



Operations and Planning

Compliance Audit Report Public Version

Northwest Power Pool Reserve Sharing Group
NERC ID# NCR05281

**Confidential Information (Including Privileged and Critical Energy
Infrastructure Information) – Has Been Removed**

Date of Audit: August 12, 2015
Date of Report: October 5, 2015

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Executive Summary

WECC conducted an Operations & Planning (O&P) Compliance Audit of Northwest Power Pool Reserve Sharing Group (NWPP), NERC ID NCR05281 on August 12, 2015.

At the time of the audit, NWPP was registered for the function of Reserve Sharing Group (RSG).

Related Reliability Functions for NWPP	
Function	Entity
Reliability Coordinator (RC)	Peak Reliability (PEAK)
Member Balancing Authorities (BA)	Alberta Interconnected Electric System (AESO) Avista Corporation (AVA) Balancing Authority of Northern California (BANC) British Columbia Hydro and Power Authority (BCHA) Bonneville Power Administration (BPAT) Chelan County PUD #1 (CHPD) Douglas County PUD #1 (DOPD) Grant County PUD #1 (GCPD) Gridforce Energy Management (GRID) Idaho Power Company (IPC) NaturEner Power Watch, LLC (GWA) NaturEner Wind Watch, LLC (WWA) North Western Energy (NWMT) NV Energy (NEVP) PacifiCorp East (PACE) PacifiCorp West (PACW) Portland General Electric Company (PGE) Puget Sound Energy, Inc. (PSEI) Seattle City Lights (SCL) Tacoma Power (TPWR) Turlock Irrigation District (TID) Western Area Power Administration Upper Great Plains (WAUW)

The audit team evaluated NWPP for compliance with nine (9) O&P requirements in the 2015 NERC Compliance Monitoring and Enforcement Program (CMEP). The team assessed compliance with the NERC Reliability Standards (and Regional Reliability Standards if applicable) for the period of August 19, 2009 through April 28, 2015. NWPP submitted evidence for the team's evaluation of compliance with requirements. The team reviewed and evaluated all

evidence provided to assess compliance with reliability standards applicable to NWPP at this time. Based on the evidence provided, the team’s findings are summarized in the following table:

Summary of Findings					
	No Finding	Possible Violation	Open Enforcement Action*	Not Applicable	Total
Reliability Standard Requirements	5	0	0	0	5
Regional Standard Requirements	4	0	0	0	4
Total	9	0	0	0	9

*OEA with newly identified PVs are counted in the PV column only; not in the OEA column. OEAs without newly identified PVs are counted in the OEA column.

The findings included in this report are the same as the findings presented to NWPP during the exit briefing. The findings are further explained in the Audit Findings section and the Findings table of the report. The Findings table includes detailed information of the audit team’s findings of applicability and compliance to the NERC Reliability Standards and applicable Regional Reliability Standards within the scope of the Compliance Audit. Possible Violations will be processed as outlined in the NERC CMEP. There were no open mitigation plans; therefore, none were reviewed by the team.

The WECC Audit Team Lead certifies that the audit team adhered to all applicable requirements of the NERC Rules of Procedure (ROP) and Compliance Monitoring and Enforcement Program (CMEP).¹

¹ This statement replaces the Regional Entity Self-Certification process.

Audit Process

The Compliance Audit process steps are detailed in the NERC Rules of Procedure, the NERC CMEP. The Compliance Monitoring and Enforcement Program generally conforms to the United States Government Auditing Standards 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 registered² in the Region(s) performing the assessment. The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to NWPP, based on the functions that NWPP is registered to perform;
- Validate compliance with applicable Reliability Standards from the NERC 2015 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by WECC;
- Validate compliance with applicable Regional Reliability Standards from the WECC 2015 Implementation Plan list of actively monitored standards, if applicable;
- Validate evidence of self-reported violations and previous self-certification violations;
- Observe and document NWPP's compliance program and culture;
- Review the status of open mitigation plans.

Scope

The scope of the Compliance Audit included the 2015 NERC CMEP Reliability Standards and the WECC 2015 Implementation Plan. In addition, this would include a review of mitigation plans or remedial action directives that were open during the audit. The team did not expand the scope of the audit beyond what was stated in the notification package.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the audit team are governed under the WECC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. NWPP was informed of WECC's obligations and responsibilities under the agreement and procedures. The work history for each team member was provided to NWPP, 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. NWPP had not submitted any objections by the stated 15-day objection

² NERC Rules of Procedure, Appendix 4C, Section 3.1, Compliance Audits.

due date and accepted the team member participants without objection. There were no denials or access limitations placed upon this team by NWPP.

Methodology

The audit team reviewed the evidence submitted by NWPP and assessed compliance with requirements of the applicable reliability standards. WECC provided NWPP with a Request for Information (RFI) prior to commencement of the audit. NWPP provided pre-audit evidence at the time requested, or as agreed upon, by WECC. Additional evidence could be submitted until the agreed-upon deadline prior to the exit briefing. After that date, only data or information that was 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 NWPP and requested additional evidence and sought clarification from subject matter experts during the audit. 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 professional judgment.

Findings were based on the facts and documentation reviewed the team's knowledge of the bulk electric system (BES), the NERC Reliability Standards, and professional judgment. All findings were developed based upon the consensus of the team.

Company Profile

The NWPP RSG functions as an operating agent for a group of 22 Balancing Authorities for purposes of compliance with NERC standards BAL-002-1 and Regional WECC standard BAL-002-WECC-2, as a Reserve Sharing Group. The NWPP RSG does not itself own or operate any BES elements apart from the individual systems of the participating Balancing Authorities.

The Participant Balancing Authorities in the NWPP RSG include the following:

- Alberta Interconnected Electric System (AESO)
- Avista Corporation (AVA)
- Balancing Authority of Northern California (BANC)
- British Columbia Hydro and Power Authority (BCHA)
- Bonneville Power Administration (BPAT)
- Chelan County PUD #1 (CHPD)
- Douglas County PUD #1 (DOPD)
- Grant County PUD #1 (GCPD)
- Gridforce Energy Management (GRID)
- Idaho Power Company (IPC)
- NaturEner Power Watch, LLC (GWA)
- NaturEner Wind Watch, LLC (WWA)
- North Western Energy (NWMT)

- NV Energy (NEVP)
- PacifiCorp East (PACE)
- PacifiCorp West (PACW)
- Portland General Electric Company (PGE)
- Puget Sound Energy, Inc. (PSEI)
- Seattle City Lights (SCL)
- Tacoma Power (TPWR)
- Turlock Irrigation District (TID)
- Western Area Power Administration Upper Great Plains (WAUW)

Audit Participants

Following is a list of all personnel from the WECC Audit Team and NWPP who were directly involved during the meetings and interviews.

WECC O&P Audit Team & Documentation

Role	Title
O&P Audit Team Lead	Manager, Operations & Planning Audit Team
O&P Team Member	Senior Compliance Auditor
Documentation	Compliance Program Coordinator

WECC Observer(s)

Role	Title	Entity
Observer	Data Coordinator, Business Services	WECC

NWPP Audit Participants

Title	Entity
NWPP Reserve Sharing Group Agent	NWPP
NWPP Operating Committee Manager	NWPP
NWPP RSG Committee Manager	NWPP

Audit Findings

Standard	Req.	Finding
BAL-002-1	R2	No Finding
BAL-002-1	R3	No Finding
BAL-002-1	R4	No Finding
BAL-002-1	R5	No Finding
BAL-002-1	R6	No Finding
BAL-002-WECC-2	R1	No Finding
BAL-002-WECC-2	R2	No Finding
BAL-002-WECC-2	R3	No Finding
BAL-002-WECC-2	R4	No Finding

Compliance Culture

NWPP's compliance culture was not reviewed by the WECC Audit Team. The review of NWPP's Internal Compliance Program will be performed by the WECC Compliance Enforcement Department as needed.

Distribution for Comment

In Accordance with the NERC CMEP, WECC provided NWPP a non-public draft version of this audit report with an Entity Comment Form for review and comment on September 17, 2015. The Entity Comment Form on file in the WECC Compliance Department provides record of these comments, if proposed, and WECC's consideration of them for inclusion in this final report.

Management Approval

This Report was reviewed and approved by Phillip O'Donnell, WECC Manager of Operations and Planning Audits, on October 5, 2015.