



NPCC, Inc.

NORTHEAST POWER COORDINATING COUNCIL, INC.  
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Régie Identification Number:	<b>NIR034</b>		
Registered Entity Name:	<b>Éoliennes de L'Érable S.E.C.</b>		
Registered Entity Acronym:	<b>EER</b>		
Reliability Standards Scope:	<b>Operations &amp; Planning Standards</b>		
Compliance Monitoring Process:	<b>Compliance Audit</b>		
Distribution:	<b>Public Version. Non-Public Information has been removed, including Privileged Information.</b>		
Regional Entity:	<b>Northeast Power Coordinating Council, Inc. (NPCC)</b>		
Date of Opening Presentation:	<b>June 13, 2019</b>	Date of Closing Presentation:	<b>October 4, 2019</b>
Date of Report:	<b>October 11, 2019</b>	Implementation Plan Year:	<b>2019</b>
Potential Non-compliance:	<b>None (zero)</b>		
Jurisdiction:	<b>Quebec, Canada</b>		

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## I. Executive Summary

Northeast Power Coordinating Council, Inc. (NPCC) conducted an Operations & Planning Standards Compliance Audit of Éoliennes de L'Érable S.E.C. (EER), NIR034 from June 13, 2019 to October 4, 2019.

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

The Reliability Coordinator (RC), Balancing Authority (BA), and Transmission Operator (TOP) for EER is Hydro-Québec - Contrôle des mouvements d'énergie (une direction de HQT) (HQCMÉ). The Planning Authority (PA), and Transmission Planner (TP) for EER is Hydro-Québec TransÉnergie (HQT).

The Compliance Audit team (the Audit team) evaluated EER for compliance with nine (9) reliability standards and eleven (11) requirements in the 2019 Québec Reliability Standards Compliance Monitoring and Enforcement Program (QCMEP) Annual Implementation Plan (2019 Annual Implementation Plan). The Audit team assessed compliance with the NERC Reliability Standards for the periods indicated below.

**Table 1: Compliance Audit Scope and Applicable Period**

Registered Functions	Reliability Standards	Requirement(s)	Applicable Audit Period
GO/GOP	FAC-008-3	R6	July 1, 2017 to May 9,2019
	IRO-001-4	R2	July 1, 2017 to May 9,2019
	MOD-025-2	R1, R2	October 1, 2017 to May 9,2019
	MOD-032-1	R2	January 1, 2018 to May 9,2019
	PER-005-2	R6	July 1, 2018 to May 9,2019
	PRC-019-1	R1	January 1, 2017 to May 9,2019
	PRC-025-1	R1	October 1, 2017 to May 9,2019
	TOP-003-3	R5	July 1, 2017 to May 9,2019
	VAR-002-3	R2, R3	January 1, 2017 to May 9,2019

### Requirements Found Not Applicable

Based on the information and documentation provided by EER, the following two (2) requirements were found to be not applicable.

- PRC-025-1, R1:** This requirement is not applicable at this time because the generating facility of the EER is not connected to the Main Transmission System (RTP) according to the Register of entities subject to Reliability Standards (the Register). As per the Applicability section of the Québec Appendix, the generating facilities that are not connected to the RTP are exempted from the application of this standard.
- PER-005-2, R6:** This requirement is not applicable because EER does not meet the applicability requirements of section 4.1.5.1 of the standard and does not possess a centrally located control center with personnel who can modify operating instructions.

EER submitted required evidence for the Audit team’s evaluation of EER’s compliance with all requirements. The Audit team reviewed and evaluated all evidence provided to assess compliance with Reliability Standards included in the audit scope.

Based on the evidence provided, no findings of non-compliance were noted for the seven (7) Reliability Standards and nine (9) Requirements applicable to EER. Based on the evidence provided, the Audit team’s findings are summarized in **Table 2** below:

<b>Table 2: Summary of Compliance Audit Findings</b>				
<b>Reliability Standard Requirement(s)</b>	<b>Not Applicable</b>	<b>No Finding</b>	<b>Potential Noncompliance (PNC)</b>	<b>Open Enforcement Action (OEA)</b>
11	2	9	0	0

The Audit team notified EER of three (3) recommendations.

There were no open Mitigation Plans for review by the Audit team.

The Compliance Audit Team Lead certifies that the Audit 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 2014 Agreement).

## II. Compliance Audit Process

The Compliance Audit process steps are detailed in the QCMEP. NPCC's application for the QCMEP conforms to the United States Generally Accepted Government Auditing Standards (GAGAS) and other 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 included in the audit scope;
- Assess compliance with Reliability Standards included in the audit scope;
- Review evidence of self-reported non-compliances and previous self-certifications;
- Review EER's compliance program and culture.

### Scope

The scope of this Compliance Audit considered the NERC Reliability Standards in the 2019 Québec Annual Implementation Plan. In addition, during the Compliance Audit the Audit Team reviewed the Mitigation Plans or Remedial Action directives that were open during the audit period, as applicable.

The Reliability Standards and Requirements in-scope for this Compliance Audit are illustrated in **Table 3** below:

Registered Function	Standards	Requirement(s)
GO/GOP	FAC-008-3	R6
GO/GOP	IRO-001-4	R2
GO/GOP	MOD-025-2	R1, R2
GO/GOP	MOD-032-1	R2
GO/GOP	PER-005-2	R6
GO/GOP	PRC-019-1	R1
GO/GOP	PRC-025-1	R1
GO/GOP	TOP-003-3	R5
GO/GOP	VAR-002-3	R2, R3

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

### Internal Compliance Program

Within the scope of the Compliance Audit, EER's compliance program was reviewed.

## Controls

The Audit team reviewed EER's related internal controls associated with NERC Reliability Standards included in the audit scope.

## Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the Audit team are governed under the QCMEP and the 2014 Agreement. EER was informed of NPCC's obligations and responsibilities under the QCMEP and the 2014 Agreement. The work history for each Audit team member was provided to EER, 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. EER 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 EER.

## Methodology

The Electric Reliability Organization (ERO) Compliance Monitoring and Enforcement 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.

NPCC provided EER with a Compliance Audit notification package to commence the Compliance Audit. EER provided evidence at the time requested, or as agreed upon, by NPCC. The Audit team reviewed the evidence submitted by EER and assessed compliance with the requirements of the Reliability Standards included in the audit scope. 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 Compliance Audit Team Lead.

The Audit team reviewed supporting documents provided by EER and requested additional evidence and sought clarification from subject matter experts 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

Éoliennes de L'Érable S.E.C. has a wind farm made up of 50 2MW turbines and a 120kV-34.5kV step-up substation. The installed capacity of the wind farm is 125 MVA.

### III. Compliance Audit Findings

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Based on the results of this Compliance Audit, no findings of non-compliance were noted for the seven (7) Reliability Standards and the nine (9) Requirements applicable to EER.

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

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### **Recommendations**

There were three (3) recommendations provided by the Audit team.

### **Positive Observations**

No positive observation was identified by the Audit team.



## V. Compliance Culture

**Comments on EER’s compliance culture:** The Audit team performed an assessment of EER’s compliance culture in conjunction with the Compliance Audit process. The assessment was accomplished through a review of responses to the Internal Compliance Survey questionnaire and additional information that was gathered during interviews and observations. The Audit Team identified one factor, demonstrated by EER, which characterizes a vigorous and effective compliance program:

- Active engagement and leadership by senior management.

### **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 NPCC, this report was prepared and reviewed by:

<b>Compliance Audit Team Lead</b>	<b>Date</b>
Jacqueline Jimenez	October 11, 2019
<b>Management Representative</b>	<b>Date</b>
Jenifer Farrell	February 4, 2020

## Appendix 1

### Compliance Audit Participants

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

Table 5: Compliance Audit Team		
Role	Title	Entity
Compliance Audit Team Lead	Manager, Compliance	NPCC
Audit Manager	Director, Compliance Monitoring	NPCC
Team Member	Auditor	NPCC
Team Member	Auditor	NPCC
Team Member	Auditor	NPCC
Observer	Economic Regulation Specialist	Régie de l'énergie
Observer	Economic Regulation Specialist	Régie de l'énergie

Table 6: EER Participants	
Title	Entity
Operation director	Éoliennes de L'Érable S.E.C.
Engineer	BBA