

**Québec Reliability Standards Compliance Monitoring and
Enforcement Program
(QCMEP)**

~~October 10, 2014~~

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1 1. INTRODUCTION

2
3 In accordance with section 85.4 of the *Act respecting the Régie de l'énergie* (the “Act”), the
4 Régie de l'énergie (the “Régie”) has entered into agreements with the Northeast Power
5 Coordinating Council, Inc. (“NPCC”) and the North American Electric Reliability
6 Corporation (“NERC”) as experts in the development of electric power transmission
7 Reliability Standards, ~~and~~ in the compliance monitoring of the application and enforcement
8 of these standards.

9
10 The Québec Reliability Standards Compliance Monitoring and Enforcement Program (the
11 “QCMEP”) sets out the process by which, subject to NERC oversight, NPCC monitors and
12 assesses compliance with Reliability Standards within Québec. It also sets out the procedures
13 for ensuring enforcement of these standards.

14
15 The QCMEP defines the framework used by NPCC to provide opinions, observations and
16 recommendations to the Régie regarding the enforcement of the Reliability Standards within
17 Québec, Mitigation Plans and Remedial Actions, where applicable. The recommendations
18 made by NPCC to the Régie assist the Régie in its determination of whether a failure to
19 comply (violation) with a Reliability Standard has occurred and whether a sanction or other
20 action is appropriate.

21
22 As part of the annual Implementation Plan for monitoring compliance and the enforcement
23 of the Reliability Standards for electric power transmission in Québec approved by the Régie,
24 NPCC conducts, under the supervision of NERC, the investigations and inspections provided
25 for in Division II of Chapter III of the Act. Under the same framework, NPCC provides
26 opinions and recommendations pursuant to the QCMEP.

27
28 The QCMEP activities include, but are not limited to, collecting data, reporting data,
29 conducting Compliance Investigations, conducting Compliance Audits, assessing
30 compliance or non-compliance, recommending financial penalties or sanctions, and
31 recommending and monitoring Remedial Actions and Mitigation Plans.

32
33 **1.1 UPDATE OF THE QCMEP**

34
35 Updates to the QCMEP may be proposed by the Régie, NERC, NPCC or Registered Entities.
36 Any such updates are subject to revision by the Régie, NERC and NPCC. Once the three
37 parties involved in the Restated and Amended Agreement on the Implementation of the
38 Reliability Standards Compliance Monitoring and Enforcement Program convene upon the
39 changes, the latter are approved through a letter of understanding.

40
41 **1.1.2 DEFINITIONS**

42
43 1.2.1 Québec Appendix: Document adopted by the Régie that contains specific
44 provisions with respect to the electric power transmission system in Québec being an integral
45 part of a Reliability Standard.

46
47 ~~1.1.1.2.2~~ **1.2.2 Compliance Audit:** A systematic, objective review and examination of records
48 and activities to determine whether a Registered Entity meets the requirements of applicable
49 Reliability Standards.

50
51 1.2.3 Computation of deadlines: When a deed or formality must be accomplished in a
52 delay set by the QCMEP, allowed by the Régie or agreed upon by the parties, time runs from
53 the deed, the event, the decision or the notice which is the source. For the purposes of the

1 QCMEP, the delay is counted per whole day. The day that marks the starting point is not
2 counted, but the day of deadline is counted. The delay expires the last day at 24 p.m. The
3 delay that expires on a Saturday, a Sunday or a statutory holiday is extended to the first
4 business Day that follows.

5
6 ~~1.1.21.2.4~~ **Spot Check:** A process in which NPCC requests that a Registered Entity provide
7 information to support the Registered Entity's Self-Certification, Non-Compliance Self-
8 Reporting, or Periodic Data Submittal, and to assess whether the Registered Entity complies
9 with Reliability Standards. A Spot Check may also be random or initiated in response to
10 events, as described in the Reliability Standards, or by operating problems or system events.
11 A Spot Check may require an on-site review to complete.

12
13 ~~1.1.31.2.5~~ **Reliability Coordinator:** The entity designated by the Régie pursuant to section
14 85.5 of the Act.

15
16 ~~1.1.41.2.6~~ **Required Date:** The date given to a Registered Entity in a notice from the Régie
17 or NPCC by which some action is required. ~~The Required Date will allow the Registered~~
18 ~~Entity a reasonable period of time in which to take the required action, given the~~
19 ~~circumstances and the action required. When a Statutory Holiday falls within the period of~~
20 ~~time between the Day after the notice and the Required Date, the Régie or NPCC postpones~~
21 ~~the Required Date to the number of Statutory Holidays included in the period of time.~~

22
23 ~~1.1.51.2.7~~ **Non-Compliance Self-Reporting:** A report filed promptly by a Registered Entity
24 which considers, based on its own assessment, that it does not comply with a Reliability
25 Standard, and which wants to submit as soon as possible the actions it has implemented or is
26 planning to implement to resolve the Non-Compliance.

27
28 ~~1.1.61.2.8~~ **Self-Certification:** Attestation by a Registered Entity of compliance or Non-
29 Compliance with, or non-applicability of, a Reliability Standard requirement for which Self-
30 Certification is required under the monitoring provisions of the Implementation Plan. The
31 Registered Entity provides the attestation by the means of worksheets, in case of a guided
32 Self-Certification, or check the box forms, in case of traditional Self-Certification.

33
34 ~~1.1.71.2.9~~ **Compliance Investigation:** A comprehensive investigation, which may include
35 an on-site inspection with interviews of the Registered Entity's personnel, to determine if
36 a Non-Compliance with a Reliability Standard has occurred.

37
38 ~~1.1.81.2.10~~ **Registered Entity:** Any owner or operator of
39 transmission systems or facilities, owner or operator of production facilities, distributor, or
40 user of the electric power transmission system registered in the Register of entities subject to
41 Reliability Standards.

42
43 ~~1.1.91.2.11~~ **Data Repository:** A computerized, secure electronic
44 data and information storage repository system controlled and maintained by the Régie and
45 located within the Province of Québec. Information, data and documents related to activities
46 of the QCMEP whether filed by a Registered Entity, or created or obtained by the Régie,
47 NPCC, or NERC are stored on the Data Repository.

48
49 1.2.12 Electric Reliability Organisation Enterprise or ERO Enterprise: Organization
50 comprised of North American Electric Reliability Corporation and six regional entities¹.

51

¹ The six regional entities are: Midwest Reliability Organization, Northeast Power Coordinating Council,
ReliabilityFirst, SERC Reliability Corporation, Texas Reliability Entity, and Western Electricity
Coordinating Council.

1 ~~1.1.10~~1.2.13 **Sanction Guide for the Enforcement of the Reliability**
2 **Standards in effect in Québec:** A document specifying the guidelines for imposing a
3 financial penalty or sanction when the Régie determines, pursuant to section 85.10 of the
4 Act, that a failure to comply (violation) with a Reliability Standard has occurred.

5
6 ~~1.1.11~~1.2.14 **Restricted Information:** Highly sensitive data of a i)
7 security nature or ii) commercial or proprietary nature whose circulation or consultation are
8 restricted by the Régie, and which cannot be taken or transmitted outside Québec in any
9 format.

10
11 ~~1.1.12~~1.2.15 **Non-Public Information:** Except where the Régie rules
12 otherwise, and unless designated by the Régie with a more restrictive designation such as
13 Privileged, Restricted or Personal, all information, data and documents created or obtained
14 in activities related to the QCMEP by the Régie, NPCC, NERC, or a Registered Entity are
15 Non-Public Information. Information that is already public or that becomes public is
16 excluded.

17
18 ~~1.1.13~~1.2.16 **Privileged Information:** Information that neither the
19 Régie nor NPCC are required by law to disclose, for example, advice or opinions furnished
20 by NPCC, NERC or Régie staff to the Régie in an adjudicative context.

21
22 ~~1.1.14~~1.2.17 **Inspection:** Pursuant to paragraph 2 of section 85.4 and
23 section 44 of the Act, entry by a representative of NPCC, NERC or the Régie upon the
24 property of a Registered Entity to examine and make copies of books, records, accounts, files
25 and other documents or require any information pertaining to the application of the Act, and
26 the production of any related document.

27
28 ~~1.1.15~~1.2.18 **Day:** A calendar day, unless otherwise specified.

29
30 1.2.19 **Statutory Holiday:** Day of civil or religious holiday fixed by law, and during
31 which work is generally suspended. The following are the statutory holidays under Québec
32 law:

- 33 - January 1st (New Year's Day);
- 34 - Good Friday or Easter Monday (at the employer's choice);
- 35 - The Monday preceding May 25th (National Patriots' Day);
- 36 - June 24th (Québec National Holiday);
- 37 - July 1st (Canada Day), or July 2nd when July 1st is a Sunday;
- 38 - The first Monday in September (Labour Day);
- 39 - The second Monday of October (Canadian Thanksgiving);
- 40 - December 25th (Christmas Day).

41
42 ~~1.1.16~~1.2.20 **Act:** The Act respecting the Régie de l'énergie
43 (CQLR, c. R-6.01).

44
45 ~~1.1.17~~1.2.21 **Remedial Action ("measures [...] to correct"**
46 **pursuant to section 85.12.1 of the Act):** An action ordered by the Régie pursuant to section
47 85.12.1 of the Act when an inspection or inquiry reveals that an entity is in Non-Compliance
48 with a Reliability Standard and is thus seriously compromising the reliability of electric
49 power transmission.

50
51 ~~1.1.18~~1.2.22 **Non-Compliance:** Identification of a possible failure by a Registered Entity
52 to comply with the Reliability Standard that is applicable to the Registered Entity that has
53 occurred or is occurring and for which the NPCC may send a notice of Non-Compliance and
54 which may result in a decision by the Régie, including but not limited to decisions regarding

1 failure to comply (violation), Remedial Action, financial penalty or sanction and Mitigation
2 Plan.

3
4 ~~1.1.19~~1.2.23 **Reliability Standards:** Set of standards and their related
5 Québec ~~Appendices~~ adopted by the Régie under section 85.7 of the Act to provide for the
6 reliability of electric power transmission in Québec.

7
8 ~~1.1.20~~1.2.24 **NERC:** North American Electric Reliability
9 Corporation. It has delegated certain authority to ~~eight six (86)~~ regional entities within the
10 United States portion of North America subject to its oversight.

11
12 ~~1.1.21~~1.2.25 **NPCC:** Northeast Power Coordinating Council, Inc., the
13 NERC regional entity for Northeastern North America.

14
15 ~~1.1.22~~1.2.26 **Participant:** Representative of the Régie, a Registered
16 Entity, NERC or NPCC, designated for the purposes of a Compliance Audit or any other
17 purpose under the QCMEP.

18
19 ~~1.1.23~~1.2.27 **Designated Contact:** A contact designated by the
20 Registered Entity, responsible for sending and receiving all information and communications
21 required under the QCMEP, and a contact designated by NERC and NPCC to receive all
22 documents relating to compliance.

23
24 ~~1.1.24~~1.2.28 **Complaint:** An allegation that a Registered Entity might
25 have failed to comply with a Reliability Standard.

26
27 ~~1.1.25~~1.2.29 **Implementation Plan:** An annual plan prepared by
28 NPCC and submitted to the Régie for approval, including (1) ~~all those~~ Reliability Standards
29 identified by the Régie for active monitoring in Québec during the year, (2) the QCMEP
30 methods to be used by NPCC for compliance monitoring, assessment and reporting of each
31 Reliability Standard, (3) NPCC's Annual Audit Plan regarding Registered Entities, (4) ~~a~~
32 ~~schedule for the tool by means of which~~ Self-Certification is implemented and (5) a schedule
33 for Periodic Data Submittals.

34
35 ~~1.1.26~~1.2.30 **Mitigation Plan (“compliance plan” pursuant to**
36 **section 85.12 of the Act):** The set of actions identified by a Registered Entity to (i) correct a
37 violation or Non-Compliance and (ii) prevent their re-~~oc~~urrence. It becomes effective once
38 ordered by the Régie pursuant to section 85.12 of the Act.

39
40 ~~1.1.27~~1.2.31 **Annual Audit Plan:** A plan included in the
41 Implementation Plan that specifies the Reliability Standards and Registered Entities to be
42 audited and the schedule of Compliance Audits for the calendar year.

43
44 ~~1.1.28~~1.2.32 **Québec Reliability Standards Compliance**
45 **Monitoring and Enforcement Program (QCMEP):** Program describing the processes
46 used to monitor and assess compliance with the Reliability Standards adopted by the Régie
47 and the procedures in place to ensure their enforcement.

48
49 ~~1.1.29~~1.2.33 **Exception Reporting:** ~~Information provided by a~~
50 ~~Registered Entity indicating that it might not be complying with a requirement of a Reliability~~
51 ~~Standard (e.g., a system operating limit is exceeded). Only a subset of the Reliability~~
52 ~~Standards requires Exception Reporting.~~

53
54 ~~1.1.30~~1.2.34 **Régie:** Régie de l'énergie ~~du Québec~~.

55

1 ~~1.1.31~~1.2.35 **Register of entities subject to Reliability Standards**
2 **(the “Register”)**: List, approved by the Régie pursuant to section 85.13 of the Act, of
3 Registered Entities subject to Reliability Standards and their functions, and of the facilities,
4 systems and equipment subject to these ~~S~~standards. Use of the Register is limited to QCMEP
5 administration.

6
7 ~~1.1.32~~1.2.36 **Personal Information**: Confidential information which, in a document,
8 concerns a natural person and allows that person to be identified. Such information must be
9 dealt with in accordance with the Act respecting access to documents held by public bodies
10 and the protection of personal information (CQLR, c. A-2.1).

11
12 ~~1.1.33~~1.2.37 **Periodic Data Submittals**: Submittals of data by Registered Entities within a
13 timeframe required by a Reliability Standard, on a schedule stipulated in the Implementation
14 Plan, or upon additional request by NPCC with the Régie’s approval.

15 16 17 2. REGISTER OF ENTITIES SUBJECT TO RELIABILITY STANDARDS

18
19 In accordance with section 85.13 of the Act, the Reliability Coordinator must submit to the
20 Régie a Register identifying the entities that are subject to the Reliability Standards adopted
21 by the Régie.

22
23 The Régie maintains on its website the Register it has approved and a current list of the
24 Reliability Standards ~~and their related Québec Appendix~~ applicable in Québec.

25
26 Each Registered Entity must send the Régie the names of one or more Designated Contacts
27 for the purposes of QCMEP administration and the Régie makes the information available to
28 NPCC.

29
30 NPCC also designates one or more Designated Contacts and ~~informs~~s the Registered Entities.

31
32 Any changes to the designation of a Designated Contact must be promptly filed with the
33 Régie, NPCC and the Registered Entities, as applicable.

34
35 Each Registered Entity must inform the Reliability Coordinator of changes to its Registration
36 information, and the Reliability Coordinator must promptly file the information with the
37 Régie. The Régie informs NPCC of such changes. ~~NPCC informs each Registered Entity of~~
38 ~~the Reliability Standards that are applicable to that Registered Entity.~~

39 40 41 3. COMPLIANCE MONITORING PROCESS

42
43 Under the Implementation Plan, NPCC monitors and assesses Registered Entities’
44 compliance with the Reliability Standards and ~~m~~s recommendations for the actions
45 needed to ensure enforcement, including financial penalties and sanctions, to the Régie.
46 NPCC may use the following monitoring processes to monitor and assess compliance:

- 47 (1) Compliance Audits,
- 48 (2) Self-Certification,
- 49 (3) Spot Checks,
- 50 (4) Compliance Investigations,
- 51 (5) Non-Compliance Self-Reporting,
- 52 (6) Periodic Data Submittals, ~~and~~
- 53 ~~(7) Exception Reporting, and~~
- 54 ~~(8)~~ Investigations following a Complaint.

1
2 These processes are described in ~~S~~sections 3.1 through 3.87 below.

3
4 For the purpose of effective monitoring of compliance with the Reliability Standards,
5 Registered Entities must promptly make available the information and reports required by
6 NPCC under the QCMEP, in the required format and no later than the Required Date.

7
8 When possible and practicable, all data submittals must be in electronic format. However, a
9 Registered Entity may request that information be examined on its premises if the submittal
10 of data in the required format is considered to be an unnecessary burden.

11
12 If a Registered Entity considers that a request for information is unreasonable, and if an
13 agreement cannot be reached with NPCC, the Registered Entity may ask the Régie to rule on
14 the matter.

15
16 If the data, information or documents required of a Registered Entity are not made available
17 to NPCC by the Required Date, NPCC so advises the Régie. It informs the Registered Entity
18 that filing of the required information is imperative and, in addition to the applicable
19 sanctions for breaches of sections 46 and 47 of the Act, the Registered Entity may, depending
20 on the circumstances, be subject to an unscheduled Compliance Audit, a notice of Non-
21 Compliance at the severe compliance severity level, or a specific order by the Régie to
22 produce the information.

23
24 When engaged in the processes described in this Section, Registered Entities and NPCC
25 should consult with each other to determine the data and information that would be
26 appropriate for effectively addressing this ~~S~~section's process requirements.

27 28 **3.1 COMPLIANCE AUDITS**

29
30 All Registered Entities are subject to scheduled on-site or off-site Compliance Audits by
31 NPCC, in accordance with the Annual Audit Plan included in the Implementation Plan
32 approved by the Régie. These audits are conducted using Québec Reliability Standards Audit
33 Worksheets (the "QRSAs") as developed by NERC and modified by NPCC for Québec to
34 facilitate participation by the audited entity. The QRSAs describe the information that the
35 audit team would expect to be presented to them to demonstrate compliance with various
36 requirements. These documents are available on the Régie's website and, if applicable, in the
37 Data Repository.

38 39 **3.1.1 Annual Audit Plan and Schedule**

40
41 NPCC prepares an Annual Audit Plan and incorporates it into the Implementation Plan it
42 submits to the Régie for approval by November 1 of each year, or on another date as agreed
43 by the Régie, NERC and NPCC.

44
45 ~~NPCC maintains in the Data Repository the audit schedule, including methods, which the~~
46 ~~Régie subsequently posts on its website.~~ Prior to the first day of the period covered by an
47 Implementation Plan, NPCC ~~updates~~ finalizes the audit schedule and submits it to the Régie
48 for approval. The Régie consults each of the Registered Entities subject to a Compliance
49 Audit during the calendar year and seeks its comments related to the audit schedule specific
50 to the Registered Entity. The Régie and NPCC gives due consideration to any schedule
51 changes requested by Registered Entities to avoid unnecessary burdens.

52
53 For those electric power transmission system owners and operators with primary reliability
54 responsibility (reliability coordinator, balancing authority and transmission operator), the

1 Compliance Audits are performed at least once every three (3) years unless otherwise
2 specified in the Implementation Plan. For other Registered Entities on the Register,
3 Compliance Audits are performed on a schedule established by NPCC and approved by the
4 Régie.

5
6 ~~Audits of electric power transmission system owners and operators with primary reliability~~
7 ~~responsibility are performed on the audited entity's site. For other Registered Entities, the~~
8 ~~audit may be an on-site or off-site. The Compliance Audits may be either performed as an~~
9 ~~on-site or off-site audit, as determined to be appropriate by NPCC.~~

10
11 At the request or with the prior approval of the Régie, NPCC may also conduct a Compliance
12 Audit of any Registered Entity not scheduled for auditing under the Annual Audit Plan if
13 such an audit is deemed necessary for the purpose of compliance with the Reliability
14 Standards. The Registered Entity must be given at least ten (10) Days advance notice of the
15 unplanned audit. The notice must also include the list of audit team members and their recent
16 employment history, and the observers, if any, and a request for data, including completion
17 of a ~~NERC-NPCC~~ pre-audit ~~questionnaire~~ survey.

18
19 Revisions and additions to a NPCC Annual Audit Plan are reviewed by NERC and approved
20 by the Régie, and each affected Registered Entity is notified in a timely manner (normally
21 ninety (90) Days in advance) of changes or revisions to its scheduled audit dates.

22 23 3.1.2 Scope of Compliance Audits

24
25 A Compliance Audit covers, at a minimum, ~~all those~~ Reliability Standards included in the
26 current Implementation Plan and applicable to the functional registration of the Registered
27 Entity ~~included in the current Implementation Plan~~. It may also include additional Reliability
28 Standards applicable to the Registered Entity. If a Reliability Standard does not require
29 retention of data for the full period covered by the audit, the Registered Entity will not be
30 found in Non-Compliance solely on the basis of the lack of specific information that has
31 rightfully not been retained based on the retention period specified in the Reliability
32 Standard. However, in such cases, NPCC will require the Registered Entity to demonstrate
33 compliance through other means.

34 35 3.1.3 Compliance Audit Process Steps

36 37 3.1.3.1 Audit Team Composition

38
39 The Compliance Audit team is made up of members considered by NPCC to possess the
40 knowledge, training and skills required to conduct the Compliance Audit. The team may
41 include:

- 42 (i) compliance staff members from NPCC or of another regional entity,
- 43 (ii) contractual workers and technical subject matter experts,
- 44 (iii) staff from the Régie, and/or
- 45 (iv) staff from NERC.

46
47 The Compliance Audit team leader must be an NPCC staff member assigned to compliance
48 monitoring, and is responsible for conducting the audit and drafting the audit report.

49
50 Before taking part in a Compliance Audit, the members making up the audit team must have
51 successfully completed the auditor training provided by NERC or NPCC relevant to the
52 Compliance Audit.

53 54 3.1.3.2 Observers

1 In addition to the members of the audit team, observers may attend an audit. Observers may
2 be:

- 3 (i) members of NPCC's compliance staff;
- 4 (ii) members of the compliance staff of another regional entity and/or
- 5 (iii) staff from NERC.

6
7 The Régie can also designate members of its staff as observers.

8
9 Observers are not members of the audit team, and do not take part in the conduct of the audit
10 or contribute to the conclusions or determinations resulting from the audit.

11 12 3.1.4 Compliance Audit Process Steps

13
14 The steps in the Compliance Audit process are as follows:²

- 15
16 a. At least ~~ninety-one hundred five (90105)~~ 90105 Days prior to commencement of an audit
17 called for by the Annual Audit Plan, NPCC notifies the Registered Entity of the audit,
18 and identifies the audit team members and their recent employment history, and the
19 observers, if any. The NPCC requests data from the Registered Entity, including a
20 completed ~~NERC/NPCC~~ pre-audit ~~questionnaire survey~~. If the audit team members or
21 observers change from the time of the original notification, NPCC promptly notifies
22 the Registered Entity of the change and allows time for the Registered Entity to object
23 to the team member or observer if need be. ~~NPCC submits to the Régie a copy of the~~
24 ~~information transmitted to the Registered Entity audited.~~
- 25
26 b. A Registered Entity subject to an audit may object to any member or observer of the
27 audit team on grounds of a conflict of interest or the existence of other circumstances
28 that could interfere with their impartial performance of his or her duties. Such
29 objections must be provided in writing to NPCC no later than fifteen (15) Days prior
30 to the start of an on-site audit. If an agreement cannot be reached, NPCC or the
31 Registered Entity may request that the Régie rule on the matter.
- 32
33 c. The Registered Entity provides the required information in the format and by the
34 Required Date specified in the request.
- 35
36 d. The audit team reviews, prior to performing the audit, the submitted information to
37 ensure that it meets the requirements of the Reliability Standards.
- 38
39 e. The audit team conducts an exit briefing with the Registered Entity to present a
40 summary of the contents of the audit report before it is drafted.
- 41
42 f. The audit team develops a draft audit report that includes a description of the objective,
43 scope, and methodology of the audit; identifies any Non-Compliances, Mitigation
44 Plans or Remedial Actions completed or in progress in the year of the audit; and
45 identifies the nature of any confidential information redacted.
- 46
47 g. The draft report is forwarded to the Registered Entity for comment. Upon receipt of the
48 draft report, including recommendations, the Registered Entity has at least twenty (20)
49 business days to forward its comments to the audit team.
- 50
51 h. The audit team prepares a final report, taking into account the Registered Entity's
52 comments, and submits it to NPCC.
- 53

² ~~This process is normally completed within sixty (60) Days after the Compliance Audit.~~

- 1 i. NPCC reviews the audit team’s report and conducts ~~an assessment~~ a preliminary screen
2 of any Non-Compliances identified in the report.
3
- 4 j. NPCC forwards the final report, on a confidential basis, to the Régie, ~~with a copy and~~
5 to the Registered Entity.
6
- 7 k. If the final report does not identify any Non-Compliances, the Régie publishes a
8 summary of the report on its website, with the exception of audit reports on critical
9 infrastructure protection Reliability Standards.
10
- 11 l. ~~If NPCC concludes that reasonable grounds exist for believing that a Non-Compliance~~
12 ~~has occurred, it sends the Registered Entity a notice of Non-Compliance in accordance~~
13 ~~with the provisions of Section 5.1.~~
14
- 15 m. If the final report does identify Non-Compliances, NPCC proceeds in accordance with
16 section 5 ~~the Régie publishes a summary of the report on its website after it rules on the~~
17 ~~Non-Compliances.~~
18

19 3.2 SELF-CERTIFICATION

20
21 ~~NPCC prepares either the Self-Certification worksheets, for guided Self-Certification, or a~~
22 ~~Self-Certification program and forms, when the Registered Entity attests its compliance with~~
23 ~~Reliability Standard by the means of check box Self-Certification forms, including the~~
24 ~~schedule for submittal, for the Régie’s approval. This program includes the documentation~~
25 ~~required to enable the Registered Entity to certify its compliance with the Reliability~~
26 ~~Standards. The Self-Certification program, including the schedule and documentation, is~~
27 ~~included in the Implementation Plan.~~
28

29 NPCC recommends the tool by the means of which Self-Certifications are produced when
30 submits its Implementation Plan to the Régie for approval. All Registered Entities must
31 produce their Self-Certification according to the schedule by the means of one of these tools,
32 as approved by the Régie.
33

34 If an analysis of the Self-Certification specifically shows Non-Compliances, an observation
35 of the same Non-Compliances during a subsequent Compliance Audit or Spot Check does
36 not subject the Registered Entity to an escalated financial penalty unless the severity of the
37 Non-Compliances is found to be greater than reported by the Registered Entity in the Self-
38 Certification.
39

40 3.2.1 Self-Certification Process Steps

41
42 The steps in the Self-Certification process are as follows:³
43

- 44 a. NPCC develops ~~the a~~ Self-Certification program, including the reporting schedule, or
45 implements guided Self-Certifications and submits its recommendation to the Régie.
46
- 47 b. The Régie approves the Self-Certification ~~program~~ implementation method.
48
- 49 c. Once the program has been approved by the Régie, ~~NPCC posts the Self-Certification~~
50 ~~schedule in the Data Repository.~~ NPCC ensures that the ~~compliance procedures and~~
51 required blank submittal forms for the Reliability Standards being evaluated are

³ ~~If no Non-Compliance is found, this process is generally completed within sixty (60) Days after~~
~~verification of the data by NPCC.~~

1 available on the Régie’s website or in the Data Repository, if applicable, at least forty-
 2 five (45) Days prior to the Required Date.

3
 4 d. NPCC requests that the Registered Entity file a Self-Certification within the advance
 5 notice period specified by the Reliability Standard. If the Reliability Standard does not
 6 specify the advance notice period, this request is issued in a timely manner (normally
 7 thirty (30) Days advance notice).

8
 9 e. The Registered Entity provides the required information no later than the Required
 10 Date.

11
 12 f. NPCC reviews the information to determine compliance with the Reliability Standards
 13 and may request additional data and/or information if necessary.

14
 15 g. NPCC completes the analysis of information provided by the Registered Entity (as well
 16 as the Registered Entity’s Mitigation Plan, if applicable).

17
 18 h. In the case of guided Self-Certifications, NPCC completes and documents the
 19 assessment of the Registered Entity’s compliance with the Reliability Standards. At the
 20 end of the process NPCC provides a summary letter detailing the findings of the guided
 21 Self-Certification process to the Registered Entity and the Régie.

22
 23 ~~h.i. If the Registered Entity has self-certified that it could be non-compliant with a standard~~
 24 ~~and NPCC concludes that no Non-Compliance has occurred, it sends the Registered~~
 25 ~~Entity and the Régie a notice to that effect. It also provides a report to the Régie on the~~
 26 ~~facts justifying its conclusion.~~

27
 28 ~~i.j. If the NPCC’s review indicates concludes that reasonable grounds exist for believing~~
 29 ~~that a Non-Compliance has occurred, it NPCC proceeds sends the Registered Entity a~~
 30 ~~notice of Non-Compliance~~ in accordance with the provisions of ~~S~~section 5-1.

31
 32 **3.3 SPOT CHECKS**

33
 34 NPCC can carry out Spot Checks, as authorized or requested by the Régie, to verify or
 35 confirm Self-Certification, Non-Compliance Self-Reporting, Mitigation Plan execution, and
 36 Periodic Data Submittal. With the Régie’s agreement, Spot Checks may also be random or
 37 may be initiated in response to events, as described in the Reliability Standards, or to
 38 operating problems or system events. NPCC then reviews the information submitted to verify
 39 the Registered Entity’s compliance with the Reliability Standard. Compliance auditors may
 40 be assigned by NPCC to conduct Spot Checks as necessary.

41
 42 **3.3.1 Spot Check Process Steps**

43
 44 The steps in the Spot Checks process are as follows:⁴

45
 46 a. NPCC notifies the Registered Entity, ~~with copy to the Régie~~, that a Spot Check will be
 47 performed and the reason for the Spot Check within the advance notice period specified
 48 by the Reliability Standard. NPCC informs the Régie of the notice’s transmittal. If the
 49 Reliability Standard does not specify the advance notice period, any information
 50 submittal request made by NPCC allows at least twenty (20) Days for the information
 51 to be submitted or made available for review.

52

⁴ ~~If the Spot Check does not identify a Non-Compliance, this process is normally completed within ninety (90) Days after verification of the data by NPCC.~~

- 1 b. The Spot Check may require submission of data, documentation, or possibly an on-site
2 review.
3
- 4 c. The Registered Entity provides the required information in the format and by the
5 Required Date specified in the request.
6
- 7 d. NPCC reviews the information to determine compliance with the Reliability Standards
8 and may request additional data and/or information if necessary for a complete
9 assessment of compliance.
10
- 11 e. NPCC prepares a draft Spot Check report and gives an opportunity for the Registered
12 Entity to comment on the draft report within ten (10) business days.
13
- 14 f. NPCC completes and documents the assessment of the Registered Entity's compliance
15 with the Reliability Standard and finalizes the Spot Check report and provides it to the
16 Registered Entity and the Régie.
17
- 18 g. ~~If the NPCC's review indicates concludes that reasonable grounds exist for believing~~
19 ~~that a Non-Compliance has occurred, it NPCC proceeds sends the Registered Entity a~~
20 ~~notice of Non-Compliance~~ in accordance with the provisions of ~~S~~section 5-1.
21

22 3.4 COMPLIANCE INVESTIGATION

23
24 NPCC can lead a Compliance Investigation, including an Inspection when necessary, as
25 authorized or requested by the Régie, in response to a system disturbance, when Non-
26 Compliances have been identified by any other means, or when required by the Régie
27 following a Complaint. Compliance Investigations are generally led by NPCC personnel. For
28 good cause, the Régie reserves the right to assume the leadership of a Compliance
29 Investigation or to delegate the leadership of a Compliance Investigation to NERC.
30 Compliance Investigations are confidential. When the Régie determines that a violation has
31 occurred, the decision is made public, except where such a decision relates to critical
32 infrastructure protection standards. In the latter case, at the request of the registered entity,
33 the Régie may rule, at its discretion, that certain paragraphs of the decision are confidential.
34

35 The Compliance Investigation team is made up of members considered by the Compliance
36 Investigation team leader to possess the knowledge, training and skills required to conduct
37 the Compliance Investigation. The team may include

- 38 (i) compliance staff members from NPCC or of another regional entity,
39 (ii) contractual workers and technical subject matter experts,
40 (iii) staff from the Régie, and/or
41 (iv) staff from NERC.
42

43 The Régie can also designate a staff member as an observer.
44

45 The team leader of the investigation is responsible for conducting the investigation and
46 drafting the investigation report. Unless the Régie has assumed leadership of the investigation
47 or delegated leadership of the investigation to NERC, the team leader of the investigation
48 must be an NPCC staff member assigned to compliance monitoring.
49

50 Before taking part in a Compliance Investigation, the members making up the investigation
51 team must have successfully completed the auditor training provided by NERC or NPCC.
52 The team leader must also have completed the Compliance Investigation training provided
53 by NERC or NPCC.
54

3.4.1 Compliance Investigation Process Steps

The steps in a Compliance Investigation are as follows.⁵

- a. The Régie or NPCC receives information or observes facts indicating that a Non-Compliance may have occurred.
- b. NPCC assesses the need for an investigation and makes a recommendation to the Régie. When the Régie decides to conduct an investigation, it authorizes NPCC to notify the Registered Entity, within three (3) business days, that a Compliance Investigation has been launched and of the initial scope of the investigation.
- c. Upon notification of an investigation, the Registered Entity must ensure retention of all relevant information.
- d. NPCC requests data or documentation from the Registered Entity and provides it with a list of the members of the investigation team with their recent employment history.
- e. Within ten (10) business days of receiving the notification of a Compliance Investigation, the Registered Entity concerned may object to any member of the investigation team on grounds of a conflict of interest or the existence of other circumstances that could interfere with the team member's impartial performance of his or her duties. Such objections must be provided in writing to NPCC within such ten (10) business day period. If an agreement cannot be reached, NPCC or the Registered Entity may request that the Régie rule on the matter.
- f. If necessary, the Compliance Investigation may include an on-site visit with interviews of the appropriate personnel, Inspection and review of data.
- g. The Registered Entity provides the required information in the format and by the Required Date specified in the request.
- h. NPCC reviews the information to determine compliance with the Reliability Standards and may request additional data and/or information if necessary for a complete assessment of compliance.
- i. NPCC completes the assessment of the Registered Entity's compliance with the Reliability Standard and the proposed Mitigation Plan if any. NPCC provides a report to the Régie, with a copy to the Registered Entity, that describes the actions that NPCC has undertaken as part of its Compliance Investigation, its findings and the facts on which its findings are based.
- j. ~~If the NPCC's review indicates concludes that reasonable grounds exist for believing that a Non-Compliance has occurred, it NPCC proceeds sends the Registered Entity a notice of Non-Compliance~~ in accordance with the provisions of ~~S~~section 5-1.

3.5 NON-COMPLIANCE SELF-REPORTING

~~The submittal of a~~ Non-Compliance Self-Reporting is encouraged at the time a Registered Entity becomes aware:

⁵ ~~If the Compliance Investigation does not find a Non-Compliance, this process is normally completed within sixty (60) Days after the decision to open the investigation.~~

- 1 (i) that it is not complying, or it may not have complied, with a Reliability Standard, or
2
3 (ii) that a change in the severity level of a previously reported Non-Compliance has
4 occurred.
5

6 The submittal of a Non-Compliance Self-Reporting is encouraged even if a Reliability
7 Standard requires Self Certification on a pre-defined schedule stipulated in the
8 Implementation Plan and the Non-Compliance was discovered outside that schedule.
9

10 3.5.1 Non-Compliance Self-Reporting Process Steps

11
12 The steps in the Non-Compliance Self-Reporting process are as follows:⁶
13

- 14 a. NPCC ensures that the Non-Compliance Self-Reporting submittal forms are available
15 on the Régie's website electronically or, if applicable, in the Data Repository.
16
17 b. The Registered Entity provides a detailed description of the Non-Compliance Self-
18 Reporting information to the Régie using the submittal forms. NPCC specifies to the
19 Registered Entity whether NPCC or the Régie requests the submittal of a Mitigation
20 Plan, as well as a timetable for completion of the Mitigation Plan, if applicable.
21
22 c. NPCC reviews the information to determine compliance with the Reliability Standards
23 and may request that the Registered Entity provide clarification or additional data
24 and/or information.
25
26 d. NPCC completes the assessment of the Registered Entity's compliance with the
27 Reliability Standards and any Mitigation Plan, if applicable.
28
29 e. If NPCC concludes that no Non-Compliance has occurred, it sends the Régie and the
30 Registered Entity a notice to that effect. It also provides a report to the Régie on the
31 facts justifying its conclusion.
32
33 f. If ~~the NPCC's review indicates~~ concludes that reasonable grounds exist for believing
34 that a Non-Compliance has occurred, ~~it~~ NPCC proceeds ~~sends the Registered Entity a~~
35 notice of Non-Compliance in accordance with the provisions of ~~S~~ section 5-1.
36

37 3.6 PERIODIC DATA SUBMITTALS

38
39 NPCC requires Periodic Data Submittals at the dates stated in the applicable Reliability
40 Standard, according to the schedule specified in the Implementation Plan or, with the Régie's
41 approval, on an as-needed basis. Requests for data submittals are issued by NPCC to
42 Registered Entities with at least the minimum advance notice specified by the applicable
43 Reliability Standard. If the Reliability Standard does not specify an advance notice period,
44 the requests are normally issued with no less than thirty (30) Days advance notice.
45

46 The data may include models, studies, analyses, documents, procedures, methods, operating
47 data, information on processes, and/or any other information showing compliance with the
48 Reliability Standards.
49

50 3.6.1 Periodic Data Submittals Process Steps

51

⁶ ~~This process is normally completed within sixty (60) Days after verification of the data by NPCC.~~

1 The steps in the Periodic Data Submittal process are as follows:⁷

- 2
- 3 a. NPCC establishes the current data reporting schedule in the annual Implementation
- 4 Plan approved by the Régie and keeps the Registered Entities informed of changes
- 5 and/or updates. ~~NPCC makes the required submittal forms for the Reliability Standards~~
- 6 ~~being evaluated available electronically in the Data Repository.~~
- 7
- 8 b. NPCC makes a request for a Periodic Data Submittal.
- 9
- 10 c. The Registered Entity provides the required information in the form and by the
- 11 Required Date specified in the request.
- 12
- 13 d. NPCC reviews the information to determine compliance with the Reliability Standards
- 14 and may request additional data and/or information if necessary for a complete
- 15 assessment of compliance or to demonstrate compliance.
- 16
- 17 e. ~~If the NPCC's review indicates~~ ~~concludes that reasonable grounds exist for believing~~
- 18 ~~that a Non-Compliance has occurred, it~~ ~~NPCC proceeds~~ ~~sends the Registered Entity a~~
- 19 ~~notice of Non-Compliance~~ in accordance with the provisions of ~~S~~section 5-1.
- 20

21 ~~3.7~~ **EXCEPTION REPORTING**

22

23 ~~Some Reliability Standards require Exception Reporting as a form of compliance monitoring.~~

24 ~~Reports must be submitted with an explanation for each exception.~~

25

26 ~~Registered Entities must also confirm the number of exceptions that have occurred in a given~~

27 ~~time period identified by the Régie, even if the number of exceptions is zero.~~

28

29 ~~3.8.3.7~~ **INVESTIGATION FOLLOWING A COMPLAINT**

30

31 All Complaints alleging a Non-Compliance must be filed with the Régie. The Régie reviews

32 each Complaint it receives, determines its merit based on the review and a preliminary

33 assessment, and decides whether an investigation is warranted. The Régie may seek

34 assistance from NPCC, NERC or both for this review.

35

36 ~~3.8.13.7.1~~ **Investigation Following a Complaint Process Steps**

37

38 The steps in the Complaint examination process are as follows:

39

- 40 a. The complainant submits a Complaint to the Régie. The Complaint should include
- 41 sufficient information to enable the Régie to determine whether a Compliance
- 42 Investigation is warranted. The Régie may not act on a Complaint if the Complaint is
- 43 incomplete and does not include sufficient information.
- 44
- 45 b. Based on the information in the Complaint and any other information it may possess,
- 46 the Régie decides whether an investigation should be conducted pursuant to ~~S~~section
- 47 3.4.
- 48
- 49 c. If the Régie determines that an investigation is required, it shall request or lead a
- 50 Compliance Investigation pursuant to ~~S~~section 3.4.
- 51

⁷ ~~If no Non-Compliance is found, this process is generally completed within ten (10) business days after~~
~~verification of the data by NPCC.~~

1 d. The Régie informs the complainant of its decision to proceed or not with an
2 investigation.

3
4 All Complaints are handled on a confidential basis.
5

6 **3.8 PRELIMINARY SCREEN**

7
8 If NPCC discovers, through one of the compliance monitoring processes described in
9 Section 3 or by any other means, a potential Non-Compliance with a Reliability Standard
10 requirement, NPCC conducts a preliminary screen of the potential Non-Compliance. The
11 preliminary screen shall be conducted within five (5) business days after NPCC identifies the
12 potential Non-Compliance, except that (i) if NPCC identifies the potential Non-Compliance
13 during a Compliance Audit, the preliminary screen shall be conducted immediately following
14 the exit briefing of the Registered Entity, (ii) if NPCC identifies the potential Non-
15 Compliance during a Compliance Investigation, the preliminary screen shall be conducted
16 immediately after the Registered Entity is first notified of the potential Non-Compliance
17 identified by the Compliance Investigation, and (iii) if the Non-Compliance has resulted in,
18 or has the potential to result in, a reduction in the reliability of electric power transmission,
19 NPCC must notify the Régie within forty-eight (48) hours.

20
21 To that effect, NPCC sends a notice of preliminary screen to the Registered Entity, and
22 informs the Régie of the notice's transmittal.

23
24 The notice of preliminary screen must contain, at a minimum:

25
26 a. The Non-Compliance identification number;

27
28 b. The Reliability Standard and requirement(s) thereof with which the Registered Entity
29 may not have complied;

30
31 c. The name of the NPCC Designated Contact assigned to investigate the facts and
32 circumstances of the Non-Compliance and able to provide information about the content
33 of the notice;

34
35 d. Instructions to the Registered Entity to retain and preserve all data, information and
36 records related to the Non-Compliance, until the Non-Compliance is processed or
37 dismissed.

38 39 40 **4. IMPLEMENTATION PLAN**

41
42 By November 1 of each year, or on another date as agreed by NERC, NPCC and the Régie,
43 NPCC submits its Implementation Plan for the following calendar year, or the remainder of
44 the current year as appropriate, to the Régie for approval, after review by NERC. The
45 Implementation Plan is available on the Régie's website.

46
47 The plan must:

48
49 a. Indicate the Reliability Standards and requirements that must be actively monitored by
50 means of the monitoring processes described in ~~S~~section 3, with a schedule;

51
52 b. Specify, ~~for each Reliability Standard,~~ the procedures for reporting, monitoring,
53 assessment, and the criteria for performance assessment;
54

- 1 c. Include an Annual Audit Plan;
- 2
- 3 d. Include a schedule for Self-Certifications, if applicable; and
- 4
- 5 e. Include a schedule for Periodic Data Submittals.
- 6

7 ~~NPCC must provide for transitional mechanisms for the monitoring of Registered Entities~~
8 ~~that are already taking part in NPCC's monitoring program on a voluntary basis.~~

11 5. PROCEDURES TO ENSURE THE ENFORCEMENT OF RELIABILITY 12 STANDARDS

13
14 In the performance of its responsibilities, NPCC monitors and assesses compliance with the
15 Reliability Standards by Registered Entities.

16
17 When NPCC identifies a Non-Compliance, it sends a notice of Non-Compliance to the
18 Registered Entity concerned, ~~with a copy informs to~~ the Régie of the notice's transmittal, and
19 gives the Registered Entity the opportunity to submit its observations within thirty (30) Days.

20
21 NPCC then sends its findings to the Régie and submits its recommendations to allow the
22 Régie to determine:

- 23
- 24 (i) if a violation with the Reliability Standards by the Registered Entity concerned has
25 occurred, and
- 26
- 27 (ii) if so, and in accordance with the Sanction Guide for the Enforcement of the
28 Reliability Standards in effect in Québec, what financial penalties and sanctions
29 should be imposed.
- 30

31 NPCC's recommendations to the Régie may be related to financial penalties or sanctions, the
32 Mitigation Plans submitted by the Registered Entities and the Remedial Actions required to
33 avoid a serious reduction in the reliability of electric power transmission.

34
35 The Régie is responsible for choosing and imposing financial penalties or sanctions,
36 Mitigation Plans or Remedial Actions in accordance with sections 85.10, 85.12 and 85.12.1
37 of the Act.

38
39 The imposition of financial penalties or sanctions on a Registered Entity does not relieve it
40 of the obligation to comply with the Reliability Standards. A Registered Entity that fails to
41 comply with a Reliability Standard must correct the situation, regardless of whatever other
42 measures may have been taken or imposed on it.

43
44 Parties engaged in the process described in this section should consult with each other on the
45 data and information that would be appropriate for effectively addressing this section's
46 process requirements.

48 5.1 NOTICE OF POSSIBLE NON-COMPLIANCE

49
50 Following the transmittal of the notice of preliminary screen to the Registered Entity, NPCC
51 conducts its assessment to determine the facts and circumstances of the Non-Compliance as
52 well as the risk assessment. Unless the simplified identification, correction and monitoring
53 procedure in section 5.1.1 is used to address the possible Non-Compliance, NPCC sends a

1 notice of possible Non-Compliance to the Registered Entity, and informs the Régie of the
2 transmittal.

3
4 The notice of possible Non-Compliance shall, at a minimum:

5
6 a. State that, although the Non-Compliance may involve a low-level risk for the reliability
7 of electric power transmission, following the NPCC's risk assessment the Non-
8 Compliance does not qualify for treatment using the simplified identification, correction
9 and monitoring procedure;

10
11 b. State that a possible Non-Compliance has been identified;

12
13 c. Instruct the Registered Entity to retain and preserve all data, information and records
14 related to the Non-Compliance, until the Non-Compliance is processed.

15
16
17 5.1.1 Simplified identification, correction and monitoring procedure following
18 discovery of a Non-Compliance

19
20 When a Non-Compliance involves only a low-level risk for the reliability of electric power
21 transmission, the Régie may, after receiving recommendation from NPCC including its
22 justification, use a simplified identification, correction and monitoring procedure.

23
24 For this purpose, the Régie takes into account the Reliability Standards and its requirements,
25 the level of seriousness of the Non-Compliance and the risk factor for the reliability of
26 electric power transmission, the actual and potential risk that the Non-Compliance poses or
27 may have posed for the reliability of electric power transmission, and the compliance
28 program established by the Registered Entity and its compliance record.

29
30 If the Régie approves NPCC's recommendation, NPCC sends the Registered Entity a notice
31 to that effect.

32
33 If the Régie rejects NPCC's recommendation, NPCC sends the Registered Entity a notice of
34 Non-Compliance in accordance with the provisions of §section 5.42.

35
36 Under the simplified procedure, if the situation is corrected to the Régie's satisfaction, no
37 financial penalty or sanction is imposed on the Registered Entity. A Non-Compliance dealt
38 with using this procedure is noted and recorded in the Registered Entity's compliance file.

39
40 **5.15.2 NOTIFICATION OF NON-COMPLIANCE TO A REGISTERED**
41 **ENTITY**

42
43 NPCC sends a notice of Non-Compliance to the Registered Entity ~~by e-mail, with a copy and~~
44 informs to the Régie of the notice's transmittal.

45
46 The notice of Non-Compliance must contain, at a minimum:

47
48 a) The Reliability Standard and requirement(s) thereof with which the Registered Entity
49 might be in Non-Compliance;

50
51 b) The date and time the Non-Compliance occurred (or is occurring), the duration of the
52 Non-Compliance and its current status, if applicable;

53
54 c) The facts related to the Non-Compliance;

- 1
2 d) The proposed financial penalty or sanction, if any, applicable according to the Sanction
3 Guide for the Enforcement of the Reliability Standards in effect in Québec, including
4 an outline of the grounds justifying the financial penalty or sanction;
5
6 e) Notice that the Registered Entity can, within thirty (30) Days after receiving the notice
7 of Non-Compliance, choose one of the following options:
8
9 (i) Admit the facts related to the Non-Compliance and accept the proposed financial
10 penalty or sanction, agree to submit a Mitigation Plan, if necessary, to correct the
11 Non-Compliance and its underlying causes and, if applicable, provide
12 explanations in accordance with section 5.23; or
13
14 (ii) Admit the facts related to the Non-Compliance and agree to submit a Mitigation
15 Plan, if necessary, to correct the Non-Compliance and its underlying causes, but
16 contest the proposed financial penalty or sanction or its grounds, and, if
17 applicable, provide explanations in accordance with section 5.23; or
18
19 (iii) Contest both the Non-Compliance and the proposed financial penalty or sanction
20 and, if applicable, provide explanations in accordance with section 5.23,
21
22 f) Notice that the Registered Entity may submit a Mitigation Plan even if it contests the
23 Non-Compliance, the proposed financial penalty or sanction, the grounds for the Non-
24 Compliance, or all three, and that submission of a plan does not obviate its right to
25 contest;
26
27 g) Notice that if the Registered Entity decides to contest the Non-Compliance, the
28 proposed financial penalty or sanction or the grounds for the Non-Compliance, or all
29 three, it may ask that the Régie hold a hearing at which it may make representations;
30 and
31
32 h) The required procedures for submission of the Registered Entity's Mitigation Plan.
33

34 After the Régie determines that a violation has occurred, a summary of the violation,
35 including, at a minimum, the Registered Entity name and the standards and requirements
36 violated, is ~~posted on the Régie website~~ available in the Data Repository.
37

38 5.25.3 REGISTERED ENTITY RESPONSE

39
40 If the Registered Entity does not contest the notice of Non-Compliance or does not respond
41 to it within thirty (30) Days after it was received, NPCC reports its findings and final
42 recommendations, to the Régie, which may then rule on the Non-Compliance. A copy of the
43 Régie's decision will be sent to the registered entity.
44

45 If a Registered Entity wishes to contest the notice of Non-Compliance, the proposed sanction,
46 the grounds for the notice of Non-Compliance, or all three, it can send to NPCC, within thirty
47 (30) Days following receipt of the notice of Non-Compliance, a response, signed by an
48 officer or equivalent, with its comments and documents supporting its comments.
49

50 NPCC schedules a conference with the Registered Entity within ten (10) business days after
51 receipt of the response. If NPCC and the Registered Entity reach an agreement, NPCC reports
52 its findings and final recommendations, consistent with the agreement, to the Régie.
53

54 If NPCC and the Registered Entity are unable to reach an agreement within forty (40) Days
55 after receipt of the Registered Entity's response, or within any extension of that time agreed

1 to in writing by both parties, NPCC reports its findings and final recommendations to the
2 Régie.

3
4 When the Régie receives NPCC's report, it informs the Registered Entity concerned that it
5 has ten (10) Days to file its comments or request a hearing.

6
7 Once this delay expires and, if there is no request for a hearing, the Régie undertakes its
8 consideration of the NPCC report and makes its ruling.

9
10 At its own initiative or in response to a request by a Registered Entity, the Régie calls a
11 hearing in order to hear the Registered Entity on the Non-Compliance in the notice of Non-
12 Compliance. The Régie ensures that all information related to a hearing is available to NPCC
13 and NERC in the Data Repository.

14
15 In all such cases, all information relevant to the Non-Compliance that was prepared or
16 obtained as part of the process leading to the notice of Non-Compliance, except any
17 document or part of a document containing Privileged Information must be made available
18 at the Régie's offices for consultation and reproduction by the Registered Entity.

19
20 The Régie makes a reasonable effort to ensure that all persons whose presence is required by
21 the Registered Entity attend the hearing to which it is summoned.

22 23 **5.35.4 PROPOSED SETTLEMENT**

24
25 The Registered Entity may ask NPCC to start discussions in order to reach a proposed
26 settlement at any time after the issuance of a notice of Non-Compliance and prior to the
27 submission of the final recommendation to the Régie. Either party may end the discussions
28 at any time. These discussions are confidential until such time as the proposed settlement is
29 evaluated and judged satisfactory by the Régie. NPCC shall require the Registered Entity to
30 designate one or more individuals authorized to undertake discussions on its behalf. All
31 proposed settlements must be recorded in writing.

32
33 The time limits indicated in ~~S~~section 5.23 within which the Registered Entity must respond
34 to a notice of Non-Compliance are suspended until a proposed settlement is considered
35 satisfactory by the Régie or until discussions cease.

36
37 NPCC submits the proposed settlement to the Régie, including the proposed financial
38 penalties, sanctions and Mitigation Plan.

39
40 When the Régie receives the proposed settlement, it informs the Registered Entity concerned
41 that it has ten (10) Days to file its comments.

42
43 When this delay expires, unless the Régie calls a hearing for the parties in the proposed
44 settlement, the Régie undertakes its consideration of the proposed settlement and makes its
45 ruling.

46 47 **5.45.5 SANCTION AND MITIGATION PLAN**

48
49 After having allowed for a Registered Entity to provide comments, the Régie rules if there
50 has been a violation of a Reliability Standard, and imposes a sanction, where applicable. The
51 Régie can, on its own terms and within time limits that it determines, order a Registered
52 Entity that has violated a Reliability Standard to implement a Mitigation Plan. It informs
53 NPCC of its rulings with regard to the Registered Entity.

1 ~~5.5 SIMPLIFIED IDENTIFICATION, CORRECTION AND MONITORING~~
2 ~~PROCEDURE FOLLOWING DISCOVERY OF A NON-COMPLIANCE~~

3
4 ~~Notwithstanding the foregoing, when a Non-Compliance involves only a low level risk for~~
5 ~~the reliability of electric power transmission, the Régie may, after receiving recommendation~~
6 ~~from NPCC including its justification, use a simplified identification, correction and~~
7 ~~monitoring procedure.~~

8
9 ~~For this purpose, the Régie takes into account the Reliability Standards and its requirements,~~
10 ~~the level of seriousness of the Non-Compliance and the risk factor for the reliability of~~
11 ~~electric power transmission, the actual and potential risk that the Non-Compliance poses or~~
12 ~~may have posed for the reliability of electric power transmission, and the compliance~~
13 ~~program established by the Registered Entity and its compliance record.~~

14
15 ~~If the Régie approves NPCC's recommendation, NPCC sends the Registered Entity a notice~~
16 ~~to that effect.~~

17
18 ~~If the Régie rejects NPCC's recommendation, NPCC sends the Registered Entity a notice of~~
19 ~~Non-Compliance in accordance with the provisions of Section 5.1.~~

20
21 ~~Under the simplified procedure, if the situation is corrected to the Régie's satisfaction, no~~
22 ~~financial penalty or sanction is imposed on the Registered Entity. A Non-Compliance dealt~~
23 ~~with using this procedure is noted and recorded in the Registered Entity's compliance file.~~

24
25 **5.6 PROCEDURE FOR REQUESTING AND OBTAINING AN EXCEPTION**
26 **UNDER A CYBER SECURITY STANDARD FOR A TECHNICAL REASON**

27
28 Notwithstanding the foregoing, the Régie may, after receiving the NPCC's
29 recommendations, grant an exemption from strict compliance with certain requirements of
30 some cyber security Reliability Standards, specifically the critical infrastructure protection
31 Reliability Standards ("CIP Standards"). This type of exemption takes technical feasibility
32 and technical constraints into account; and it is will be designated as a *Technical Feasibility*
33 *Exception* ("TFE").

34
35 TFEs apply only to the requirements of CIP Standards specifically designated by the Régie.
36 The Régie posts a current list of the requirements targeted by this procedure on its website
37 and in the Data Repository.

38
39 A Registered Entity, subject to the requirements of CIP Standards permitting reliance on a
40 TFE, may request a TFE from NPCC by following an appropriate procedure and using the
41 prescribed forms. NPCC analyzes the request and makes recommendations to the Régie,
42 which rules on the matter.

43
44 NPCC ensures that the procedure and forms needed to submit a request for a TFE are
45 available in the Data Repository.

46
47
48 **6. MITIGATION PLANS FOR VIOLATIONS OR NON-COMPLIANCES**

49
50 Parties engaged in the process described in this section should consult with each other on the
51 data and information that would be appropriate for effectively addressing this section's
52 process requirements.

53
54 **6.1 REQUIREMENTS FOR SUBMISSION OF A MITIGATION PLAN**

- 1 ii. Assessment of the reliability impact of the breaches of the Remedial Actions or of
2 one or more Reliability Standards.

3
4 The Régie notifies NPCC within two (2) business days after ordering Remedial Actions.

5
6 The Registered Entity may contest the order imposing Remedial Actions ordered by giving
7 written notice to the Régie, with a copy to NPCC, within two (2) business days after reception
8 of the order, and may request that the Régie hold an expedited hearing for decision. The
9 hearing is conducted expeditiously, with the participation of the Reliability Coordinator, if
10 applicable.

11
12 The Registered Entity must proceed with implementing the Remedial Actions even if it is
13 contesting them.

- 14
15
16 8.

17
18 NPCC prepares and submits to the Régie status reports with current information concerning:

19
20 ~~a. Registered Entity compliance with Reliability Standards;~~

21
22 ~~b.a.~~ All notices of Non-Compliance and violations with Reliability Standards by Registered
23 Entities;

24
25 ~~e.b.~~ ~~The s~~Status of notices of Non-Compliance and violations with Reliability Standards
26 and their potential impact on the reliability of electric power transmission;

27
28 ~~d.c.~~ Financial penalties and sanctions;

29
30 ~~d.~~ ~~The Any~~ Remedial Actions imposed;

31
32 e. ~~The Any Technical Feasibility Exception granted;~~

33
34 f. ~~The Any~~ Mitigation Plans approved, with the deadlines for all the measures imposed
35 and for completion of the plan; and

36
37 g. The name of NPCC Designated Contact knowledgeable about the information filed.

38
39 ~~NPCC submits to the Régie, on a confidential basis and within five (5) business days of their~~
40 ~~discovery by any means, a report on any Non-Compliance with Reliability Standards~~
41 ~~regardless of significance, whether verified or still under investigation; however if the Non-~~
42 ~~Compliance has resulted in, or has the potential to result in, a reduction in the reliability of~~
43 ~~electric power transmission, NPCC must notify the Régie within forty eight (48) hours. Such~~
44 ~~a report includes information regarding the nature of the Non-Compliance and its potential~~
45 ~~impact on the reliability of electric power transmission, the name of the Registered Entity~~
46 ~~involved, the status and timetable of any Non-Compliance assessment, and the name of a~~
47 ~~NPCC Designated Contact able to provide information about the content of the report.~~

48
49 NPCC submits to the Régie ~~and NERC, in the Data Repository with a copy to NERC,~~ at least
50 quarterly, an updated non-public summary status report. The summary status report includes:

- 51
52 i. A summary listing the Régie's rulings determining violations have occurred,
53 imposing financial penalties and sanctions, approving proposed settlements and
54 approving Mitigation Plans.

1 ii. A summary listing of Remedial Actions and Mitigation Plans that either ended in the
2 quarter or are still ongoing, identifying the Registered Entity, the standards and
3 requirements involved, and the schedule of the activities.

4
5 iii. A non-public summary listing, which may only be shared in non-public meetings of
6 the NERC Board and Board committees, of aggregate outstanding Non-Compliances,
7 specifying the standards and requirements involved and the possible impact on
8 reliability of electric power transmission.

9
10 iv. A non-public summary listing, which may only be shared in non-public meetings of
11 the NERC Board and Board committees, of aggregate Self-Certifications and Non-
12 Compliance Self-Reporting with possible impact on reliability of electric power
13 transmission that did not result in a finding of Non-Compliance.

14
15 The Régie publishes an annual report on its website listing all violations with Reliability
16 Standards, identifying, at a minimum, the Registered Entities, the Reliability Standards and
17 requirements violated, resulting Mitigation Plans, and financial penalties and sanctions. The
18 Régie sends a copy of the report to NERC and NPCC.

19 20 21 9. HANDLING OF INFORMATION

22
23 The Régie controls and maintains the Data Repository where Registered Entities
24 electronically file their documents and completed forms. It administers the access to the Data
25 Repository, maintains a register of authorized personnel and logs the accesses. The content
26 of the logs are Non-Public Information, except where the Régie rules that it is Privileged
27 Information. The Régie rules on any requests to review the register or logs.

28
29 NPCC, NERC and the Registered Entity authorized personnel receive access codes in order
30 to access the portions of the Data Repository necessary for the performance of their respective
31 duties under the QCMEP. These access codes are issued and modified at the discretion of the
32 Régie, and may not be shared between personnel, nor disclosed to any other party without
33 the written consent of the Régie.

34
35 All information, data and documents related to activities of the QCMEP whether filed by a
36 Registered Entity, or created or obtained by the Régie, NPCC, or NERC are stored on the
37 Data Repository. All such information, data and documents are classified in the Data
38 Repository with one of the following designations: public information, Restricted
39 Information, Privileged Information, Personal Information or Non-Public Information.

40 41 42 **Non-Public Information**

43
44 By default, all information related to the QCMEP is designated by the Régie as Non-Public
45 Information.

46 47 **Restricted Information**

48
49 A Registered Entity can request, using a form the Régie makes available on the Data
50 Repository, that some of its information be treated as Restricted Information. For Restricted
51 Information of a security nature, the request must identify that the information is of a security
52 nature and need not include the information itself. Usually, such Restricted Information is
53 only consulted at the Registered Entity's site. However, at its discretion, the Régie can order
54 that such information be filed at the Régie for consultation at its offices. For example, the

1 Régie could order a filing of such Restricted Information if it is relevant to a hearing held at
2 the Régie.

3
4 In rare cases, a Registered Entity can request that some of its extremely sensitive commercial
5 or proprietary information be treated as Restricted Information. In such cases, the request
6 must include the information itself as well as a justification for the Restricted Information
7 designation. Such information is available for consultation at the offices of the Registered
8 Entity and the Régie.

9
10 The Régie may order a Registered Entity requesting that a document be designated Restricted
11 Information to file with the Régie a redacted version that can be designated Non-Public
12 Information.

13
14 Restricted Information filed at the Régie cannot be remotely accessed by NPCC or NERC.

15 16 **Privileged Information**

17
18 Privileged Information may only be disclosed to personnel explicitly designated by the Régie
19 and cannot be disclosed to third parties.

20 21 **Personal Information**

22
23 When a Registered Entity files information with Personal Information in it, it must request
24 that the Régie designate it as Personal Information. Personal Information cannot be consulted
25 outside the Régie, thereby complying with Québec's laws. The Régie rules on the request.
26 The Régie may order a Registered Entity requesting that a document be designated Personal
27 Information to file with the Régie a redacted version that can be designated Non-Public
28 Information.

29 30 **Public information**

31
32 The notion of "public information" is only used to specify the handling of the information by
33 the Régie, NPCC and NERC.

34
35 Public information in the Data Repository can only be accessed by the Régie, NPCC and
36 NERC in the performance of their respective duties in the QCMEP and, when relevant, by
37 the Registered Entity that submitted or created it. That is, public information, despite its
38 classification, is not available to the public on the Data Repository. Contrary to the other
39 designations, public information can be shared between the Régie, NPCC, NERC, other
40 Registered Entities and other entities without the written permission of the Régie and the
41 Registered Entity that submitted or created the information. Copies of such information can
42 be kept by NPCC and NERC in their offices.

43 44 **Handling of information and designation modification**

45
46 Only the Régie can modify the designation of information in the Data Repository, at its own
47 discretion or upon request by a Registered Entity, NPCC, or NERC. The Régie seeks
48 comment on such a modification from relevant parties, including, at minimum, the submitter
49 or creator of the information.

50
51 By default, the Régie grants NPCC and NERC access to public information, Non-Public
52 Information, Restricted Information, Privileged Information, and Personal Information in the
53 Data Repository as needed for the performance of their respective duties under the QCMEP
54 and in a manner consistent with the handling that each designation of information must

1 receive. For example, the Régie ensures that Personal Information cannot be accessed outside
2 of Québec.

3
4 If it is necessary to share a Registered Entity's information with another Registered Entity,
5 for example the Reliability Coordinator, the Régie seeks comment on the proposed disclosure
6 from the Registered Entity whose data would be disclosed, unless the delays in obtaining
7 such a comment could have a negative impact on reliability of electric power transmission,
8 such as delaying the preparation of a Remedial Action. In such a case, the Régie grants
9 permission for the disclosure and, after the fact, the Registered Entity is informed of the
10 disclosure and afforded the opportunity to comment.

11
12 If the Régie, NERC or NPCC is required to disclose information in its possession, for
13 example by a judicial process, it must inform the relevant parties, including, at minimum, the
14 submitter or creator of the information, prior to the release of the information in order to
15 allow the relevant parties the opportunity to protect their interest.

16
17 A Registered Entity, NPCC, or NERC, that wishes to comment on a designation modification
18 or a possible disclosure, has ten (10) Days to file comments with the Régie. A Registered
19 Entity can file comments on an impending or existing designation of its information at any
20 time. When relevant, NPCC and NERC can file comments on an impending or existing
21 designation of information.

22
23 The Régie may disclose information as necessary for its public reporting. For example, any
24 information filed with the Régie for the purposes of a hearing on a Non-Compliance under
25 the QCMEP is dealt with confidentially by the Régie, until the Régie determines there has
26 been a violation. Then the Régie publishes on its website a summary of the violation and
27 relevant supporting information. However, only the Régie can make information that has
28 been submitted under the QCMEP public.
29