



NORTHEAST POWER COORDINATING COUNCIL, INC.  
1040 AVE. OF THE AMERICAS, NEW YORK, NY 10018 (212) 840-1070 FAX (212) 302-2782

**Québec Reliability Standards Compliance Monitoring and Enforcement Program  
Implementation Plan**

**2018 Annual Implementation Plan**

**Effective Date: January 1, 2018**

**Approved by the Régie: December 1, 2017**

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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. (NPCC), 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).

NPCC develops 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.

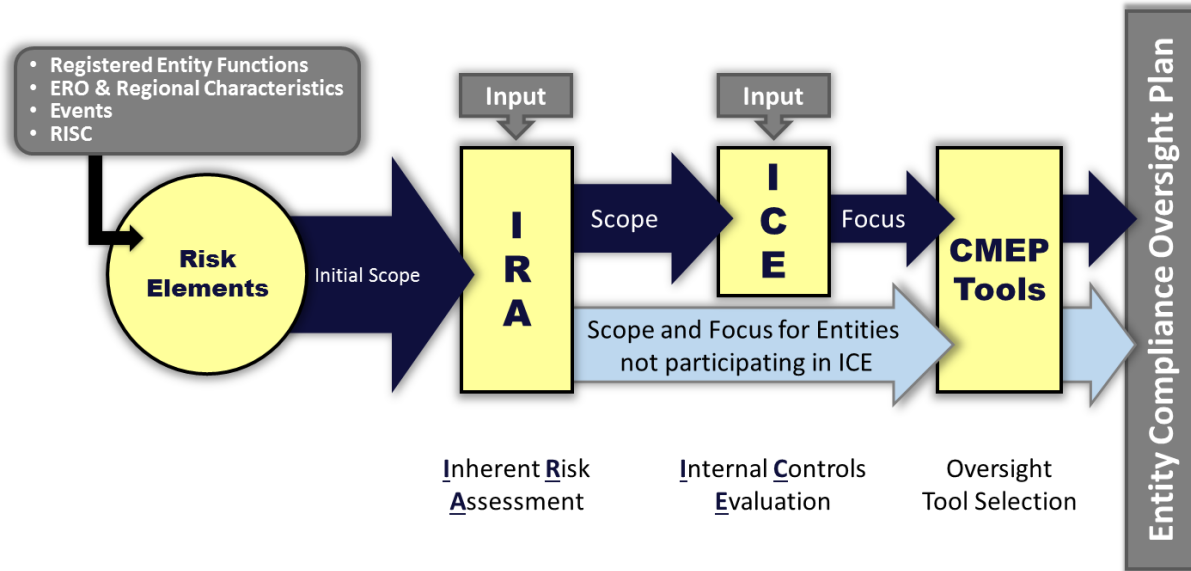
During the implementation year, NPCC, with approval from the Régie, may update the Québec Implementation Plan. Updates could be needed to reflect changes to compliance monitoring processes, major events, Régie orders, or other development. Any updates to the Québec Implementation Plan will be communicated 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. That framework consists of processes that involve reviewing system-wide risk elements, performing an assessment of a registered entity's inherent risk, and, on a voluntary basis, performing an evaluation of a registered entity's internal controls. The framework allows NPCC to develop a monitoring plan tailored to each registered entity. The Figure 1 below illustrates this dynamic approach.

The Framework portrayed in Figure 1 examines electric power transmission and generation risk as well as individual registered entity risk to determine the most appropriate method to monitor a registered entity's compliance with NERC Reliability Standards. This Framework also promotes examination of how registered entities operate.

**Figure 1: Risk-based Compliance Oversight Framework<sup>1</sup>**



**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 which are known as areas of focus. The areas of focus represent a starting pool of NERC Reliability Standards on which the regional reliability organizations, including NPCC, will focus their compliance monitoring efforts. NPCC also considers local risks, specific circumstances, and operational characteristics associated with individual registered entities within its footprint when developing compliance monitoring plans for registered entities.

**B. Inherent Risk Assessment**

NPCC performs an Inherent Risk Assessment (IRA) of registered entities to categorize the potential risks posed by an individual registered entity to the reliability of the electric power transmission system. An IRA is performed by NPCC for all registered entities that have been considered for an audit in the annual implementation plan. This is performed in order to identify additional areas of focus and determine the registered entity’s final compliance scope and oversight plan. An IRA considers entity-specific 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. These risk factors are evaluated against the violation risk factors included in the standard, and categorized as high, medium and low. The risk factors ratings will then serve to map to a proposed scope for monitoring purposes.

<sup>1</sup> In Québec, the applicable CMEP in the NERC reference diagram is the QCMEP.

Where NPCC has little or no compliance monitoring history, the initial audit will develop a baseline compliance and NPCC is unlikely to remove NERC Reliability Standard requirements from scope. The final set of NERC Reliability Standards requirements subject to compliance monitoring activities will be determined by a given entity's IRA.

Approximately two months prior to receiving an audit notification, NPCC may request certain information from a registered entity to conduct the IRA. However, NPCC will use readily available information to the extent possible to conduct the IRA without requiring the submission of pre-audit information from the registered entity.

### **C. Internal Controls Evaluation**

NPCC may perform a voluntary Internal Control Evaluation (ICE) to identify the degree that a registered entity has preventive, detective, and corrective processes in place to remain compliant with the NERC Reliability Standards.

The ICE is not an audit. It is a voluntary process used to further determine the focus and selection of appropriate tools used by NPCC under the QCMEP.

NPCC will need to baseline a registered entity's compliance prior to introducing the possibility of a voluntary ICE. Therefore, NPCC may perform an ICE only if the entity has been audited at least once in the past.

The registered entity has an opportunity to provide, on a voluntary basis, information to NPCC about the internal controls it has in place that effectively address the risks applicable to the entity for identifying, assessing, and correcting possible non-compliance with NERC Reliability Standards. The entity will need to demonstrate the effectiveness of such controls.

The objective of an ICE engagement is to focus NPCC's compliance efforts on the standards and requirements proposed by the registered entity to determine if the internal controls for those areas demonstrate effectiveness against the risk of possible noncompliance. The goal of an ICE is to ensure the effectiveness of the registered entity's internal controls to manage reliability risks. The reduction of the monitoring scope is not the goal of an ICE engagement.

For those registered entities who volunteer to undergo an ICE, NPCC will select the participants based on compliance audit monitoring schedules. Participants will be notified approximately six (6) months prior to receiving an audit notification.

### **D. CMEP Tools**

The Québec Implementation Plan documents which of the CMEP monitoring tools (i.e., off-site or on-site audits, spot checks, or guided self-certifications) are warranted. Reliability Coordinators, Balancing Authorities, and Transmission Operators will remain on an audit cycle of at least every three years. The remaining Registered Entity functions are on an audit cycle of at least every six

years. The determination of the appropriate CMEP tools will be adjusted, as needed, within a given implementation year.

### **III. Content of Annual Implementation Plan**

#### **A. Risk Elements**

For 2018, the ERO Enterprise maintained the eight risk elements that were identified in 2016 and 2017.

<b>Table 1 : 2018 ERO Risk Elements</b>
Critical Infrastructure Protection
Extreme Physical Events
Maintenance and Management of BPS Assets
Monitoring and Situational Awareness
Protection System Failures
Event Response/Recovery
Planning and System Analysis
Human Performance

NERC and NPCC further identified the associated focus area requirements within each risk element that will be considered for compliance monitoring. The set of NERC Reliability Standards subject to compliance monitoring activities will be determined by a given entity's IRA.

#### **B. Reliability Standards Effective**

The Régie adopts and makes effective NERC Reliability Standards and their Québec appendices (the Reliability Standards). The Reliability Standards effective in Québec and those to become effective in Québec are identified on the [Reliability Standards](#) webpage on the Régie's website.

#### **C. Québec Areas of Focus**

NPCC compared the specific areas of focus that were developed in the 2018 ERO Compliance Monitoring and Enforcement Implementation Plan, including Appendix A3 NPCC 2018 CMEP Implementation Plan, with the Reliability Standards that are effective to develop the specific areas of focus for the 2018 Québec Implementation Plan.

Table 2 shows the list of Reliability Standards and requirements that will be actively monitored by NPCC. It also shows the relevant area of focus and whether the risk element was continent-wide as identified in the 2018 ERO CMEP IP, NPCC area-wide as identified in the 2018 NPCC CMEP IP, or Québec specific.

**Table 2: Actively Monitored Standards and Requirements for 2018**

Area of Focus Identification	Risk Element	Standard	Requirement(s)	Monitored Function(s)	Effective Date
2018 NPCC CMEP IP	Monitoring and Situational Awareness	BAL-002-1	R1, R3	BA	1-Apr-15
2018 ERO CMEP IP	Planning and System Analysis	BAL-003-1.1	R1	BA	1-Apr-17
2018 ERO CMEP IP	Critical Infrastructure Protection	CIP-002-5.1	R1, R2	BA, DP, GOP, GO, RC, TOP, TO	Multiple effective dates
2018 ERO CMEP IP	Human Performance	CIP-004-6	R2	BA, DP, GOP, GO, RC, TOP, TO	1-Jan-18
2018 ERO CMEP IP	Critical Infrastructure Protection	CIP-005-5	R1, R2	BA, DP, GOP, GO, RC, TOP, TO	Multiple effective dates
2018 ERO CMEP IP	Critical Infrastructure Protection	CIP-006-6	R1, R2, R3	BA, DP, GOP, GO, RC, TOP, TO	1-Jan-18
2018 ERO CMEP IP	Critical Infrastructure Protection	CIP-007-6	R1, R2, R3, R5	BA, DP, GOP, GO, RC, TOP, TO	1-Jan-18
2018 ERO CMEP IP	Event Response/Recovery	CIP-008-5	R2, R3	BA, GOP, GO, RC, TOP, TO	Multiple effective dates
2018 ERO CMEP IP	Event Response/Recovery	CIP-009-6	R2, R3	BA, DP, GOP, GO, RC, TOP, TO	1-Jan-18
2018 ERO CMEP IP	Extreme Physical Events	CIP-014-2	R1, R2, R3, R4, R5, R6	TO	1-Jul-18
2018 ERO CMEP IP	Human Performance	COM-002-4	R4, R5	RC, TOP, BA	1-Jan-18
2018 NPCC CMEP IP	Human Performance	COM-002-4	R1, R2, R7	RC, TOP, BA	1-Jan-18
2018 NPCC CMEP IP	Human Performance	COM-002-4	R3	GOP, DP	1-Jan-18
2018 NPCC CMEP IP	Human Performance	COM-002-4	R6	BA, DP, GOP, TOP	1-Jan-18
2018 NPCC CMEP IP	Event Response/Recovery	EOP-005-2	R1, R9, R10	TOP	1-Apr-16
2018 Quebec Specific	Event Response/Recovery	EOP-005-2	R6	TOP	1-Apr-16
2018 NPCC CMEP IP	Event Response/Recovery	EOP-005-2	R13, R14	GOP	1-Apr-16

**Table 2: Actively Monitored Standards and Requirements for 2018**

Area of Focus Identification	Risk Element	Standard	Requirement(s)	Monitored Function(s)	Effective Date
2018 NPCC CMEP IP	Event Response/Recovery	EOP-006-2	R1, R9, R10	RC	1-Apr-16
2018 NPCC CMEP IP	Event Response/Recovery	EOP-008-1	R3	RC	1-Apr-16
2018 Quebec Specific	Event Response/Recovery	EOP-008-1	R4	BA, TOP	1-Apr-16
2018 ERO CMEP IP	Extreme Physical Events	EOP-010-1	R1	RC	1-Jan-17
2018 ERO CMEP IP	Extreme Physical Events	EOP-010-1	R3	TOP	1-Jan-17
2018 ERO CMEP IP	Event Response/Recovery	EOP-011-1	R1	TOP	1-Apr-17
2018 ERO CMEP IP	Event Response/Recovery	EOP-011-1	R2	BA	1-Apr-17
2018 Quebec Specific	Maintenance and Management of BPS Assets	FAC-003-3	R3	GO, TO	1-Jul-17
2018 ERO CMEP IP	Maintenance and Management of BPS Assets	FAC-003-3	R1, R2, R6, R7	GO, TO	1-Jan-18
2018 ERO CMEP IP	Maintenance and Management of BPS Assets	FAC-008-3	R6	GO, TO	1-Jul-17
2018 NPCC CMEP IP	Maintenance and Management of BPS Assets	FAC-008-3	R3	TO	1-Jul-17
2018 ERO CMEP IP	Planning and System Analysis	FAC-014-2	R1	RC	1-Jan-16
2018 Quebec Specific	Planning and System Analysis	FAC-014-2	R2	TOP	1-Jan-16
2018 ERO CMEP IP	Planning and System Analysis	FAC-014-2	R5	RC, PA, TP	1-Jan-16
2018 ERO CMEP IP	Event Response/Recovery	IRO-001-4	R1	RC	1-Jul-17



**Table 2: Actively Monitored Standards and Requirements for 2018**

Area of Focus Identification	Risk Element	Standard	Requirement(s)	Monitored Function(s)	Effective Date
2018 Quebec Specific	Event Response/Recovery	IRO-001-4	R2	DP, GOP	1-Jul-17
2018 NPCC CMEP IP	Monitoring and Situational Awareness	IRO-002-4	R1, R2	RC	1-Jul-17
2018 ERO CMEP IP	Monitoring and Situational Awareness	IRO-008-2	R4	RC	1-Jul-17
2018 NPCC CMEP IP	Monitoring and Situational Awareness	IRO-008-2	R1, R2, R5	RC	1-Jul-17
2018 NPCC CMEP IP	Monitoring and Situational Awareness	IRO-009-2	R2	RC	1-Jul-17
2018 ERO CMEP IP	Planning and System Analysis	MOD-025-2	R1, R2	GO	1-Oct-17
2018 ERO CMEP IP	Planning and System Analysis	MOD-025-2	R3	TO	1-Oct-17
2018 ERO CMEP IP	Planning and System Analysis	MOD-026-1	R2	GO	1-Jan-18
2018 ERO CMEP IP	Planning and System Analysis	MOD-027-1	R2	GO	1-Jan-18
2018 ERO CMEP IP	Planning and System Analysis	MOD-032-1	R2	BA, GO, RP, TO, TSP	1-Jan-18
2018 ERO CMEP IP	Human Performance	PER-005-2	R3, R4	RC, TOP, BA, TO	1-Jul-18
2018 ERO CMEP IP	Human Performance	PER-005-2	R6	GOP	1-Jul-18
2018 NPCC CMEP IP	Human Performance	PER-005-2	R1	RC, BA, TOP	1-Jul-18
2018 NPCC CMEP IP	Human Performance	PER-005-2	R2	TO	1-Jul-18

**Table 2: Actively Monitored Standards and Requirements for 2018**

Area of Focus Identification	Risk Element	Standard	Requirement(s)	Monitored Function(s)	Effective Date
2018 ERO CMEP IP	Monitoring and Situational Awareness	PRC-001-1	R6	BA, TOP	1-Jan-16
2018 ERO CMEP IP	Protection System Failures	PRC-001-1	R3, R5	GOP, TOP	1-Jan-16
2018 ERO CMEP IP	Protection System Failures	PRC-001-1	R4	TOP	1-Jan-16
2018 ERO CMEP IP	Protection System Failures	PRC-004-5(i)	R1, R5	DP, GO, TO	2-Apr-17
2018 ERO CMEP IP	Maintenance and Management of BPS Assets	PRC-005-2	R3, R4, R5	DP, GO, TO	1-Jan-17
2018 NPCC CMEP IP	Maintenance and Management of BPS Assets	PRC-005-2	R1	DP, GO, TO	1-Jan-17
2018 NPCC CMEP IP	Maintenance and Management of BPS Assets	PRC-019-1	R1	GO, TO	1-Jan-17
2018 ERO CMEP IP	Protection System Failures	PRC-024-1	R1, R2	GO	1-Oct-17
2018 Quebec Specific	Monitoring and Situational Awareness	TOP-001-3	R3	DP	1-Jul-17
2018 ERO CMEP IP	Monitoring and Situational Awareness	TOP-001-3	R10, R13	TOP	1-Jul-17
2018 ERO CMEP IP	Monitoring and Situational Awareness	TOP-001-3	R11	BA	1-Jul-17
2018 ERO CMEP IP	Event Response/Recovery	TOP-001-3	R12, R14	TOP	1-Jul-17
2018 NPCC CMEP IP	Monitoring and Situational Awareness	TOP-001-3	R7, R13, R15, R16, R18, R19	TOP	1-Jul-17

<b>Table 2: Actively Monitored Standards and Requirements for 2018</b>					
<b>Area of Focus Identification</b>	<b>Risk Element</b>	<b>Standard</b>	<b>Requirement(s)</b>	<b>Monitored Function(s)</b>	<b>Effective Date</b>
2018 ERO CMEP IP	Planning and System Analysis	TOP-002-4	R2	TOP	1-Jul-17
2018 ERO CMEP IP	Planning and System Analysis	TOP-002-4	R4, R5	BA	1-Jul-17
2018 NPCC CMEP IP	Monitoring and Situational Awareness	TOP-002-4	R1, R6	TOP	1-Jul-17
2018 Quebec Specific	Monitoring and Situational Awareness	TOP-003-3	R5	DP, GO, GOP	1-Jul-17
2018 ERO CMEP IP	Planning and System Analysis	TPL-001-4	R1, R2, R3, R4	PC, TP	1-Oct-17
2018 ERO CMEP IP	Planning and System Analysis	VAR-001-4.1	R1, R2, R5	TOP	1-Jan-17
2018 ERO CMEP IP	Planning and System Analysis	VAR-002-3	R2	GOP	1-Jan-17
2018 Quebec Specific	Planning and System Analysis	VAR-002-3	R3	GOP	1-Jan-17

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.

## IV. Compliance Monitoring

### 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 2018 Québec Implementation Plan is in the table below.

<b>Table 3 : Audit plan for 2018</b>			
<b>Off-site Operations &amp; Planning Audits</b>			
<b>Registered Entity</b>	<b>Acronym</b>	<b>Functions Audited</b>	<b>Audit Date</b>
Arcelor Mittal Montréal Inc. (usine de Longueuil)	AMM	TO	TBD
Hydro-Québec Distribution	HQD	RP, LSE, DP	TBD
Hydro-Québec Production	HQP	GO, GOP	TBD
Northland Power Inc.	NLP	GO, GOP	TBD
Société de transmission électrique de Cedars Rapids Limitée	CRT	TO, TSP	TBD
<b>On-site CIP Audits</b>			
<b>Registered Entity</b>	<b>Acronym</b>	<b>Functions Audited</b>	<b>Audit Date</b>
Hydro-Québec - Contrôle des mouvements d'énergie (une direction d'HQT)	HQCMÉ	RC, BA, TOP	TBD

### B. Guided Self-Certification

NPCC, as authorized or requested by the Régie, may implement Guided Self-Certifications on a quarterly basis. The Guided Self-Certification notification from NPCC will identify whether the guided self-certification applies to the entire Reliability Standard or whether it applies to specific requirements and/or sub-requirements. The notification will also provide a specific amount of time to respond and will provide information on the evidence required to support the Guided Self-Certification.

NPCC is not identifying waivers to self-certifications in 2018. However, 2018 self-certifications are not required for any Reliability Standard that is not identified during a Guided Self-Certification in 2018.

### 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.

### D. Non-Compliance Self-Reporting

A registered entity shall submit a Non-Compliance Self-Report at the time the registered entity becomes aware that it is not complying or may not have complied with a Reliability Standard declared in effect by the Régie, or that a change in the severity of a previously reported Non-

Compliance has occurred. Reports will be made through the Régie’s *Système de dépôt électronique – Surveillance des normes* (the SDÉ-SN).

#### **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. PDS are made into the SDÉ. The PDS schedule for 2018 is provided in the table below.

<b>Table 4: PDS schedule for 2018</b>	
<b>Standard</b>	<b>Timing</b>
BAL-001-2	Monthly on the 15 <sup>th</sup> of the following month
BAL-002-1	Quarterly on the 10 <sup>th</sup> of the month following the end of the quarter

NPCC is not identifying waivers to PDS in 2018. However, 2018 PDS are not required for any Reliability Standard that is not identified in this Implementation Plan.

#### **V. NPCC Submission Attestation**

NPCC attests that this 2018 Québec Implementation Plan is both necessary and sufficient at this time for the monitoring of the Reliability Standards in effect in Québec.