

1 Q. **NLH Evidence, Section 3.8, page 3.44 and 3.45**

2 Citation:

3 Hydro is currently evaluating its level of compliance with the North American
4 Electric Reliability Corporation (NERC) reliability standards and the Northeast Power
5 Coordinating Council (NPCC) regional reliability criteria, in its consideration of the
6 appropriate reliability framework for the Newfoundland and Labrador electricity
7 system. While Hydro has not been mandated by the Provincial Government to
8 implement NERC standards, the Company recognizes the benefits that the NERC
9 reliability standards provide and, as a prudent operational measure, is in the
10 preliminary stages of reviewing and assessing the standards that are applicable for
11 [their] adoption into the Island Interconnected System. Hydro is also reviewing the
12 approach it will use to implement applicable NERC reliability standards and the
13 impacts that these standards will have on the Island Interconnected System when
14 the Island of Newfoundland interconnects with Nova Scotia and Labrador via the
15 Maritime and Labrador-Island links, respectively.

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17 a) Please confirm that Hydro has decided to apply the NERC reliability
18 standards, even though it has not been mandated to do so by the Provincial
19 Government;

20 b) Is Hydro considering application of NERC standards to the Island electricity
21 system only, or to all of the Newfoundland and Labrador electricity system?
22 Please explain, with specific reference to the Labrador Interconnected
23 System.

24 c) Please describe the regulatory calendar envisioned by Hydro for the
25 eventual implementation of NERC standards; and

26 d) Please indicate Hydro's position with respect to the NPCC regional reliability
27 criteria.

1 A. a) Please refer to CA-NLH-113 for Hydro’s plans regarding compliance
2 with NERC Reliability Standards.

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4 Hydro confirms while there is no mandatory requirement to follow NERC
5 reliability standards in Newfoundland and Labrador, it is voluntarily
6 establishing a multi-stage Reliability Compliance Program. Hydro has
7 engaged the Government of Newfoundland and Labrador in the planning
8 efforts in relation to NERC adoption which will include the required
9 governance structure, policies, procedures and processes to ensure that
10 Hydro complies with the standards and associated requirements, as set
11 forth in the NERC Reliability Standards and considered to have the most
12 significant contribution to the planning and operation of the Provincial
13 electrical system.

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15 b) For stage one, Hydro is implementing standards that relate to the cyber and
16 physical security, and the operational management of the Island
17 Interconnected System and the high voltage direct current links. At a later
18 stage, Hydro will complete additional assessments to identify and prioritize
19 standards that have the most significant contribution to improved reliability
20 for the Hydro system, which will also include applicability to the Labrador
21 Interconnected System where required.

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23 c) As noted in a) above, there is no established regulatory framework for the
24 adoption and implementation of NERC standards in Newfoundland and
25 Labrador. As a result, there is currently no regulatory calendar developed for
26 the implementation of the standards. It is anticipated that the voluntary

1 implementation of the standards by Hydro for this first stage, as provided in
2 (b) will take up to two years.

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4 d) Hydro has not completed any policies and procedures to date that are
5 covered by specific NPCC regional reliability criteria. During the
6 identification process for the standards to be included in Stage 1, there were
7 no specific NPCC regional reliability criteria related to the selected
8 standards. As standards are identified and prioritized in the next stages,
9 Hydro will assess the NPCC regional reliability criteria to determine its
10 appropriateness to the Hydro system.