



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

DECISION AND ORDER ON REQUEST TO STAY OPERATION OF TPL-007-2

EB-2018-0119

**Independent Electricity System Operator /
Hydro One Networks Inc.**

Application for review of North American Electric Reliability Standard
TPL-007-2

BEFORE: Ken Quesnelle
Presiding Member

Emad Elsayed
Member

October 31, 2018

1 INTRODUCTION AND SUMMARY

The North American Electric Reliability Corporation (NERC) is responsible for electric reliability throughout North America. It has proposed a new reliability standard TPL-007-2 - Transmission System Planned Performance for Geomagnetic Disturbance Events (the Proposed Standard).

The Independent Electricity System Operator and Hydro One Networks Inc. (collectively, the Joint Applicants) believe that the Proposed Standard does not reflect the unique topology of the Canadian Shield. As a result, they have filed an application requesting that the Ontario Energy Board (OEB) review the Proposed Standard under Section 36.2 (3) of the *Electricity Act, 1998* (Act). The Joint Applicants also submitted a standard authorization request to NERC seeking development of a variance to the Proposed Standard (Canadian Variance). This was accepted by NERC and the Canadian Variance process is ongoing.

As part of their application, the Joint Applicants have also requested that the OEB stay the operation of the Proposed Standard in Ontario to allow for (i) NERC to complete its Canadian Variance drafting and approval process, and (ii) the United States' Federal Energy Regulatory Commission to issue a ruling on the Proposed Standard. In this decision, the OEB stays the operation of the Proposed Standard as and when it comes into effect.¹ This stay will remain in effect pending the OEB's review of the Proposed Standard. NERC, OEB staff, and the Joint Applicants all agree that a stay of the Proposed Standard is appropriate in the circumstances.

¹ The Proposed Standard is currently awaiting a ruling from the United States' Federal Energy Regulatory Commission.

2 THE PROCESS

The OEB issued a Notice of Hearing for the application on May 18, 2018. The following parties applied for and were granted intervenor status by the OEB:

- Electricity Distributors Association
- NERC

In Procedural Order No. 1 issued on September 11, 2018, the OEB made provision for submissions from the parties on whether the Proposed Standard should be stayed in Ontario pending the OEB's determination of the application filed by the Joint Applicants.

The Joint Applicants, NERC and OEB staff all filed submissions supporting the request for a stay.

3 DECISION ON REQUEST TO STAY OPERATION OF TPL-007-2

The Act does not provide for an automatic stay of the Proposed Standard. Section 36.2(6) of the Act sets out the following criteria to be considered when the OEB considers a request to stay the operation of a reliability standard:

- The public interest
- The merits of the application
- The possibility of irreparable harm to any person
- The impact on consumers
- The balance of convenience
- The need to co-ordinate the implementation of the standard in Ontario with other jurisdictions
- The need to co-ordinate the review of the standard in Ontario with regulatory bodies in other jurisdictions that have reviewed, are reviewing or may review the standard and that have the authority to refer the standard back to the standards authority for further consideration
- Any other matter that may be prescribed by regulation²

In their application, the Joint Applicants argued that they are requesting a stay of the Proposed Standard based on the following considerations³:

- The impact on consumers
- The need to co-ordinate the implementation of the standard in Ontario with other jurisdictions
- The need to co-ordinate the review of the standard in Ontario with regulatory bodies in other jurisdictions that have reviewed, are reviewing or may review the standard and that have the authority to refer the standard back to the standards authority for further consideration

In their stay submission, the Joint Applicants maintained that a stay of the Proposed Standard will not harm the public from a reliability perspective and, reliability of the bulk power system will still be maintained. Moreover, the Joint Applicants stated that the Canadian Variance and its associated implementation plan, if adopted, would likely

² No criteria have been prescribed by regulation.

³ EB-2018-0119 Application Pages 2-5.

supersede the Proposed Standard deeming it not applicable in Canada. The Joint Applicants explained that Ontario consumers could be harmed if the Joint Applicants are required to undertake expenditures to comply with the Proposed Standard prior to the outcome of the NERC standard drafting process that may make all or some of these expenditures unnecessary.

OEB staff supported the request for a stay and highlighted the following factors in support of this position:

- A stay would avoid expenditures that may become unnecessary if the Canadian Variance process is successful
- There are other NERC Reliability Standards currently in force in Ontario that address the risk of Geomagnetic Disturbance Events
- There is a serious issue as to whether the Proposed Standard is inconsistent with the purposes of the Act

NERC also supported a stay of the proposed standard in Ontario pending the OEB's review, expressing the view that such a stay would not harm reliability, as entities in Ontario are currently implementing requirements to perform GMD Vulnerability Assessments under the first version of the standard, TPL-007-1.

The OEB has reviewed the submissions from the parties and has determined that the stay request from the Joint Applicants meets the standards outlined in Section 36.2(6) of the Act and will approve the stay request. In particular, the OEB is persuaded that a stay provides for an efficient and effective opportunity for the Canadian Variance process to run its course given that a Reliability Standard is currently in force that addresses Geomagnetic Disturbance Events and that the Canadian Variance process may render the Proposed Standard application moot.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. North American Electric Reliability Corporation's Reliability Standard TPL-007-2 - Transmission System Planned Performance for Geomagnetic Disturbance Events is stayed, as and when it comes into effect, pending the OEB's review of that standard.

DATED at Toronto October 31, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary