



# PROCEDURE

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**Market Manual 11: Reliability Compliance**

## **Part 11.4: Ontario Bulk Electric System (BES) Exception**

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**Issue 4.0**

This procedure provides guidance to BES applicants on the Ontario-adapted NERC BES Exception procedure.

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Issue	Reason for Issue	Date
1.0	This document supersedes M.M. 2.18 “Ontario Bulk Electric System (BES) Exception”	March 6, 2013
2.0	Inclusion of Section 9: Guide to IESO Portal Collaboration and Appendix B: Assessment Criteria	June 5, 2013
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## Related Documents

Document Title	Document ID
Ontario Bulk Electric System Exception Request Form	IESO_FORM_1757
Ontario Bulk Electric System Exception Cost Recovery Agreement	IESO_TPL_0090

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## Table of Changes

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<b>Reference (Section and Paragraph)</b>	<b>Description of Change</b>
Throughout	Added reference to electricity storage participation where required.

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# Market Manuals

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The *market manuals* consolidate the market procedures and associated forms, standards, and policies that define certain elements relating to the operation of the *IESO-controlled grid*. These procedures provide more detailed descriptions of the requirements for various activities than is specified in the "*market rules*". Where there is a discrepancy between the requirements in a document within a *market manual* and the "*market rules*", the "*market rules*" shall prevail. Standards and policies appended to, or referenced in, these procedures provide a supporting framework.

## Market Procedures

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The "Reliability Compliance Manual" is Volume 11 of the *market manuals*, where this document forms "Part 11.4: Ontario Bulk Electric System (BES) Exception".

A list of the other component parts of the "Reliability Compliance Manual" is provided in "Part 11.0: Reliability Compliance Overview" in Section 2, "About This Manual".

## Conventions

The *market manual* standard conventions are defined in the "Market Manual Overview" document.

BES Exception applicant means:

- (i) A market participant who owns IESO-controlled grid connected elements or facilities who applies to the IESO for a BES Exception, or
- (ii) A connection applicant who applies to the IESO for a BES Exception.

*BES Exception procedure* means the procedure by which a *BES Exception applicant* in Ontario may request and receive an exception which will have the effect of either:

- (i) including within the BES an element or elements that would otherwise be excluded by application of the BES definition, or
- (ii) excluding from the BES an element or elements that would otherwise be included by application of the BES definition.

BES means Bulk Electric System and the term used in this *market manual* has the same meaning as the term defined in the *NERC Glossary of Terms Used in Reliability Standards*<sup>1</sup>.

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<sup>1</sup> *NERC Glossary of Terms* found in <http://www.nerc.com/page.php?cid=2|20|283>



Element as the term is used in this *market manual* has the same meaning as the term defined in the *NERC Glossary of Terms Used in Reliability Standards*.

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# 1. Introduction

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## 1.1 Purpose

This document provides the procedure by which a *BES Exception applicant* in Ontario may request and receive an exception from the application of the *NERC* definition of the BES<sup>2</sup>. It establishes the steps and interfaces involved in the *BES Exception* procedure for the *BES exception applicant*, the *IESO*, the *IESO Board*, and other parties relating to the submission and processing of the *BES Exception* requests.

This procedure is equivalent to, but distinct from *NERC's* "Procedure for Requesting and Receiving an exception from the Application of the *NERC* Definition of Bulk Electric System": Appendix 5C to the Rules of Procedure.<sup>3</sup>

## 1.2 Overview

### 1.2.1 Exception Process

This procedure addresses *BES Exception* requests pursuant to section 3.2B of Chapter 5 of the *market rules*, by which a *BES Exception applicant* in Ontario may request and receive a *BES Exception*.

Under this procedure, *IESO* staff administers the *BES Exception* requests, which include the review, acceptance or rejection, and recommendation to the *IESO Board* regarding the exception requests. The responsibilities for requesting, substantiating, and obtaining approval for a *BES Exception* request, including the costs associated with processing the request, are borne by the *BES Exception applicant*.

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<sup>2</sup> NERC has revised its definition of the BES to re-inforce a bright-line threshold that includes all facilities operated at or above 100 kV. The new definition becomes effective on July 1, 2013.

<sup>3</sup> See Appendix 5C to *NERC's* Rules of Procedure on the *BES Exception* process, Proposed Version 1-9-2012: [http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix\\_5C\\_ProcedureForReqAndRecExceptionFromAppOfNERCDefBES\\_20130701.pdf](http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_5C_ProcedureForReqAndRecExceptionFromAppOfNERCDefBES_20130701.pdf). For the purposes of this procedure, the Appendix 5C to *NERC's* Rules of Procedure is referred to as "NERC BES Exception Process".

## Diagram A: Ontario BES Exception Procedure

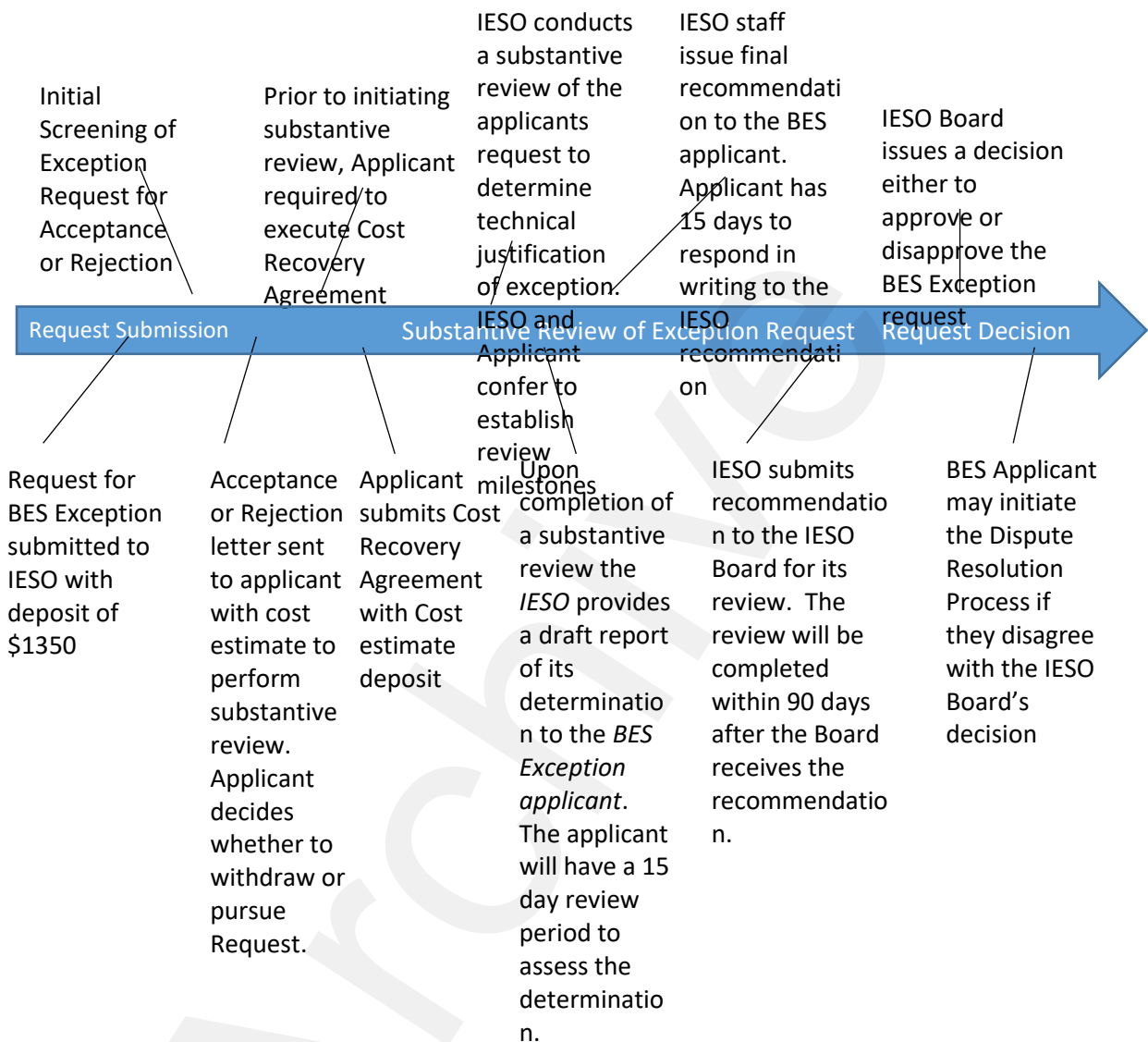


Figure 1-1: Ontario *BES Exception Procedure* Workflow displays a workflow summary of the major steps for the Ontario *BES Exception Procedure*.

### 1.2.2 The Panel

Wherever reference is made in this procedure to the Chair of the *IESO Board* such reference shall extend to the Chair's designee. After receipt of the *BES Exception* request, the Chair of the *IESO Board* assigns the request to a Panel. The Panel shall consist of no fewer than two directors. Depending upon the complexity and importance of the *BES Exception* request, Panels may be formed at the discretion of the Chair of the *IESO Board* with more than two

directors. Decisions made by the Panel must be made by a two-thirds majority. Where the Panel consists of two directors, the decision must be unanimous. Where the Panel does not obtain a two-thirds majority, the Chair of the *IESO Board* has the discretion to refer the *BES Exception* request to a new Panel.

### 1.3 Exception Request

A *BES Exception applicant* must request and obtain a *BES Exception* under this procedure before any element that is included in the BES (by application of the BES Definition) shall be excluded from the BES. Likewise, a *BES Exception applicant* must request and obtain a *BES Exception* under this procedure before any element that is excluded from the BES (by application of the BES Definition) shall be included in the BES.

A *BES Exception* request for an *intertie* with a US entity or other provincial entity will be considered under this procedure, provided that an entity in the other jurisdiction supplies a confirmation that an exception has also been filed in the external jurisdiction for the common *facility*. In making its recommendation, the *IESO* will consult with the applicable Cross-Border Regional Entity (or Provincial Entity) to ensure that no less stringent technical principles will be considered in the assessment of a *BES Exception* request in that external jurisdiction.

Until a *BES Exception* has been granted by either the *IESO Board* or an arbitrator pursuant to the dispute resolution process that has overturned a decision of the *IESO Board* denying a *BES exception*, the status of an element(s) that is the subject of a request shall remain as it is determined based on application of the BES Definition. Notwithstanding the foregoing, if as the result of the adoption of the BES definition the designation of the element has changed from its previous *NERC BES* definition, then the *BES exception applicant* shall continue to comply with its obligations with respect to that element under the *NERC BES* definition until its request for a *BES exception* has been determined. An entity that is planning to connect a new element to the *IESO-controlled grid*, for which it believes a *BES Exception* would be necessary and appropriate, should request a *BES Exception* prior to commercial operation of the element.

The *IESO's Market Assessment and Compliance Division (MACD)* will not initiate enforcement action against the *BES Exception applicant* for non-compliance with *NERC reliability standards* for elements that meet the BES definition until the latest date of any of the following events or any combination of the following events: (1) the applicable *BES exception* procedure application is completed; (2) the applicable dispute resolution process, disputing the *IESO Board's* decision to reject an exception request, is completed; (3) the timeline to request a dispute resolution initiation has expired; and (4) the conditions or period of time of an approved implementation plan as prescribed in section 7.0 have expired.

### 1.4 Authority

The Ontario *BES Exception* Procedure set out herein derives its authority from Section 3.2B of Chapter 5 of the *market rules*.

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## 2. Basis for Approval of an Exception

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### 2.1 Grounds for an Exception

#### 2.1.1 Exclusion Exception

A *BES Exception applicant* in Ontario may request a *BES Exception* from the *IESO Board* excluding an element from the BES on the grounds that the element(s) is otherwise included within the BES but is not necessary for the reliable operation of the BES for the reasons provided pursuant to **Detailed Information to Support an Exception Request** (Section III of the Ontario *BES Exception Request Form*).

#### 2.1.2 Inclusion Exception

A *BES Exception applicant* in Ontario may request a *BES Exception* from the *IESO Board* including an element in the BES on the grounds that the element(s) is not otherwise included within the BES but is necessary for the reliable operation of the BES for the reasons provided pursuant to **Detailed Information to Support an Exception Request** (Section III of the Ontario *BES Exception Request Form*).

#### 2.1.3 Burden

The burden to provide a sufficient basis for approval of a *BES Exception* request, in accordance with the provisions of this procedure, is on the *BES Exception applicant*. It is the responsibility of the *IESO* staff to evaluate the request and make a recommendation to the *IESO Board* regarding its approval.

– End of Section –

## 3. Submission of an Exception Request

### 3.1 Cost Recovery

A *BES Exception applicant* is required to submit to the *IESO*, along with the Ontario *BES Exception Request Form*, a deposit in the amount of \$ Cdn 1350 (plus HST). Details on how the initial deposit payment is made to the *IESO* are available in *IESO\_Form\_1757: Ontario Bulk Electric System Exception Request Form*.

*IESO* staff will undertake an initial screening of the request to ensure all of the necessary information has been provided. If accepted, a substantive review will be performed to assess the request and make a recommendation to the *IESO Board* to approve or disapprove the request.

In the communication accepting application request for substantive review, the *IESO* shall provide an estimate of the cost of the assessment, giving the *BES exception applicant* the option to either withdraw the request, or continue the process.

Prior to the commencement of the substantive review, the *BES Exception applicant* is required to submit an executed Ontario *BES Exception Cost Recovery Agreement*, in which the *BES Exception applicant* agrees to pay to the *IESO* an amount equal to all reasonable costs incurred by the *IESO* in assessing the *BES Exception* request.

A *BES Exception applicant* is responsible for all reasonable costs associated with an assessment of its request. The cost recovery principles ensure that a *BES Exception applicant* pays for such costs, from submission of a request until it is withdrawn, rejected, approved or disapproved, including any costs associated with the dispute resolution process.

### 3.2 Separate Submissions for Each Exception Request

A separate *BES Exception* request shall be submitted for each element or set of connected elements for which the *BES Exception applicant* seeks a *BES Exception*. The scope of a *BES Exception* request shall cover the terminal connections of the element or set of elements as identified in the request. A qualifying set of connected elements occurs where the *BES Exception applicant* seeks exception from the BES Definition for multiple, similar elements (either at the same location or at different locations within Ontario) on the same basis. In such a case, the requests for all such elements may be included in one request with all such elements or sets of connected elements separately identified.

### 3.3 Withdrawal of an Exception Request

A *BES Exception applicant* may withdraw a *BES Exception* request at any time prior to the *IESO Board* approval or disapproval of the request.

### 3.4 Form and Format of Exception Request

A *BES Exception* request shall consist of three sections, all of which must be submitted to the *IESO* by the *BES Exception applicant*.

### 3.5 Required Information for an Exception Request

#### 3.5.1 Section I

Section I of the request shall contain the following information

- 1) Name and address of *BES Exception applicant*.
- 2) Market Participant ID of *BES Exception applicant*.
- 3) Request submittal date.
- 4) Whether the request is an original *BES Exception* request or an amended *BES Exception* request; and if the latter, the identification number(s) of the original request and any previous amendments.
- 5) The type(s) of element(s) for which the *BES Exception* is being requested.
- 6) Current status and the status based on application of the BES Definition, of the element(s) for which the *BES Exception* is being requested.

Assessment of the request will not commence until all such information is complete.

#### 3.5.2 Section II

Section II of the request shall contain the following information.

- 1) Identification and location(s) of the element(s) for which the *BES Exception* is being requested.
- 2) Name, title, phone number, facsimile number, and E-mail address of the *BES Exception applicant's* technical contact person for the request.
- 3) A statement of the basis on which the *BES Exception applicant* contends the request should be approved.
- 4) Be signed and dated by an authorized representative of the *BES Exception applicant's* senior management stating that the representative believes approval of the request is warranted.

Assessment of the request will not commence until all such information is complete.

#### 3.5.3 Section III

Section III of the request shall contain the **Detailed Information to Support an Exception Request** as specified on the Ontario *BES Exception Request Form*. The *BES exception applicant* shall provide any additional information that the *IESO* requires in order to assess the request.



### 3.6 Confidential information

The *IESO* will review with the *BES Exception applicant* the information contained in the request to determine whether all or part of the request, the *IESO* recommendation, any response from the *BES Exception applicant*, and *IESO Board* decision may be designated as *confidential information*. The *IESO* and the *BES Exception applicant* shall also determine what part of the request may be publicly posted on the *IESO* Web site, and if a summary of the information will suffice, while still meeting the confidentiality concerns of the *BES Exception applicant*.

– End of Section –

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## 4. Review, Acceptance or Rejection, Regarding BES Exception Requests

The *IESO*'s evaluation of the *BES Exception* request will consist of two stages:

- 1) During the first stage, the *IESO* staff shall conduct an initial screening to determine whether to accept or reject the request; and
- 2) During the second stage, the *IESO* staff shall conduct a substantive review to determine its recommendation to the *IESO Board* as to whether or not the *BES exception* should be approved.

If *IESO* staff determines at any time that the *IESO* will be unable to complete initial screenings of *BES Exception* requests within the time provided by Section 4.2, and/or substantive reviews of requests within the time provided in Section 4.6.2, the *IESO* staff (based on consultation with the *BES Exception applicant*) shall establish an alternative time period objective and work plan for completing initial screenings, and substantive reviews of the requests during the specified period of time.

### 4.1 Initial Screening of Exception Request for Acceptance or Rejection

Upon receipt of a *BES Exception* request, the *IESO* staff will assign a unique identifier to the request, and will review the request in order to confirm that all required information has been provided.

### 4.2 IESO Response Time

The *IESO* will make all reasonable effort to complete its initial screening of the *BES Exception* request no later than sixty (60) days after receiving the request.

### 4.3 Submission Acceptance

If, based on its initial screening of the *BES Exception* request, the *IESO* determines that all required information has been provided, the *IESO* shall accept the request as complete and send a notice of such acceptance to the *BES Exception applicant*.

### 4.4 Submission Rejection

If the *IESO* determines, based on its review of the *BES Exception* request, that the exception request does not contain all the required information, the *IESO* shall send a notice to the *BES Exception applicant* of what additional information is required. If required information is

missing in the *BES Exception* request, the *IESO* shall contact the *BES Exception applicant* to require that the request be supplemented with the required information. The *IESO* may also require the *BES Exception applicant* to modify the request (e.g., when the request covers a set of elements, the *IESO* may require it to be divided into several applications if the necessary similarity is not present). When a *BES Exception applicant* submits supplemental required information under this section 4.4, the time for the *IESO* to perform its initial screening will be extended for fifteen (15) days after receipt of the supplemental required information.

The *IESO* shall not conduct substantive review of the request until all supplementary or required information has been received and subjected to the initial screening.

## **4.5 Submission Subsets**

The *IESO* may either accept a *BES Exception* request in its entirety; reject the request in its entirety; or, if the request is for more than one element, accept it with respect to a subset of the elements and reject it with respect to the remainder.

## **4.6 Substantive Review of Exception Request for Approval or Disapproval**

### **4.6.1 Substantive Review**

After acceptance of a *BES Exception* request, the *IESO* shall conduct a substantive review based on the assessment criteria set out in Appendix B to determine whether (or to what extent) the request is technically justified. As part of its substantive review, depending on the circumstances of request, the *IESO* staff may:

- a) review the required information, including any *confidential information* that is necessary to support the exception request;
- b) require additional information from the *BES Exception applicant*; and
- c) engage in further discussions concerning possible revisions to the request.

### **4.6.2 Review Schedule**

Upon acceptance of a *BES Exception* request, the *IESO* staff and the *BES Exception applicant* may confer to establish milestones in order to complete the substantive review of the request within six (6) months after acceptance of the request at the conclusion of which the *IESO* shall issue a recommendation to the *IESO Board* (in accordance with Sections 4.8) that the request be approved or disapproved. The *IESO* staff and *BES Exception applicant* may agree to extend the period of substantive review for individual requests.

## **4.7 Supplemental Information for a BES Exception Request Prior to a Recommendation**

A *BES Exception applicant* may, at any time prior to the *IESO* issuing its recommendation, supplement the information provided in respect of a pending *BES Exception* request that is under review by the *IESO*, either at the request of the *IESO*, or at the *BES Exception applicant's* own initiative, for the purpose of providing additional or revised required information. The *BES Exception applicant* shall submit a written explanation of what information is being added or revised, and why it is being provided. Supplementing a pending request may, in the *IESO's* discretion, reset the time period for the *IESO's* initial screening or substantive review, as applicable, of the request.

## **4.8 IESO Staff Recommendation and Response**

Upon completion of its substantive review of a *BES Exception* request, the *IESO* staff shall provide a draft of its recommendation to the *BES Exception applicant*, including the *IESO* staff's evaluation of whether (and to what extent) the request qualifies to be approved in its entirety (or be disapproved in its entirety) or, if the exception request is for more than one element, to be approved with respect to a subset of the elements, and disapproved with respect to the remainder of the elements.

The *BES Exception applicant* will then have an opportunity to review the draft *IESO* staff recommendation, and verify that the information contained in the draft is accurate and complete according to what was submitted. The deadline for review of the draft recommendation will be no less than fifteen (15) days.

*IESO* staff may make revisions to the draft recommendation as a result of considering issues raised by the *BES Exception applicant* following its review. Once the draft recommendation is revised, the *IESO* staff will issue its final recommendation to the *BES Exception applicant*. The *BES Exception applicant* will then have up to fifteen (15) days to respond in writing to the *IESO* recommendation.

– End of Section –

## 5. Approval or Disapproval of a BES Exception Request

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### 5.1 Review of the BES Exception Request by the Panel

Once the response has been received, or 15 days has passed, the *IESO* will submit its recommendation to the *IESO Board* complete with accompanying materials, and any response submitted by the *BES Exception applicant*, for its consideration. The *IESO Board* will render its decision within ninety (90) days after the *IESO Board* receives the recommendation. The *IESO Board* may choose to ask the *IESO* staff and/or the *BES Exception applicant* to meet, in a manner suitable to the *IESO Board*, for interviews or discussion regarding any aspect of the *BES Exception* request. In lieu of appearing in person at an *IESO* office, such meeting(s) may be conducted by a conference call. By the end of the ninety-day period, the *IESO Board* shall issue a decision either to approve or to disapprove the *BES Exception* request. If the *BES Exception* request concerns more than one element, the *IESO Board* may approve the request in its entirety, disapprove the request in its entirety, or approve some portion of the request and disapprove the remaining portion. The decision shall be in writing, shall be based on the *IESO Board's* consideration of the assessment criteria set out in Appendix B and the full record, and shall state the basis for the decision.

### 5.2 Conditions for BES Exceptions

When the *IESO Board* grants a *BES Exception*, it may impose conditions as it determines appropriate. The conditions that the *IESO Board* imposes may include but are not limited to, the application of a specific set of NERC reliability standard requirements in relation to the element, conditions relating to the duration of the *BES Exception* conditions relating to implementation plans, and transferability of the *BES Exception*.

### 5.3 Effects of Exceptions and Monitoring

Once a *BES Exception* has been granted to a *BES Exception applicant*, the *BES Exception applicant* must comply with all conditions of the *BES Exception*. Failure to comply with any conditions of a *BES Exception* constitutes a breach of the *market rules* and may be sanctioned by the *IESO*. In appropriate cases, failure by the *BES Exception applicant* to comply with the conditions of its *BES Exception* may result in the removal of the *BES Exception*.

The *IESO* may require information from the *BES Exception applicant* for the purposes of monitoring the *BES Exception applicant's* compliance with conditions of its *BES Exception* and/or information on the *BES Exception applicant's* progress for any implementation plan.

**– End of Section –**

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## 6. Dispute Resolution Process

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A *BES Exception applicant* is entitled to recourse to the dispute resolution process as outlined in the *market rules* if their *BES Exception* request has been rejected or disapproved; or whose approved *BES Exception* has been terminated or amended, or the transfer of which has been denied. A *BES Exception applicant* is also entitled to recourse to the dispute resolution process for any amount invoiced with respect to the cost of a *BES Exception* assessment.

– End of Section –

## 7. Implementation Period for Exceptions

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### 7.1 Inclusion Exceptions

In the case of an element not included in the BES by application of the BES Definition, but for which a *BES Exception* is approved, the owner/operator of the element shall submit an implementation plan to the *IESO* for complying with *NERC Reliability Standards* applicable to the newly included element and in accordance with any timeline specified in the *IESO Board's* decision.

### 7.2 Denials of Exception Requests for Exclusions

In the case of a newly-constructed or installed element, which is included in the BES by application of the BES Definition, but for which a *BES Exception* request excluding the element from the BES was submitted at least twelve (12) months before bringing the element into service (where the request is either still pending or has been disapproved at the time of commercial operation), the owner/operator of that element shall submit an implementation plan to the *IESO* for complying with *NERC Reliability Standards* applicable to the newly constructed or installed element, and in accordance with any timeline specified in the *IESO Board's* decision.

In the case of an element which is included in the BES based on application of the current BES Definition but was not included in the BES under the BES Definition in effect immediately prior to the current BES Definition, and for which a *BES Exception* request excluding the element was submitted no more than twelve (12) months after the current BES Definition became effective (where the request has been rejected or disapproved), the owner/operator of the element shall submit a proposed implementation plan to the *IESO* for complying with any *NERC Reliability Standards* applicable to the newly included Element, and in accordance with any timeline specified in the *IESO Board's* decision.

– End of Section –



## 8. Amendment, Termination or Transfer of an Approved BES Exception

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### 8.1 Approved Exception

A *BES Exception* request will typically be approved without a specified date of termination, but will be subject to review to verify continuing justification for the *BES Exception*. An *BES Exception* may be amended or terminated by the *IESO* if changes in the condition of the *IESO-controlled grid* warrant such action. As part of its review, the *IESO* may consider the effect on the *BES Exception* of changes to the *IESO-controlled grid*, such as load growth, resource additions or retirements, transmission additions, retirements, connectivity changes, or changes to operational procedures.

### 8.2 Change of Condition

The owner/operator of an element that has been granted a *BES Exception* shall notify the *IESO* within ninety (90) days after learning of any change of condition which would affect the basis stated by the *IESO Board* in its decision pursuant to Section 5.0 approving the *BES Exception*. The *IESO* shall review such notification and determine whether to perform a substantive review (pursuant to Section 4.6) to verify continuing justification for the *BES Exception* and following that review, to issue a recommendation to the *IESO Board*.

### 8.3 IESO Review

If the *IESO* obtains information, through means other than those described in Section 8.2 that indicates that a *BES Exception* may no longer be warranted, the *IESO* shall perform a substantive review (pursuant to Section 4.6) to verify continuing justification for the *BES Exception*, and issue a recommendation to the *IESO Board*.

### 8.4 Notice of Termination

If the *IESO*'s recommendation, following a substantive review pursuant to Section 8.2 or 8.3, is that the *BES Exception* shall be terminated, the *IESO* shall:

- issue a written notice to the *BES Exception applicant* and the owner/operator of the element that the *BES Exception* is under review for possible termination;
- allow thirty (30) days from the date of the notice for the *BES Exception applicant* to submit comments or information to the *IESO* showing that the *BES Exception* continues to be justified and should remain in effect, and
- cause the recommendation to be reviewed in accordance with Section 5.0.

If the conclusion of the review is that the *BES Exception* should be terminated, the *IESO Board* shall issue a written notice to the *BES Exception applicant* and the owner/operator of the element stating that the *BES Exception* is terminated, and the reasons for the termination. When an element will be included in the BES as a result of the termination of a *BES Exception* under this Section, an implementation plan detailing the schedule for complying with *NERC Reliability Standards* applicable to the newly included Element will be developed in accordance with Section 7.1.

## 8.5 Request for Information

Upon request by the *IESO*, the owner/operator of the element shall provide within thirty (30) calendar days the most current version of any information required under Section III of Form\_1757.

## 8.6 Transfers of BES Exceptions

When granting a *BES Exception*, a Panel may set out the conditions upon which that *BES Exception* may be transferred. For the purposes of this section 8.6, “transfer” shall include: i) where the *BES Exception applicant* is a corporation a change in control of the *BES Exception applicant* within the meaning of the *Business Corporations Act* (Ontario); ii) where the *BES Exception applicant* is unincorporated, other than a limited partnership, if more than 50 per cent of the ownership interests, however designated, into which the *BES Exception applicant* is divided are transferred; and iii) where the *BES Exception applicant* is a limited partnership, if there is a change of control (within the meaning of subparagraphs (i) or (ii) as applicable) of the general partner of the limited partnership, and “transferee” shall include a person that acquires control of a *BES Exception applicant* through any of the foregoing alternatives.

Where a *BES Exception* does not set out the conditions of transfer or where *IESO* staff concludes that those conditions have not been met and a *BES Exception applicant* intends to sell, assign, lease, transfer control or otherwise dispose of an element or elements that are the subject-matter of an *BES Exception*, then the *BES Exception applicant* may apply to the *IESO* for approval of the transfer of the *BES Exception* to the proposed transferee.

Where an *exception* does not set out the conditions of transfer or where *IESO* staff concludes that those conditions have not been met, *IESO* staff will consider an application to transfer a *BES Exception* based on a number of criteria. These criteria include whether:

- the transfer meets the applicable conditions set forth in the *BES Exception* (other than the conditions relating to transfer) and whether the transfer would affect the ability of the proposed transferee to comply with all of the conditions of the *exemption*;
- the proposed transferee is a *market participant* or undertakes in writing to the *IESO* to apply for authorization as a *market participant*;
- the *BES Exception applicant* and the proposed transferee undertake in writing to the *IESO* to provide such information and documentation as may be required by the *IESO* to reflect the transfer (such as information pertaining to the registration of the elements or elements)

- the extent to which the transfer of the *exemption* will impact the timely implementation of the plan to become compliant with the *BES Exception* obligation.
- the transfer of the *BES Exception* raises significant incremental concerns regarding the assessment criteria set out in Appendix B.

## **8.7 Extensions**

If a *BES Exception applicant* wishes to extend the duration of a *BES Exception* that has been granted by the Panel, it must apply for a new *BES Exception* using the processes set out in this procedure.

– End of Section –

Archive

## 9. Guide to IESO Portal Collaboration

### 9.1 Introduction

The *BES Exceptions* portal collaboration community (“portal”) is used to exchange and share confidential information and documents between *BES Exception applicants* and *IESO* staff.

The responsibility for applying for a *BES Exception* is borne by the *BES Exception applicant*. Once the *BES Exception applicant* has notified *IESO* staff that they intend to apply for a *BES Exception(s)*, the process of registering the *BES Exception applicant* on the portal begins.

This section outlines specific information on functionality of the portal. General information on the portal, including logging on and navigating, is available in the [Guide to IESO Portal Collaboration](#).

*IESO* staff will notify the *BES Exception applicant* once their portal access has been established and will advise them their user ID and password needed to access the portal. For assistance with user ID and passwords, please contact *IESO* staff at [orcp@ieso.ca](mailto:orcp@ieso.ca).

### 9.2 How to Access Portal Collaboration

Your portal can be accessed by:

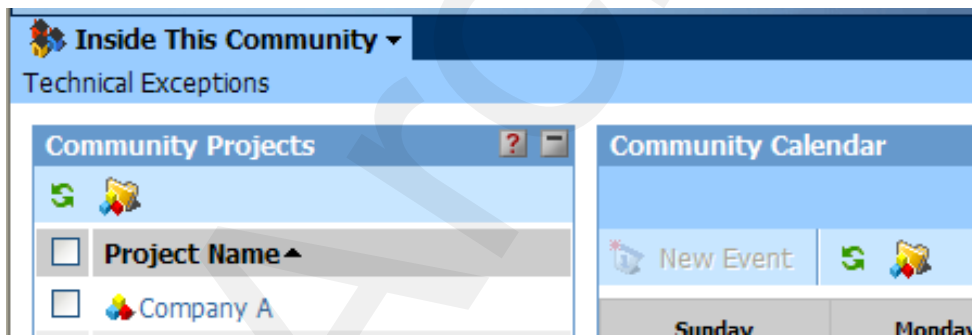
1. Typing <https://portal.ieso.ca/> on your browser or **Ctrl + Click** the link.
2. Click **Log In**



3. Enter your **User ID** and **Password**
4. Click the **BES Exception Community** tab



5. Click the link under **Project Name**. For example: “Company A” user will see the example below:

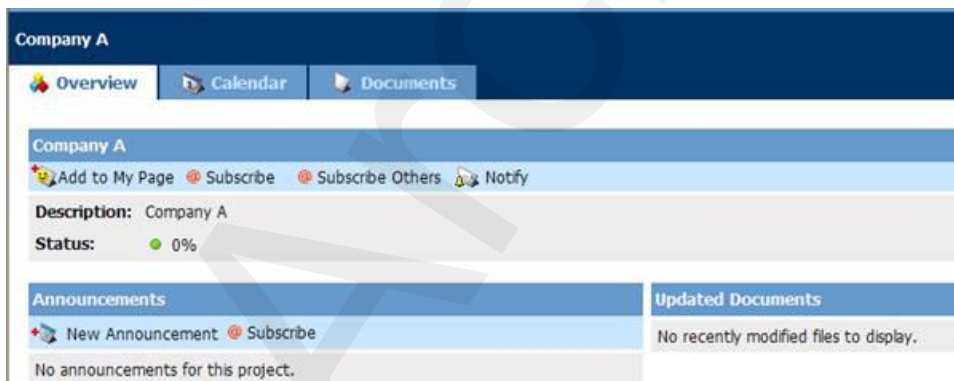


6. Access to the BES Exception collaboration community is strictly controlled and monitored. You will see the following screen if you do not have the required access permissions. Please contact **IESO Customer Relations** for assistance.



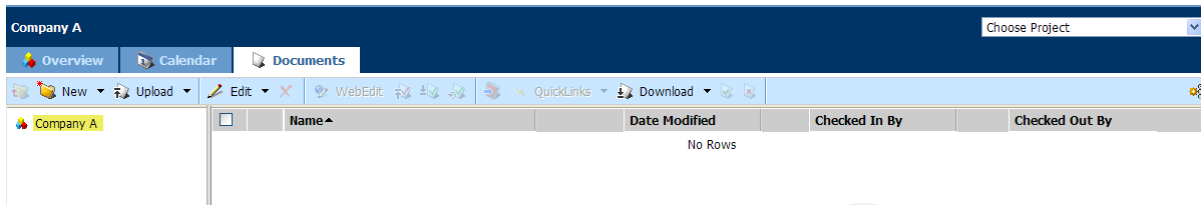
### 9.3 Overview

This page will contain any new **Announcements** that the *BES Exception* Project Leaders may publish. You are also able to see the most recent documents that were uploaded for review.



## 9.4 Documents

This location contains **folders** with **documents** for your review.



Please contact **IESO Customer Relations** for further information on the process for creating/uploading documents.

## 9.5 Opening Documents

1. Click on the document.
2. The following pop up will appear. Click **Open** to view the document. Click **Save** if you need to save the document to a different location and follow instructions.



– End of Section –

## Appendix A: Forms and Agreements

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This appendix contains a list of the forms and agreements associated with the *BES Exception* process. These forms and agreements are available on the *IESO* Web site at <https://www.ieso.ca/> or by contacting R&CS.

Form or Agreement Name	Form Number
Ontario Bulk Electric System (BES) Exception Request and Detailed Information Form	IESO_FORM_1757
Ontario Bulk Electric System Exception Cost Recovery Agreement Template	IESO_TPL_0090

– End of Section –



# Appendix B: Assessment Criteria

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The sections below describe the areas of consideration for assessment if granting a *BES Exception* for an element would result in a reliability gap or reliability consequence.

## Section 1: Considerations for whether to submit a *BES Exception* request

A facility owner may wish to consider the following aspects when determining whether to submit a *BES Exception* request:

1. The adequacy and completeness of the data and studies needed to support that the elements under the exception are not necessary for the reliable operation of the BES
2. Whether the elements under the exception meet some of the initial screening criteria listed in the Detailed Information Sheet (part of the *BES Exception* request):
  - Elements classified as part of the Northeast Power Coordinating Council's (NPCC's) Bulk Power System using the NPCC A-10 criteria, or in NERC's Version 3 Critical Infrastructure Protection (CIP) Reliability Standards Critical Assets list, or any such similar list.
  - Generation facility or *electricity storage facility* required for Reliability Must Run service or contracted ancillary services.
  - Transmission elements that are part of a monitored interface, transfer path, Interconnection Reliability Operating Limit, and/or restoration path.
  - Elements identified in the Ontario Power System Restoration Plan.
  - Elements used for off-site power supply to a nuclear power plant as designated in a Nuclear Plan Interface Requirement agreement.

## Section 2: Reliability Performance Based Assessment

The reliability performance based assessment will address key performance measures of the BES through:

1. The power flow and transient stability studies. These studies test the applicable contingencies identified in the *NERC TPL* and *FAC Reliability Standards* to assess the impact on the *Reliable Operation*<sup>4</sup> of the power system if the *BES Exception* request were to be granted.
2. Determining if the anticipated power system performance could result in an *Adverse Reliability Impact*<sup>5</sup> on the BES because of the excepted element(s), and assessing through simulations, the likelihood of widespread, uncontrolled cascading outages or instability (i.e.,

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<sup>4</sup> *Reliable Operation* is defined in *NERC's Rules of Procedure* as operating the elements of the bulk power system within equipment and electric system thermal, voltage, and stability limits such that:

*Instability, uncontrolled separation, or cascading failures will not occur as a result of a sudden disturbance, including a cyber-security incident, or unanticipated failure of system elements.*

<sup>5</sup> *Adverse Reliability Impact* is defined in the *NERC Glossary of Terms* as 'The impact of an event that results in Bulk Electric System instability or Cascading.'

only a limited/expected number of generators, *electricity storage facilities*, or transmission elements within a local area trip without causing cascading).

### **Section 3: Reliability Standards Based Assessment**

Upon completion of the Reliability Performance Based Assessment, and as part of its substantive review of a *BES Exception* request, the IESO may assess the *BES Exception* request against applicable NERC standards. This assessment is done in order to determine, a) whether significant BES reliability gaps remain as a result of determinations made in the Section 2: Performance Based Assessment, and b) if compliance with specific NERC standard(s) may be necessary to address those specific reliability gaps to maintain the reliability of the BES. This set of reliability standards and obligations could pertain to business practices, facility ratings, information and data sharing, communication protocols, certification requirements and others.

### **Section 4: Other Reliability Based Considerations**

The IESO may also consider other factors that may impact the reliable operation of the BES such as:

- the unique characteristics of the facility in relation to the electrical characteristics of the system and its topology;
- the impact a facility may have as an aggregate part of a class or type of facilities, although the individual facility, based on the assessments above, is unlikely to have a material impact on the reliability of the BES.

– End of Section –

## References

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Document Name	Document ID
Procedure for Requesting and Receiving an Exception from the Application of the <i>NERC</i> Definition of Bulk Electric System (Appendix 5C to the Rules of Procedure)	Jan 25, 2012

– End of Document –