



# Ontario Energy Board Commission de l'énergie de l'Ontario

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## DECISION AND ORDER

**EB-2018-0198**

## ONTARIO ENERGY BOARD

Proceeding on the OEB's own motion to amend the Independent  
Electricity System Operator's licence EI-2013-0066

**BY DELEGATION BEFORE:** **Brian Hewson**  
Vice President  
Consumer Protection & Industry Performance

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July 19, 2018

## INTRODUCTION AND SUMMARY

The Ontario Energy Board (OEB) has commenced a proceeding on its own motion under section 74 of the *Ontario Energy Board Act, 1998* (OEB Act) to amend the Independent Electricity System Operator's (IESO) licence EI-2013-0066. The amendment adds a licence condition requiring the IESO to provide cyber security information sharing (CSIS) services to all licensed electricity distributors and transmitters in Ontario.

This Decision and Order is being issued by the Delegated Authority without a hearing pursuant to section 6 of the OEB Act.

## BACKGROUND

On March 15, 2018, the OEB issued amendments to the Transmission System Code and the Distribution System Code that established reporting requirements for licensed electricity transmitters and distributors in relation to the Ontario Cyber Security Framework (Framework), as the Framework was defined in the Code amendments. In the December 2017 Notice of Proposed Code Amendments, the OEB identified the importance of information sharing among utilities to support the evolution of their cyber security capability, enhanced risk awareness, and the sharing of best practices. Comments received from the industry in response to the Notice were supportive of an information sharing mechanism to promote awareness of security issues, concerns and mitigation to improve security<sup>1</sup>. To attain a robust information sharing environment, stakeholders recommended that a central agency offer the service to the sector.

## LICENCE AMENDMENT

In order to implement the expectations and achieve the benefits of cyber security information sharing the OEB identified, the OEB is amending the IESO's licence to include new licence conditions in relation to cyber security information sharing. The IESO is in a unique position to engage with Ontario's licensed electricity transmitters and distributors and lead the collaborative efforts to promote the Ontario electricity sector's cyber security readiness, given its responsibility for cyber security on the bulk power system.

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<sup>1</sup> EB 2016-0032 – "Amendments to the Transmission System Code and the Distribution System Code to Address Cyber Security for Electricity Transmitters and Distributors"

The purpose of the IESO's licence amendment is to enable information sharing within the industry of cyber security standards, guidelines, best practices, methodologies, procedures, and processes to cost-effectively reduce cyber security risks in the Ontario electricity sector. Information sharing within the industry will drive the development and implementation of better cyber security controls and improve the safety and security of provincial electricity distributors' and transmitters' information systems.

The licence amendment adds new conditions that require the IESO to provide CSIS services to all licensed distributors and transmitters. More specifically, the conditions obligate the IESO to provide and promote centralized CSIS services including, but not limited to, the following:

- I. **Cyber Security Situational Awareness** – provide consolidated and easily understood information about, and analyses of, potential cyber security risks and events that may have an impact on the Ontario electricity sector. Establish metrics to assess effectiveness of delivery of information.
- II. **Information exchange** – develop and maintain a centralized mechanism for sharing cyber security best practices. Establish metrics to assess the improvement in sector understanding of cyber security risks and solutions.

In addition, new licence conditions require that the IESO provides on an annual basis a status report on its CSIS services, highlighting the impact of measures taken and participation and engagement level in the sector. In its first status report, the IESO shall identify and explain the metrics it has established. In subsequent status reports, the IESO shall provide information about its progress against those metrics.

The IESO was given the opportunity to review and provide its comments on the proposed amendment to its licence prior to finalizing this Decision and Order. The IESO submitted that it is in agreement with the proposed new requirements.

Appendix A to this Decision and Order contains the complete text of section 22 – Cyber Security Information Sharing to be included in the IESO's licence EI-2013-0066.

#### **IT IS ORDERED THAT:**

1. The Independent Electricity System Operator's licence EI-2013-0066 is amended to reflect the addition of section 22 – Cyber Security Information Sharing. The amended licence is attached to this Decision and Order.

**DATED** at Toronto on July 19, 2018

**ONTARIO ENERGY BOARD**

*Original Signed By*

Brian Hewson  
Vice President, Consumer Protection & Industry Performance

## Appendix A

### Amendment to the Independent Electricity System Operator's Licence EI-2013-0066

#### 22 Cyber Security Information Sharing

22.1 For the purposes of section 22:

**Cyber Security** refers to measures protective of the integrity of networks, systems, and electronic data from attack, damage, or unauthorized use or access.

**Cyber Security Situational Awareness** refers to the accurate perception of the elements of a cyber-threat, in the time and environment in which it operates, the associated risks and impact, the adequacy of available risk mitigation measures, and the ability to project the status of the cyber threat into the near future, enabling effective decision making and risk resiliency.

#### 22.2 Cyber Security Information Sharing Obligations

22.2.1 The Licensee shall, in consultation with licensed transmitters and licensed distributors in the province, carry out the services, referred to as Cyber Security Information Sharing services, outlined in 22.2.2 a) and b).

22.2.2 The Licensee shall:

- (a) Provide and promote centralized Cyber Security Information Sharing services, accessible to all licensed transmitters and distributors, including, without limitation:
  - i. Cyber Security Situational Awareness – provide consolidated and easily understood information about, and analyses of, potential cyber security risks and events that may impact the electricity sector. Establish metrics to assess effectiveness of delivery of information.
  - ii. Information exchange – develop and maintain a centralized mechanism for sharing cyber security best practices. Establish metrics to assess the improvement in sector understanding of cyber security risks and solutions.
- (b) Provide the Board, in the manner and form determined by the Board, a status report on its Cyber Security Information Sharing services, highlighting the impact of measures taken, their contribution to the adoption of best practices, and participation and engagement levels from licensed transmitters and distributors. In its first status report, the Licensee shall identify and explain the metrics it has established pursuant to paragraph 22.2.2(a). In subsequent status reports, the Licensee shall describe its performance against those metrics.