ISO Rule 501.2
Compliance Monitoring Program
Stakeholder Information Session

June 5, 2015

Goal

- The goal of today's session:

  To provide further clarity on the completion of the self-assessment templates used in the compliance monitoring program for ISO rule 501.2.

Agenda

1. Introductions

2. Recap of ISO Rule 501.2 Requirements

3. Summary of ISO Rule 501.2 Compliance Monitoring Program

4. Roles of the Energy Security Unit (ESU) and the Alberta Security and Strategic Intelligence Support Team (ASSIST)

5. Role of AESO Compliance

6. Response to Feedback

7. Review of 2015 Plans

8. Walkthrough of the Self-Assessment Templates

Recap of ISO Rule 501.2 Requirements

- ISO rule 501.2 requirements for legal owners - highlights

  – Establish security measures in accordance with Alberta Counter-Terrorism Crisis Management Plan (ACTCMP)

  – Establish corporate emergency response plans in accordance with Directive 071, Emergency Preparedness and Response Requirements for the Petroleum Industry (Directive 071)

  – Demonstrate capacity to implement such measures and plans

  – Inform the ISO of threats to critical facilities and implement security measures

Background Overview

- Prior to 2013 – Security Management Regulation (AUC enforcement)

- Jan 1, 2013 – Electric industry piece carved out and embedded in new ISO rule 501.2

- 2014 – AESO Compliance review of rule and initiation of development of compliance program

- March 10, 2015 – Letter introducing program on AESO site

- March 27, 2015 – Stakeholder session, overview of program

- April/May 2015 – Review of feedback, program revisions

- June 5, 2015 – Stakeholder session

Summary of ISO Rule 501.2 Compliance Monitoring Program

- Scheduled self-assessments by legal owners
  - Completed and submitted to AESO

- Scheduled ESU site visits
  - To assess capacity to implement plans
  - Report completed by ESU and submitted to AESO

- Compliance reviews reports/self-assessments and issues Information Requests (IR), as necessary

- Compliance reviews results of responses to IR; make its determination:
  - No suspected contravention(s) identified – Not pursuing letter
  - Suspected contravention(s) identified – Referral to the MSA

Summary of ISO Rule 501.2 Compliance Monitoring Program

- Compliance will assess the potential state of non-compliance based on the nature of the ACTCMP, Directive 071 and augmented by a reliance on discussions with internal and ESU experts

- No audits; no audit reports; no management comments!

Roles of ASSIST and ESU

- ASSIST (JSG)

  – Owner of ACTCMP

  – Maintains and updates list of critical infrastructure

- ESU (JSG)

  – Conducts on-site reviews

  – Provides the AESO with expert opinion on matters related to the ACTCMP

Role of AESO Compliance

- AESO has a duty in the EUA to monitor compliance with its rules

- ISO Rules Compliance

  – Monitoring the behavior of market participants (e.g. marketers, generators, load, transmission operators, etc.) with regard to ISO rules, including OPPs

  – Refers suspected contraventions to the MSA, or the AUC, as appropriate

- ISO rule 501.2 has been in effect since 2013 and is therefore subject to compliance monitoring

- The AESO does not normally engage in stakeholder consultation prior to implementing compliance monitoring of existing rules

- Like any rule, 501.2 may be subject to revision or replacement when the need is identified by the AESO or market participants

  – There is a formal process which includes multiple stages of stakeholder consultation during such revision/rewrite

Response to Feedback

- Changes to the structure and size of the self-assessment templates

- Request to ASSIST to review the Critical Infrastructure List

- Increased notice provided and time allotted for self-assessments and site visits

- Reduction in number of critical facilities being reviewed in 2015

- Discussion with MSA re: handling of referrals

- Secure information exchange (Box.com – AESO account)

- Stakeholder session re: completing of self-assessment templates

Review of 2015 Plans

- One on-site review, one self-assessment for each legal owner (of critical facilities)

- Critical facilities chosen based on criticality of the facility and discussed with ASSIST

- Advance notice in June of each selected facility

- August 2015 – notification letters for self-assessments and ESU on-site reviews

- 40 business days to complete and submit the self-assessment

- September 2015 – commencement of on-site reviews

- Fall 2015 – development and communication of 2016 program schedule

Walkthrough of Self-Assessment Templates

- Discuss Threat Response Plan (TRP) and Corporate Emergency Response Plan (ERP) sections of template

- TRP section validated with ESU

- ERP section contains those generic requirements in Directive 071, not specific to the 'Petroleum Industry'

- We will discuss Illustrative responses – not intended to be the 'right answers'

- 5 minutes per section

Walkthrough of Self-Assessment Templates

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Thank you