



NORTHEAST POWER COORDINATING COUNCIL, INC.  
 1040 AVE. OF THE AMERICAS, NEW YORK, NY 10018 (212) 840-1070 FAX (212) 302-2782

Régie Identification Number :	<b>NIR005</b>		
Registered Entity Name:	<b>Cartier Énergie Éolienne (CAR) Inc.</b>		
Registered Entity Acronym:	<b>CAR</b>		
Reliability Standards Scope:	<b>Operations &amp; Planning Standards</b>		
Compliance Monitoring Process:	<b>Compliance Audit</b>		
Distribution:	<b>Public Version. Confidential Information Has Been Removed, Including Privileged and Critical Energy Infrastructure Information.</b>		
Regional Entity:	<b>Northeast Power Coordinating Council, Inc. (NPCC)</b>		
Date of Opening Presentation:	<b>May 16, 2017</b>	Date of Closing Presentation:	<b>September 7, 2017</b>
Date of Report:	<b>9/25/2017</b>	IP Year:	<b>2017</b>
Potential Noncompliance:	<b>None (zero)</b>		
Jurisdiction:	<b>Quebec, Canada</b>		

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## I. Executive Summary

Northeast Power Coordinating Council, Inc. (NPCC) conducted a Operations & Planning Standards Compliance Audit of Cartier Énergie Éolienne (CAR) Inc., NIR005 from June 23, 2017 to September 7, 2017.

At the time of the Compliance Audit, CAR was registered for the functions of Generator Operator (GOP), Generator Owner (GO).

The Compliance Audit team (the Audit team) evaluated CAR for compliance with six (6) reliability standards and twelve (12) requirements in the 2017 Quebec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP). The Audit team assessed compliance with the NERC Reliability Standards for the periods as indicated below:

Registered Function	Reliability Standards	Requirement(s)	Applicable Audit Period	Notes
GO/GOP	COM-002-2 IRO-001-1.1 PRC-001-1 PRC-005-2 TOP-006-2 VAR-002-3	R1 R8 R3, R4, R5 R3, R4, R5 R1 R1, R3, R4	January 1, 2016 to June 24, 2017 April 1, 2016 to June 24, 2017 January 1, 2016 to June 24, 2017 January 1, 2017 to June 24, 2017 July 1, 2016 to June 24, 2017 January 1, 2017 to June 24, 2017	See Note below

**Note:** Initially PRC-005-2 was included in the scope of the audit. The CAR site is a Facility classified as Main Transmission System (MTS) in the Register of Entities Subject to Reliability Standards (the Register). According to the Register, CAR does not own or operate Facilities classified as Bulk Power System (BPS) Consequently, PRC-005 is not applicable CAR and was removed from the scope of this audit.

CAR submitted evidence for the Audit team's evaluation of CAR's compliance with all requirements. The Audit team reviewed and evaluated all evidence provided to assess compliance with Reliability Standards applicable to CAR at this time.

Based on the evidence provided, No Findings of non-compliance were noted for the Reliability Standards and the Eight (8) applicable Requirements in scope for this Audit engagement. One (1) requirement, PRC-001-1 R4, was found to be Not Applicable to CAR.

There were no open Mitigation Plans; therefore, none were reviewed by the Audit team.

The Compliance Audit team lead certifies that the team adhered to all applicable requirements of the NERC Rules of Procedure (ROP), the QCMEP and the September 24, 2014 *Agreement on the Implementation of the Québec reliability standards compliance monitoring and enforcement program* (the Agreement).

## II. Compliance Audit Process

The Compliance Audit process steps are detailed in the QCMEP. NPCC's application for the QCMEP generally conforms to the United States Government Auditing Standards (GAGAS) and other generally accepted audit practices.

### Objectives

All registered entities are subject to compliance assessments with all Reliability Standards applicable to the functions for which the registered entity is registered. The Compliance Audit objectives are to:

- Provide reasonable assurance of compliance with the requirements of Reliability Standards applicable to CAR;
- Review compliance with applicable Reliability Standards;
- Observe and document CAR's compliance program and culture.

### Scope

The scope of the Compliance Audit considered the Reliability Standards in the 2017 Annual Implementation Plan and Inherent Risk Assessment (IRA) of CAR completed by Northeast Power Coordinating Council, Inc. (NPCC).

The Reliability Standards and Requirements in-scope for this Compliance Audit are illustrated in **Table 2** below:

Registered Function	Standards	Requirement(s)
GO/GOP	COM-002-2	R1
	IRO-001-1.1	R8
	PRC-001-1	R3, R4, R5
	TOP-006-2	R1
	VAR-002-3	R1, R3, R4

The Audit team did not expand the scope of the Compliance Audit beyond what was stated in the notification package.

### Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the team are governed under the QCMEP and the Agreement. CAR was informed of Northeast Power Coordinating Council, Inc. (NPCC)'s obligations and responsibilities under the Agreement and the QCMEP. The work history for each Audit team member was provided to CAR, which was given an opportunity to object to a team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with a Team member's impartial performance of duties. CAR had not submitted any objections by the stated objection due date based on the QCMEP and accepted the Audit team member participants without objection. There were no denials or access limitations placed upon this team by CAR.

## Methodology

The ERO Compliance Monitoring and Enforcement Manual (Manual) documents the ERO Enterprise's current approaches used to assess a registered entity's compliance with the NERC Reliability Standards. While the ERO Enterprise does not necessarily perform compliance monitoring activities that must be in accordance with GAGAS and other generally accepted audit practices, NPCC uses these standards as framework to conduct compliance monitoring activities under the QCMEP, and recognizes that these standards provide information used in oversight, accountability, transparency, and improvements in operations.

Northeast Power Coordinating Council, Inc. (NPCC) provided CAR with a Compliance Audit notification package to commence the Compliance Audit. CAR provided evidence at the time requested, or as agreed upon, by Northeast Power Coordinating Council, Inc. (NPCC). The Audit team reviewed the evidence submitted by CAR and assessed compliance with the requirements of the applicable Reliability Standards. Additional evidence could be submitted until the agreed-upon deadline prior to the exit briefing. After that date, only data or information deemed relevant to the content of the report or its finding could be submitted, with the agreement of the Audit team lead.

The Audit team reviewed documentation provided by CAR and requested additional evidence and sought clarification from subject matter experts (SMEs) during the Compliance Audit. The evidence submitted in the form of policies, procedures, emails, logs, studies, data sheets, etc. were validated, substantiated, and cross-checked for accuracy as appropriate. Where sampling is applicable to a requirement, the sample set was determined by a statistical methodology, along with the use of professional judgment.

The findings were based on the facts and documentation reviewed, the Audit team's knowledge of the Register, the NERC Reliability Standards, and the use of professional judgment. All findings were developed based upon the consensus of the Audit team.

## Company Profile

Cartier Énergie Éolienne (CAR) Inc. is registered as a Generator Operator (GOP) and Generator Owner (GO). The parent company of CAR is Cartier Wind Energy Inc., which itself is a partnership between two companies active in the energy field: TransCanada and Innergex Renewable Energy. CAR owns and operates 73 wind turbines of 1.5 MW/1.66 MVA each. The total installed capacity of the production at the site is 109.5 MW/121.7 MVA.

### **III. Compliance Audit Findings**

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Based on the results of the Compliance Audit, No Findings were noted for the Reliability Standards and Eight (8) applicable Requirements in scope for this audit engagement. One (1) requirement, R4 of PRC-001-1, was found to be Not Applicable to CAR.

## **IV. Recommendations and Positive Observations**

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### **Recommendations**

The team identified and informed CAR of four recommendations. The specific details of each recommendation are described below.

1. COM-002-2: Follow-up on standardizing the list of alarm recipients for consistency amongst each site.
2. IRO-001-1.1: All communications regarding operating instructions or operating directives should be logged for issuance date/time and completion date/time including any e-mail correspondence.
3. PRC-001-1: Draft a procedure that would detail the required coordination between CAR, HQ and any others affected by equipment changes that may impact the protection systems.
4. VAR-002-3: Correct the software issue regarding the display of AVR status.

### **Positive Observations**

The Audit team identified and informed CAR of 3 positive observations. The specific details of each positive observation are described below.

1. COM-002-2: Alarms are sent via SMS or e-mail to site managers and lead technicians informing them of site issues prior to receiving a phone call from GONOCC.
2. TOP-006-2: As per the Common System Operating Instruction, HQ receives status in real time from each site as well as alarms.
3. VAR-002-3: As per the Common System Operating Instruction HQ receives status of AVR in real time.

## V. Compliance Culture

**Comments on CAR Compliance culture:** Observed during the audit: CAR responded to the first and second round of questions in the time frame agreed. Although audit evidence was submitted in French, they did submit the QRSAs in English which facilitated the auditors review of their audit documentation. The Audit team would like to thank the Cartier Team for their cooperation and professionalism displayed during the audit. Based on our experience during this audit, it appears they take compliance seriously and were receptive to our requests and suggestions.

### **Northeast Power Coordinating Council, Inc. (NPCC) Contact Information**

Any questions regarding this Compliance Audit report can be directed to:

Northeast Power Coordinating Council, Inc. (NPCC)  
1040 Avenue of the Americas  
10<sup>th</sup> Floor  
New York, NY 10018-3703

On behalf of Northeast Power Coordinating Council, Inc. (NPCC), this report was prepared and reviewed by:

<b>Compliance Audit Team Lead</b>	<b>Date</b>
John Muir	September 22, 2017
<b>Management Representative</b>	<b>Date</b>
Scott Nied	September 25, 2017



## Appendix 1

### Compliance Audit Participants

Following is a list of all personnel from the Audit team and CAR who were directly involved during the meetings and interviews.

Table 3: Compliance Audit Team		
Role	Title	Entity
Audit Manager	Manager, Compliance Monitoring	NPCC
Compliance Audit Team Lead	Manager, Operations & Planning Compliance Audits	NPCC
Team Member	Auditor	NPCC
Team Member	Auditor	NPCC
Team Member	Audit Coordinator	NPCC
Team Member	Audit coordinator	NPCC

Table 4: CAR Participants	
Title	Entity
Director, General	Cartier Energie Eolienne Inc
Electrical Engineer - Operational Support	Cartier Energie Eolienne Inc