

Minutes of Meeting

Date held: October 08, 2008	Time held: 9AM-3PM	Location held: Monte Carlo Inn, Mississauga, ON
Invited/Attended	Company Name	Attendance Status (A)ttended; (R)egrets; (S)ubstitute
Ben Li (Chair)	IESO	A
Biju Gopi	IESO	A
Carmela Phillips	IESO	A
Colin Anderson	OPG	A
Cristian Dragnea	IESO	A
Dan Rochester	IESO	A
David Kiguel	Hydro One	A
Don Robinson	AESI	A
Howard Hosick	Brookfield Renewable Power	A
Ian Hunt	Sithe	A
Khaqan Khan	IESO	A
Kurtis Chong	IESO	A
Milan Bolkovic	Powerstream	A
Nicholas Ingman	IESO	A
Rick Gorski	IESO	A
Rob Cary	Cardinal Power	A
Robert Mozzoni	Sithe	A
Shawn Filice	ENWIN Utilities Ltd.	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 sixth RSSC meeting started at 9:00am with the Chair extending a warm welcome to all participants.

2. Administration/Operational Issues

The following corrections were made to the minutes of the fifth meeting (June 27, 2008):

- Ben Li's name was removed from the list of attendees since he was not present.

- Page 4, bullet 2: The first sentence was changed to “The nuclear (NUC) standard comes into effect in Ontario on October 1, 2008.”

Having made these changes, the minutes of the fifth meeting were adopted. An update on the one open action item was provided by B. Gopi. The agenda for the meeting was discussed and a NERC cyber security data request was added under Item 5.

The Chair indicated that the RSSC membership list on the IESO website needed to be updated (Action by IESO). The Chair also invited comment on the need for an official roster. After some discussion, it was agreed that this would not be necessary and that the email contacts list currently in use, was sufficient.

Dan Rochester introduced the new members of his standards and compliance team as follows:

- Cristian Dragnea has taken over from Ron Falsetti who has retired, and
- Kurtis Chong has assumed the responsibilities of Biju Gopi who has moved to Regulatory Affairs within the IESO

The Chair emphasized the need to have the minutes prepared within a short period after the conclusion of the meeting.

3. Current NERC/NPCC/FERC Activities

(a) NERC Standards Development

IESO staff provided brief presentations of on-going NERC, NPCC, and FERC activities. K. Chong presented the SDTs’ interpretations and explained the IESO’s voting positions on the following standards:

- VAR-002-1a, Generator Operation for Maintaining Network Voltage Schedules – interpretation - IESO voted “Affirmative, with comment”. Re-circulation ballot required.
- EOP-002-2: Capacity and Energy Emergencies, Requirements 6.3 & 7.1 – interpretation IESO’s voted “Affirmative”. Quorum not achieved - re-ballot required.

B. Li gave a brief overview of the IESO’s assessments of the following NERC standards:

- EOP-008-1: Loss of Control Center Functionality – out for comment
- TOP-002-2: Normal Operations Planning – request for interpretation
- FAC-008-2: Facility Ratings – posted for 30-day pre-ballot review
- PER-005-1: System Personnel Training – posted for 30-day pre-ballot review

(b) NERC Standards Development

This was followed by an overview of regional standards development work being undertaken by the NPCC. Ben explained that in several cases, NERC standards define high-level requirements

while regional standards develop the next-level requirements, which are consistent and often more stringent than the NERC standard. The following were presented:

- Regional Standard Authorization Requests (RSARs) have been developed for PRC-002-NPCC-1: Disturbance Monitoring and PRC-006-NPCC-1: Automatic Underfrequency Load Shedding Program
- Directory #9: NPCC Verification of Generator Gross and Net Real Power Capability (Document A-13)
- Directory #10: NPCC Verification of Generator Gross and Net Reactive Power Capability (Document A-14)

There was a brief discussion on the benefits of voting on standards. It was generally felt that the IESO was doing a good job of commenting and voting on standards that were under development. Notwithstanding this, the IESO reiterated the fact that it was worthwhile for Market Participants (MPs) to become part of the Registered Ballot Body and vote selectively on standards that were of interest to them.

(c) FERC Order and Related Activities

FERC has deferred ruling on IRO-006-1 and requested NERC to put in clear language in the requirements indicating that use of TLRs alone was insufficient to mitigate SOL and IROL violations.

B. Gopi updated the meeting on FERC Order 706a, a clarification of NERC mandatory reliability standards for Critical Infrastructure Protection (CIP Standards). Contrary to industry understanding, FERC ruled that a nuclear plant should be segregated into facilities which are under the US Nuclear Regulatory Commission (NRC) (similar parallel in Canada would be the Canadian Nuclear Safety Commission (CNSC)) and “balance of plant” facilities, with NERC CIP standards applying to the latter classification.

The IESO is in favour of implementing the NERC CIP standards in the nuclear industry in North America, but disagrees that a nuclear plant should be regulated by multiple regulatory agencies. Also, the IESO holds the view that implementation timelines should be stakeholdered with the nuclear industry. Members agreed with this position especially given the fact that the IESO had stakeholdered its response with the affected market participants.

The IESO and Hydro One filed a joint response to FERC outlining the above points. Other members including OPG have also filed their responses with FERC.

(d) IESO’s role in providing advisories to Market Participants

D. Rochester indicated that NERC advisories are received in the IESO control room and forwarded to other departments internally. There was some discussion on how these advisories

should be communicated to Market Participants – via the weekly newsletter to MPs or through special notifications – and whether or not these advisories should be filtered.

Members agreed that a separate, unfiltered communication related to each advisory should be provided by the IESO to MPs. The IESO undertook to provide feedback to members on the current process for forwarding these advisories to MPs.

4. NERC's 2009/2010 Activities:

(a) Reliability Development Plan

D. Kiguel of Hydro One delivered a presentation on the draft Reliability Standards Development Plan: 2009-2011 which is to be approved by the Board of Trustees. One of the key issues being addressed by NERC is elimination of the backlog of standards development work by improving its project management strategy. The highlights of the Plan are:

- The current draft is a revision of the 2008-2010 Plan that was completed in October 2007
- A significant portion of the Plan is dedicated to revising existing standards
- One of the largest projects relates to revising a group of related standards, viz. TOP-001 to TOP-008 and PER-001
- Work on 40 continent-wide projects involving 120 standards is included
- Four new projects initiated in 2008 that were not part of the previous Plan, are included
- Three new projects are included
- SARs and Requests for Interpretation would be added to the work outlined in the Plan

(b) Standing Committee (NERC-SC) activities

David also made a brief presentation on the functions of the five sub-committees that operate under the NERC Standards Committee.

5. Other Regulatory Matters

(a) Update on NERC 2009 Budget

N. Ingman made a presentation on the 2009 NERC and NPCC budgets. The highlights of this presentation were:

- Initial draft budgets for NERC and NPCC were respectively, 46% and 40% above 2008 levels
- IESO's involvement in the business planning process contributed to significant reductions in these budget; the revised budget proposals for NERC and NPCC reflected increases of 29.8% and 34.8% over 2008 levels, respectively
- The budgets were approved by NERC's BoT and submitted to FERC for approval

- The funding requirement for the two organizations attributable to the IESO amounts to \$2.86M, a 25% increase over 2008.

(b) Proposed Cyber Security Legislation in the US

FERC's attempt to introduce Cyber Security Legislation in the US this year has proved unsuccessful for the time being. The proposed legislation would have given FERC wide authority including standards setting authority in order to introduce standards and institute emergency actions in response to imminent or perceived national security threats including cyber security threats and vulnerabilities. The IESO as a member of the Canadian Electricity Association (CEA) reviewed and jointly responded to the proposed legislation. FERC's increased involvement is of concern as this could lead to a divergence in the applicability and enforceability of standards between the US and Canada. Such a divergence could affect multiple areas including reliability, trade, information disclosure, coordination between the two countries in the event of cyber attacks, etc. The IESO will continue to monitor developments in this area.

(c) Cyber Security Data Request from FERC

There was some discussion on the issue of a data request from NERC received by OPG. It was felt by everybody present at the meeting that such data requests should come through the IESO and not from NERC directly.

6. Ontario Compliance Framework

D. Rochester made a brief presentation on the IESO's compliance audit conducted by the NPCC in June 2008. He indicated that the IESO was audited against thirty-nine NERC standards, which included 133 requirements covering the IESO's functions as BA, TOP, TSP, RC and RP. He reported that the IESO was found fully compliant with all the applicable requirements; it was however necessary to demonstrate that several requirements were not applicable to the IESO.

He added that in Ontario, the IESO is the only entity that may be audited by the NPCC for compliance with NERC standards. Notwithstanding this, the Ontario Market Rules require that all Market Participants be compliant with applicable NERC Standards.

There was an enquiry regarding how long and under what conditions, evidence material submitted in response to an audit, would be held by the NPCC and the audited entity. The IESO will make some follow-up enquires.

There was also interest in finding out what would be contained the NPCC Compliance Program for 2009. The IESO indicated that the NPCC Compliance Implementation Program is usually released in November of each year and that further details would be provided as soon as they became available.

7. Future Agenda Items

There was a call to include on the agenda for the next meeting, a presentation on the IESO Reliability Compliance Program.

8. Next Steps/Adjournment

The Chair closed the meeting by indicating that the next RSSC meeting was to be held in late January or early February 2009. He invited members to contribute topics to be included on the agendas of future meetings.

There being no further business, the meeting was adjourned at 2:15pm.

Action Item Summary				
#	Date	Action	Status	Comments
1	Oct 8, 2008	Post Generic mapping spreadsheets	In Progress	K. Chong to follow up.
2	Oct 8, 2008	Update RSSC membership list on IESO website	To be started	K. Chong to follow up.
3	Oct 8, 2008	Provide feedback to MPs regarding the IESO procedure for disseminating NERC advisories.	To be started	K. Chong to follow up.
4	Oct 8, 2008	Seek clarification of the retention period for information submitted in response to audit requests.	To be started	K. Chong to follow up.

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>