

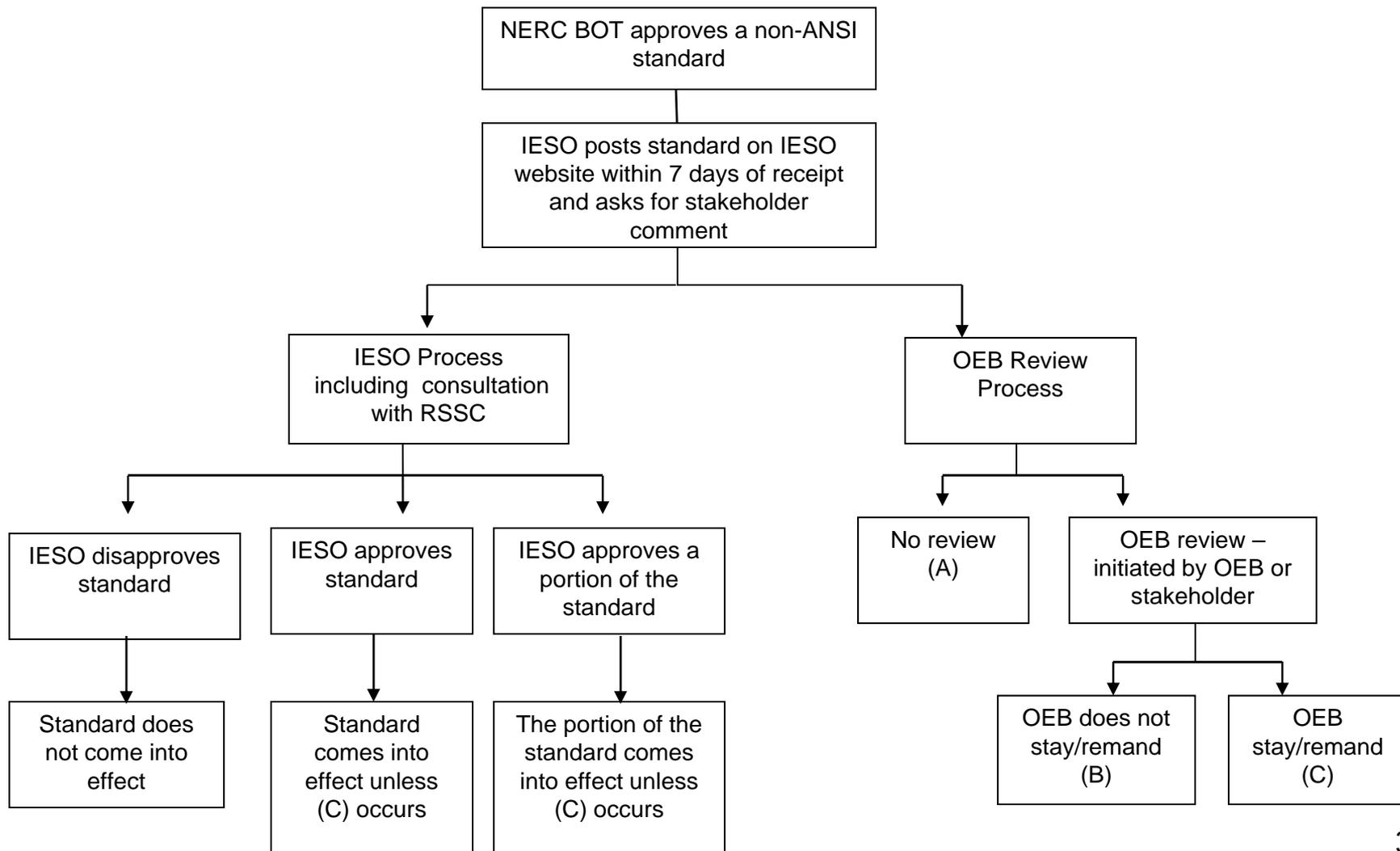
# IESO Review Process

Effective Dates in Ontario for NERC Reliability Standards  
not Receiving NERC Ballot Body Approval

April 29, 2011



- Proposed Market Rule amendment 1.2.7 requires the IESO to determine whether and when a NERC reliability standard that failed to receive industry approval (“non-ANSI standard”) should come into force in Ontario, in whole or in part.
- This provision is additional to the provision for review of the standard by the OEB, which applies to all NERC standards, under the authority of the Act.
- This presentation describes the process proposed for the IESO review of a non-ANSI standard.



- NERC Board approves a non-ANSI standard
- NERC formally notifies IESO of the approval
- IESO posts the standard for stakeholder review within the OEB process and/or the IESO process.
- OEB review process: stakeholders have 21 days to seek review; OEB has 120 days to initiate review
- IESO review process: IESO solicits comments
  - RSSC reviews and provides input to IESO
    - Minimum of two consultation cycles [to facilitate consensus]
  - Other stakeholders may provide input to IESO
  - IESO makes its determination (including reasons):
    - Accept the standard, or
    - Reject the standard, or
    - Accept a portion of the standard

- OEB process (if accessed) – three outcomes: A, B, C
  - OEB declines to review (A)
  - OEB reviews and declines to stay/remand standard (B)
  - OEB reviews and stays/remands (whole) standard (C)
- IESO process outcomes
  - Standard disapproved
    - Standard does not come into effect
    - OEB decision not to stay/remand does not constitute approval
  - Standard approved
    - Standard comes into effect, unless C occurs (OEB stay/remand)
  - IESO approves portion of standard
    - Portion comes into effect, unless C occurs
- If IESO determined the standard should be modified, it would disapprove the standard and introduce the modified standard as an Ontario standard under the Market Rules
  - Mechanism is available also to stakeholders for a disapproved NERC standard

- Timing of the IESO determination:
  - Desirable to minimize likelihood of conflicting outcomes from the two processes
  - Suggests IESO make its determination once outcome of OEB process is clear
    - Not before 120 days from posting has elapsed
    - Particular circumstances may warrant an earlier determination
- Effective date of a non-ANSI standard approved by the IESO
  - Current 1.2.7 does not specify
  - Recommend modifying 1.2.7 to specify alignment with timing in 1.2.6 (i.e., when standard becomes effective in the U.S.)
- Documentation of the IESO review process
  - Initially, documentation limited to material provided to RSSC and TP
  - Need for more formal documentation, e.g., in Market Manual, could be addressed in the future

- Effective date of a non-ANSI standard approved by the IESO
  - Notwithstanding section 1.2.6, where a *reliability standard approved by NERC failed..... the reliability standard will not be in force in Ontario unless and until the IESO determines, in consultation with affected market participants, that all or part of the reliability standard is in force in Ontario. The IESO shall publish notice of its determination and, such reliability standard will come into effect in accordance with section 1.2.6*
- In-flight standards
  - At the end of section 1.2.6 the following sentence would be added
  - “For certainty, the operation of any *reliability standard* that had been in effect in Ontario but had not been declared in force in the United States when this rule amendment went into effect shall be stayed until such *reliability standard* has been declared in force in the United States.”

- RSSC agreement on additional changes – posted market rules will be revised
- Comment period ends May 12, 2011
- Next Technical Panel meeting is May 17, 2011
- Board meeting is in June