the Website

6.5 The Company must post on the Company Website current written procedures implementing the Standards of Conduct.

Posting of Affiliate information on the Website

6.6 The Company must post on its Website the names and addresses of all its Affiliates that employ Marketing function employees.

6.7 The Company must post on its Website a complete list of the employee-staffed facilities shared by any of the Transmission Provider's Transmission function employees and Marketing function employees. The list must include the types of facilities shared and the addresses of the facilities.

Posting of employee information on the Website

6.8 The Company must post on its Website the job titles and job descriptions of its Transmission function employees.

6.9 The Company must post a notice on its Website 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 Website for 90 days. No such job transfer may be used as a means to circumvent any provision of these Standards of Conduct. 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.

Timing and general requirements of postings on the Website

6.10 The Company must update on its Website the information required by these Standards within seven business days of any change, and post the date on which the information was updated.

6.11 In the event that an emergency, such as an earthquake, flood, fire or other major weather event, severely disrupts the Transmission Provider's normal business operations, the posting requirements in these Standards may be suspended by the Transmission Provider. If the disruption lasts more than one month, the Transmission Provider must so notify the Régie and may seek a further exemption from the posting requirements.

6.12 All Website postings required in these Standards must be sufficiently prominent as to be readily accessible.

Exclusion for and recordation of certain information exchanges

6.13 Notwithstanding the requirements of sections 4.1 and 5.1, Transmission function employees and Marketing function employees may exchange certain non-public Transmission function information, as delineated in Section 6.14, in which case the Transmission Provider must make and retain a contemporaneous record of all such exchanges except in emergency circumstances, in which case the record must be made as soon as practicable after the fact. The Transmission provider shall make the record available to the Régie upon request. The record may consist of handwritten 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.

6.14 The non-public information subject to the exclusion in Section 6.13 is as follows:

- i. Information pertaining to compliance with Reliability Standards adopted by the Régie; 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.

Chapter 7 – Reliability Coordinator Designated by the Régie

General rules

7.1 This Section governs the activities of all personnel under the authority of the Reliability Coordinator designated by the Régie, as well as any employee of the Transmission Provider's other units performing tasks related to the role of the Reliability Coordinator (the "Personnel") relative to the electric power transmission system under the responsibility of the Reliability Coordinator.

7.2 All standards apply to the Reliability Coordinator designated by the Régie. In case of discrepancy, the provisions of this chapter take precedence.

Definitions

7.3 In this Chapter, the following definitions apply:

"Personnel": means the personnel under the authority of the Reliability Coordinator or another of the Transmission Provider's units performing tasks related to the role of the Reliability Coordinator. Also included are personnel performing the functions of Balancing Authority and Transmission Operator. This definition includes both senior managers and employees as well as personnel employed on a contractual basis by the Reliability Coordinator or by another of the Transmission Provider's units to perform tasks related to the role of the Reliability Coordinator.

"Preferential Treatment": means the treatment granting an advantage to a Transmission System User to the detriment of another in breach of this Section of the Standards of Conduct.

"System User": means any user of the electric power transmission system under the responsibility of the Reliability Coordinator, namely a producer, a transmission provider, a distributor, a customer directly connected to the electric power transmission system or a person who uses an electric power transmission system under an electric power Transmission service agreement entered into with the Transmission Provider or with any other transmission provider in Québec.

Prioritization of electric power transmission system reliability

7.4 In all circumstances, the reliability of the electric power transmission system remains the Personnel's priority.

7.5 Personnel are authorized to take any measures they deem necessary to maintain the reliability of the electric power transmission system in an emergency situation which could likely jeopardize the reliability of the transmission system's operation.

7.6 Personnel must always act in the best interest of the role and functions of the Reliability Coordinator and must avoid any situation which compromises their primary obligation of loyalty to the role and functions of the Reliability Coordinator.

Non-discrimination Requirements

7.7 Personnel must treat all System Users in a fair and non-discriminatory manner.

7.8 Personnel shall not disclose information granting Preferential Treatment to an employee of a System User, an employee of another of the Transmission Provider's units or an employee of an Affiliate of the Transmission Provider.

7.9 If Personnel discloses information granting Preferential Treatment that is not posted on the Reliability Coordinator's Website to an employee of a System User, an employee of another of the Transmission Provider's units or an employee of an Affiliate of the Transmission Provider, the Reliability Coordinator shall immediately post such information on its Website.

Independent Functioning Rule

7.10 All decisions made by or actions taken by Personnel must not favor commercial interests over the reliability of the electric power transmission system. These decisions or actions must not favor one System User over another; the same applies to any communication between the Personnel and the Transmission Provider's other units and its Affiliates, required in the exercise of its mission.

7.11 Personnel shall under no circumstances allow an employee of an Affiliate, an employee of another of the Transmission Provider's units involved in Transmission service marketing activities, or an employee of another System User:

- i. participate directly in the Reliability Coordinator's operations or perform the Transmission System Reliability Coordinator's functions ;
- ii. or have access to the system control center or to a backup center used for transmission operations or for transmission system reliability functions that differs in any way from the access provided to others System Users.

Chapter 8 – Implementation Requirements

8.1 No provision of these Standards of Conduct shall be interpreted as amending provisions of the *Hydro-Québec Open Access Transmission Tariff*.

Emergency measures

8.2 Regardless of any conflicting provision in these Standards of Conduct, in the event of an emergency affecting the reliability of the transmission system, the Transmission Provider may take all necessary measures to ensure that the power system continues to operate. The Transmission Provider must post on OASIS any emergency that resulted in a departure from these Standards of Conduct within 24 hours of such departure.

Compliance measures and written procedures

8.3 The Company must implement measures to ensure that the requirements contained in Chapters 4 and 5 are respected by the Transmission function employees of the Transmission Provider and by the Marketing function employees of its Affiliates. It must also implement measures to ensure that the Reliability Coordinator's Personnel complies with the requirements contained in Chapter 7.

8.4 The Company must distribute the written procedures stipulated in Section 6.5 to all its Transmission function employees, Marketing function employees, agents, directors, supervisory employees and other employees likely to be made aware of a Transmission function information, as well as to the Reliability Coordinator's Personnel.

Training and compliance personnel

8.5 The Company must provide annual training on the Standards of Conduct to all the employees covered in section 8.4. The Company must provide training on the Standards of Conduct to new employees in the categories covered in section 8.4 within the first 30 days of their hiring. The Company must require each employee who has received the training to certify, electronically or in writing, that they have completed the training.

8.6 The Company must appoint a chief compliance officer who will ensure compliance with the Standards of Conduct. The Company must post the name and contact information of the chief compliance officer on its Website.

Compliance reports

8.7 Annually, the Reliability Coordinator and the Transmission Provider must submit to the Régie a report from the chief compliance officer concerning the enforcement of the Standards of Conduct.

Books and records

8.8 The Company must maintain its registers and accounts relating to compliance with the Standards of Conduct separately from those of its Affiliates which retain the services of Marketing function employees and must make them be available to the Régie for inspection purposes.