

## Minutes of Meeting

<b>Date held:</b> June 27, 2008	<b>Time held:</b> 9:00 am – 3:00 pm	<b>Location held:</b> Monte Carlo Inn, Mississauga, ON
<b>Invited/Attended</b>	<b>Company Name</b>	<b>Attendance Status</b> (A)ttended; (R)egrets; (S)ubstitute
Alessia Dawes	Hydro One	A
Alex Lee	Great Lakes Power	A
Biju Gopi	IESO	A
Carmela Phillips	IESO	A
Colin Anderson	OPG	A
David Kiguel	Hydro One	A
Don Robinson	AESI	A
Doug Westland	N-Dimension Solutions Inc.	A
Guy Springgay	IESO	A
Kevin Dougan	Suez Energy	A
Milan Bolkovic	Powerstream	A
Nicholas Ingman	IESO	A
Phil Dubeski	Toronto Hydro	A
Rick Gorski	IESO	A
Ron Falsetti (Chair)	IESO	A
Shawn Filice	ENWIN Utilities Ltd.	A
Tom Ealy	EPCOR	A
Tracy Brason	Brookfield	A
Vanish Patel	Suez Energy	A
Scribe: Biju Gopi Please report any corrections, additions or deletions e-mail to scribe <a href="mailto:biju.gopi@ieso.ca">biju.gopi@ieso.ca</a>		

All meeting material is available on the IESO web site at:  
[http://www.ieso.ca/imoweb/consult/consult\\_rssc.asp](http://www.ieso.ca/imoweb/consult/consult_rssc.asp)

### Item 1 Session Start

The fifth RSSC meeting started at 9:00am with the Chair leading the introduction of those present for the meeting at the Monte Carlo Airport Hotel located at Mississauga, Ontario.

## **Item 2 Administration/Operational Issues**

The chair covered the administration of the Reliability Standards Standing Committee (RSSC). Highlights of the comments and discussions that followed include:

- The minutes of the fourth meeting (Jan 2008) were approved without comments or issues. Page 2 of the meeting notes was corrected for a typo.
- An update on open items was provided.
- The agenda for the meeting was discussed.
- The chair also walked through the membership list and indicated that there are no additional entities registered.
- It was suggested that there should be a generic posting of standards for market participants and there should not be more than a two week delay in releasing meeting minutes.

## **Item 3 Current NERC/NPCC/FERC Activities**

IESO staff provided a brief presentation of the on-going activities for NERC, NPCC, and FERC. Discussed topics included:

- Violation Severity Levels (VSLs) are being revised by the respective standard drafting teams. All VSLs except for the ones developed for the emergency operations (EOP) set of standards were approved by the industry during the ballot process. The primary objection of the industry was that (a) VSLs were not consistent across the board and (b) VSLs seem to add additional requirements.
- The IESO provided an explanation on why it supported the NERC drafting team's interpretation of the Brookfield request for interpretation and why it voted against the interpretation on EOP-001
- The 2008 NPCC summer report was discussed in brief. The discussion covered the IESO's expected summer forecast, reserve margins, risks to the outlook, and assumptions behind hydroelectric projections.
- FERC orders on the NUC standard and allocation of penalties to ISOs/RTOs were also discussed. The IESO indicated that it had filed joint comments with Hydro One on the former.

#### **Item 4 OEB Remand Legislation**

- IESO staff walked through the OEB remand legislation as enshrined in Bill 44 (Schedule G) with the committee. The lack of clarity around the fact that both NERC and NPCC are now “standards authority” was raised and the IESO offered to take this up with the ministry in order to modify the language around the legislation.
- Changes will also be made to the joint MOU with NERC and NPCC to reflect the language around remand. Market rule changes associated with the remand legislation would also be presented to the IESO Board for approval.

#### **Item 5 IESO’s NERC and NPCC Fees**

- IESO staff indicated that all regions work on identical templates as provided by NERC towards allocation of fees as this helps facilitate inter-regional comparisons. The IESO pushed for a risk-based assessment by NERC which NERC has promised to undertake in its next round of budget preparations. The IESO was able to successfully reduce costs towards NERC and NPCC contributions because of its internal compliance program. Fees are structured on a net energy to load (NEL) basis and the IESO contributes to 3.5% of the NERC and 22.6% of NPCC.
- Additionally, there are certain components of the NERC budget which are paid for by only U.S. entities and one of them is its self-assessment as ordered by FERC. NERC has reduced this to \$1 Million from its initial estimate of \$1.5 Million. For the year 2009, it is expected that the IESO would pay about \$3.2 million to NERC and NPCC, the majority of the share being for NPCC due to the high NEL ratio.

#### **Item 6 Ontario Compliance Framework**

Numerous issues both directly and indirectly related to Ontario were discussed. Some of these are highlighted as follows:

- Unlike FERC, Canadian regulators do not participate in NERC’s standards development process. FERC’s participation has resulted in NERC drafting a policy statement on everybody’s role on the standards drafting team including role of the FERC staff. FERC is also heavily involved on the CIP standards front and in the process of crafting legislation which would give FERC broad emergency powers in the event of a cyber security threat or any other national security threat. The IESO along with members of the Canadian Electricity Association (CEA) raised several concerns around the legislation especially the fact that such legislation would result in two separate set of cybersecurity rules, one in the U.S. and one in Canada. This would affect trade relations and sharing of vital information among others. This legislation, at the time of writing the meeting minutes, appears to be dead in the waters.

- NPCC recently reviewed the effectiveness of the IESO’s reliability compliance program (IRCP). The NPCC findings are yet to be shared with the IESO. In response to a question, IESO staff pointed out that the results will be shared with market participants, especially the RSSC, but will be stakeholdered only if the findings prompt changes to the existing IRCP framework. IESO’s Market Assessment and Compliance Division (MACD) is working closely with NPCC and NERC on this front.
- The nuclear (NUC) standard comes into effect in Ontario on October 1, 2008. This is the first instance of a standard coming into effect following the OEB remand legislation. Concerns were expressed by one market participant in meeting the requirements of the standard and pointed out that it may resort to the IESO exemption process. At the time of writing this, the IESO is working closely with all affected market participants and there is consensus that work needs to be done but Ontario is compliant with the requirements of the NUC standard.
- NERC has been working with its Canadian representative, Ric Cameron, to discuss MOUs with the various Canadian reliability entities.
- There is a substantial workload for NERC and the IESO for 2009, in the area of standards development, as there are 36 work projects identified for 2009 and this is apart from the numerous interpretation requests that could be raised by any registered entity and FERC rulings which would necessitate additional NERC activities.
- There will be identified workload on the NAESB front as well as NAESB is responsible for developing business standards for the electricity sector in conjunction with the NERC reliability standards. The IESO monitors all NAESB activities and provides inputs and comments to NAESB including voting on important NAESB ballots.

Additional references:

IESO MACD page: <http://www.ieso.ca/imoweb/marketComp/compliance.asp>  
 IESO RSSC page: [http://www.ieso.ca/imoweb/consult/consult\\_rssc.asp](http://www.ieso.ca/imoweb/consult/consult_rssc.asp)  
 IESO Regulatory Affairs page: <http://www.ieso.ca/imoweb/corp/regulatory.asp>  
 NERC Standards page: <http://www.nerc.com/page.php?cid=2>  
 NPCC Regional Standards/Criteria page:  
<http://www.npcc.org/documents/regStandards/Directories.aspx>  
 FERC Electric page: <http://www.ferc.gov/industries/electric.asp>

Action Item Summary				
#	Date	Action	Status	Comments
1	Oct 8, 2008	Posting of Generic mapping spreadsheets	In Progress	