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Québec Reliability Standards Compliance Monitoring and Enforcement Program Implementation Plan

2016 Annual Implementation Plan

Version 2 Effective Date: February 19, 2016

Approved by the Régie: February 18, 2016

Version History

Version	Approval Date	Effective Date	Modifications
1	2015-11-18	2016-01-01	Original version
2	2016-02-18	2016-02-19	Modifications are: <ul style="list-style-type: none">• Addition of a “Version History”• Addition of five standards put into effect on April 1, 2016 (page 7);• Identification of NPCC areas of focus for 2016 in the requirements of standards EOP-006 and EOP-008 in effect on April 1, 2016 (pages 7-8);• Modification of the audit schedule (page 9);• Update of the attestation to reflect the version of the document (page 11).

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I. Introduction and Purpose

The Québec Reliability Standards Compliance Monitoring and Enforcement Program Implementation Plan (Québec Implementation Plan) is the annual operating plan carried out by the Northeast Power Coordinating Council, Inc., while performing its responsibilities and duties as described in the *Québec Reliability Standards Compliance Monitoring and Enforcement Program* (QCMEP). NPCC carries out QCMEP activities in accordance with the *Agreement on the Implementation of the Québec Reliability Standards Compliance Monitoring and Enforcement Program* (QCMEP Agreement).

The 2016 Québec Implementation Plan is the second annual implementation plan created under the QCMEP and QCMEP Agreement.

NPCC developed the annual Québec Implementation plan using the same approach that is used during the development of the Electric Reliability Organization (ERO) Compliance Monitoring and Enforcement Implementation Plan and the NPCC Regional Compliance Monitoring Plan. NERC and NPCC have migrated to a risk-based approach to determine the degree of compliance oversight.

During the implementation year, NPCC, with approval from the Régie, may update the Québec Implementation Plan. Updates could be needed to reflect changes to compliance monitoring processes, major events, Régie orders, or other development. Any updates to the Québec Implementation Plan will be communicated to Registered Entities and NERC.

II. Risk-based Compliance Oversight Framework

NPCC will implement the Risk-based Compliance Oversight Framework (Framework) developed by the ERO Enterprise, which consists of processes that involve reviewing system-wide risk elements, an assessment of a registered entity's inherent risk, and, on a voluntary basis, an evaluation of a registered entity's internal controls prior to establishing a monitoring plan that is tailored to a particular entity or group of entities.

Figure 1 below illustrates this dynamic approach. Reliability risk is not the same for all registered entities; therefore, this Framework examines electric power transmission risk as well as individual registered entity risk to determine the most appropriate QCMEP tool to use when monitoring a registered entity's compliance with NERC Reliability Standards. This Framework also promotes examination of how registered entities operate.

As illustrated by the blue arrows in Figure 1, the Framework tailors compliance monitoring focus to those areas that pose the greatest risk to electric power transmission reliability. The elements in Figure 1 are dynamic and are not independent; rather, they are complementary and interdependent on each another.

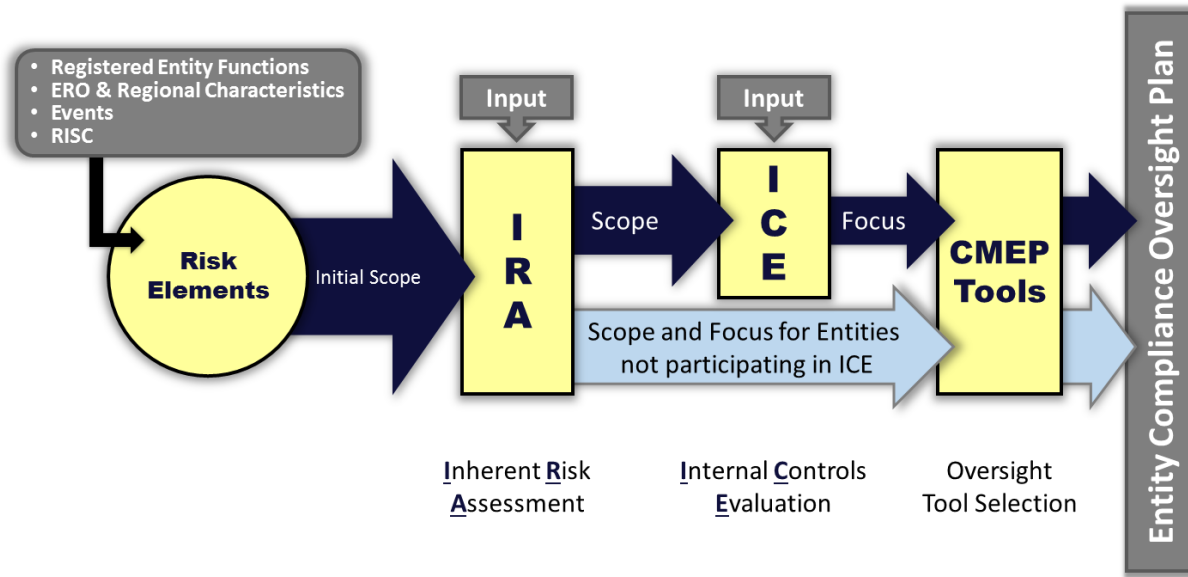


Figure 1: Risk-based Compliance Oversight Framework¹

A. Risk Elements

The first step of the Framework consists of identifying and prioritizing continent-wide risks based on the potential impact to reliability and the likelihood that such an impact might be realized, resulting in an annual compilation of ERO Enterprise risk elements. Through the identification of risk elements, the ERO Enterprise maps a preliminary list of NERC Reliability Standards to the risk elements, known as areas of focus. The areas of focus represent an initial list of NERC Reliability Standards on which regional reliability organizations, including NPCC, will focus their compliance monitoring efforts. However, the risks and associated NERC Reliability Standards identified through this process do not constitute the entirety of risks that may affect the reliability of the electric power transmission system. NPCC also considers local risks and specific circumstances associated with individual registered entities within its footprint when developing compliance oversight plans for registered entities.

B. Inherent Risk Assessment

NPCC performs an Inherent Risk Assessment (IRA) of registered entities to identify areas of focus and the level of effort needed to monitor compliance with NERC Reliability Standards for a particular registered entity. The IRA is a review of potential risks posed by an individual registered entity to the reliability of the electric power transmission system. An IRA considers risk factors such as assets, systems, geography, interconnectivity, prior compliance history, and overall unique entity composition when determining the compliance oversight plan for a registered entity. The IRA will be performed on a periodic basis, with the frequency based on a variety of factors, including, but not limited to, changes to a registered entity and significant changes or emergence of new reliability risks.

¹ In Québec, the applicable CMEP in the NERC reference diagram is the QCMEP.

C. Internal Controls Evaluation

To further tailor monitoring plans in accordance with risk for registered entities, NPCC also takes into account any information obtained through the processes outlined in the Internal Control Evaluation (ICE) Guide. For those registered entities who volunteer to undergo an ICE, NPCC will select those who will participate in the ICE process based on the risk posed by particular entities and compliance monitoring schedules.

ICE enables a further refinement of the registered entity's compliance oversight plan. Registered entities have an opportunity to: (i) provide, on a voluntary basis, information to NPCC about their internal controls that address the risks applicable to the entity and for identifying, assessing, and correcting noncompliance with NERC Reliability Standards; and; (ii) demonstrate the effectiveness of such controls. As a result of the ICE, there may be additional focus of the compliance assurance activities for an entity. Registered entities may elect not to participate in an ICE. In that case, NPCC will use the results of the IRA to determine the appropriate compliance oversight strategy, including focus and tools within the determined scope.

D. CMEP Tools

NPCC recommends which of the compliance monitoring tools (i.e., off-site or on-site audits, spot checks, or self-certifications) are warranted. NPCC tailors compliance monitoring activities for registered entities in their footprint based on reliability risks. Reliability Coordinators, Balancing Authorities, and Transmission Operators will remain on a three-year audit cycle. NPCC considers that the three-year cycle is appropriate at this time in Québec. The determination of the appropriate CMEP tools will be adjusted, as needed, within a given implementation year.

III. Annual Implementation Plan

A. Risk Elements

For 2016, the ERO Enterprise identified eight risk elements, each with specific areas of focus. The eight risk elements identified by the ERO Enterprise are: maintenance and management of BPS² assets, protection system failures, monitoring and situational awareness, event response/recovery, planning and system analysis, critical infrastructure protection, human performance, and extreme physical events. NERC and NPCC identified associated NERC Reliability Standards and requirements with each risk element to develop the specific areas of focus that will be considered for compliance monitoring. The set of NERC Reliability Standards subject to compliance monitoring activities will be informed by a given entity's IRA and ICE.

² Bulk Power System, as per the NERC glossary.

B. Reliability Standards Effective

The Régie adopts and makes effective NERC Reliability Standards and their Québec appendices (the Reliability Standards). The Reliability Standards effective on January 1, 2016 are:

- BAL-001-0.1a
- BAL-002-1
- BAL-004-0
- BAL-005-0.2b
- BAL-006-2
- COM-001-1.1
- COM-002-2
- EOP-001-2.1b
- EOP-002-3.1
- FAC-010-2.1
- FAC-011-2
- FAC-014-2
- IRO-002-2
- IRO-003-2
- IRO-004-2
- IRO-006-5
- IRO-014-1
- IRO-015-1
- IRO-016-1
- MOD-016-1.1
- MOD-020-0
- PER-001-0.2
- PRC-001-1
- TOP-001-1a
- TOP-003-1
- TOP-004-2
- TOP-007-0
- TOP-008-1

The Reliability Standards effective on April 1, 2016 are:

- EOP-006-2
- EOP-008-1
- IRO-001-1.1
- PER-003-1
- TOP-005-2a

C. Areas of Focus

NPCC compared the specific areas of focus that were developed in the 2016 ERO Compliance Monitoring and Enforcement Implementation Plan, including Appendix A3 NPCC 2016 CMEP Implementation Plan, with the Reliability Standards that are effective to develop the specific areas of focus for the 2016 Québec Implementation Plan.

In particular, NERC identified relevant requirements within six of the effective Reliability Standards (COM-002, EOP-001, EOP-002, FAC-014, PRC-001 and TOP-007). The relevant requirement identified in COM-002 relate to the human performance risk element. The relevant requirements identified in TOP-007 relate to the event response/recovery risk element. The relevant requirements identified in PRC-001 relate to the protection system failures risk element. The relevant requirements identified in EOP-002 and FAC-014 relate to the planning and system analysis risk element.

NPCC identified relevant requirements within ten of the effective Reliability Standards (COM-002, EOP-001, EOP-002, EOP-006, EOP-008, FAC-011, FAC-014, IRO-004, PER-001, and TOP-004). The relevant requirement identified in COM-002 relate to the human performance risk element. The relevant requirements in EOP-001 relate to the event response/recovery risk element. The relevant requirements in EOP-002 and FAC-011 and FAC-014 relate to the

planning and system analysis risk element. The relevant requirements identified in PER-001, IRO-004, and TOP-004 relate to the monitoring and situational awareness risk element. The relevant requirements identified in EOP-006 and EOP-008 relate to the revised BES definition risk element.

There are three additional risk elements in the ERO Compliance Monitoring and Enforcement Implementation Plan that do not have any standards identified as areas of focus in this Québec Implementation Plan. Those risk elements are maintenance and management of BPS Assets, critical infrastructure protection, and extreme physical events.

Additional areas of focus are added for 2016 that are specific to Quebec. In particular, IRO-015 and IRO-016 will both be in their second year of effectiveness and are important with respect to the coordination of operations. Therefore, each will be added as an additional area of focus under the monitoring and situational awareness risk element. Additionally, PRC-001-1, TOP-001 and TOP-003 are also important with respect to coordination of operations and apply to entities that have not yet been subject to compliance monitoring. Therefore, each is added as an additional area of focus under the monitoring and situational awareness risk element.

Applying the areas of focus to Québec, the total list of Reliability Standards and requirements which will be actively monitored by NPCC is shown in Table 1.

Table 1: Actively Monitored Standards and Requirements for 2016		
Standard	Requirement	Monitored functions
COM-002-2	R1, R2	BA, GOP, RC, TOP
EOP-001-2.1b	R4, R5	BA, TOP
EOP-002-3.1	R4, R6, R7, R8	BA, RC
EOP-006-2	R1, R3, R4, R5, R7, R8, R9, R10	RC
EOP-008-1	R1, R3, R4, R5, R6, R7, R8	BA, RC, TOP
FAC-011-2	R1, R2, R3	RC
FAC-014-2	R1, R2, R3, R4, R5, R6	PA, PC, RC, TOP, TP
IRO-004-2	R1	BA, TOP, TSP
IRO-015-1	R1, R2, R3	RC
IRO-016-1	R1, R2	RC
PER-001-0.2	R1	BA, TOP
PRC-001-1	R1, R2, R3, R4, R5	GOP, TOP
TOP-001-1a	R3, R4	BA, DP, GOP, LSE, TOP
TOP-003-1	R1, R2, R3	BA, GOP, TOP
TOP-004-2	R1, R2, R3, R4, R5, R6	TOP
TOP-007-0	R1, R2, R3, R4	RC, TOP

Registered entities are required to maintain compliance with all requirements within the effective Reliability Standards and should self-report any non-compliances of any requirements. For the beginning of 2016, reports will be through the Régie's Système de dépôt électronique (the SDE),

its document filing system. The Régie is working to develop a data repository specifically for the monitoring of Reliability Standards. The timing of this new system is not yet determined.

IV. Compliance Monitoring

The list of Reliability Standards and requirements that are specific areas of focus for 2016 in Québec form the basis of the Reliability Standards and requirements that NPCC will actively monitor in Québec during 2016. Additionally, as explained above, NPCC may use the IRA and ICE processes described above to add or subtract requirements and/or Reliability Standards to the individual compliance oversight plan for a registered entity.

A. Compliance Audits

Compliance Audits are carried out according to the schedule set out in the Québec Implementation Plan. The Annual Audit Plan for this 2016 Québec Implementation Plan is in the table below.

Table 2 : Audit plan for 2016			
Registered Entity	Acronym	Functions Audited	Audit Date
Direction - Contrôle des mouvements d'énergie, une direction d'HQT	CMÉ	BA, RC, TOP	2016-06-06
Hydro-Québec TransÉnergie	HQT	TP, TSP, PA, DP	2016-08-19

B. Self-Certification

Registered entities are subject to reporting self-certification according to the Self-Certification Schedule established in this 2016 Québec Implementation Plan and set forth in Appendix 1. Some of these self-certifications will span more than one calendar year as set forth in the Appendix 1. Unless a registered entity's IRA provides information that would provide a reason for a self-certification, the self-certification specified in the Reliability Standards listed in Table 3 is waived for 2016.

Table 3: Self-Certification Waivers	
Standard	Section
COM-001-1.1	D1.2
IRO-002-2	D1.2
IRO-003-2	D1.2
IRO-014-1	D1.4
TOP-008-1	D1.2

C. Spot Checks

NPCC, as authorized or requested by the Régie, may initiate a Spot Check at any time. NPCC will provide the registered entity at least 20 days advanced notice of a Spot Check.

NPCC hereby gives notice however that it will conduct Spot Checks in the 4th quarter of 2016 of registered entities with applicable functions for the following standards: COM-002-2 and TOP-001-1a. The spot checks will be for the requirements and functions set forth in the Table 4.

Table 4: Spot Checks Currently Planned in Q4 2016								
Standard	Requirement	Start of period covered by the Spot-Check	BA	DP	GOP	LSE	RC	TOP
COM-002-2	R1	2016-01-01			GOP			
TOP-001-1a	R3	2016-01-01			GOP			
TOP-001-1a	R4	2016-01-01		DP		LSE		

D. Non-Compliance Self-Reporting

A registered entity should submit a Non-Compliance Self-Report at the time the registered entity becomes aware that it is not complying or it may not have complied, with Reliability Standard declared in effect by the Régie, or that a change in the severity of a previously reported Non-Compliance has occurred. Until a new data repository specifically for the monitoring of Reliability Standards is put into place, a registered entity may self-report a non-compliance with a Reliability Standard through the SDE.

E. Periodic Data Submittals

NPCC requires Periodic Data Submittals (PDS) at the dates stated in the applicable Reliability Standard, according to the schedule specified in the Implementation Plan or, with the Régie's approval, on an as-needed basis. Until a new data repository specifically for the monitoring of Reliability Standards is put into place, PDS are made into the SDE. The PDS schedule for 2016 is provided in Table 5.

Table 5 : PDS schedule for 2016	
Standard	Timing
BAL-001-0.1a	Monthly on the 15 th of the following month
BAL-002-1	Quarterly on the 10 th of the month following the end of the quarter

The PDS for BAL-006-2 specified in section D1.1 and D1.3 is waived for 2016.

V. NPCC Submission Attestation

NPCC attests that this 2016 Quebec Implementation Plan (version 2) is both necessary and sufficient at this time for the monitoring of the Reliability Standards in effect in Québec.



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Appendix 1 – Self Certification Schedule

Reliability Standard	Requirement	Start of Reporting Period	End of Reporting Period	Due Date	BA	DP	GOP	LSE	PA	PC	RC	TOP	TP	TSP
COM-002-2	R2	2016-06-01	2017-05-31	2017-07-31	BA						RC	TOP		
EOP-001-2.1b	R4, R5	2016-06-01	2017-05-31	2017-07-31	BA							TOP		
EOP-002-3.1	R4, R6, R7	2016-06-01	2017-05-31	2017-07-31	BA									
EOP-002-3.1	R8	2016-06-01	2017-05-31	2017-07-31							RC			
FAC-011-2	R1, R2, R3	2016-06-01	2017-05-31	2017-07-31							RC			
FAC-014-2	R1	2016-06-01	2017-05-31	2017-07-31							RC			
FAC-014-2	R2	2016-06-01	2017-05-31	2017-07-31								TOP		
FAC-014-2	R3, R6	2016-06-01	2017-05-31	2017-07-31					PA	PC				
FAC-014-2	R4	2016-06-01	2017-05-31	2017-07-31									TP	
FAC-014-2	R5	2016-06-01	2017-05-31	2017-07-31					PA	PC	RC		TP	
IRO-004-2	R1	2016-06-01	2017-02-28	2017-05-01	BA							TOP		TSP
IRO-015-1	R1, R2, R3	2015-12-01	2016-11-30	2017-02-01							RC			
IRO-016-1	R1, R2	2015-12-01	2016-11-30	2017-02-01							RC			
PER-001-0.2	R1	2016-06-01	2017-02-28	2017-05-01	BA							TOP		
PRC-001-1	R1	2016-01-01	2016-12-31	2017-02-15	BA		GOP					TOP		
PRC-001-1	R2	2016-01-01	2016-12-31	2017-02-15			GOP					TOP		
TOP-003-1	R1	2016-01-01	2016-12-31	2017-02-15			GOP					TOP		
TOP-003-1	R2, R3	2016-01-01	2016-12-31	2017-02-15	BA		GOP					TOP		
TOP-004-2	R1 through R6	2016-06-01	2017-02-28	2017-05-01								TOP		
TOP-007-0	R1, R2, R3	2016-06-01	2017-02-28	2017-05-01								TOP		
TOP-007-0	R4	2016-06-01	2017-02-28	2017-05-01							RC			