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

DECISION AND ORDER

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

May 9, 2019

1 INTRODUCTION AND SUMMARY

The North American Electric Reliability Corporation (NERC) acts as the Electric Reliability Organization throughout North America. In 2017, NERC adopted a revised[1] reliability standard TPL-007-2 - Transmission System Planned Performance for Geomagnetic Disturbance Events (Proposed Standard).

The Independent Electricity System Operator and Hydro One Networks Inc. (collectively, the Joint Applicants) filed an application requesting that the Ontario Energy Board (OEB) review the Proposed Standard under Section 36.2 (3) of the *Electricity Act, 1998*. The Joint Applicants believe that the Proposed Standard does not reflect the unique topology of the Canadian Shield.

Concurrent with their application, the Joint Applicants also submitted a standard authorization request to NERC seeking development of a variance to the Proposed Standard (Canadian Variance).

On October 31, 2018, the OEB issued a Decision and Order granting a stay of the Proposed Standard to, among other things, allow for NERC to complete its Canadian Variance drafting and approval process. In granting the stay, the OEB noted that a stay provides for an efficient and effective opportunity for the Canadian Variance process to run its course and that the Canadian Variance process may render the Proposed Standard application moot.

On February 7, 2019, the Canadian Variance (TPL-007-3 – Transmission System Planned Performance for Geomagnetic Disturbance Events) was adopted by NERC. The NERC process started by the Joint Applicants with the standard authorization request, noted above, is now complete. The Canadian Variance provides an option by which Canadian registered entities may leverage operating experience, observed geomagnetic disturbance (GMD) effects, and ongoing research to define alternative benchmark GMD events or supplemental GMD planning event(s) for their GMD Vulnerability Assessments.

[1] TPL-007-2 was a revision to TPL-007-1 requiring owners and operators of the Bulk Power System (BPS) to conduct initial and on-going vulnerability assessments of the potential impact of defined geomagnetic disturbance (GMD) events on BPS equipment and the BPS as a whole. It also uses development in GMD research to provide enhanced criteria and requirements to address reliability risks arising from GMDs including the risks posed by severe, localized events.

This Decision and Order provides for a lifting of the stay of the Proposed Standard upon the Canadian Variance coming into effect in Ontario on October 1, 2019. Once the Canadian Variance comes into effect, the OEB's review of the Proposed Standard will no longer be necessary as it will have been retired and this application will be discontinued.

2 THE PROCESS

On April 1, 2019, the Joint Applicants filed a letter with the OEB advising that "…the Canadian Variance process has concluded with a positive outcome. NERC Reliability Standard TPL-007-3, which is the Canadian-specific Revision to TPL-007-2, was developed and achieved industry support." The letter further advised that the Canadian Variance had been (i) filed with the OEB on February 20, 2019, and (ii) publicly posted on the Independent Electricity System Operator's website on February 21, 2019.

3 DECISION

NERC states in its petition[2] to Ontario that "[w]here approval by any applicable governmental authority is not required, the standard shall become effective the first day of the first calendar quarter that is three (3) months after the standard is adopted by the NERC Board of Trustees, or as otherwise provided for in that jurisdiction. Any prior versions of the TPL-007 standard, in effect or pending, would be retired immediately prior to the effective date of proposed Reliability Standard TPL-007-3." Approval by the OEB, as the regulatory authority in Ontario, is not required under the *Electricity Act, 1998* for the Canadian Variance to come into effect. As a result, absent some unforeseeable event, the Canadian Variance[3] will come into effect in Ontario on October 1, 2019. After October 1, 2019, there will be an implementation period while applicable entities come into compliance with the requirements of the Canadian Variance. Each requirement will have a specific compliance date based on the length of the implementation plan associated with it.

In their April 1, 2019 letter, the Joint Applicants indicate that if and when the Canadian Variance comes into effect in Ontario and begins the period of its Implementation Plan, the OEB's review of the Proposed Standard will no longer be necessary. The OEB views this as a request to discontinue the application to review the soon to be superseded Proposed Standard upon the Canadian Variance coming into effect in Ontario. As a result, the OEB will discontinue the application to review the Proposed Standard once the Canadian Variance comes into effect in Ontario on October 1, 2019.

[2] TPL-007-3 NERC Petition to Ontario Governmental Authority
[3] TPL-007-3

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The stay of NERC Reliability Standard TPL-007-2- Transmission System Planned Performance for Geomagnetic Disturbance Events will be lifted upon NERC Reliability Standard TPL-007-3 – Transmission System Planned Performance for Geomagnetic Disturbance Events coming into effect in Ontario.

2. Once NERC Reliability Standard TPL-007-3 – Transmission System Planned Performance for Geomagnetic Disturbance Events comes into effect in Ontario, this application will be discontinued.

DATED at Toronto May 9, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary