

July 14, 2017

VIA Email, Courier and RESS

Independent Electricity System Operator

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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Independent Electricity System Operator - Comments
Protecting Privacy of Personal Information and the Reliable Operation of the
Smart Grid in Ontario - Board File No. EB-2016-0032**

On June 1, 2017, the Ontario Energy Board ("Board") issued for comment its Staff Report to the Board on a proposed Cyber Security Framework and Supporting Tools for the Electricity and Natural Gas Distributors ("Staff Report"), and industry-developed Cyber Security Framework ("Framework").

The IESO commends the OEB for facilitating the industry-developed Framework and is pleased to have participated as a member of the Cyber Security Steering Committee ("CSSC") and the Cyber Security Working Group ("CSWG"), both responsible for various aspects of developing the Framework.

The proposed Framework is intended for electricity and gas distributors, and non-bulk transmission. For the bulk electric system ("BES"), there are Critical Infrastructure Protection ("CIP") standards established by the North American Electric Reliability Corporation ("NERC") that govern physical and cyber security. The IESO is subject to compliance of these NERC CIP standards. It is important for there to be alignment between the proposed Framework for the non-Bulk Electric System (BES) and the standards applicable to the BES to ensure that mitigation strategies are in place to address potential gaps that could compromise security across the two systems. This is especially important in light of increased risks to the Bulk Electric System (BES) and non-Bulk systems due to *"Smart grid enhancements, interoperability, the advent of self-sustaining microgrids, as well as distributed generation and demand response plans increase interdependence and interactions between entities attached to the grid. Each connection has the potential to affect the reliability of the grid. This evolution has resulted in increased risks to the reliability of the energy system due to security breaches and increased exposure to cyber-attacks and cyber-crime."* Staff Report p. 10.

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In light of the escalating risks arising to the industry, the IESO believes it is imperative to implement the proposed Framework in a timely manner. This will provide assurance to the OEB and the sector that cyber security is being addressed. The proposed phased approach would yield timely implementation of the proposed Framework and as such, IESO is supportive of this approach.

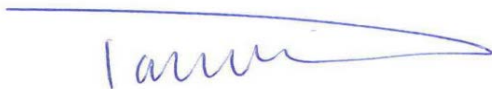
In Phase 2, OEB staff proposes that a Cyber Security Information Sharing Forum ("CSIF") be established whereby participation is mandatory. The Staff Report also recommends that an industry led Cyber Security Advisory Committee ("CSAC") be established in 2018/2019 as part of Phase 3, to lead the ongoing evolution of the Framework.

The Staff Report points out that in 2013, the IESO initiated the development of a provincial, collaborative, open and voluntary forum for Ontario to support compliance with NERC CIP standards. The IESO's [Cyber Security Forum](#) is a Standing Committee designed to increase awareness and improve cyber security within the province's electricity sector. The subject matter under consideration by the forum is limited to cyber security excellence. The IESO would be happy to offer its assistance with the development of and/or participation in the new CSIF.

The IESO appreciates the opportunity to comment on the Staff Report and the Framework at this time.

Please contact me if you have any questions or wish to discuss these points further.

Yours truly,

A handwritten signature in blue ink, appearing to read "Tam Wagner", with a long horizontal line extending to the right.

Tam Wagner
Senior Manager, Regulatory Affairs

cc: Brian Hewson, Vice President, Consumer Protection & Industry Performance (OEB)