

## **Attachment to 6 December 2012 National Energy Board Letter**

The National Energy Board (NEB or Board) has issued General Order MO-036-2012 and Amending Orders for several permits (referenced in this document as “the Order”) to provide for mandatory reliability standards for certain International Power Lines (IPLs) under the Board’s jurisdiction. The Board provides this guidance to IPL owners to facilitate the implementation of the Order.

### **Q1. What is the purpose of the Order?**

- A. The purpose of the Order is to address the regulatory gap related to reliability matters for IPLs that exists between upstream provincial governance and the downstream United States jurisdiction. The NEB’s intent is for the requirements of the Order to align with provincial regulatory frameworks regarding reliability standards.

### **Q2. Who does the Order apply to?**

- A. The Order applies to certain NEB-regulated IPLs participating in the power system in North America, used for import and export of electricity operating at voltages of 100 kV and above, and some 69 kV power lines. The IPL certificate holders and permit holders to whom the Order pertains appear in the **Board letter** of 6 December 2012. The provisions for the General Order and Amending Orders are the same.

### **Q3. What does the Order contain?**

- A. The Order contains 12 reliability standards requirements which correspond to the reliability standards categories developed by the North American Electric Reliability Corporation (NERC). The reliability standards requirements in the Order are defined broadly so that they may include regional variations and can be harmonized with the reliability standards adopted in a province. The Order also contains requirements for submission to the Board of information on reliability standards being complied with; compliance requirements; and provisions for exemptions from the Order.

### **Q4. What is the IPL owner required to do when the Order is issued?**

- A. The IPL owner is required within 90 days of the Board’s issuance of the Order to file with the Board a declaration that it is maintaining a record, and a spreadsheet identifying the reliability standards applicable to the IPL (section 6 of the Order). If certain requirements of a reliability standard are not applicable to an IPL, that should be identified in the spreadsheet. For example, accountability for certain standards or standards requirements is shared with the system operator in a province as required by the provincial law, that information must be identified in the spreadsheet.

**Q5. Will the Board approve the reliability standards that the IPL owner identifies as required in section 6 of the Order?**

A. As provided in section 8 of the Order, the IPL owner is not required to obtain approval from the Board for reliability standards with which the holder of the certificate or permit is complying for the purpose of sections 3 and 5.

**Q6. Why does paragraph 6(1)(c) of the Order require IPL owners to identify the reasons why they are complying with certain reliability standards?**

A. This information is required in order to have a record for reliability analysis and outcomes. A detailed explanation as to why an IPL owner is adopting a specific standard is not required. For example, if the NERC standards apply to an IPL as a result of provincial legislation, an IPL owner may simply indicate that the IPL complies with the NERC standards as required by provincial legislation, and reference the provincial legislation which outlines this requirement.

**Q7. What else does the Order require the IPL owner to submit to the Board?**

A. Pursuant to the Order, IPL owner is required to submit to the Board:

- an annual report that contains description of any reliability standard adopted, approved, established or developed after the Order is issued, with which the holder is complying (section 7);
- upon request of the Board, a copy of any compliance document related to reliability standards (section 9); and
- reports on non-compliance with reliability standards (section 10).

**Q8. Are IPL owners required to submit a copy of the IPL's compliance management and enforcement program (CMEP) for the Board approval?**

A. IPL owners are not required to submit a copy of the IPL's CMEP for Board approval. Section 9 of the Order provides that compliance documents are to be submitted if requested by the Board. However, the submission of these documents is not for Board approval (section 8).

**Q9. How will the Board enforce the Order?**

A. The Board would review non-compliance reports submitted pursuant to section 10 of the Order. Depending on the nature of the non-compliance, the Board's review may trigger a process starting with an information request for further information on the non-compliance and related information. The Board would take into account any provincial mechanisms – including NERC/Regional Entities frameworks – which are in place and active in determining and resolving non-compliances.