

Ontario Overview

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Outline

- Ontario Framework
- Ontario Players: Functional Definition
- Reliability Standards Process

Before we begin...

- NERC only references reliability standards as NERC standards:
 - Old Names
 - Version 1 (original concept for improved standards)
 - Version 0 (April 2005)
- Unless otherwise stated...
 - NERC means ERO recognizing the future of NERC as the ERO
 - NPCC means ERO recognizing the future of NPCC CBRE performing delegated functions of the ERO

Ontario Framework



Ontario Framework

Electricity Act, 1998 (Ontario)

- Defines Standards Authority as the NERC or successor
- IESO, Market Rules and OEB authorities
- Some IESO objectives in the Act...(s 5)
 - to direct the operation and maintain the reliability of the grid,
 - to participate in the development by any standards authority of standards relating to the reliability of the grid,
 - to co-ordinate with the responsible authorities outside Ontario.

Ontario Framework

Ontario Market Rules

- Developed by the IESO and approved by the OEB
- Industry Input (Technical Panel, etc.)
- Licence-based requirement structure
- Generic requirement comply with reliability standards (Ch 4, s 2 and Ch 5, s 3)

Ontario Framework

Licences

- Issued by the OEB to the IESO and Ontario's market participants
- Require licence holders to comply with market rules
- Basis for Ontario functional definitions of transmitter, generator, distributors, wholesaler and retailer

Ontario Framework

Compliance Audits:

- Compliance Audits are a historical review of compliance process and reporting
- Because of our compliance structure NERC will only perform an compliance audit on the IESO

NERC Registration:

- Registration process is needed by NERC to identify potential entities for compliance audits and compliance sanctions.
- Market participants do not need to register with NERC and only the IESO will be certified by NERC

Ontario Framework

Readiness Audits:

- Readiness audits are not compliance based, but a best practices forward looking assessment
- Recommendations are not mandatory
- We expect that only the IESO needs to be audited by NERC

Reliability Information Reporting:

- Market Participant report of reliability related information is through the IESO's Reliability Compliance Program (IRCP)

Ontario Players: Functional Definition



Ontario Players

NERC Reliability Functional Model:

- Defines entity functions to ensure reliability
- Explains relationship among the entities
- Basis for NERC standards
- Does not match Ontario licence structure

Ontario Players

- The Licence, Functional Model and NERC Registered Ballot Body structures do not match...
 - Licence and Market Rules match to meet Ontario's needs
 - Functional Model used in the NERC and NPCC standards
 - NERC Registered Ballot Body Structure is a balanced approach to include anyone involved in the industry

Ontario Players

- The IESO will help by...
 - identifying all market participant Ontario functions, and
 - cross-referencing this information with the NERC functional model, and the NERC ballot body segments

Ontario Players

Licence	Market Rules	Functional Model (NERC Standards)	Registered Ballot Body
Generator	Generator	<ul style="list-style-type: none"> • Generator Owner • Generator Operator • Purchase-Selling Entity • Transmission Owner 	<ul style="list-style-type: none"> • Generators
Transmitter	Transmitter	<ul style="list-style-type: none"> • Transmission Owner • Transmission Planner 	<ul style="list-style-type: none"> • Transmission Owners
Wholesaler	Wholesaler	<ul style="list-style-type: none"> • Purchase-Selling Entity 	<ul style="list-style-type: none"> • Large End Users • Brokers, Aggregators, and Marketers
Retailer	Retailer	<ul style="list-style-type: none"> • Purchase-Selling Entity 	<ul style="list-style-type: none"> • Small End Users • Brokers, Aggregators, and Marketers
Distributors	Distributor	<ul style="list-style-type: none"> • Distribution Provider • Transmission Owner 	<ul style="list-style-type: none"> • Transmission Dependent Utility • Large End User

Ontario Players

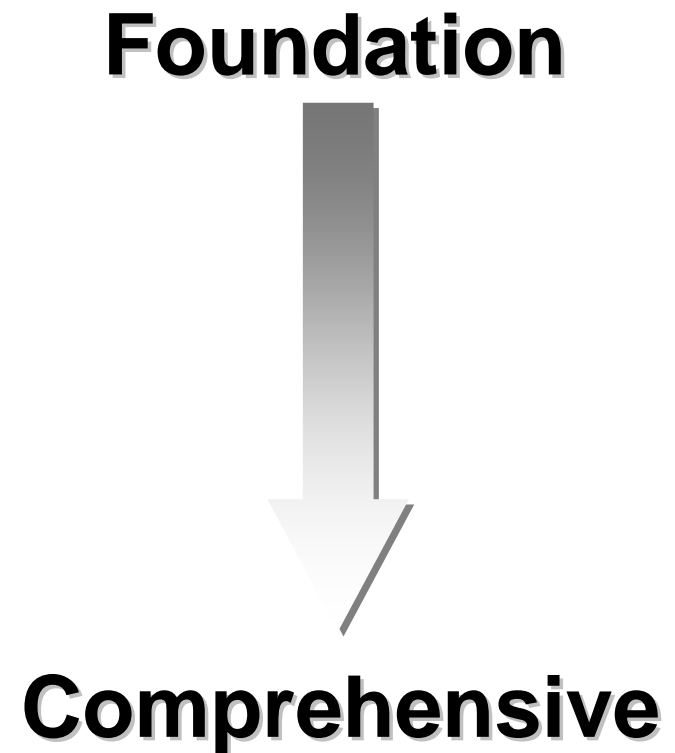
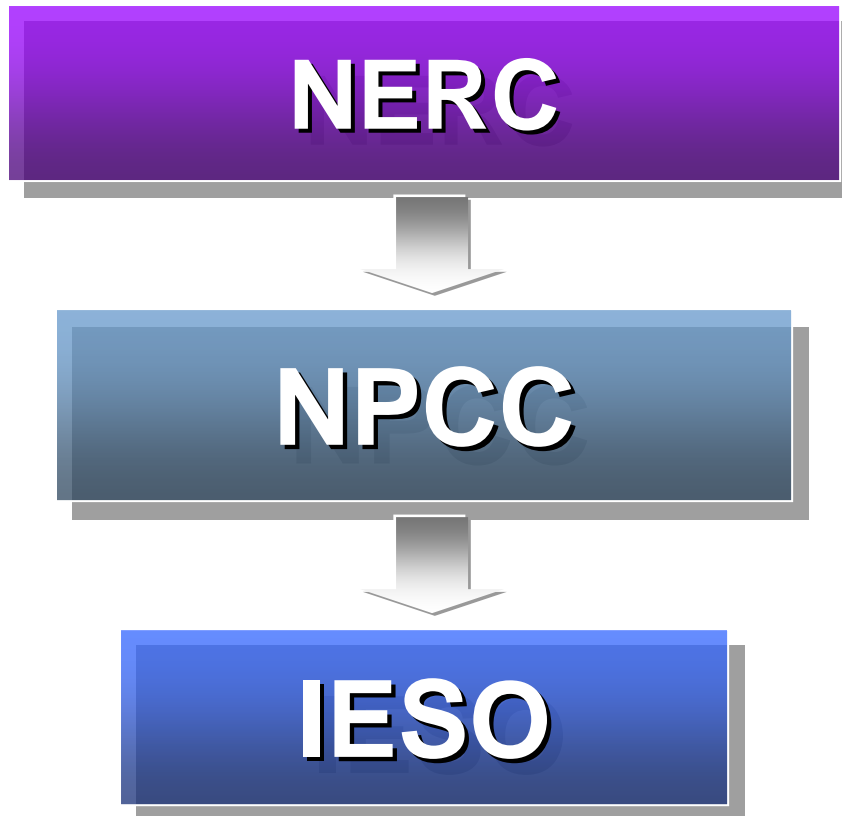
Licence	Market Rules	Functional Model (NERC Standards)	Registered Ballot Body
IESO	IESO	<ul style="list-style-type: none"> • Reliability Coordinator • Balancing Authority • Interchange Authority • Planning Authority (1) • Transmission Operator (2) • Market Monitor 	<ul style="list-style-type: none"> • Independent System Operators / Regional Transmission Organization (ISO/RTO) and Regional Entities (RE)

- (1) Ontario Planning Authority (OPA) and IESO have an agreement on certain Planning Authority Functions. The OPA is also licensed by the OEB.
- (2) Canadian Niagara Power, Brookfield Power, Hydro One and IESO have an operating agreement. Foundation is IESO's Licence, the Market Rules and Electricity Act.

Reliability Standards Process



Who Specifies Standards?



Reliability Standards Process

- NERC has established its “Reliability Standards Development Procedure”
- Procedure Principles:
 - Inclusive
 - Open
 - Balanced
- NERC membership approved procedure
- American National Standards Institute (ANSI) certified procedure

Reliability Standards Process

- Requestor (anyone) proposes to the Standards Committee (SC)



- The SC works with the requestor to develop Standards Authorization Request (SAR) and posts SAR for comment



- Based on public feedback, SAR may be approved and assigned to an industry based drafting team



Reliability Standards Process

- Draft standard is posted and balloted (multiple balloting with revisions implemented based on comments and voting results)
- ↓
- Standard is approved by the NERC Board of Trustees with effective date.
- ↓
- Standards is approved by applicable regulators (not in Ontario), or
 - Standards is live in Ontario as of effective date

Reliability Standards Process

- Registered Ballot Body:
 - 9 Segments: Few individual segments cannot dominate and a single segment cannot block a standard
 - Segments include generators, transmitters, large users, small users, etc
 - No fee to register with NERC
 - Registered entity selects a segment – selection is approved by NERC

Reliability Standards Process

Market participants have many votes...

The IESO has only one...

Reliability Standards Process

- Implementation in Ontario:
 - NERC and NPCC standards typically have taken 12 to 24 months to approve
 - New NERC and NPCC standards are enforceable in Ontario after upon the effective date of the standard.
 - The effective date permits regulators time review new standards
- The IESO recommended and supports the OEB obtaining remand authority

Reliability Standards Process

- IESO Reliability Standards:
 - The IESO's standards are grounded in the market rules with implementation via the market manuals
 - IESO standard changes may be initiated in the following manner:
 1. The IESO proposing a market rule/manual amendment
 2. Market participants may request a market rule/manual amendment [post workshop deletion]
 3. Market participants may request a market rule/manual exemption
- The IESO will propose a consolidated document detailing the implementation and amendment process for market manuals