

NPCC
Internal Controls Evaluation (ICE) – Working Paper

ACME Electric North America (ACMEE NA) (NCR09999)

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[Ben Eng's Note: After conducting ICE walkthrough, and reviewing post ICE walkthrough entity data submittals/responses to ICE, the ERA ICE team will review and finalize this workpaper to justify its conclusions, provide general feedback to registered entity, and provide detailed documentation to the NPCC Audit Team]

2. Entity Name & NCR ACME Electric North America (ACMEE_NA) (NCR09999)

3. Standard and Requirements: EOP-005-3, *System Restoration from Blackstart Resources*, R1-R11

Purpose (Control Objective):

Ensure plans, Facilities, and personnel are prepared to enable System restoration from Blackstart Resources to ensure reliability is maintained during restoration and priority is placed on restoring the Interconnection.

EOP-005-3 (Implementation 4/1/2019)

R1. Each Transmission Operator shall develop and implement a restoration plan approved by its Reliability Coordinator. The restoration plan shall be implemented to restore the Transmission Operator's System following a Disturbance in which one or more areas of the Bulk Electric System (BES) shuts down and the use of Blackstart Resources is required to restore the shutdown area to a state whereby the choice of the next Load to be restored is not driven by the need to control frequency or voltage regardless of whether the Blackstart Resource is located within the Transmission Operator's System. The restoration plan shall include:

- 1.1.** Strategies for System restoration that are coordinated with its Reliability Coordinator's high level strategy for restoring the Interconnection.
- 1.2.** A description of how all Agreements or mutually-agreed upon procedures or protocols for off-site power requirements of nuclear power plants, including priority of restoration, will be fulfilled during System restoration.
- 1.3.** Procedures for restoring interconnections with other Transmission Operators under the direction of its Reliability Coordinator.
- 1.4.** Identification of each Blackstart Resource and its characteristics including but not limited to the following: the name of the Blackstart Resource, location, megawatt and megavar capacity, and type of unit.
- 1.5.** Identification of Cranking Paths and initial switching requirements between each Blackstart Resource and the unit(s) to be started.
- 1.6.** Identification of acceptable operating voltage and frequency limits during restoration.

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1.7. Operating Processes to reestablish connections within the Transmission Operator's System for areas that have been restored and are prepared for reconnection.

1.8. Operating Processes to restore Loads required to restore the System, such as station service for substations, units to be restarted or stabilized, the Load needed to stabilize generation and frequency, and provide voltage control.

1.9. Operating Processes for transferring operations back to the Balancing Authority in accordance with its Reliability Coordinator's criteria.

M1. Each Transmission Operator shall have a dated, documented System restoration plan developed in accordance with Requirement R1 that has been approved by its Reliability Coordinator as shown with the documented approval from its Reliability Coordinator and will have evidence, such as operator logs, voice recordings or other operating documentation, voice recordings or other communication documentation to show that its restoration plan was implemented for times when a Disturbance has occurred, in accordance with Requirement R1.

R2. Each Transmission Operator shall provide the entities identified in its approved restoration plan with a description of any changes to their roles and specific tasks prior to the effective date of the plan.

M2. Each Transmission Operator shall have evidence such as dated electronic receipts or registered mail receipts that it provided the entities identified in its approved restoration plan with a description of any changes to their roles and specific tasks prior to the effective date of the plan in accordance with Requirement R2.

R3. Each Transmission Operator shall review its restoration plan and submit it to its Reliability Coordinator annually on a mutually-agreed, predetermined schedule.

M3. Each Transmission Operator shall have documentation such as a dated review signature sheet, revision histories, dated electronic receipts, or registered mail receipts, that it has annually reviewed and submitted the Transmission Operator's restoration plan to its Reliability Coordinator in accordance with Requirement R3.

R4. Each Transmission Operator shall submit its revised restoration plan to its Reliability Coordinator for approval, when the revision would change its ability to implement its restoration plan, as follows:

4.1. Within 90 calendar days after identifying any unplanned permanent BES modifications.

4.2. Prior to implementing a planned permanent BES modification subject to its Reliability Coordinator approval requirements per EOP-006.

M4. Each Transmission Operator shall have documentation such as dated review signature sheets, revision histories, dated electronic receipts, or registered mail receipts, that it has submitted the revised restoration plan to its Reliability Coordinator in accordance with Requirement R4.

R5. Each Transmission Operator shall have a copy of its latest Reliability Coordinator approved restoration plan within its primary and backup control rooms so that it is available to all of its System Operators prior to its effective date.

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M5. Each Transmission Operator shall have documentation that it has made the latest Reliability Coordinator approved copy of its restoration plan, in electronic or hardcopy format, in its primary and backup control rooms and available to its System Operators prior to its effective date in accordance with Requirement R5.

R6. Each Transmission Operator shall verify through analysis of actual events, a combination of steady state and dynamic simulations, or testing that its restoration plan accomplishes its intended function. This shall be completed at least once every five years. Such analysis, simulations or testing shall verify:

6.1. The capability of Blackstart Resources to meet the Real and Reactive Power requirements of the Cranking Paths and the dynamic capability to supply initial Loads.

6.2. The location and magnitude of Loads required to control voltages and frequency within acceptable operating limits.

6.3. The capability of generating resources required to control voltages and frequency within acceptable operating limits.

M6. Each Transmission Operator shall have documentation, such as power flow outputs, that it has verified that its latest restoration plan will accomplish its intended function in accordance with Requirement R6.

R7. Each Transmission Operator shall have Blackstart Resource testing requirements to verify that each Blackstart Resource is capable of meeting the requirements of its restoration plan. These Blackstart Resource testing requirements shall include:

7.1. The frequency of testing such that each Blackstart Resource is tested at least once every three calendar years.

7.2. A list of required tests including:

7.2.1. The ability to start the unit when isolated with no support from the BES or when designed to remain energized without connection to the remainder of the System.

7.2.2. The ability to energize a bus. If it is not possible to energize a bus during the test, the testing entity must affirm that the unit has the capability to energize a bus such as verifying that the breaker close coil relay can be energized with the voltage and frequency monitor controls disconnected from the synchronizing circuits.

7.3. The minimum duration of each of the required tests.

M7. Each Transmission Operator shall have documented Blackstart Resource testing requirements in accordance with Requirement R7.

R8. Each Transmission Operator shall include within its operations training program, annual System restoration training for its System Operators. This training program shall include training on the following:

8.1. System restoration plan including coordination with its Reliability Coordinator and Generator Operators included in the restoration plan.

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8.2. Restoration priorities.

8.3. Building of cranking paths.

8.4. Synchronizing (re-energized sections of the System).

8.5. Transition of Demand and resource balance within its area to the Balancing Authority.

M8. Each Transmission Operator shall have an electronic or hard copy of the training program material provided for its System Operators for System restoration training in accordance with Requirement R8.

R9. Each Transmission Operator, each applicable Transmission Owner, and each applicable Distribution Provider shall provide a minimum of two hours of System restoration training every two calendar years to their field switching personnel identified as performing unique tasks associated with the Transmission Operator's restoration plan that are outside of their normal tasks.

M9. Each Transmission Operator, each applicable Transmission Owner, and each applicable Distribution Provider shall have an electronic or hard copy of the training program material provided to their field switching personnel for System restoration training and the corresponding training records including training dates and duration in accordance with Requirement R9.

R10. Each Transmission Operator shall participate in its Reliability Coordinator's restoration drills, exercises, or simulations as requested by its Reliability Coordinator.

M10. Each Transmission Operator shall have evidence that it participated in its Reliability Coordinator's restoration drills, exercises, or simulations as requested in accordance with Requirement R10.

R11. Each Transmission Operator and each Generator Operator with a Blackstart Resource shall have written Blackstart Resource Agreements or mutually agreed upon procedures or protocols, specifying the terms and conditions of their arrangement. Such Agreements shall include references to the Blackstart Resource testing requirements.

M11. Each Transmission Operator and Generator Operator with a Blackstart Resource shall have the dated Blackstart Resource Agreements or mutually agreed upon procedures or protocols in accordance with Requirement R11.

4. Start with and work from the Entity Process Flow / Narrative (i.e., Reliability Delivery Model) annotated with respective Standards & Requirements cross-references and reflective of key controls design components and features (i.e., policies & procedures, SME / Mgmt. Actions & Activities, Automation Tools & Applications).

[Ben's note: what follows is a narrative describing the entity's Process Flow Diagram and identification of key controls (processes/procedures, tool, skilled human capital) and their overall purposes. Sections 5, 6 and 7 of this workpaper are a deeper identification, review, analysis and testing of the key controls]

Sections of the flowchart are annotated with applicable requirements and key controls for R5 and R10.

- Flowchart references:
 - Procedures

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o Tools

The ACMEE_NA process flow diagrams for EOP-005-3 (index, NPCC 2019/ACMEE_NA/ICE/Received/ACMEE_NA_O&P_ICE_04012019/EOP-005)^{*1} represent the ICD/controls for maintaining a copy of the restoration plan in the primary and backup control rooms and delivering annual System restoration training.

***1: [Ben's note: This is location of the cited artifact (typical)]**

Transmission Planning is responsible for the System Restoration Plan. A procedure (AP-7440-17) includes a table of the EOP-005 requirements and the compliance measures for each section of the restoration plan. The restoration plan is documented in a procedure (AP-7400).

A procedure (AD08-15-07) requires operator restoration simulation training during initial as well as annual continuous training. The procedure also requires operators to participate in internal and external drills. The drills include the annual ISO_NA Restoration drill. The Annual Training Requirements in Appendix F also includes the restoration exercise conducted at the ISO_NA System Operator Training spring session.

A procedure (SO02-15-35) defines the scope of drills. This procedure includes an annual Restoration Plan drill using the simulator.

Blackstart resources are attained by the ISO_NA per the ISO_NA System Restoration Manual and ISO_NA Tariff Rate Schedule 5.

Individual Learning Activity Design Specifications define the restoration training Enabling Objectives. Specifically identified are restoration priorities, synchronizing and an overview of the restoration plan.

5. Identify, Review and Assess (I-R-A) the Process Flow / Narrative for key control features and components of the Integrated Controls Design (ICD) which are in place to support related Standards & Requirements including Control Objectives (i.e., Purpose of the Standard).

***Note that all I-R-A activities should also answer the questions posed by the 5 W's & 1 H (Who, What, Where, When, Why and How).**

[Ben's note: This section is meant for the NPCC ICE team to understand the process flow and 3 "control silos" that comprise them (Policies and Procedures, System Automation and Tools, and Skilled Human Capital) and the key controls that should be tested to achieving the overall control objective.]

a. List and briefly keyword-describe (I-R-A) the ICD control-components and features for:

i. Relevant Policies and Procedures [cross-reference to Entity ICE W/S #nnnnn]

Procedure AP-7440-17 Compliance with NERC Electric Reliability Standards

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Assigned to the Transmission Planning Department

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Documents the compliance measures for each section of the restoration plan.

Procedure AD08-15-07 - BULK POWER OPERATOR SELECTION AND TRAINING

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Documents the initial and continued training process and requirements.

Procedure SO02-15-35 - Audit Procedure for Periodic Drills, Tests, Inspections, and Reports

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Requires an annual Restoration Plan drill using the simulator.

ii. Skilled Human Capital (e.g., SME's, Operators, Mgmt. & Supervision, & Third-Party Activities, etc.)

- Bulk Power Training Coordinator
- Bulk Power Operators

iii. Automation Tools and Applications (e.g., SCADA, ICCP, Data Bases, Spreadsheets, Models, etc.)

- Quality Training System database
 - List of Reliability Related Tasks
 - Learning Activity Design Specifications
 - Enabling Objectives
- Compliance Management System reminders
 - Annual Restoration Plan review
 - Annual Restoration Plan training
- Training Simulator
- Learning Management Training system (LMT)

6. Conduct onsite walk-thru with Entity SME's to validate Process Flow / Narrative (Reliability Delivery Model) to identify gaps, make recommendations and request additional supporting evidence.

[Ben's note: Section 6 is the NPCC ICE team's onsite walkthrough and interviews of entity SMEs to discuss and review entity's controls. Actionable items and their documentation are discussed. Evidence of design/implementation and testing discussed during the walkthrough discussions are provided and listed in Section 7 (with file/folder location identified).

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Transmission Planning performs studies to confirm or revise the plan annually. These study cases include planned system changes. The operators simulate the plan using the training simulator. This verifies the plan. Any operator comments are provided to Transmission Planning for consideration.

Transmission Planning conducts training at each blackstart generator in the plan. The training is tracked in a spreadsheet. There is a pre-summer checklist that includes meetings/training with generators.

Transmission Planning witness the blackstart tests to confirm the test are conducted according to the requirements identified in the ISO_NA System Restoration Manual.

ACMEE_NA changes affecting the ISO_NA Restoration Plan are reviewed by the NPCC Restoration Procedure Task Force (RPTF). ACMEE_NA participates in ISO_NA Restoration Working Group (RWG). Revisions to TOP restoration plans are reviewed annually at the RPTF meetings. ACMEE_NA sends the restoration plan annually to the ISO_NA. The ISO_NA approves the plan via email. In addition revisions to the plan are uploaded to the ISO_NA TOPWG Sharepoint site.

Restoration Plan review reminders are setup in Sharepoint by Compliance. The reminders are set at 60 days, 30s day, 1 week and the day before if necessary. The Compliance Manager is copied on the email reminders.

The Training Manager is responsible for getting copies of the updated restoration plan to the primary and backup Control Rooms. A Compliance Management System action item is assigned to the Trainer to attest that copies are available at both locations.

The Learning Management Training system (LMT) is used to assign and track training for field switching personnel. The Senior Substation operator is the position that requires the training. The Training Coordinator schedules the employee for the training. A report can be generated listing those that need the training. Employee and manager gets email notifications once scheduled. The training is offered annually. LMT identifies the re-qualification date. The Training coordinator is responsible for setting up training. LMT generates email notification reminders to employees, the training coordinator and the manager. Substation operators are trained not to perform a task for which they are not trained.

The ISO_NA conducts an annual restoration drill. The ISO_NA also conducts restoration drills utilizing the ISO_NA Training Simulator as part of the bi-annual ISO_NA System Operator Training (SOT). All TOP attend SOTs and participate in the drill.

ACMEE designates blackstart resources, but the agreements are between the ISO_NA and the blackstart generators per the ISO_NA tariff. Blackstart testing requirements are defined by the ISO_NA.

ACMEE_NA provided the following information requested on site:

- a. AP-7440-17 Compliance with NERC Electric Reliability Standards Assigned to the Transmission Planning Department
- b. D07-14-6 Bulk Power Operator Selection and Training

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- c. SO02-15-35 Audit Procedure for Periodic Drills Tests Inspections and Reports
- d. ISO_NA System Restoration Manual
- e. ISO_NA Tariff Rate Schedule 5
- f. ILT 6.5.1 thru 6.5.7

7. I-R-A, collect and document evidence supporting implementation and status of ICD (e.g., screen shots, physical observation, site tours, interviews, testing results and re-performance, etc.)

[Ben's note: Section 7 of the EOP-005 ICE Workpaper speaks to the entity's evidence of the implementation/testing of the key controls are documented.

See attached document "Location_EOP-005_ICE_documents_testing_ACMEE.doc" for screen shot of folders containing files of controls and testing associated with EOP-005.]

a. Document I-R-A results on ICD design and implementation.

Restoration Training Material

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ISO_NA Restoration Plan Diagram and ISO_NA Emergency Operations Manual 1-14-2019

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Email notifying operators the revised ISO_NA Restoration Plan and Diagram have been distributed to the primary and backup Control Centers.

ILT 6 5b-2 Restoration Lesson Plan - Blackstart - 2017

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Email requesting closeout of 2017 ILT 6.5b-2 action item.

Eastern Eval sheets

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Restoration Simulation Exercise Evaluation Form – Samaypo & Eastern Island.

Western Eval sheets

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Restoration Simulation Exercise Evaluation Form – Nearagut/Comethals, ISO_NA & Western Island.

Resto Practices Rev2018HO.

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ISO_NA SOTS Restoration presentation.

Winter 2019

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ACMEE_NA 2019 winter restoration training presentation including restoration plan changes.

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DOJT course SOT3059

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LMT screenshot of Synchronization of Generator to System course for Senior Substation Operators showing during as 2.5 hours.

SOT3059 training status

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LMT screenshot of Synchronization of Generator to System course listing due dates and last taken dates.

ISO_NA Restoration Drills

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2018 ISO_NA Restoration Drill Operations Report identifying ACMEE_NA as a participant.

ACMEE Restoration Plan Approval by ISO_NA

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2018 email from the ISO_NA approving the ACMEE_NA restoration plan

ACMEE restoration plan posting on ISO_NA eConnect

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Screenshot of TOPWG Sharepoint site showing the ACMEE_NA restoration plan was uploaded.

Restoration Working Group Agenda_4-08-2019

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Agenda for an NPCC RPTF conference call to approve the ISO_NA restoration diagram changes that were made due to ACMEE_NA restoration plan changes.

ATS 1108 detail

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Screenshot of Action Tracking System Dashboard to review the Restoration Plan

Sunny-Crown Project (part 1) Installation of Breaker 5E at Sunny 345kV Substation

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2019 email notifying the ISO_NA of a planned change to the ACMEE_NA system.

FW Linden 2019 test letter

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2019 email from ACMEE_NA stating the Linden Cogen blackstart generator successfully completed its Black Start Capability Test.

Blackstart Selection Bayonne Energy Center II

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2018 email from ACMEE_NA informing the ISO_NA that ACMEE_NA has designated Bayonne Energy Center units CTG9 & 10 in the ACMEE_NA restoration plan as blackstart units.

b. Document any recommendation to ICD or implementation.

[Ben's note: Independent from the NPCC ICE team's recommendation for keeping the requirement in scope or deferral to alternate monitoring (if qualified), the team wants to add value to the entity by suggesting improvements to the entity's controls to mitigate risks going forward.

Work with the ISO_NA TOPWG to correct the CFR Matrix responsibility column for EOP-005 R7 to a "Joint" responsibility.

8. Determine and document whether the ICD supports, (meets) or exceeds the respective Standards & Requirements and the respective Control Objectives (Purpose of the Standard / Requirement).

a. Document why the ICD supports meets or exceeds the Control Objectives.

With the exception of R2, R3, R8 & R9, a review of the previous audit report in 2016 indicated there were no findings with the applicable version of this standard. Requirements R2, R3, R8 & R9 were not in the 2016 audit scope.

ACMEE_NA has procedures that outline the controls in place to support the requirements of EOP-005.

ACMEE_NA participates in the ISO_NA RWG. ACMEE_NA leverages its restoration training with the ISO_NA SOT training.

ACMEE_NA has several compliance tools in place. CMS provides automatic notifications for tasks necessary to comply with the requirements. The LMT system tracks the status of restoration training for Senior Substation Operators and send reminders. The QTS database is used to identify the list of Reliability Related Tasks, Learning Activity Design Specifications and enabling objectives.

The controls outlined in the procedures and automated tools were tested by inspecting training material, QTS Individual Learning Tasks (ILT), training evaluation sheets and LMT screenshots, ISO_NA drill report and email confirming particular tasks were completed.

b. Determine the requirements that will be removed from scope and the requirements that will remain in scope.

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[Ben's note: 7 of the 11 EOP-005 requirements remained in scope; 4 were recommended for deferral to alternative monitoring (Spot Check, Self Cert) based on implementation/testing of controls and past compliance history. Guidance for Implementation Levels "FI", "LI", "PI", "NI", "M" used to assist in the evaluation of internal controls are provided at the end of this workpaper]

R2, R3, R5, and R9: Remain in Scope.
Controls Implementation: FI

R7: Remain in Scope.
Controls Implementation: LI

R4, R6: Remain in Scope.
Controls Implementation: PI

R1, R10, and R11: Remove from Scope.
Controls Implementation: FI

R8: Remove from Scope.
Controls Implementation: LI

Based on the controls provided in the procedures, automated tools, skilled human capital and the results of previous compliance audits, the assessment team has reasonable assurance that ACMEE has;

- Fully Implemented (FI) controls for EOP-005 R2, R3, R5, R9, largely implemented controls for R7 and partially implemented controls for R4 and R6. These requirements will remain in scope pending further testing.

- Fully Implemented (FI) controls for EOP-005 R1, R10 and R11 and largely implemented controls for R8. The assessment team recommends deferral of these requirements to Alternate Monitoring methods.

¹ **Fully Implemented Controls (FI):** These are managed Internal Controls that are internally tested and Fully Implemented (FI). Sufficient evidence and/or affirmations are present and judged to be adequate to demonstrate process and internal control implementation, and no significant weaknesses (relative to IRA-identified risk) are noted. Here, the entity's internal control design exhibits the following:

- (1) Level of Prevention: Multiple self-monitoring internal controls, most of which cannot be overridden without management notification/resolving issue.
- (2) Level of Detection: Detective internal controls that mitigate the risk factors within an acceptable time window.

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- (3) Level of Correction: Combination of applicable corrective action plans or compensatory internal controls dealing with internal control failure and/or catastrophic risk impact. Other unexpected events are dealt with through well-defined and established procedures.

Largely Implemented Controls (LI): Sufficient evidence and/or affirmations are present and judged to be adequate to demonstrate process and internal control implementation, and one or more weaknesses are noted. Here, the entity's internal control design exhibits the following:

- (1) Level of Prevention: Some self-monitoring internal controls, at least one of which cannot be overridden without management notification/resolving issue.
- (2) Level of Detection: Majority of detective internal controls mitigate the risk factors and react fast enough to fix associated mishap well within an acceptable time window.
- (3) Level of Correction: Variety of applicable corrective action plans or compensatory internal controls dealing with internal control failure and/or catastrophic risk impact. Other unexpected events are dealt with through documented procedure.

Partially Implemented Controls (PI): Data supplied to the team (evidence and/or affirmations) conflict—some data indicate the process and internal controls are implemented and some data indicate the practice is not implemented, and one or more significant weaknesses (relative to IRA-identified risk) are noted. Here, the entity's internal control design exhibits the following:

- (1) Level of Prevention: Some self-monitoring internal controls, which may include internal controls that cannot be overridden without management notification/resolving issue.
- (2) Level of Detection: Mixture of detective internal controls that at most times may mitigate the risk factors within an acceptable time frame.
- (3) Level of Correction: At least one internal control that has a strong response/corrective action plan or compensatory internal control corrective action plan or compensatory control dealing with catastrophic impact of risk. Other unexpected events are dealt with through an informal procedure.

Not-Implemented Controls (NI): Some or all data required are absent or judged to be inadequate, data supplied does not support the conclusion that the process is implemented, and one or more significant weaknesses (relative to IRA-identified risk) are noted. Here, the entity's internal control design exhibits the following:

- (1) Level of Prevention: Some self-monitoring internal controls, most of which can be overridden without management notification/resolving issue.
- (2) Level of Detection: Some internal controls mitigate the risk, but not within an acceptable time window.
- (3) Level of Correction: Internal control may have a response/corrective action plan or compensatory internal control. Other unexpected events are dealt with intermittently through ad hoc procedures.

Missing Internal Controls (M): The basic unit or support function has not yet reached the stage in the sequence of work, or point in time to have implemented the process. Here, the entity's internal control design exhibits the following:

- (1) Level of Prevention: No self-monitoring internal controls.
- (2) Level of Detection: No detective internal controls.
- (3) Level of Correction: No corrective action or compensatory internal control to deal with any issues of internal control failure.