



Establishing the ERO

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Natural Resources
Canada

Ressources naturelles
Canada

Canada



Context

- Canada supports the Final Report of the Canada-U.S. Power System Outage Task Force
 - Mandatory and enforceable standards
- Good progress in implementing the recommendations.
- But need to ensure momentum is not lost.
- Uncertainty of whether and when U.S. legislation will pass.





Canadian Context

- For technical and trade reasons, standards will have to be identical or similar on both sides of the border
- Provinces have primary jurisdiction over electricity reliability in Canada
- Federal, provincial and territorial governments endorsed the Task Force recommendations.





Council of Energy Ministers Decision

- Ministers established senior level group of officials to work together and with U.S. officials to develop:
 - options for coordination mechanisms between relevant authorities in Canada
 - options for international mechanisms
 - working group positions on issues regarding NERC and the transition to an ERO
 - a template for memoranda of understanding between authorities in Canada and NERC





Key Issues to be Addressed

- Governance
- Funding
- Certification
- Standards approval and remand
- Enforcement
- Coordination Mechanisms





Governance Issues

- Adequate representation on the Board and various committees is needed to ensure that there is an effective voice for all relevant jurisdictions.
- Voting procedures within these bodies.
- Delegation to regional reliability councils





Funding

- Independence
- Simplicity
- Transparency





Standards Setting

- Role of regulators in standards development
- Cross border implications of multiple regulators independently reviewing standards and providing follow up direction to NERC.
- Remand





Enforcement of Standards

- Enforcement of reliability standards raises potential cross-border jurisdictional concerns.
- Uncertainty about the scope of ERO's enforcement role and specific sanctions.





Cooperation Mechanisms

- Existing:
 - Bilateral ERO Oversight Group
 - FPT ADM Electricity Working Group
- Future
 - International mechanism?
 - Canadian coordination mechanism?
 - Others?





Way Forward

- Build on cooperation/dialogue

