

Québec - US Comparator: Standard-Making and Enforcement Functions

Reliability Standards Currently in Effect

A list of Québec's reliability standards and their status is available at the following link:

<http://www.regie-energie.qc.ca/en/audiences/NormesFiabiliteTransportElectricite/NormesFiabilite.html>

Key Organizations in Québec's Electricity Sector

Ministère de l'Énergie et des Ressources naturelles

The Ministère de l'Énergie et des Ressources naturelles (the Ministry) is responsible, among other things, for setting the policy and legislative framework for Québec's electricity system. The Ministry develops solutions and advises on all aspects of energy policy for Québec, including electricity, natural gas and petroleum resources.

Régie de l'énergie

In exercising its functions, the Régie de l'énergie (the Régie) reconciles the public interest, consumer protection and the fair treatment of the province's electric power carrier and of distributors. Pursuant to its Enabling legislation, the *Act respecting the Régie de l'énergie* (the Act), it has the authority to establish, monitor and enforce a mandatory regime of reliability standards for electric power transmission in Québec.

The Régie has jurisdiction to adopt, and sets the dates of their coming into force, of reliability standards that the Reliability Coordinator (the RC) for Québec files with the Régie. These reliability standards are proposed to the RC by NERC or NPCC. The Régie may request the RC for Québec to modify a standard filed or submit a new one, on the conditions it sets.

Since April 1, 2015, Québec has a mandatory regime in place which is deployed in accordance with the *Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP)*.

The Régie makes all determinations and exercises all authorities as regards monitoring, investigation and enforcement of reliability standards, including the imposition of financial penalties and sanctions, while taking into consideration the recommendations of NPCC and NERC.

In fact, with regard to the process of reliability standards compliance monitoring, two separate agreements were concluded with NERC and NPCC, both of whom it has recognized, through an agreement signed in 2009, as experts in the development and monitoring of electric power transmission reliability standards. A second agreement, signed in September 2014, details the mandate granted by the Régie to NPCC and NERC with respect to the implementation of the QCMEP.

Direction principale - Contrôle des mouvements d'énergie et exploitation du réseau d'Hydro-Québec (DPCMÉER)

Pursuant to the Act, DPCMÉER was designated by the Régie as the RC for Québec in May 2021. Under that function, the RC is responsible for ensuring power system reliability as defined by NERC and NPCC standards. It files with the Régie NERC or NPCC reliability standards applicable to the Québec Interconnection, as well as any variant or other standard it deems necessary. It also files a register identifying the entities that are subject to the reliability standards adopted by the Régie.

Functions ¹		Provincial Organization	Relevant US Organization	US Comparator
Standards Making²	Standards Development	DPCMÉER (RC)	NERC	NERC
	Standards Adoption	The Régie (1)	Not Applicable	FERC
Entity Registration		The Régie / RC (2)	Not Applicable	NERC
Compliance Monitoring	Compliance Monitoring and Violation Detection	The Régie (3, 4)	NPCC (5)	NERC, NPCC, FERC
	Execution of Investigations	The Régie (6)	NPCC or NERC (6)	NERC, NPCC, FERC
Enforcement Processes	Violation Determination and Sanction Imposition	The Régie (7, 8, 9)	Not Applicable	NERC, FERC
Appeals	Revision of a decision	The Régie (10)	Not applicable	NPCC Hearing Body
	Judicial Review	Québec Superior Court (11)	Not applicable	NERC Board of Trustees Compliance Committee (BOT CC)
	Further Right of Appeal	Court of Appeal of Québec (12)	Not applicable	FERC
Oversight	Approval of Québec's Rules of Procedure	The Régie (13)	Not applicable	FERC
	Approval of the Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) and the Annual QCMEP Implementation Plan (Québec Implementation Plan)	The Régie (14)	Not applicable	NERC, NPCC
	Performance Oversight of QCMEP	The Régie (15)	NERC and NPCC (15)	NERC BOT CC
	Violation Prevention and Outreach (including education)	The Régie (16)	NERC and NPCC (16)	NERC, NPCC, FERC

¹ This table is intended to illustrate who has authority over these various processes vs. who has authority for their execution.

² Reliability standards include FERC-approved NERC reliability standards, FERC-approved regional reliability standards and locally developed reliability standards as proposed by the RC for Québec.

Table Definitions:

Provincial Organization: the Québec organization accountable and responsible for performing the function according to provincial legislation or through designation for matters concerning Québec registered entities.

Relevant US Organization: the US organization that is responsible for performing the function according to an agreement for matters concerning Québec registered entities.

US Comparator: the US organization that is responsible for performing the functions according to US law.

Notes:

1. Standards Adoption:

Authority – Pursuant to section 85.7 of the Act, the Régie adopts the reliability standards and sets the dates of their coming into force.

NERC Standards Filing – For information purposes, NERC files Board approved standards with the Régie. Generally, when a NERC reliability standard is approved by FERC, the standard will be filed by the RC (DPCMÉER) with the Régie for adoption. The RC can as well file any variant of these standards or other standards it considers necessary.

Standards Review – The Régie may hold public hearing on the standards before their adoption. NERC/NPCC can make observations/recommendations to the Régie pursuant to their signed agreement.

Public Process – The RC posts the standards on their website for public comments from the registered entities before filing them to the Régie for their adoption.

Adoption/Remand – The Régie may request that the RC modifies a filed reliability standard or submit a new one, on the conditions it sets. Thus a reliability standard that has been filed with the Régie by the RC will not be remanded to NERC.

2. Entity Registration: Section 85.3 of the Act lists the entity characteristics to which the reliability standards applies. Pursuant to the Act (Section 85.13) the RC must file with the Régie, for approval, a register identifying the entities that are subject to the reliability standards adopted by the Régie.

3. Compliance Accountability: All Québec registered entities are accountable to the Régie for compliance with the reliability standards it adopts.

4. Monitoring: The Régie establishes processes for monitoring Québec registered entities through the QCMEP; the latter is analogous to the NERC CMEP.

5. **Monitoring:** NPCC monitors compliance to the reliability standards by conducting audits, self-certification, spot checks and other means in accordance with the QCMEP.
6. **Investigations:** The Régie may request or authorize NPCC or NERC to lead a compliance investigation.
7. **Violation Determination and Sanction Imposition:** The Régie imposes a sanction to any Québec registered entity, if the Régie determines that a failure to comply (violation) with a Reliability Standard has occurred. Sanctions are imposed according to the *Sanction Guide for the Enforcement of the Reliability Standards in Effect in Québec*. The penalties are grouped into two distinct categories: financial and non-financial. The maximum financial penalty amount is \$500 000 per occurrence per day.
8. **Enforcement Measure:** The Régie may impose a mitigation plan, a remedial action for non-compliance seriously compromising the reliability of electric power transmission or conditions for carrying on certain activities.
9. **Public Disclosure:** In the event that a reliability standard violation is determined by the Régie, the name of the entity accountable for this violation is made public on the Régie's website. The level of detail disclosed for any violation varies according to the Régie's determination.
10. **Revision of a Decision:** Section 37 of the Act provides the conditions for a revision or revocation of a decision rendered by the Régie.
11. **Judicial Review:** Section 40 of the Act provides that "no appeal lies from a decision of the Régie." As decisions rendered by the Régie cannot be appealed, the only available recourse is a judicial review to the Superior Court of Québec. However, section 41 of the Act provides for a relatively tight privy clause.
12. **Further Right of Appeal:** A Superior Court decision on judicial review can be appealed to the Québec Court of Appeal and ultimately, by permission, to the Supreme Court of Canada.
13. **Québec's Rules of Procedure:** Québec's Rules of procedure are integrated into the second agreement and the QCMEP.
14. **Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) and the QCMEP Annual Implementation Plan (Québec Implementation Plan):** Each year, the Régie approves the Québec Implementation Plan, which is the annual operating plan carried out by NPCC while performing its responsibilities and duties, as described in the QCMEP. The NPCC monitors and assesses Registered Entities' compliance with the reliability standards. The Québec Implementation Plan includes, among other things, the Annual Compliance Audit Plan and the Periodic Data Submittal Schedule.

15. **Performance Oversight:** NPCC provides the Régie and NERC with the *QCMEP Annual Implementation Report* regarding, among other things, the effectiveness of the QCMEP. Upon request from the Régie, NERC will conduct an audit of NPCC.

16. **Prevention and Outreach:** In addition to alerts and other publications issued by NERC and/or NPCC to help Québec registered entities prevent violations, the Régie may also issue similar notices for this purpose in an effort to clarify Québec's mandatory reliability standards regime, the requirements of the QCMEP and reliability standards development.