

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL AND WEB POSTING

June 1, 2017

**To: All Rate Regulated Natural Gas Distributors
All Licensed Electricity Distributors
All Participants in Consultation Process EB-2016-0032
All Other Interested Parties**

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

Today the Ontario Energy Board (OEB) issued 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 the accompanying industry developed Cyber Security Framework (Framework). The Staff Report and proposed Framework are being issued for comment.

Background

By [letter](#) dated February 11, 2016, the OEB initiated a consultation to review the cyber security of the non-bulk electrical grid and associated business systems in Ontario that could impact grid reliability and the protection of personal information.

The Staff Report provides a background on the OEB's expectations in relation to cyber security and privacy in the energy sector. These expectations, as identified by OEB staff include the need to protect the confidentiality of consumer information, protection of network systems and operations from risks related to cyber-attacks, that distributors are to ensure their system plans include appropriate consideration of these risks based on industry best practices.

The Staff Report proposes policy and reporting requirements to provide measurable assurance to the OEB, that Ontario's electricity distributors address cyber security risks based on a consistent approach and criteria in order to meet their reliability, security

and privacy obligations. In the Staff Report, OEB staff also suggests that the proposed framework that would apply electricity distributors can also apply to transmitters and natural gas distributors to provide similar assurance to the OEB.

Implementation

Phase 1 of the consultation focused on distributors requirements. The Framework is expected to be in place in late 2017 and OEB staff is proposing an interim reporting by LDCs on cyber security assessment and progress within three months of the framework being issued, and an annual certification of cyber security capability starting in 2018.

To further enhance the cyber security capability of the sector, OEB staff is proposing that the Framework would be supported by new industry working groups to facilitate the continuous improvement of the Framework through ongoing sector consultation with a broad spectrum of third party stakeholders and regulated entities. This collaborative approach will support the OEB's expectation, that the industry developed Framework continues to evolve and improve through shared sector ownership, maturation and increased industry collaboration.

Sector Cyber Security Consultation

The consultation was designed to establish a cyber security policy and reporting requirement that provides the OEB with the assurance of distributor cyber security capability. In the absence of an existing distribution cyber security standard, the primary focus of this consultation was to develop a framework, leveraging recognised industry standards, policy guidelines and auditing requirements by applying a distribution context to define a common platform of requirements that all can adhere to. The proposed framework will guide regulated entities on how to meet the requirements for cyber security readiness and verification and ensure compliance with licensing obligations for system reliability and consumer privacy.

To assist the OEB in developing a framework (2) consultative groups were established. The consultative groups included a Steering Committee and a Cyber Security Working Group (CSWG) comprised of licensed electricity distributors, representatives of the Ontario Ministry of Energy, IESO, the Electrical Safety Authority and natural gas utilities.

The OEB also retained industry leading consultants (AESI) who were commissioned to work with the CSWG to develop and document the process and tools to manage cyber security in a manner consistent with the objectives set out by the OEB.

In parallel, a communication strategy was initiated to reach out to various stakeholder groups throughout the policy development process and ensure adequate sector representation and input in the consultative process. Working with the CSWG, the OEB facilitated the development of the proposed sector-driven framework. Materials related to this consultation including the proposed Framework and associated documentation are available on the OEB's website at www.oeb.ca.

Stakeholder Comment

The Staff Report outlines OEB staff's views on the expectations for Ontario's electricity distributors regarding cyber security and privacy, explains the key elements, issues and proposals for the proposed Framework. **Comments are invited from all interested stakeholders by July 15, 2017.** Interested parties may submit a letter of comment for consideration; feedback is specifically appreciated with respect to the following aspects:

- Regulatory Requirements and Reporting;
- Additional Implementation tools and guidance required;
- Adequate guidance with respect to integration of privacy requirements; and
- Other aspects to be incorporated.

The OEB welcomes any comments or feedback on the Framework or Staff Report. We thank all in advance for your comments. Your feedback will be incorporated into the OEB's review and finalisation of its policy and any refinement of the Framework. Following receipt of all comments, the OEB will determine the next steps for this policy consultation.

All communications should be directed to the attention of the Board Secretary at the address below, and filings are received no later than **4:45 p.m. on July 15, 2017.**

A member of the public can submit a letter of comment by using the following [link](#) or by sending your letter by email or post using the contact information provided. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "[RESS Document Preparation – A Quick Guide](#)" also found on the e-filing services web page. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail at boardsec@oeb.ca.

All filings to the OEB must quote the file numbers **EB-2016-0032**, be made in searchable/unrestricted PDF format electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>.

Alternatively, two (2) paper copies can be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file two (2) paper copies.

ADDRESS

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Any questions relating to this letter or OEB's policy on EB-2016-0032 in this area should be sent to Cybersecurity@oeb.ca or alternatively to Stuart Wright, at 416-440-4683.

Yours truly,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance