

Minutes of Meeting #8

Date held: May 28, 2009	Time held: 9:00AM - 3:40PM	Location held: Ontario Power Generation, Toronto
Invited/Attended	Company Name	Attendance Status (A)ttended; (R)egrets; (S)ubstitute
Cristian Dragnea (Chair)	IESO	A
Dan Rochester	IESO	A
Nicholas Ingman	IESO – Regulatory Affairs	A
Carmela Phillips	IESO – MACD	A
Monica Adam	IESO – MACD	A
Ben Li	IESO	A
Biju Gopi	IESO – Regulatory Affairs	A
Colin Anderson	OPG	A
Phil Dubeski	Toronto Hydro	A
Don Robinson	AESI	A
Jason Drenth	Great Lakes Power	A
David Kiguel	Hydro One	A
Jeff Schaller	Hydro One	A
Brian Gooder	OPG	A
Sandy O'Connor	TransAlta Energy Corporation	A (on the phone)
Joanna Luong-Tran	TransAlta Energy Corporation	A (on the phone)
Kurtis Chong	IESO	A
Scribe: Kurtis Chong, rssc@ieso.ca : Please report any corrections, additions or deletions.		

All meeting materials are available on the IESO web site at:

http://www.ieso.ca/imoweb/consult/consult_rssc.asp

1. Welcome

The eighth RSSC meeting commenced at 9:00am at OPG's offices at University Avenue, Toronto. Cristian Dragnea, who was taking over the reins as Chair, thanked Ben Li for carrying out that role for the past two meetings. He also thanked OPG for graciously making their offices available to accommodate the day's meeting. Cristian also welcomed all participants and especially Sandy O'Connor and Joanna Luong-Tran of TransAlta Energy Corporation and Monica Adam of the IESO who were attending for the first time.

2. Administration/Operational Issues

The minutes of the seventh meeting were adopted without correction. An update on the open action items was provided as follows:

- **#1 – Update and circulation of member list:** The updated list was circulated.
- **#2 – Enquiry to NPCC:** Cristian Dragnea reported that he was unsuccessful in obtaining a response to the IESO's enquiries regarding the retention time for data submitted during audits and the return or destruction by NPCC of such data. He will continue these efforts.
- **#3 – Reporting of embedded generation:** Kurtis Chong indicated that the IESO requires distributors to report information on embedded generation during its annual survey of underfrequency load shedding capability. He added that form 1518 is used for this purpose and expected this form to be issued in mid-June.
- **#4 – Application of VRFs and VSLs in Ontario:** See current agenda item #6a.
- **#5 – Additional details and updates to the 2009 IRCP:** See current agenda item #6b.
- **#6 – Proposed compliance workshop:** See current agenda item #6c.
- **#7 – IESO comments to the OEB on distributed generation and enabler facilities:** discussed as part of agenda item 5c.

David Kiguel commented that he had only received some of the meeting materials on the morning of the meeting. He encouraged the IESO to ensure that all materials were made available to participants at least one week before the meeting.

3. Implications of proposed Bulk Electric System (BES) Definition NPCC

Dan Rochester explained the differences between the performance-based definition of the bulk power system used in NPCC and the proposed "bright-line" BES definition already used by the other seven NERC regions. (The latter definition identifies facilities operated at voltages 100 kV and above, generating units of 20 MVA and above and generating facilities with an aggregate capacity of 75 MVA and above as being part of the BES.) He explained that NERC had requested NPCC to submit a list of additional facilities in the US that would be defined as BES if the proposed definition were adopted. In its response, NPCC also planned to provide an estimate of the economic cost of the change as well as an assessment of the reliability benefits.

Dan indicated that Canadian members of NPCC were exploring the possibility of coordinating their position on the matter and that the IESO was partial to the existence of dual definitions. He invited RSSC members to provide their input into formulating arguments to challenge the proposed definition. NPCC plans to file its proposed bright-line definition for defining bulk electric facilities with FERC on September 20, 2009. The IESO and other provincial entities will be filing jointly, with FERC, on the same day

4. Regulatory Affairs

(a) NERC and NPCC Budgets for 2010

Nicholas Ingman presented on the NERC and NPCC proposed 2010 budgets and summarized IESO's response. He indicated the major drivers for the increases of approximately 41% and 24% respectively, adding that the NERC increase was viewed by industry as unreasonable and unsustainable. He highlighted other stakeholder concerns that included NERC's role in compliance monitoring of CIP standards applicable to nuclear facilities balance of plant and centralization of functions normally performed by the Regional Entities.

(b) The Green Energy Act

Nicholas Ingman also presented on the Green Energy and Green Economy Act, 2009, that was passed on May, 14. He summarized the aims of the Act and explained its far-reaching implications on the OEB, OPA, IESO and Ontario market participants.

5. Current NERC/NPCC/FERC Activities

(a) NERC Standards Development

IESO staff provided brief presentations of on-going NERC, NPCC, and FERC activities. Ben Li presented on the following NERC standards development actions:

- Generator Verification: Draft NERC standards MOD-026-1 – Verification of Generator Excitation Systems and PRC-024-1 – Generator Frequency and Voltage Protection Relays
- Request for interpretation of TOP-005 – 1 , R3 and IRO-005 – 1 , R12 by Manitoba Hydro
- Modifications to the Reliability Standards Development Procedure
- Guideline for the Identification of Critical Assets

Kurtis Chong presented IESO's position on the following NERC standards actions:

- Project 2009-10: Interpretation of PRC-005 – Transmission and Generation Protection System Maintenance and Testing, R1
- Project 2007-01: Draft NERC Standard: PRC-006-1 – Automatic Underfrequency Load Shedding

(b) NPCC Standards Development

Ben Li also presented on the following NPCC documents that were in Open Process Review:

- Directory #2: Emergency Operation
- Directory #12: Underfrequency Load Shedding Program Requirement

(c) FERC Orders and Related Activities

Ben Li presented highlights of IESO's comments on FERC NOPR related to Transmission Loading Relief and associated Order no. 713-A.

He informed the meeting of a study being undertaken by FERC to evaluate the frequency response of the system in light of the increasing penetration of renewable generation, and FERC's related data request to US members of the ISO/RTO council.

There was some discussion on the far-reaching implications for the standards development process of recent FERC NOPR (docket no. RM 08-16-000), remanding the interpretation of VAR-001-1, R4 that was requested by Dynegey. Ben indicated that the ISO/RTO council was considering whether or not there was a strong technical basis to make a filing for clarification.

Biju Gopi updated the meeting on the following:

- The FERC NOPR on the MOD standards issued on March 19, 2009. FERC, in its NOPR noted that NERC must undertake an audit of all the applicable entities of their implementation documents.
- IESO's involvement in the Eastern Interconnection Planning Collaborative (EIPC). The collaborative is in response to a U.S. DOE Funding Opportunity Announcement (FOA) of \$60 Million USD, for an interconnection-wide transmission planning entity for the three interconnections in North America. The EIPC consists of the regional system operators and the major Investor Owned Utilities (IOUs) from the Eastern Interconnection. The other interconnections are also similarly represented.
- IESO's comments on the OEB's Transmission Cost Allocation Methodology for enabler facilities. The IESO and Hydro One support the OEB's proposed "hybrid" methodology of allocating transmission costs to generators based on their pro-rated share of the total line capacity.

6. Compliance Monitoring and Enforcement Issues

(a) Application of Violation Risk Factors (VRFs) and Violation Severity Limits (VSLs) in Ontario
Carmela Phillips presented on the sanctioning guidelines applicable in Ontario. She explained the steps and considerations involved in determining the final penalty range applied to a particular breach including: an assessment of the impacts of the breach, breach history, NERC VSLs and VRFs as well as aggravating and mitigating factors.

(b) 2009 IRCP and compliance monitoring and reporting for CIP Standards in 2009
Cristian Dragnea informed members of several revisions to be made to the 2009 IRCP schedule posted on the IESO's web site. In particular, he highlighted that applicable market participants were now required to self-certify compliance with Cyber Security Standards CIP-002 through CIP-009 in December rather than July; IESO would self-certify to NPCC in July and again in December. He added that for CIP-002, IESO would self-certify on Requirements 1 and 2 on behalf of Ontario, and that market participants would self-certify to IESO on Requirements 3 and 4. He advised that initial drafts of the self-certification forms were to be stakeholdered through the CIP Forum hosted by the IESO. Sandy O'Connor requested contact information for the CIP Forum.

Cristian also explained that changes would be made to the reporting requirements of form 1609 – Emergency Restoration Planning, to minimize the administrative burden on MPs.

Members requested clarification of the implementation date of standards in Ontario and the time-lines associated with the OEB Remand Process.

(c) Brainstorming on a Proposed IESO Compliance Workshop

Members were invited to discuss the idea of a compliance workshop that was raised at the 7th RSSC meeting. Members agreed that the workshop would benefit the staff of both new and existing market participants (MPs), regardless of their level of experience. Those new to the IRCP would learn the basics and acquire valuable background knowledge. More experienced individuals would be able to network with others in the industry, exchange ideas and share challenges. They also saw the workshop as an opportunity to get other MPs actively involved in reliability standards and compliance issues.

Members felt that the workshop should:

- be held once annually and replace one of the four scheduled RSSC meetings;
- focus on compliance related topics;

- include break-out sessions during which MPs could discuss among themselves topics of common interest and provide feedback to the IESO afterwards; and
- include presentations from MACD, MPs and guest speakers (e.g. NPCC)

Cristian Dragnea advised members that he planned to survey members' views regarding the benefits of the RSSC meeting versus the annual compliance workshop.

(d) Improving IESO self-certification forms - Use of "plain language"

Kurtis Chong initiated discussion on this matter, using as an example IESO compliance form 1609 – Emergency Restoration Planning, which was "translated" into plain language.

Members expressed the view that the compliance forms were satisfactory "as is" and there was really no need to consider rewriting them in plain language. Further, the similarity of the language and format of the existing forms compared to the market rules, NERC standards and NPCC criteria documents was considered to be beneficial. It was felt that restating requirements in plain language risked altering their intent and could have legal implications. Finally, members agreed that any certification form that proved difficult to understand could be revised as required.

7. Next Meeting and Future Agenda Items

Members preferred a Toronto location for the next meeting and the Chair therefore proposed that arrangements be made for the IESO's Minto Board Room in three months time. Kurtis Chong agreed to follow up.

8. Other Items

There were no other items.

Action Item Summary				
#	Date	Action	Status	Comments
1	Oct 8, 2008	Confirm with NPCC audit data retention period, document return and destruction	In Progress	C. Dragnea
2	May 28, 2009	Update member list and circulate by email.	To be started	K. Chong
3	May 28, 2009	Provide clarification of the following issues related to the OEB Remand Process – at what point do standards become effective in Ontario? Does it cover interpretations?	To be started	K. Chong
4	May 28, 2009	Issue survey soliciting views regarding the benefits of the RSSC meeting	To be started	C. Dragnea
5	May 28, 2009	Provide members with IESO's comments to NPCC on the BES re-definition impact	To be started	K. Chong
6	May 28, 2009	Share IESO's final comments on NERC and NPCC budgets	To be started	B. Gopi
7	May 28, 2009	Provide CIP forum contact to TransAlta	To be started	C. Dragnea
8	May 28, 2009	Research retention period for electronic data/ recordings required for CIP stds. E.g. video	To be started	C. Dragnea

References:

IESO MACD page: <http://www.ieso.ca/imoweb/marketComp/compliance.asp>

IESO RSSC page: 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>