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December 16, 2024

To: All Licensed Electricity Distributors
All Licensed Electricity Transmitters
Independent Electricity System Operator

Re: Enhancing Cyber Security Readiness in Ontario's Electricity Sector

Today the Ontario Energy Board (OEB) is issuing version 2.0 of the Ontario Cyber Security Standard (Standard) that includes requirements for licensed electricity distributors and transmitters (collectively referred to as utilities) to periodically complete an independent cyber security assessment based on the Ontario Cyber Security Framework. This letter provides details regarding the new version of the Standard which is effective immediately.

In establishing the independent cyber security assessment requirements, the OEB's objectives are to:

- create consistent, granular reporting requirements for Ontario electricity utilities, leveraging Ontario's Cyber Security Framework;
- ensure utilities have independent assessments of their cyber security programs and recommendations to inform their action plans; and,
- increase the OEB's understanding of utilities' cyber security maturity.

The OEB announced its intention to establish requirements for independent cyber security assessments in an October 7, 2024 letter. On October 30, 2024, OEB staff presented its proposal for independent assessments to utilities at a Cyber Security Advisory Committee (CSAC) meeting and invited attendees to comment on the proposed requirements. The feedback was generally supportive of the initiative, however utilities noted the impact the new requirements would have on utility budgets and resources, issues regarding the implementation timeline, suggestions for modifications to the minimum experience requirements for assessors and the critical importance of information security in both the independent assessment and reporting process.

The OEB has considered the comments and suggestions from CSAC members in finalizing the changes to the Standard, specifically in establishing the schedule for utilities to submit their independent cyber security assessments. Utilities will be divided into three groups that will submit independent assessment reports six months apart to allow for easier access to available independent assessors, with the first group of submissions due on January 30, 2026. The OEB

will announce the group assignments in January 2025. Instructions for submitting the independent assessment reports will be provided closer to the first submission deadline.

The OEB believes that the independent assessments resulting from these new requirements will provide valuable information to individual utilities and the OEB regarding utilities' cyber security readiness, particularly as Ontario proceeds through the energy transition and as technology is increasingly deployed by utilities to meet customer demands. Utilities will be expected to use this information to optimize their cyber security action plans. The OEB will use the assessment results to analyze utilities' cyber security maturity and to inform the OEB's consideration of additional cyber security requirements.

The OEB expects the CSAC to continue to evolve the Ontario Cyber Security Framework as an effective basis for independent assessments. As the OEB has indicated on prior occasions, all licensed electricity transmitters and distributors are encouraged to participate in the CSAC. Please contact Muzi Liu, Senior Advisor at muzi.liu@oeb.ca with questions about this letter or for more information about CSAC participation. Utilities may submit questions about the Ontario Cyber Security Standard to the OEB's industry relations email, IndustryRelations@oeb.ca.

Yours truly,

Brian Hewson Vice President, Consumer Protection & Industry Performance

Attachments:

- 1) Ontario Cyber Security Standard Version 2 (clean)
- 2) Ontario Cyber Security Standard Version 2 showing additions (underlined)