

▶ Nova Scotia – US Comparator

Standard-Making and Enforcement Functions

Prepared by: ▶ Nova Scotia Utility and Review Board ▶ October 11, 2019

CURRENT RELIABILITY STANDARDS

KEY ORGANIZATIONS IN NOVA SCOTIA'S ELECTRICITY SECTOR

DEPARTMENT OF FINANCE

The Minister for this Department is responsible for the Nova Scotia Utility and Review Board (“NSUARB” or “Board”) Act which is the legislation that establishes the governance, structure and mandate of the NSUARB.

DEPARTMENT OF ENERGY

The Nova Scotia Department of Energy (“Department”) is responsible for setting the policy and legislative framework for Nova Scotia’s electricity system. The Department develops solutions and advises on all aspects of energy policy for Nova Scotia, including electricity, natural gas and oil.

NOVA SCOTIA UTILITY AND REVIEW BOARD

The NSUARB is an independent, quasi-judicial body which has both regulatory and adjudicative jurisdiction flowing from the Utility and Review Board Act. It reports to the Legislature through the Minister of Finance. Pursuant to the Public Utilities Act, the Board exercises general supervision over all electric utilities operating as public utilities within the Province. This jurisdiction includes setting rates, tolls and charges; regulations for provision of service; approval of capital expenditures in excess of \$250,000 and any other matter the Board feels is necessary to properly exercise its mandate. The Board has the authority to stay or revoke the operation of a reliability standard in Nova Scotia and refer it back to NERC or the NPCC for further consideration.

NOVA SCOTIA POWER

Nova Scotia Power Incorporated (“NSPI”) is a vertically integrated, privately owned utility serving 95% of customers in Nova Scotia. NSPI owns the majority of transmission and distribution assets in the province as well as a significant portion of the generation. NSPI is a regulated utility under the Public Utilities Act and is subject to supervision by the NSUARB. NSPI is responsible for planning for and maintaining a reliable electricity service to all loads in the province. NSPI is responsible for reviewing and implementing NERC standards under the supervision of the NSUARB.

NOVA SCOTIA POWER SYSTEM OPERATOR

The system operator is financially part of Nova Scotia Power, but operationally and functionally separated from other parts of NSPI and must adhere to a UARB approved Code of Conduct to ensure its independence from NSPI’s other business units. The system operator bears responsibility for, and manages the wholesale electricity market and oversees the reliable daily operation of the provincial electricity grid.

The following table identifies the provincial organizations responsible for each of the functions that underpin the framework for monitoring and enforcing compliance with reliability standards in the province, and the U.S. organizations that support this framework. It also identifies the U.S. organizations that are involved in standards development, monitoring and enforcing compliance with reliability standards in the U.S.

FUNCTIONS ¹		PROVINCIAL ORGANIZATION	RELEVANT US ORGANIZATION	US COMPARATOR
STANDARDS MAKING ²	Standards Development	Not Applicable	NERC	NERC
	Standards Approval	NSUARB, NSPI ⁽¹⁾	Not Applicable	FERC
	Entity Registration	NSPI-SO ^(2,3)	NPCC Recommendations to NSPI-SO ⁽⁴⁾	NERC
COMPLIANCE MONITORING	Compliance Monitoring and Violation Detection	NSUARB	NERC and NPCC ⁽⁵⁾	NERC / NPCC and FERC
ENFORCEMENT PROCESSES	Execution of Investigations	NSUARB	NERC and NPCC ⁽⁶⁾	NERC/ NPCC and FERC
	Violation Determination and Sanction Imposition	NSUARB	Recommendations to NSUARB only ⁽⁷⁾	NERC, FERC
VIOLATION PREVENTION AND OUTREACH	Violation Prevention, Outreach, including education	N/A (10)	NERC/ NPCC	NERC / NPCC and FERC
APPEALS	First Right of Appeal	NSUARB Review or Hearing	Not Applicable	NPCC Hearing Body
	Second Right of Appeal	NSUARB Appeal ⁽⁸⁾	Not Applicable	NERC BOT CC
	Third Right of Appeal	An order of the NSUARB can be appealed to The Nova Scotia Court of Appeal.	Not Applicable	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 and FERC-approved regional reliability standards

FUNCTIONS ¹		PROVINCIAL ORGANIZATION	RELEVANT US ORGANIZATION	US COMPARATOR
OVERSIGHT	Approval of Nova Scotia's Compliance Monitoring and Enforcement Implementation Plan	NSUARB	NERC ⁽⁹⁾	NERC/NPCC
	Performance Oversight of CMEP	NSUARB	Not Applicable	NERC BOT CC

TABLE DEFINITIONS

PROVINCIAL ORGANIZATION

Nova Scotia's organization accountable and responsible for performing the function according to provincial legislation.

RELEVANT US ORGANIZATION

The US organization responsible for performing the function according to an executed agreement for the provision of services.

US COMPARATOR

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

TABLE NOTES

(1) STANDARDS APPROVAL

NERC submits standards to NSUARB and NSPI for approval. Each organization may approve, modify, remand or dismiss the standard as not applicable, though final approval authority rests with the NSUARB. The NSUARB has a quarterly review process allowing the submission, by NERC, of standards already approved by FERC.

(2) BULK ELECTRIC SYSTEM

The FERC approved definition of the bulk electric system, as modified on May 6th, 2014, was adopted for Nova Scotia by Board Order dated April 6, 2017.

(3) ENTITY REGISTRATION

NPCC as the regional Entity maintains the list of all market participants of the BES who must comply with approved reliability standards. The registry is based on the NERC functional model and registry criteria.

(4) NPCC RECOMMENDATIONS FOR ENTITY REGISTRATIONS

NPCC provides recommendations and may also identify organizations that may be candidates for registration and assign them to the Compliance Registry.

(5) COMPLIANCE MONITORING

As per MOU with NERC, compliance is mandatory in Nova Scotia. The NSUARB will monitor compliance and accept compliance information and recommendations from NERC.

(6) INVESTIGATIONS

The NSUARB is responsible for compliance investigations in Nova Scotia. NERC may assist the NSUARB with compliance investigations by providing: Compliance reports and spot checks, Readiness evaluations, disturbance reports, etc.

(7) VIOLATION DETERMINATION AND SANCTION IMPOSITION

NERC, NPCC and NSUARB may all suggest compliance violation; proceedings shall be conducted under the Board's direction and control. NERC may recommend a particular penalty for any violation, but the NSUARB will be responsible for determining if a violation occurred and what penalties, if any, should be imposed.

(8) APPEALS TO NSUARB

Any person may appeal to the NSUARB a decision from a review or compliance hearing. Further appeals may proceed to a court of law.

(9) COMPLIANCE MONITORING AND ENFORCEMENT PLAN

Approval for the compliance and monitoring plan is by MOU between NERC and NSUARB on 22nd of Dec, 2006 and later through MOU between NERC, NPCC and NSPI on 20th of April, 2010. NSPI is subject to NERC's CMEP as implemented by NPCC.

(10) VIOLATION PREVENTION

Compliance is mandatory in Nova Scotia.