

**Comments to the IESO's response to Hydro One Networks Inc.'s review of reporting Form 1522 v. 4.0**

Hydro One Networks Inc. appreciates the IESO's consideration of our comments to the initial version of the form.

Hydro One Networks can report on an annual basis the Protection System Misoperations using the proposed form 1522 version 4.0 and Addendum A. The reporting will be limited to Bulk Electric System (BES) events for the reasons given below. In addition, following a request from NPCC, Hydro One will provide documentation containing analysis and corrective actions for a given event within the timelines established in the guideline document B-21.

We would like to further comment on the latest proposal.

1. Requirement R3.2

The proposed form (v.4.0 REV 06 07) refers to market rules Ch. 5, S15.15. As noted in our previous comments, the reference should be to Ch. 5. S15.1.5.

2. Purpose of the NERC Standard PRC-004-1

The stated Purpose in PRC-004-1 indicates that it is to "Ensure that all transmission and generation Protection System Misoperations affecting the reliability of the Bulk Electric System (BES) are analyzed and mitigated."

As indicated above, the standard applies to the BES facilities. By extending the requirement to the IESO Controlled Grid (ICG), the IESO is applying the same standard beyond the NERC requirements.

3. Responsible Entities for PRC-004-1 Compliance

The Applicability section and the requirements in PRC-004-1 assign responsibilities to the following entities:

- (a) Transmission Owner.
- (b) Distribution Provider that owns a transmission Protection System.
- (c) Generator Owner

These three entities, all defined in the NERC Functional Model, are the ones that need to meet the requirements in the Standard. Please see our comment in item 6 below with respect to the use of the Area responsibility in B-21.

4. Type of NPCC Document B-21

As its type indicates, B-21 is a Guideline document. This means it is to be used as a suggestion on how the responsible entities are to implement the Protection System Misoperations analyses and report them to NPCC. As such, Hydro One has brought to the NPCC Task Force on System Protection (TFSP) all the events that were judged to be significant and offer lessons to be learned by the NPCC members. The actual number has been less than 10% of the total.

#### 5. Applicability of NPCC documents

Most NPCC Criteria and Guideline documents apply to the Bulk Power System (BPS). Document B-21 is no exception.

#### 6. Use of Area as the Responsible Entity in B-21

We do not agree with the statement in the IESO's response that the use of the term Area in B-21 places the obligation on the IESO to maintain such information.

The definition of AREA in the NPCC Glossary of Terms (Document A-07) is as follows:

**Area** — An **Area** (when capitalized) refers to one of the following: New England, New York, Ontario, Quebec or the Maritimes (New Brunswick, Nova Scotia and Prince Edward Island); or, as the situation requires, area (lower case) may mean a part of a system or more than a single system. Within NPCC, Areas (capitalized) operate as **control areas** as defined by the North American Electric Reliability Council (NERC) (the definition can be found on page 6 of this glossary).

According to the definition, when NPCC documents refer to Area, it means the geographical footprint that operates as a control area, in our case Ontario. Thus the concept is not intended to apply to specific entities in the Province of Ontario.

The Guideline document B-21 like most of the NPCC Criteria, Guidelines and Procedures documents still use the Area as a generic term. This is a historical legacy. Most of these documents were written and adopted at a time that preceded the NERC Functional Model when many utilities in the NPCC footprint were vertically integrated and thus the applicable meaning of Area was the Control Area. NPCC will, at some time in the future, revise its documents to make the references to entities consistent with the NERC Functional Model.

#### 7. Requirements beyond NERC/NPCC Standards

As proposed, the reporting form contains references to protection systems in the IESO-Controlled Grid (Requirement R1 and Measurement M1). Clarification should be provided that the NERC Standard PRC-004-1 and the NPCC Guideline B-21 are applicable only to BES and BPS respectively and the form is consistent with the scope of these documents. If the intent of the IESO is to establish reporting requirements that are

beyond the requirements in the NERC standard and the NPCC guideline this would constitute an extension that is beyond the scope and applicability of these documents.

The issue of more stringent requirements and more onerous reporting obligations has been discussed at a number of the IESO Technical Panel meetings. At the May 22<sup>nd</sup> meeting (see TP-201 minutes), the IESO reminded the Panel that the IESO has committed that any new IESO imposed reliability standards will be incorporated into the market rules.

According to this commitment, if the IESO wishes to impose a reporting requirement that is stricter than the reliability standard authority's, there must be a market rule amendment proposed and approved following the established process.

Until such time, when a market rule amendment is in place, Hydro One will meet its NERC and NPCC obligations for compliance and reporting but not beyond them.

#### 8. Posting of the Form

We were surprised to see that the IESO has already posted draft version 3.0 of the form in its web page "2007 IESO Reliability Compliance Program Schedule" with a due date of December 1, 2007 without waiting for the market participants' concurrence and completion of the process.

#### 9. Reporting Schedule

The NPCC CBRE Compliance Reporting Schedule – 2007 shows a due date January 15<sup>th</sup>, 2008 to confirm the number and report misoperations for the calendar year 2007. The IESO Reliability Compliance Program Schedule in the IESO web site shows a Submission Target Date December 1<sup>st</sup>, 2007. The IESO should have reporting periods that are consistent with those of NPCC CBRE.