

Remarks of Peter Fraser
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Good morning Commissioners, staff and fellow panelists. My name is Peter Fraser and I am Vice President of Industry Operations and Performance at the Ontario Energy Board (OEB), the energy regulator of the Province of Ontario, Canada. I am speaking with you this morning as a representative of the OEB. In preparing these remarks, I have consulted with representatives of Canadian regulators and governments who participate on our Federal Provincial Territorial Working Group on Electric Reliability.

The last time I spoke to you, at the Technical Conference in July of 2013, my topics were international regulatory cooperation on standards development and cooperation among Canadian reliability enforcement agencies. Today, I'd like to discuss international cooperation, the State of the Reliability Report, and monitoring the impact of increased variable generation on system reliability.

Since the Commission's previous Technical Conference in 2013, NERC's Board and leadership has enhanced their focus on ensuring the ERO is functioning effectively as an international body through a host of outreach, educational and other activities. While there is always room for instilling a greater awareness of NERC's international mission and obligations, both throughout the ERO enterprise and among

those entities whose mandates are in some way effected by NERC's undertakings, we wish to expressly recognize the encouraging progress that has been made in this regard over the past year. In particular, I note that the Trilateral Reliability Working Group made of Canadian regulators, FERC and, a representative of the new Mexican regulator is a good venue for exchange of information and views and ongoing communication with NERC. In fact, the draft agreement building on the data sharing principles that have been in the works for a long time is finally nearing completion.

With respect to the State of Reliability Report itself, it's analysis of data for trending, problem identification and prioritization is very positive. Turning data into information and using that to provide insight on the most cost effective projects to pursue is the most appropriate regulatory approach. And as an official for a regulator that, unlike FERC, does not have a large complement of highly capable power system engineers, I appreciate the effort NERC has made to make the findings more understandable to the nonexpert. This in turn increases confidence on the part of a regulator that the priority issues have been identified.

We also see as positive that NERC is applying the Find, Fix and Track methodology to the grid as a whole. The initiative to get better event reporting and reduce the number of "unknown" initiating cause codes is a step forward.

As I noted last year, Ontario is facing the challenge of a changing resource mix, specifically the integration of high levels of variable resources while having closed all our coal plants. We in Ontario appreciate NERC's Key Finding 2 that Frequency Response remains stable. While it is comforting to note that the downward trend of frequency response in

the Eastern Interconnection is not statistically significant, it is worth watching as more jurisdictions retire older generation and with it, the inertia that it provides to the system. This is an instance where the insight provided by the data NERC is tracking will indicate whether action is needed.

I thank the Commission for this opportunity and look forward to any questions you might have.