

Canadian Provincial Summaries of Standard-Making and Enforcement Functions with U.S. Comparators

Last Updated: July 2016

The Federal, Provincial, and Territorial Monitoring and Enforcement Sub-group developed the following Canadian provincial summaries and will review them annually and update them as needed. If you have comments on the summaries, please submit them to NERC Director of International Relations [Laura Hussey](#).

Information for Prince Edward Island, the Yukon, and Nunavut was not available at the time of posting.

The Northwest Territories has small, isolated distribution systems that are not connected to the continental grid. These systems are regulated by the Northwest Territories Public Utilities Board.

Alberta - US Comparator: Standard-Making and Enforcement Functions

Current Reliability Standards

Below is a link to current reliability standards in Alberta:

<http://www.aeso.ca/rulesprocedures/17006.html>

Key Organizations in Alberta's Electricity Sector

Alberta Energy

Alberta Energy is responsible for setting the policy and legislative framework for Alberta's electricity system. Alberta Energy develops solutions and advises on all aspects of energy policy for Alberta, including electricity, natural gas and oil.

Alberta Utilities Commission

The Alberta Utilities Commission ("AUC or Commission") is an independent, quasi-judicial agency of the Province of Alberta. The AUC regulates the utilities sector, and is responsible to ensure that the delivery of Alberta's utility service takes place in a manner that is fair, responsible and in the public interest. The AUC has authority to approve as effective in Alberta, reliability standards filed before it by the AESO, or to reject reliability standards based upon the recommendation of the AESO. The AUC must follow the AESO's recommendation related to Alberta reliability standards unless an interested person satisfies the AUC that the recommendation is either "technically deficient" or "not in the public interest". The AUC is the adjudicative body for compliance enforcement in respect of both ISO rules and Alberta reliability standards.

Alberta Electric System Operator

The Independent System Operator (ISO) in the Province of Alberta is the Alberta Electric System Operator ("AESO") - a statutory corporation pursuant to the *Electric Utilities Act, 2003* ("the Act"). Its statutory mandate requires it to direct the reliable operation of the Alberta interconnected electric system (AIES), plan the transmission system, and operate the wholesale electricity market. The AESO also evaluates Alberta's current and short-term electricity needs, and the adequacy and reliability of the integrated power system to meet those needs. As set out in the Alberta Transmission Regulation, the reliability standards applicable in Alberta are the standards adopted by the AESO following public consultation with those market participants that it considers likely to be directly affected by the Alberta reliability standards, and AUC approval. The AESO is mandated by the Act and the Transmission Regulation to 'establish practices and procedures' and 'monitor' the compliance of market participants with ISO rules, with AUC rules, and with Alberta reliability standards.

Market Surveillance Administrator

The Market Surveillance Administrator ("MSA") is a statutory corporation established under the *Electric Utilities Act, 2003* of the Province of Alberta and continued under the *Alberta Utilities Commission Act, 2007*. The mandate of the MSA is to carry out surveillance in respect of the Alberta electricity markets and the Alberta retail gas market to ensure they operate in a fair, efficient, and openly competitive manner. The scope of the MSA's legislative mandate includes the enforcement of ISO rules and reliability standards effective in Alberta. Under rules established by the AUC, the MSA may issue specified

penalties for contravention of ISO rules or reliability standards or may request a hearing or other proceeding before the AUC to seek an administrative penalty or other relief. The MSA's mandate of enforcement for both ISO rules and Alberta reliability standards extends to Alberta market participants and the AESO.

Table Definitions

Provincial Organization: the Alberta organization accountable and responsible for performing the function according to provincial legislation for matters concerning Alberta entities.

US Organization: the US organization engaged to perform the function according to an executed Memorandum of Understanding for matters concerning Alberta entities.

US Comparator: the US organization that is responsible for performing the functions according to US law.

Functions		Provincial Organization	Relevant US Organization	US Comparator
Standards Making	Standards Approval	AUC (1)	Not Applicable	FERC
	Standards Development	AESO (1)	NERC (1)	NERC, WECC
	Entity Registration	AESO (2)	Not Applicable	NERC and WECC in their respective roles
Compliance Monitoring	Compliance Monitoring and Violation Detection	AESO/MSA (3)(5)(6)	WECC (3)	NERC and WECC in their respective roles, FERC
Enforcement Processes	Execution of Investigations	AESO/MSA (7)	Not Applicable	NERC and WECC in their respective roles, FERC
	Violation Determination and Sanction Imposition	MSA (8)(9)(10)	Not Applicable	NERC, WECC, FERC
Violation Prevention and Outreach	Violation Prevention, Outreach, including education	AESO/MSA (4)	NERC and WECC	NERC, WECC, FERC
Appeals	First Right of Appeal	AUC (11)	Not Applicable	NERC
	Second Right of Appeal	Review and Variance application to the AUC (12)	Not Applicable	FERC
	Third Right of Appeal	Court of Appeal of Alberta (13)	Not Applicable	US Court of Appeals
Oversight	Approval of Alberta's Rules of Procedure	Not Applicable	Not Applicable	FERC
	Approval of Alberta's Compliance Monitoring Plan	AESO (5)/MSA (6)	Not Applicable	NERC and WECC
	Performance Oversight of CMP	AESO (5)/MSA (6)	Not Applicable	NERC BOT CC
	Violation Prevention and Outreach	AESO/MSA	NERC and WECC	NERC and WECC in their respective roles, FERC

Notes:

1. **Standards Approval:** Pursuant to section 20 of the Alberta Transmission Regulation, NERC is recognized as the Electricity Reliability Organization (ERO) in Alberta. NERC reliability standards are assessed by AESO subject matter experts together with the Alberta Reliability Committee (ARC). The ARC advises the AESO on the adoption of the NERC standard as Alberta standards. The AESO must consult with market participants who are likely to be directly affected and must file proposed standards with the AUC with its recommendation to approve or reject a standard. In accordance with the Transmission Regulation, the AUC must follow the recommendation of the AESO unless an interested party satisfies the AUC that the recommendation of the AESO is either technically deficient or not in the public interest.
2. **Entity Registration:** Market participants have a duty to comply with Alberta reliability standards that are applicable to them under the Act. The AESO maintains a registry that is used to administer the compliance monitoring program, including scoping and scheduling of monitoring activities. Not being registered does not remove the market participant from complying with the Alberta reliability standards. The AESO bases registration on the Alberta Reliability Standards Functional Model and Criteria for Registration which maps Alberta market participant roles to the AESO functional model roles.
3. **Compliance Accountability:** The Alberta Transmission Regulation mandates that the AESO monitor the compliance by market participants with Alberta reliability standards. Further to the MSA's mandate under the Alberta Utilities Commission Act, the MSA oversees compliance of the AESO in respect of Alberta reliability standards applicable to the AESO. The MSA has entered into a services agreement with WECC such that WECC conducts compliance monitoring of the AESO under the auspices of the MSA.
4. **Prevention and Outreach:** The AESO conducts periodic stakeholder meetings for the purpose of updating entities on standards development activities and changes to the compliance monitoring program. In addition, the MSA provides guidance on compliance trends and expectations via its compliance reporting activities.
5. **Monitoring:** Pursuant to the Alberta Transmission Regulation and ISO rules, the AESO has established the Alberta Reliability Standards Compliance Monitoring Program (CMP) and associated processes and procedures for monitoring Alberta market participants. The AESO oversees performance of the CMP.
6. **Monitoring:** The MSA is the compliance monitor with respect to the AESO. In this regard, the MSA has entered into a service agreement with WECC to conduct compliance monitoring of the AESO under the auspices of the MSA including self-certification and compliance audits. Under the services

agreement, WECC assists the MSA in the development of an Implementation Plan annually. The Implementation Plan is applicable solely to the AESO and is subject to MSA approval and oversight.

7. **Investigations:** The AESO and WECC (as applicable) are required to refer suspected contraventions of Alberta reliability standards to the MSA for disposition. The MSA may also investigate and make its own independent conclusions for violation determinations and sanctions for all Alberta entities, including the AESO.
8. **Violation Determination and Sanction Imposition:** MSA makes violation and sanction determinations for all Alberta entities and the AESO. In accordance with AUC rules, the MSA may issue a notice of specified penalty for contravention of an Alberta reliability standard. Alternatively, the MSA may seek an administrative penalty before the AUC or other relief. The maximum administrative penalty amount is \$1,000,000 per day on which the contravention occurs or continues.
9. **Violation Determination and Sanction Imposition:** NERC and WECC have no authority to impose sanctions on Alberta entities or the AESO.
10. **Public Disclosure:** In the event that the MSA issues a notice of specified penalty for contravention of a reliability standard, the name of the responsible entity is made public on the MSA website in accordance with AUC rules. A copy of the notice of specified penalty issued to the entity is typically the form of disclosure. In the event of an administrative proceeding before the AUC, the outcome of the proceeding is made public in an AUC decision.
11. **Appeals to MSA Determinations:** If a registered entity or the AESO fails to pay or disputes a specified penalty issued by the MSA, the MSA is required to notify the AUC and request a hearing. The AUC may confirm or rescind the notice of specified penalty or may impose an administrative penalty.
12. **Review of AUC Decisions:** A registered entity or the AESO may seek application to review and vary a decision of the Commission.
13. **Legal Review of AUC Decisions:** A registered entity or the AESO may seek leave to appeal a decision of the AUC with the Court of Appeal of Alberta.

British Columbia – United States Comparator: Standard-Making and Enforcement Functions

Reliability Standards Currently in Effect

Below is a link to a list of Mandatory Reliability Standards adopted in BC, accessed from both the BCUC and WECC websites:

<http://www.wecc.biz/Standards/BCApproved%20Standards/Forms/AllItems.aspx>

Key Organizations in British Columbia's Electricity Sector

Ministry of Energy and Mines

The Ministry of Energy and Mines is responsible for British Columbia's electricity sector. The Ministry develops and oversees British Columbia's (BC) policies with regard to electrical power generation and transmission, including replacing and upgrading infrastructure. See the *2007 BC Energy Plan: A Vision for Clean Energy Leadership*. The Ministry also develops and implements policies to ensure reliable electricity supply through mandatory reliability standards and participation with the Western Electricity Coordinating Council. The Ministry administers statutes relating to the energy sector and has policy responsibilities under the *Utilities Commission Act*. The Ministry also oversees the British Columbia Hydro and Power Authority (BC Hydro) through the *British Columbia Hydro and Power Authority Act*.

British Columbia Utilities Commission (BCUC)

The British Columbia Utilities Commission (Commission) is an independent, quasi-judicial, regulatory agency that operates under and administers the *Utilities Commission Act*. The Commission's primary responsibility is the regulation of energy utilities under its jurisdiction to ensure that the rates charged for energy are fair, just and reasonable, and that utilities provide safe, adequate and secure service to their customers. The Commission's mandate in the MRS Program is described in legislation and the *Mandatory Reliability Standards Regulation* (MRS Regulation), *BC Reg. 32/2009, MO39*. Specifically, the Commission adopts or rejects reliability standards in BC and is responsible for the administration of the MRS Program in BC. In addition, the Commission also has the authority to impose administrative penalties for contraventions of MRS in accordance with the *Utilities Commission Act* and the *Administrative Penalties Regulation, BC Reg. 316/2012, OIC 731/2012*.

Western Electricity Coordinating Council

The Commission engaged the Western Electricity Coordinating Council (WECC) as the Commission's Administrator for the MRS Program in BC. Through the Administration Agreement the Commission grants WECC authority to act as the Commission's Administrator in the assessment of registration criteria and administration of approved reliability standards in BC. WECC's authority is limited to actions and obligations specified in the Commission's Rules of Procedure for reliability standards in BC, as well as the Registration Manual and Compliance Monitoring Program, or as otherwise ordered by the Commission.

British Columbia Hydro and Power Authority

The British Columbia Hydro and Power Authority (BC Hydro) is a provincially owned crown corporation and the largest electric utility in BC. BC Hydro delivers electricity to its customers through a network of over 75,000 kilometres of transmission and distribution lines and its system connects with other transmission systems in Alberta and Washington State. BC Hydro's responsibilities in the MRS Program are outlined in the Utilities Commission Act and MRS Regulation. Specifically, BC Hydro evaluates MRS for suitability for BC according to certain criteria stated in accordance with the Act and the MRS Regulation. In consultation with stakeholders, BC Hydro assesses reliability standards approved by FERC and reports to the Commission on their suitability for adoption in BC.

Table Definitions:

Provincial Organization: the British Columbia (BC) organization accountable and responsible for performing the function according to provincial legislation for matters concerning entities in BC.

US Organization: the US organization assisting the Commission in administrative matters related to the function described, in accordance with the approved Administrative Agreement (Order G-123-09, Oct. 15, 2009)

US Comparator: the US organization responsible for performing the functions in the United States.

Functions ¹		Provincial Organization	Relevant US Organization Assisting BCUC in Day-to-Day Administration	US Comparator
Standards Making ²	Standards Approval	BCUC (1)	Not Applicable	FERC
	Standards Development	Not applicable	NERC and WECC	NERC and WECC
	Entity Registration	BCUC (2)	WECC (2)	NERC and WECC in their respective roles
Compliance Monitoring	Compliance Monitoring and Violation Detection	BCUC (3)	WECC (3)	NERC or WECC in their respective roles, FERC
Enforcement Processes	Execution of Investigations (4)	BCUC (5)	WECC (5)	WECC or NERC in their respective roles, FERC
	Violation Determination and Imposes Administrative Penalties	BCUC (6)	WECC recommends NOAVs to BCUC	WECC, NERC, or FERC
Violation Prevention and Outreach	Violation Prevention, Outreach, including Education (7)	BCUC to a limited extent	WECC	WECC, or NERC in their respective roles, FERC
Appeals	First Right of Appeal	BCUC	Not applicable	NERC Board of Trustees Compliance Committee (BOT CC)
	Second Right of Appeal	Supreme Court or Court of Appeal (8)	Not applicable	FERC
	Third Right of Appeal	Not applicable	Not applicable	US Court of Appeals
Oversight	Approval of BC's Rules of Procedure	BCUC	Not applicable	FERC
	Approval of BC's Compliance Monitoring Program and Implementation Plan	BCUC	Not applicable	FERC for approval of the CMEP and NERC for approval of a Regional Entity's Implementation Plan
	Performance Oversight of CMP	BCUC	Not applicable	WECC, or NERC BOT CC in their respective roles

¹ This table is intended to illustrate *who has authority over these various processes vs. who has authority for their execution.*

² Reliability standards include FERC-approved NERC reliability standards and FERC-approved regional reliability standards.

Notes:

- Standards Approval:** Pursuant to section 125.2(2) of the *Utilities Commission Act* (Act) the British Columbia Utilities Commission (BCUC in table above) has exclusive jurisdiction to determine whether a “reliability standard” as defined in the Act, is in the public interest and should be adopted in BC. To provide the necessary information required for determinations and in accordance with the Act, British Columbia Hydro and Power Authority (BC Hydro) submits a Mandatory Reliability Standard (MRS) Assessment Report to the Commission assessing the new and revised reliability standards adopted in the US by the Federal Energy Regulatory Commission (FERC) within the annual assessment period (December 1 to November 30). The Assessment Report is developed in consultation with Registered Entities in the BC MRS Program. Further, in consultation with stakeholders regarding the estimated time required for the entities to implement and come into compliance with the reliability standards, BC Hydro suggests BC effective dates for each of the reliability standards assessed. After a public comment process, the Commission adopts reliability standards in the Assessment Report to maintain or achieve consistency with other regions, unless the Commission determines otherwise after a hearing.
- Entity Registration:** Entities subject to adopted Mandatory Reliability Standards are required to register with the Commission. The Western Electricity Coordinating Council (WECC) in its role as the Commission’s Administrator for the BC Mandatory Reliability Standards Program (BC MRS Program) reviews registration materials provided by all applicable Entities and makes recommendations to the Commission.
- Compliance Monitoring:** The Rules of Procedure for reliability standards in British Columbia include the Compliance Monitoring Program and describe the procedures for monitoring and enforcement of adopted reliability standards. The processes include among other things Audits, Self-Certifications, Spot-Checks, Self-Reports, and Periodic Information (Data) Submittals. An annual Implementation Plan, recommended by WECC and approved by the Commission, identifies the Actively Monitored Standards List and schedules for the procedures listed above for the up-coming year. WECC assists the Commission with the compliance monitoring activities for BC entities in accordance to the annual Implementation Plan approved by the Commission.
- Execution of Investigations:** The Commission may execute investigations and may direct WECC to execute investigations..
- Investigations:** As the Commission’s Administrator, WECC may conduct investigations at the direction of the Commission.
- Violation Determination and Sanction Imposition:** The Commission makes violation determinations for all BC entities and pursuant to Bill 30 – 2012, the Energy and Mines Statutes Amendment Act – 2012, has the authority to impose administrative penalties and set financial limits for confirmed violation of a reliability standard. Penalty maximums are outlined in the Administrative Penalties Regulation.

7. **Violation Prevention and Outreach:** The Commission communicates openly with entities and endeavours to foster a culture of compliance with the BC MRS Program. The Commission has offered educational workshops to entities from time to time and relies on WECC for entity outreach on technical matters. In addition to alerts and other publications issued by NERC and/or WECC to help inform entities and prevent violations, the Commission may issue similar notices for this purpose. WECC considers prevention of recurrence when reviewing mitigation plans before recommending them for acceptance by the Commission.
8. **Appeals to Commission Determinations:** There are two (2) avenues of recourse for enforcement decisions made by the Commission: first through the Commission's Application/Request for Reconsideration and, subsequently, through an appeal to the BC Supreme Court or BC Court of Appeal.
9. **Public Disclosure:** Possible and Alleged Violations are confidential unless the Commission determines they are Confirmed Violations and the Commission considers that disclosure would not relate to a cyber-security incident or otherwise jeopardize the security of the Bulk Power System.

Manitoba – U.S. Comparator: Standard-Making and Enforcement Functions

Key Organizations in Manitoba's Electricity Sector

Legislative Framework: Government of Manitoba, Energy Division

On April 1, 2012, mandatory adherence to electric reliability standards became a legal obligation of all users, owners, and operators of the Bulk Power System within the Province of Manitoba.¹ Reliability standards that are developed by NERC or MRO and adopted for enforcement within the province and an associated compliance monitoring and enforcement program for such standards are implemented through regulations which the Energy Division is responsible to periodically update and submit for approval by the Lieutenant Governor in Council.

Standards Development: NERC, MRO and Manitoba Hydro

The Manitoba Hydro Act allows the Lieutenant Governor in Council to adopt standards developed by certain organizations through regulations. The Manitoba Reliability Standards Regulation authorizes the adoption of NERC and MRO standards. The Act also establishes Manitoba Hydro's authority to develop reliability standards.

Compliance Monitoring Authority: NERC and MRO

NERC and MRO are authorized to monitor compliance with reliability standards that have been adopted in Manitoba by regulation and are responsible for carrying out their duties using the compliance monitoring and enforcement program under the Reliability Standards Regulation.

Regulatory Oversight and Enforcement: The Manitoba Public Utilities Board (PUB)

The PUB is an independent regulator which has three broad areas of authority related to electric reliability (for those standards that have been adopted under the regulation): 1) review of reliability standards; 2) determining if a person has violated a reliability standard and establishing penalties and/or sanctions; 3) the resolution of disputes related to registration, the applicability of a standard, the NERC Rules of Procedure and the compliance monitoring and enforcement program.

Upon application of a person required to adhere to a reliability standard in Manitoba, the PUB may review the standard or amendment and confirm it or reject it in whole or in part and remand it to the standards body for further consideration.

¹ *The Manitoba Hydro Amendment and Public Utilities Board Amendment Act* (Electricity Reliability).

When NERC or MRO considers there has been a possible violation of an electricity reliability standard in Manitoba and that a financial penalty or other sanction is warranted, it submits a recommendation to the PUB to make a determination of a violation along with a recommendation for penalties and or sanctions. In order for a possible violation to be confirmed, the PUB must make a finding and order the imposition of any associated penalties and/or sanctions. If a possible violation presents a minimal to moderate risk to the Bulk Power System and MRO does not consider a financial penalty or sanction to be warranted, a Find, Fix and Track (“FFT”) process can be implemented under certain circumstances identified in the Manitoba CMEP. If the FFT process is used, MRO may accept a remediation plan to address the possible violation and there would be no recommendation to PUB to determine whether a violation has occurred.

Parallel Compliance Enforcement: The National Energy Board of Canada (NEB)

The NEB has jurisdiction over the construction and operation of International Power Lines (IPLs). The NEB has imposed mandatory reliability standards on IPL owners under its jurisdiction, which includes the Bulk Power System transmission interconnections between Manitoba and the United States. In addition to other enforcement tools, the NEB can assess monetary penalties for non-compliance with mandatory reliability standards under its Administrative Monetary Penalties (National Energy Board) Regulations. The NEB has a separate process outside of the compliance monitoring and enforcement program used in the Province of Manitoba but does take provincial enforcement actions into consideration when it decides what action it will take.

Because the NEB’s process is parallel, it has not been included in the attached reliability roles and functions overview table.

Midcontinent Independent System Operator (MISO)

Manitoba Hydro has contracted with MISO to provide Reliability Coordination services. MISO is a FERC approved Independent System Operator and Regional Transmission Organization headquartered in Carmel, Indiana. MISO provides, among other things, enhanced operating and monitoring of the regional electric grid which includes Manitoba Hydro’s facilities and as such has responsibility to adhere to electric reliability standards. MISO is a U.S. based organization and as such adheres to Federal U.S. reliability standards and those of the various Regional Entities where it operates.

Table Definitions

Provincial Organization: the Manitoba organization accountable and responsible for performing the electric reliability related function according to provincial legislation.

U.S. Organization: the U.S. organization that is responsible for performing the electric reliability function according to provincial legislation.

U.S. Comparator: the U.S. organization that is responsible for performing the functions according to U.S. law.

Functions²		Provincial Organization	Relevant US Organization	US Comparator
Standards Making	Standards Development	Manitoba Hydro	NERC, MRO	NERC , MRO
	Standards Adoption (1)	Government of Manitoba submitted through its Energy Division	Not applicable	FERC
Entity Registration (2)		Not applicable	MRO	MRO and NERC in their respective roles
Compliance Monitoring (3)	Compliance Monitoring and Violation Detection (4)	Not applicable	MRO or NERC in their respective roles	MRO or NERC in their respective roles, FERC
	Execution of Investigations (5)	Not applicable	MRO or NERC in their respective roles	MRO or NERC in their respective roles, FERC
Enforcement Processes	Violation Determination and Penalty/Sanction Imposition (6)	PUB	Not Applicable	NERC or MRO in their respective roles, FERC
Appeals (7)	First Right of Appeal	PUB	MRO	NERC
	Second Right of Appeal	Manitoba Court of Appeal	Not Applicable	FERC
	Third Right of Appeal	Supreme Court	Not applicable	US Court of Appeals
Oversight	Establishment of Manitoba's Compliance Monitoring and Enforcement	Lieutenant Governor in Council	Not applicable	FERC

² This table is intended to illustrate who has authority over these various processes vs. who has authority for their execution.

	Program			
	Performance Oversight of Compliance Monitoring and Enforcement Program (CMEP)	Not applicable	MRO and NERC in their respective roles	MRO or NERC in their respective roles
	Violation Prevention and Outreach (including education)	Not applicable	MRO and NERC in their respective roles	MRO or NERC in their respective roles

Notes:

1. **Standards Adoption:** A Reliability Standards Regulation enacted under *The Manitoba Hydro Act* sets forth the NERC/MRO standards that have been adopted within the province for mandatory compliance and enforcement. This set is provided by the Energy Division and needs to be approved for adoption by The Lieutenant Governor in Council (The Provincial Cabinet). The set of standards recommended for adoption are those which have been approved by NERC's Board and by FERC, and have undergone a consultation process within the Province and met provincial criteria for adoption. Unless adopted under the Reliability Standards Regulation, a NERC/MRO standard has no effect in Manitoba.

Upon application, the PUB may review any proposed or adopted NERC/MRO reliability standard or amendment and confirm or reject the standard in whole or in part and remand it to NERC for further consideration. Upon remand that standard or part of a standard has no affect in Manitoba until the PUB orders otherwise.

2. **Entity Registration:** MRO determines which users, owners, and operators of the Bulk Power System in Manitoba are subject to compliance with reliability standards through their registration processes. The Bulk Power System in Manitoba is broadly defined to encompass the electrical generation facilities, transmission facilities, interconnections with neighbouring systems and associated equipment that are generally operated at voltages of 100 kilovolts or higher excluding radial transmission facilities serving load with only one transmission source.

3. **Compliance Monitoring:** The Registered Entities in Manitoba as determined by MRO are accountable for compliance with NERC/MRO reliability standards that are adopted within the province.
4. **Compliance Monitoring and Violation Detection:** The Reliability Standards Regulation establishes the NERC procedures in effect in Manitoba and the compliance monitoring and enforcement program for Manitoba.
5. **Execution of Investigations:** NERC and/or MRO conducts investigations, audits, spot checks and self- certification, of the Registered Entities in Manitoba in accordance with the CMEP as specified in the Reliability Standards Regulation. Self-reports, exception reporting, periodic data submittals and complaints are also used as monitoring mechanisms.
6. **Violation Determination and Penalty and/or Sanction Imposition:** MRO or NERC makes recommendations to PUB for the determination that a reliability requirement has be violated by a Registered Entity. MRO also makes recommendations to PUB regarding the imposition of associated penalties and/or sanctions.

Only PUB can determine if a person in Manitoba has violated a reliability standard and only PUB can impose a penalty and/or sanction. The PUB does so by issuing legally binding Orders. All findings by PUB related to electricity reliability proceedings are made public through the issuance of Orders; this includes the name of the registered entity; the reliability standard(s) and requirements(s); whether the PUB agrees with MRO's findings and recommendations; and any penalties or sanctions imposed.

7. **Appeals OF PUB Determinations:** There are two avenues of recourse for enforcement decisions made by PUB: first through PUB's appeal process and, subsequently, through the Manitoba Court of Appeal.

New Brunswick - US Comparator: Standard-Making and Enforcement Functions

Reliability Standards Currently in Effect

Below is a link to the reliability standards currently in effect in New Brunswick:

<http://www.nbeub.ca/index.php/en/electricity/reliability-compliance/new-brunswick-approved-reliability-standards>

Key Organizations in New Brunswick's Electricity Sector

Department of Energy and Mines

The New Brunswick Department of Energy and Mines is responsible for setting the policy and legislative framework for New Brunswick's electricity system. The Department administers the Electricity Act and Reliability Standards Regulation which establishes the authority and requirements for the adoption and enforcement of electric reliability standards in New Brunswick.

New Brunswick Energy and Utilities Board

The New Brunswick Energy and Utilities Board (NBEUB) is an independent, quasi-judicial board that regulates New Brunswick's electricity sector. The NBEUB has the responsibility under the Electricity Act to adopt and enforce reliability standards in New Brunswick. The NBEUB implements the Reliability Standards Regulation which addresses the adoption of standards, determination of the bulk power system, compliance registrations and compliance monitoring and enforcement processes.

New Brunswick Power Corporation

The New Brunswick Power Corporation (NBPC) is a Crown corporation and the province's vertically integrated electric utility. In addition to its responsibility to comply with reliability standards applicable to its functions, NBPC is also responsible under the Electricity Act to make filings to the EUB to update reliability standards, maintain a list of bulk power system elements and to make recommendations on compliance registrations.

Table Definitions:

Provincial Organization: the New Brunswick organization accountable and responsible for performing the function according to provincial legislation.

US Organization: the US organization responsible for performing the function according to an executed agreement for the provision of services.

US Comparator: the US organization responsible for performing the functions in the US according to US law.

Functions ¹		Provincial Organization	Relevant US Organization	US Comparator
Standards Making ²	Standards Approval	NBEUB (1)	Not Applicable	FERC
	Standards Development	Not Applicable	NERC	NERC NPCC
	Entity Registration	NBEUB (2,3)	NPCC Recommendations to NBEUB (4)	NERC NPCC
Compliance Monitoring	Compliance Monitoring and Violation Detection	NBEUB	NPCC (5)	FERC NERC NPCC
Enforcement Processes	Execution of Investigations	NBEUB	NPCC (6)	FERC NERC NPCC
	Violation Determination and Sanction Imposition	NBEUB	NPCC recommendations to NBEUB (7)	FERC NERC
Violation Prevention and Outreach	Violation Prevention, Outreach, including education	N/A	NERC/ NPCC	FERC NERC NPCC
Appeals	First Right of Appeal	NBEUB Review or Hearing	Not Applicable	NPCC Hearing Body
	Second Right of Appeal	NBEUB Appeal (8)	Not Applicable	NERC Board of Trustees Compliance Committee (BOT CC)
	Third Right of Appeal	A person aggrieved by an order of the NBEUB can make an application for judicial review to The Court of Appeal of New Brunswick.	Not Applicable	FERC
Oversight	Approval of New Brunswick's "rules of procedure"	Lieutenant Governor in Council (9)	Not Applicable	FERC
	Approval of New Brunswick's Compliance Monitoring and Enforcement Implementation Plan	NBEUB	NPCC Recommendations to EUB (10)	NERC NPCC
	Performance Oversight of CMEP	NBEUB	Not Applicable	NERC BOT CC

¹ This table is intended to illustrate *who has authority over these various processes vs. who has authority for their execution.*

² Reliability standards include FERC-approved NERC reliability standards and FERC-approved regional reliability standards.

Notes:

1. Standards Approval:

Authority- Pursuant to Section 119 of the *Electricity Act* and the *Reliability Standards Regulation*, the NBEUB may approve NERC reliability standards that have been approved by FERC and filed by NBPC, with or without NB amendments.

NERC Standards Filing- NBPC files standards with the NBEUB for approval within 60 days of the FERC approval effective date.

Standard Review- NBPC reviews NERC standards and files with an accompanying NB Appendix to describe the specific application of the standard in NB.

Public Process- the NBEUB notifies NERC, NPCC and NB Registered Entities when NBPC files an application for approval and the filed materials are publically available on the NBEUB website for a 60 day comment period.

Approval/Remand – NBEUB approves the application as filed unless there are substantive revisions to the FERC approved version, or if there are substantive comments received during the review period , in which case the NBEUB may hold a hearing and may determine to approve, not approve or remand the proposed reliability standard back to NBPC.

2. **Bulk Power System:** The NB BPS is determined according to the FERC approved definition of the bulk electric system, as it appears in the “NERC Glossary of Terms Used in Reliability Standards”. NBPC is required to file updates to the BPS and may submit requests for BPS exceptions to the NBEUB for approval.
3. **Entity Registration:** The NBEUB maintains a NB Compliance Registry identifying those owners, users and operators of the BPS who must comply with approved reliability standards. The NB registry is based on the NERC functional model and registry criteria. NBPC is required to make recommendations to the NBEUB to maintain the compliance registry.
4. **NPCC Recommendations for Entity Registrations:** NPCC provides recommendations to the NBEUB for entity registrations under the provisions of a service agreement the NBEUB has executed with NPCC.
5. **Compliance Monitoring:** The NBEUB implements a compliance monitoring system for reliability standards that is based on the requirements of the NERC compliance program. The NB program is documented as the New Brunswick Compliance Monitoring and Enforcement Program (NB CMEP) – Schedule A to the Reliability Standards Regulation. As a recognized compliance body under the

regulations, NPCC assists the NBEUB with compliance monitoring activities according to a service agreement the NBEUB has executed with NPCC.

6. **Investigations:** The NBEUB is responsible for compliance investigations in New Brunswick. NPCC assists the NBEUB with compliance investigations in NB according to a service agreement the NBEUB has executed with NPCC. The NBEUB may also request NERC to assist with compliance investigations.
7. **Violation Determination and Sanction Imposition:** The NBEUB is responsible for the determination of violations, enforcement action and imposition of fines and penalties. Under a service agreement the NBEUB has executed with NPCC, NPCC makes recommendations on enforcement matters to the NBEUB including recommendations on dismissals, find fix track actions, mitigation plans, settlement agreements and penalties and sanctions. The NBEUB may request that NPCC include a NERC review and comments on NPCC enforcement recommendations to the NBEUB.
8. **Appeals to NBEUB:** A person may appeal to the NBEUB a decision from a review or compliance hearing relating to contested violations, mitigation plans and penalties and sanctions.
9. **NB “rules of procedure”:** NB does not adopt a separate rules of procedure document, compliance program requirements (including the NB CMEP), are incorporated into provincial regulations that require LGIC approval to modify.
10. **NB Annual Implementation Plan:** The NB AIP is based on the NERC and NPCC implementation plans and may include NB specific requirements. Under a service agreement the NBEUB has executed with NPCC, NPCC makes recommendations to the NBEUB for a NB AIP.

(I) Canadian Federal Oversight

The **National Energy Board** (NEB) is an independent federal tribunal having jurisdiction over the construction, operation and abandonment of international power lines (IPL) and designated interprovincial power lines.

		NEB Mandate
Standards Making	Standards Development	NEB does not develop standards.
	Standards Approval	NEB accepts standards adopted or approved by a provincial authority or a standards development authority as defined under paragraph 1(b)(i) and paragraph 1(b)(ii) of the General Order MO-036-2012.
Entity Registration		The NEB does not register entities. Rather, the NEB has identified the IPL owners to which the General Order and the Amending Orders on electricity reliability apply.
Compliance Monitoring	Compliance Monitoring and Violation Detection	NEB monitors compliance with its General Order and Amending Orders on electricity reliability by reviewing reports; carrying out audits and inspections; or reviewing incidents of non-compliance of the applicable reliability standards.
	Execution of Investigations	NEB may participate in the investigation of a non-compliance incident. Alternatively, it may carry out its own investigation or rely on the investigation results of other applicable regulators or agencies.
Enforcement Processes	Violation Determination and Sanction Imposition	If the NEB determines that there has been a non-compliance with its regulatory requirements, the NEB will determine an appropriate enforcement approach which may include Administrative Monetary Penalties (AMPs).

Canadian Federal Oversight Notes:

International Power Lines (IPL) - as defined by the *National Energy Board Act*, refers to “facilities constructed or operated for the purpose of transmitting electricity from or to a place in Canada to or from a place outside Canada”.

Interprovincial Power Lines - as defined by the *National Energy Board Act*, refers to “facilities constructed or operated for the purpose of transmitting electricity from a place in a province to a place in Canada outside that province”.

General Order and Amending Orders – In December 2012, the NEB introduced a General Order and Five Amending Orders (Order) to implement mandatory reliability standards on IPLs. The provisions of the Orders contain 12 reliability standards requirements, defined broadly to include regional variations.

Administrative Monetary Penalties (AMPs) – Non-compliance related to IPL reliability, when it affects the public safety and environment, may be subject to AMPs. The Board will take provincial enforcement into consideration when enforcing the Orders to minimize duplication.

Nova Scotia-US Comparator: Standard-Making and Enforcement Functions

Key Organizations in Nova Scotia's Electricity Sector

Department of Economic and Rural Development and Tourism

The Minister for this Department is responsible for the Nova Scotia Utility and Review Board (UARB) Act which is the legislation that establishes the governance, structure and mandate of the UARB.

Department of Energy

The Nova Scotia Department of Energy ("Department") is responsible for setting the policy and legislative framework for Nova Scotia's electricity system. The Department develops solutions and advises on all aspects of energy policy for Nova Scotia, including electricity, natural gas and oil.

Nova Scotia Utility and Review Board

The Nova Scotia Utility and Review Board ("NSUARB" or "Board") is an independent, quasi-judicial body which has both regulatory and adjudicative jurisdiction flowing from the Utility and Review Board Act. It reports to the Legislature through the Minister of Economic and Rural Development and Tourism. Pursuant to the Public Utilities Act, the Board exercises general supervision over all electric utilities operating as public utilities within the Province. This jurisdiction includes setting rates, tolls and charges; regulations for provision of service; approval of capital expenditures in excess of \$250,000 and any other matter the Board feels is necessary to properly exercise its mandate. The Board has the authority to stay or revoke the operation of a reliability standard in Nova Scotia and refer it back to NERC or the NPCC for further consideration.

Nova Scotia Power

Nova Scotia Power Incorporated (NSPI) is a vertically integrated, privately owned utility serving 95% of customers in Nova Scotia. NSPI owns the majority of transmission and distribution assets in the province as well as a significant portion of the generation. NSPI is a Regulated-Utility under the Public Utilities Act and subject to supervision by the NSUARB. NSPI is responsible for planning for and maintaining a reliable electricity service to all loads in the province. NSPI is responsible for reviewing and implementing NERC standards under the supervision of the NSUARB.

Nova Scotia Power System Operator

The system operator is financially part of Nova Scotia Power, but operationally and functionally separated from other parts of NSPI and must adhere to a UARB approved Standard of Conduct to ensure its independence from NSPI's other business units. The system operator bears responsibility for, and manages the wholesale electricity market and oversees the reliable daily operation of the provincial electricity grid.

Table Definitions

Provincial Organization: Nova Scotia's organization accountable and responsible for performing the function according to provincial legislation.

US Organization: the US organization responsible for performing the function according to an executed agreement for the provision of services.

US Comparator: the US organization responsible for performing the functions in the US according to US law.

Functions ¹		Provincial Organization	Relevant US Organization	US Comparator
Standards Making ²	Standards Development	Not Applicable	NERC	NERC
	Standards Approval	NSUARB, NSPI (1)	Not Applicable	FERC
	Entity Registration	NSPI-SO (2,3)	NPCC Recommendations to NSPI-SO (4)	NERC
Compliance Monitoring	Compliance Monitoring and Violation Detection	NSUARB	NERC and NPCC (5)	NERC / NPCC and FERC
Enforcement Processes	Execution of Investigations	NSUARB	NERC and NPCC (6)	NERC/ NPCC and FERC
	Violation Determination and Sanction Imposition	NSUARB	Recommendations to NSUARB only (7)	NERC, FERC
Violation Prevention and Outreach	Violation Prevention, Outreach, including education	N/A (10)	NERC/ NPCC	NERC / NPCC and FERC
Appeals	First Right of Appeal	NSUARB Review or Hearing	Not Applicable	NPCC Hearing Body
	Second Right of Appeal	NSUARB Appeal (8)	Not Applicable	NERC BOT CC
	Third Right of Appeal	An order of the NSUARB can be appealed to The Nova Scotia Court of Appeal.	Not Applicable	FERC
Oversight	Approval of Nova Scotia's Compliance Monitoring and Enforcement Implementation Plan	NSUARB	NERC (9)	NERC/NPCC
	Performance Oversight of CMEP	NSUARB	Not Applicable	NERC BOT CC

¹ This table is intended to illustrate *who has authority over these various processes vs. who has authority for their execution.*

² Reliability standards include FERC-approved NERC reliability standards and FERC-approved regional reliability standards.

Notes:

1. **Standards Approval:** NERC submits standards to NSUARB and NSPI for approval, each organization may approve, modify, remand or dismiss the standard as not applicable, though final approval authority rests with the NSUARB. The NSUARB has a quarterly review process allowing the submission, by NERC, of standards already approved by FERC.
2. **Bulk Electric System:** The FERC approved definition of the bulk electric system, as modified on May 6th, 2014, has not yet been adopted in Nova Scotia
3. **Entity Registration:** NPCC as the regional Entity maintains the list of all market participants of the BES who must comply with approved reliability standards. The registry is based on the NERC functional model and registry criteria.
4. **NPCC Recommendations for Entity Registrations:** NPCC provides recommendations and may also identify organizations that may be candidates for registration and assign them to the Compliance Registry.
5. **Compliance Monitoring:** As per MOU with NERC, compliance is mandatory in Nova Scotia. The NSUARB will monitor compliance and accept compliance information and recommendations from NERC.
6. **Investigations:** The NSUARB is responsible for compliance investigations in Nova Scotia. NERC may assist the NSUARB with compliance investigations by providing: Compliance reports and spot checks, Readiness evaluations, disturbance reports, etc.
7. **Violation Determination and Sanction Imposition:** NERC, NPCC and NSUARB may all suggest compliance violation; proceedings shall be conducted under the Board's direction and control. NERC may recommend a particular penalty for any violation, but the NSUARB will be responsible for determining if a violation occurred and what penalties should be imposed.
8. **Appeals to NSUARB:** Any person may appeal to the NSUARB a decision from a review or compliance hearing. Further appeals may proceed to a court of law.
9. **Compliance Monitoring and Enforcement Plan:** Approval for the compliance and monitoring plan is by MOU between NERC and NSUARB on 22nd of Dec, 2006 and later through MOU between NERC, NPCC and NSPI on 20th of April, 2010. NSPI is subject to NERC's CMEP as implemented by NPCC.
10. **Violation Prevention:** Compliance is mandatory in Nova Scotia.

Ontario-US Comparator: Standard-Making and Enforcement Functions

Reliability Standards Currently in Effect in Ontario

For a list of reliability standards currently in effect in Ontario, please visit the IESO's [Reliability Compliance Standards](#) web page and click on "[Milestones in Reliability Standard Development and Lifecycle](#)".

Key Organizations in Ontario's Electricity Sector

Ministry of Energy

The Ontario Ministry of Energy ("Ministry") is responsible for setting the policy and legislative framework for Ontario's electricity system. The Ministry develops solutions and advises on all aspects of energy policy for Ontario, including electricity, natural gas and oil. It also has legislative responsibility for the Ontario Energy Board ("OEB") and Independent Electricity System Operator ("IESO").

Ontario Energy Board

The Ontario Energy Board ("OEB") is an independent, quasi-judicial tribunal that regulates the province's electricity and natural gas sectors in the public interest. Its mandate is prescribed in legislation – primarily the *Ontario Energy Board Act, 1998* and the *Electricity Act, 1998* (the "Act") – and associated regulations. Part of the OEB's mandate is to protect the interests of consumers with respect to prices and the reliability and quality of electricity service. The OEB is the Governmental Authority for Ontario as defined by NERC. The OEB also has the legislative authority to stay or revoke the operation of a reliability standard in Ontario and refer it back to NERC or the NPCC for further consideration.

Market Assessment and Compliance Division

The Market Assessment and Compliance Division (“MACD”) is an independent business unit of the Independent Electricity System Operator (“IESO”) and has been delegated the IESO’s statutory authority to enforce the market rules, including reliability standards.

Supported by the Compliance Enforcement Unit, MACD’s Director independently makes all determinations and exercises all authorities accorded in the Ontario electricity market rules concerning monitoring, auditing and investigations. These processes may lead to determination of breaches of the rules and standards and the imposition of sanctions, including financial penalties against Ontario market participants and the IESO.

Table Definitions

This table illustrates who has authority over these various processes vs. who has the authority for their execution.

Provincial Entity: the Ontario organization accountable and responsible for performing the function according to provincial legislation, or through delegation, for matters concerning Ontario entities.

Relevant International Organization: the organization responsible for performing the function in Ontario according to an executed Memorandum of Understanding.

U.S. Comparator: the U.S. or international organization responsible for performing the functions in the U.S. according to U.S. law.

Functions		Provincial Entity	Relevant International Organization	US Comparator
Standards Making ¹	Standards Development	Not Applicable	NERC	NERC
	Standards Approval (1)	OEB	Not Applicable	FERC
	Entity Registration and Standards Applicability (2)	IESO	NERC and NPCC (with respect to IESO only)	NERC and NPCC
Compliance Monitoring (3)	Compliance Monitoring and Violation Detection	MACD	NPCC (with respect to IESO only) (4)	NERC and NPCC
Enforcement Processes	Execution of Investigations (5)	MACD	NPCC (with respect to IESO only)	NERC and NPCC
	Violation Determination and Sanction Imposition (6)	MACD	NERC and NPCC (only with respect to IESO and limited to administrative and non-financial penalties) (7)	FERC
Appeals	First Right of Appeal	Ontario Market Rule Dispute Resolution Panel (for market participant appeals) OEB for IESO appeals. (8)	NPCC (for IESO appeals) (9)	NPCC Hearing Body

¹ Reliability standards include those reliability standards and regional reliability standards approved by FERC.

	Second Right of Appeal	OEB	NERC (for IESO appeal of NERC/NPCC determinations and sanctions)	NERC Board of Trustees
	Further Right of Appeal	An order of the OEB can be appealed to Divisional Court on a matter of law or jurisdiction (OEB Act s. 33)	OEB	FERC Board of Commissioners
Oversight	Approval of Ontario's Rules of Procedure	IESO Board and right of appeal to OEB	Not applicable	FERC
	Approval of Ontario's Compliance Monitoring and Enforcement Plan (CMEP)	MACD	Not applicable	NERC and NPCC
	Performance Oversight of CMEP	MACD	Not applicable	NERC Board of Trustees Compliance Committee
	Case Review of Regional Entity Findings	Not applicable	Not applicable	NERC
	Violation Prevention and Outreach (including education)	MACD (10)	Not applicable	NERC and NPCC

Notes:

1. **Standards Approval:** Generally, unless a NERC reliability standard is otherwise stayed or remanded by the OEB back to NERC, the standard will become effective in Ontario when it is declared in force in the United States.
2. **Entity Registration and Standards Applicability:** The IESO determines which Ontario market participants are subject to reliability standards through a registration process which maps Ontario market participant roles to the NERC functional model roles.
3. **Compliance Monitoring:** MACD establishes procedures for monitoring Ontario market participants and the IESO through the Ontario Reliability Compliance Program (ORCP), which is the equivalent to the NERC-NPCC Compliance Monitoring and Enforcement Program (CMEP).
4. **NPCC Monitoring:** NPCC conducts audits, spot checks and self-certification of the IESO in accordance with the NERC-NPCC Monitoring Program and the NERC/NPCC/IESO MOU outlining the authorities, roles and responsibilities of NERC, NPCC and MACD.
5. **Execution of Investigations:** MACD investigates potential breaches of the market rules and reliability standards that involve Ontario entities and the IESO. NPCC and NERC may also conduct independent compliance investigations of the IESO. NPCC and NERC do not have the authority to investigate other entities within Ontario.
6. **Violation Determination and Sanction Imposition:** MACD makes violation and sanction determinations for all Ontario entities and the IESO. Sanctions include, among other things, orders to: 1) do “such things as may be necessary” to comply with the Market Rules; 2) cease the act, activity or practice constituting the violation; 3) impose record-keeping or reporting requirements on a market participant; 4) issue a non-compliance letter; and 5) impose financial penalties.

When MACD makes a determination of a reliability standard violation or reliability-related market rule violation, the name of the responsible entity is made public on the IESO website. The level of detail disclosed for any violation varies according to what MACD deems necessary. NERC or NPCC do not disclose violations by Canadian entities. MACD sanctions are posted at:

<http://www.ieso.ca/Pages/Participate/Market-Oversight/Sanctions.aspx>

7. **NERC and NPCC Violation Determination and Sanction Imposition:** After determining that a violation by the IESO has occurred, NERC and NPCC may only impose non-financial sanctions on the IESO. Possible sanctions imposed may include additional reporting or auditing, development of a mitigation plan, and in the case of material threats to reliability, remedial action directives.
8. **Appeals of MACD Determinations:** An enforcement decision made by MACD can be contested by participants through the Dispute Resolution Panel (DRP) process, which is composed of negotiation, mediation and arbitration stages. The award of a DRP arbitrator can then be appealed to the OEB if it includes a financial penalty above \$10,000 or otherwise denies authorization for, or terminates, suspends or restricts, the relevant market participant's right to participate in the Ontario electricity market.
9. **Appeals of NERC and NPCC Determinations:** If the IESO faces a violation determination or sanction by NERC or NPCC, it has a right to a compliance hearing with NPCC and a subsequent appeal to NERC. The IESO can also appeal any final NERC or NPCC order to the OEB.
10. **Violation Prevention and Outreach:** MACD keeps market participants informed about the Ontario Reliability Compliance Program through presentations, webinars and publications.

Québec - US Comparator: Standard-Making and Enforcement Functions

Reliability Standards Currently in Effect

A list of Québec's reliability standards and their status is available at this link:

<http://www.regie-energie.qc.ca/en/audiences/NormesFiabiliteTransportElectricite/NormesFiabilite.html>

Key Organizations in Québec's Electricity Sector

Ministère de l'Énergie et des Ressources naturelles

The Ministère de l'Énergie et des Ressources naturelles (the Ministry) is responsible, among other things, for setting the policy and legislative framework for Québec's electricity system. The Ministry develops solutions and advises on all aspects of energy policy for Québec, including electricity, natural gas and oil.

Régie de l'énergie

In the exercise of its functions, the Régie de l'énergie (the Régie) reconciles the public interest, consumer protection and the fair treatment of the province's electric power carrier and of distributors. Pursuant to its governing legislation, the *Act respecting the Régie de l'énergie* (the Act), it has the authority to establish, monitor and enforce a mandatory regime of reliability standards for electric power transmission in Québec.

The Régie has jurisdiction to approve reliability standards that the Reliability Coordinator (the RC) for Québec considers essential to ensure Québec control area reliability. The Régie may request the RC for Québec to modify a standard filed or submit a new one, on the conditions it sets. The Régie adopts reliability standards and sets the dates of their coming into force.

The Régie has taken a number of steps in the last few years, which led to the implementation of the mandatory regime on April 1 2015. Moreover, the Régie introduced a program for overseeing compliance with those standards.

The Régie will make all determinations and exercises all authorities concerning monitoring, investigation and enforcement of reliability standards, including the imposition of financial penalties and sanctions, while taking into consideration the recommendations of NPCC and NERC.

In fact, with regard to the process of reliability standards compliance monitoring, two separate agreements were concluded with NERC and NPCC, both of whom it has recognized, through an agreement signed in 2009, as experts in the development and monitoring of electric power transmission reliability standards. A second agreement signed in September 2014 details the mandate granted by the Régie to NPCC and NERC.

**Direction - Contrôle des mouvements d'énergie (System Control) of Hydro-Québec
TransÉnergie (HQCMÉ)**

Pursuant to the Act, HQCMÉ was designated by the Régie as the RC for Québec on December 2007. Under that function, the RC is responsible for ensuring power system reliability as defined by NERC and NPCC standards. It files with the Régie NERC or NPCC reliability standards applicable in the Quebec Interconnection, as well as any variant or other standard it deems necessary. It also files a register identifying the entities that are subject to the reliability standards adopted by the Régie.

Functions¹		Provincial Organization	Relevant US Organization	US Comparator
Standards Making²	Standards Development	HQCMÉ (RC)	NERC	NERC
	Standards Adoption	The Régie (1)	Not Applicable	FERC
Entity Registration		The Régie / RC(2)	Not Applicable	NERC
Compliance Monitoring	Compliance Monitoring and Violation Detection	The Régie (3, 4)	NPCC (5)	NERC, NPCC, FERC
	Execution of Investigations	The Régie (6)	NPCC or NERC (6)	NERC, NPCC, FERC
Enforcement Processes	Violation Determination and Sanction Imposition	The Régie (7, 8, 9)	Not Applicable	NERC, FERC
Appeals	Revision of a decision	The Régie (10)	Not applicable	NPCC Hearing Body
	Further Right of Appeal	Québec Superior Court (11)	Not applicable	NERC Board of Trustees Compliance Committee (BOT CC)
	Further Right of Appeal	Court of Appeal of Québec (12)	Not applicable	FERC
Oversight	Approval of Québec's Rules of Procedure	The Régie (13)	Not applicable	FERC
	Approval of the Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) and the Annual QCMEP Implementation Plan (Québec Implementation Plan)	The Régie (14)	Not applicable	NERC, NPCC
	Performance Oversight of QCMEP	The Régie (15)	NERC and NPCC (15)	NERC BOT CC
	Violation Prevention and Outreach (including education)	The Régie (16)	NERC and NPCC (16)	NERC, NPCC, FERC

¹ This table is intended to illustrate who has authority over these various processes vs. who has authority for their execution.

² Reliability standards include FERC-approved NERC reliability standards, FERC-approved regional reliability standards and locally developed reliability standards as proposed by the RC for Québec.

Table Definitions:

Provincial Organization: the Québec organization accountable and responsible for performing the function according to provincial legislation or through designation for matters concerning Québec registered entities.

Relevant US Organization: the US organization that is responsible for performing the function according to an agreement for matters concerning Québec registered entities.

US Comparator: the US organization that is responsible for performing the functions according to US law.

Notes:

1. Standards Adoption:

Authority – Pursuant to section 85.7 of the Act, the Régie adopts the reliability standards and sets the dates of their coming into force.

NERC Standards Filing – For information purposes, NERC files Board approved standards in Québec. Generally, when a NERC reliability standard is approved by FERC, the standard will be filed by the RC (HQCMÉ) with the Régie for adoption. The RC can as well file any variant of these standards or other standards it considers necessary.

Standards Review – The Régie holds public hearing on the standards before their adoption. NERC/NPCC can make observations/recommendations to the Régie pursuant to their signed agreement.

Public Process – The RC posts the standards on their website for public comments from the registered entities before filing them to the Régie for their adoption.

Adoption/Remand – The Régie may request that the RC modifies a filed reliability standard or submit a new one, on the conditions it sets. Thus a reliability standard that has been filed with the Régie by the RC will not be remanded to NERC.

2. Entity Registration: Section 85.3 of the Act lists the entity characteristics to which the reliability standards applies. Pursuant to the Act (Section 85.13) the RC must file with the Régie, for approval, a register identifying the entities that are subject to the reliability standards adopted by the Régie.

3. Compliance Accountability: All Québec registered entities are accountable to the Régie for compliance with the reliability standards it adopts.

4. **Monitoring:** The Régie establishes processes for monitoring Québec registered entities through the *Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP)*. The QCMEP is analogous to the NERC CMEP.
5. **Monitoring:** NPCC monitors compliance to the reliability standards by conducting audits, self-certification, spot checks and other means in accordance with the QCMEP.
6. **Investigations:** The Régie may request or authorize NPCC or NERC to lead a compliance investigation.
7. **Violation Determination and Sanction Imposition:** As of November 1, 2016, the Régie will impose a sanction to any Québec registered entity, if the Régie determines that a failure to comply (violation) with a Reliability Standard has occurred. Sanctions will be imposed according to the *Sanction Guide for the Enforcement of the Reliability Standards in Effect in Québec*. The penalties are grouped into two distinct categories: financial and non-financial. The maximum financial penalty amount is \$500 000 per occurrence per day.
8. **Enforcement Measure:** The Régie may impose a mitigation plan, a remedial action for non-compliance seriously compromising the reliability of electric power transmission or conditions for carrying on certain activities.
9. **Public Disclosure:** In the event that a reliability standard violation is determined by the Régie, the name of the entity accountable for this violation is made public on the Régie's website. The level of detail disclosed for any violation varies according to the Régie's determination.
10. **Revision of a Decision:** Section 37 of the Act provides the conditions for a revision or revocation of a decision rendered by the Régie.
11. **Further Right of Appeal:** Section 40 of the Act provides that "no appeal lies from a decision of the Régie." As decisions rendered by the Régie cannot be appealed, the only available recourse is a judicial review to the Superior Court of Québec. However, section 41 of the Act provides for a relatively tight privy clause.
12. **Further Right of Appeal:** A Superior Court decision on judicial review can be appealed to the Quebec Court of Appeal and ultimately, by permission, to the Supreme Court of Canada.
13. **Québec's Rules of Procedure:** Québec's Rules of procedure are integrated into the second agreement and the QCMEP.
14. **Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) and the QCMEP Annual Implementation Plan (Québec Implementation Plan):** Each year, the Régie

approves the Québec Implementation Plan, which is the annual operating plan carried out by NPCC while performing its responsibilities and duties, as described in the QCMEP. The NPCC monitors and assesses Registered Entities' compliance with the reliability standards. The 2016 Quebec Implementation Plan includes, among other things, the Annual Compliance Audit Plan and the Self-Certification program, performed according to the work timetable.

15. **Performance Oversight:** NPCC provides the Régie and NERC with the *QCMEP Annual Implementation Report* regarding, among other things, the effectiveness of the QCMEP. Upon request from the Régie, NERC will conduct an audit of NPCC.

16. **Prevention and Outreach:** In addition to alerts and other publications issued by NERC and/or NPCC to help Québec registered entities prevent violations, the Régie may also issue similar notices for this purpose in an effort to clarify Québec's mandatory reliability standards regime, the requirements of the QCMEP and reliability standards development.

Saskatchewan - US Comparator: Standard-Making and Enforcement Functions

Table Definitions:

Provincial Organization: the Saskatchewan organization accountable and responsible for performing the function according to provincial legislation or through delegation for matters concerning Saskatchewan entities.

US Organization: the US organization that is responsible for performing the function according to an executed Memorandum of Understanding for matters concerning Saskatchewan entities.

US Comparator: the US organization that is responsible for performing the functions according to US law.

Functions		Provincial Organization	Relevant US Organization	US Comparator
Standards Making ¹	Standards Approval	SERA (1)	Not applicable	FERC
	Standards Development	Not applicable	NERC	NERC
	Entity Registration	Not applicable	NERC (2)	NERC
Compliance Monitoring	Compliance Monitoring and Violation Detection	SERA (3)	NERC and MRO (3)	NERC and MRO
Enforcement Processes	Execution of Investigations	SERA (3)	NERC and MRO (3)	NERC and MRO
	Violation Determination and Sanction Imposition	SERA (3)	NERC and MRO (3)	FERC
Violation Prevention and Outreach	Violation Prevention, Outreach, including education	Not Applicable	NERC and MRO (4)	NERC and MRO
Appeals	First Right of Appeal	SERA (5)	Not applicable	MRO Hearing Body
	Second Right of Appeal	SERA (5)	Not applicable	NERC Board of Trustees
	Third Right of Appeal	SERA (5)	Not applicable	FERC Board of Commissions
Oversight	Approval of Saskatchewan's Rules of Procedure	SERA	Not applicable	FERC
	Approval of Saskatchewan's Compliance Monitoring and Enforcement Implementation Plan	SERA	Not applicable	NERC and MRO
	Performance Oversight of CMEP	SERA	NERC and MRO (6)	NERC BOT CC
	Case Review of Regional Entity	SERA	Not applicable	NERC
	Violation Prevention and Outreach	Not Applicable	NERC and MRO (4)	NERC and MRO

¹ Reliability standards include FERC-approved NERC reliability standards and FERC-approved regional reliability standards.

Notes:

1. **Standards Approval:** SaskPower has the legislative authority via *The Power Corporation Act* (Saskatchewan) to set standards and enforce compliance for the bulk electric system in the Province of Saskatchewan. The Saskatchewan Electric Reliability Authority (SERA), a board comprised of SaskPower Executives, approves standards in Saskatchewan.
2. **Entity Registration:** SaskPower is currently registered in the NERC Compliance Registry. MRO performs entity registration for Saskatchewan.
3. **Compliance Monitoring/Enforcement Processes:** SERA will be the monitoring, compliance and enforcement authority for the province, as per SaskPower's legislative authority. The Midwest Reliability Organization has been delegated to perform on-site compliance audits for SaskPower.
4. **Prevention and Outreach:** SaskPower receives alerts and other publications issued by NERC and/or MRO that address violation prevention.
5. **Appeals:** If SaskPower disputes an MRO finding of non-compliance regarding a reliability standard, SERA may choose to hear arguments.
6. **Peer Review:** NERC and MRO can initiate a peer review of each other's compliance program with a mutually agreed scope of review.