

Remarks of Peter Fraser
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Federal Energy Regulatory Commission
Reliability Technical Conference
Docket No. AD12-1-000
Panel I
November 29, 2011

Good afternoon Chairman Wellinghoff, Commissioners, staff and fellow panelists. My name is Peter Fraser and I am Managing Director of Regulatory Policy at the Ontario Energy Board, the energy regulator of the Province of Ontario, Canada. And it is in that particular capacity that I am speaking with you this afternoon, as a member of the staff of one of the regulators north of your border with an oversight role for electric reliability.

In the next few minutes, I hope to bring an international perspective to these discussions by focusing on three topics. First, I will talk about our experience in international regulatory cooperation on standards development. Second, I will make some observations about making standards work effectively in both jurisdictions. And finally, I want to draw your attention to a new initiative among Canadian reliability enforcement agencies, as a potential new area for international cooperation.

We have an international interconnected grid, and that requires international standards. International regulatory cooperation is important for all of us to ensure that effective standards are developed, complied with and enforced on both sides of our border. Through efforts of governments and regulators in Canada, and with the cooperation of the

FERC staff, particularly Joe McClelland and his group in the Office of Electric Reliability, we have established good working links among Canadian regulators, government agencies and the FERC staff. As you know, we get together two or three times a year for our Trilateral meetings. FERC staff also participate in various events Canadian regulators have held on electric reliability. These meetings have been very beneficial to us, particularly to learn of views of the FERC staff on reliability issues.

International regulatory cooperation is also necessary because we continue to have international blackouts. One of the challenges we have had to face internationally is how to investigate such events, given our respective authorities on each side of the border. This became an issue after a blackout affecting western states and provinces in 2007. The issue was sharing Canadian utility data with the FERC staff who were part of the incident investigations team. It has taken a long time, but we finally seem to be on the verge of having a set of agreed principles on data sharing. I take that as a positive step, and hopefully we can be more efficient in addressing issues like this in the future.

My second topic is the international dimension to standards development. Appropriate Canadian participation has been central to the ERO model. Assuring this participation has been challenging when NERC has had to be responsive to FERC directions.

I note that the standards adoption process in Ontario has been altered to reflect this reality. First, standards now do not go into effect in Ontario before they go into effect in the United States. Second, for NERC standards that do not have the requisite ballot body approval, further stakeholdering in

Ontario is now required before the standards can be adopted and put into effect.

My final topic is reliability standards enforcement, an area I believe would benefit from greater international cooperation. In addition to compliance and enforcement activities by the regional entities, there are a number of agents with the statutory responsibility for enforcement of reliability standards in Canada. In Ontario, this responsibility is carried out by the Market Assessment and Compliance Division of the Independent Electricity System Operator. Canadian reliability enforcement agencies have just established a working group to foster cooperation, share experiences etc. related to standards enforcement. This is a welcome development, one that might well be enhanced through cooperation with their US counterparts.

I thank the Commission for this opportunity and look forward to any questions you might have.