



Code of Conduct for NL Transmission System Operations

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Section 1 **Applicability**

The coordinated operation of the NL Transmission System is conducted by the NL System Operator (“NLSO”), which is an independently functioning division within Newfoundland and Labrador Hydro (“NLH”). The NL Transmission System is comprised of transmission facilities for which operational control has been transferred from the NL Transmission Owners to the NL System Operator pursuant to the Multi-Party Pooling Agreement (“MPPA”). The Code of Conduct set forth below shall apply to any employees of the NLSO and the NL Transmission Owners who are involved in Transmission Functions as defined herein.

Section 2 **General Principles**

As more fully described and implemented in subsequent sections of this Code of Conduct:

- (a) Transmission Function Employees will treat all Transmission Customers seeking Transmission Service over the NL Transmission System, affiliated and non-affiliated, on a not unduly discriminatory basis, and will not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transmission of electric energy over the NL Transmission System.
- (b) Transmission Function Employees will function independently from Marketing Function Employees, except as permitted by this Code of Conduct.
- (c) Transmission Function Employees are prohibited from disclosing, or using a conduit to disclose, Non-Public Transmission Function Information to Marketing Function Employees.
- (d) Equal access to Non-Public Transmission Function Information disclosed to Marketing Function Employees will be provided to Transmission Customers, affiliated and non-affiliated.

Section 3 **Definitions**

- (a) **“Affiliate”** means with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity. An affiliate includes a division of NLH that operates as a functional unit; provided however that the NL Crown shall not be deemed to be an Affiliate. “Control” as used in this definition means the direct or indirect authority, whether acting alone or in conjunction with others, to direct or cause to direct the management policies of an entity. A voting interest of 10 percent or more creates a rebuttable presumption of control.

- (b) **“Critical Energy Infrastructure Information”** or **“CEII”** means specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that: (i) Relates details about the production, generation, transportation, transmission, or distribution of energy; (ii) Could be useful to a person in planning an attack on critical infrastructure; (iii) Is exempt from mandatory disclosure under the *Access to Information and Protection of Privacy Act*; and (iv) Does not simply give the general location of the critical infrastructure.
- (c) **“Marketing Functions”** means the sale for resale, or the submission of offers to sell, electric energy or capacity, virtual transactions, or financial or physical transmission rights, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by a provider of last resort (**“POLR”**) acting in its POLR capacity.
- (d) **“Marketing Function Employee”** means an employee, contractor, consultant or agent of NLH, NEM, or any other Affiliate of an NL Transmission Owner, as applicable, who actively and personally engages on a day-to-day basis in Marketing Functions.
- (e) **“Multi-Party Pooling Agreement”** means the agreement, first executed on April 13, 2015, which provides for the pooling of certain bulk transmission facilities within NL under the operational control of the NLSO for the purposes of providing open access and non-discriminatory Transmission Service.
- (f) **“Nalcor Energy Marketing Corporation”** (**“NEM”**) means a wholly-owned subsidiary of Nalcor Energy, incorporated for the purpose of the purchase and sale of energy and capacity in external wholesale markets.
- (g) **“Newfoundland and Labrador System Operator”** (**“NLSO”**) means the entity responsible for the safe and reliable operation of the bulk electric system in NL, including the administration and provision of Transmission Service on the NL Transmission System pursuant to the Multi-Party Pooling Agreement.
- (h) **“Newfoundland and Labrador Hydro”** (**“NLH”**) means a body corporate existing pursuant to the *Hydro Corporation Act, 2007*, being Chapter H-7 of the Statutes of Newfoundland and Labrador, 2007, and for the purposes of this Code of Conduct, “NLH” is deemed to exclude any department or division of NLH, or subset thereof, that is acting in the capacity of the NLSO.
- (i) **“NL”** means the Province of Newfoundland and Labrador.
- (j) **“NL Transmission Owner”** means an entity that owns transmission facilities which are designated as part of the NL Transmission System pursuant to the MPPA.

- (k) **“NL Transmission Policies and Procedures”** means those necessary administrative rules and practices required for the administration of Transmission Service over the NL Transmission System which have been adopted and posted on OASIS.
- (l) **“NL Reliability Standards”** means the criteria, standards and requirements relating to the Reliability of the NL Transmission System which have been adopted.
- (m) **“NL Transmission System”** means the transmission facilities located in NL, primarily operating at a voltage level of 230 kV or higher, including, without limitation, the Labrador-Island Link, the Labrador Transmission Assets and Island Interconnected System, but excluding the high voltage direct current portion of the Maritime Link transmission line owned by NSP Maritime Link Incorporated.
- (n) **“Non-Public Transmission Function Information”** means transmission information regarding the scheduling and operation of the transmission system which has not otherwise been posted on OASIS or otherwise been made publically available.
- (o) **“Open Access Same-Time Information System” (“OASIS”)** means the real time information sharing system used to communicate with Transmission Customers, provide transmission system information, process requests for Transmission Service and post certain Code of Conduct requirements.
- (p) **“PUB”** means the Board of Commissioners of Public Utilities established pursuant to the Public Utilities Act (NL), or any successor performing substantially the same functions.
- (q) **“Transmission Customer”** means any eligible customer or designated agent that executes a Transmission Service Agreement with the NLSO.
- (r) **“Transmission Functions”** means the planning, directing, organizing or carrying out of day-to-day Transmission Service operations for the NL Transmission System, including the granting and denying of transmission service requests.
- (s) **“Transmission Function Employee”** means an employee, contractor, consultant or agent of NLSO, NLH, or any other Affiliate of an NL Transmission Owner, as applicable, who actively and personally engages on a day-to-day basis in Transmission Functions.
- (t) **“Transmission Function Information”** means information relating to Transmission Functions.
- (u) **“Transmission Service”** means the delivery of energy and capacity on a network or point-to-point basis as further described in the NL Transmission Policies and Procedures and the applicable Transmission Service Agreement.
- (v) **“Transmission Service Agreement”** means the initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the NLSO for Transmission Service over the NL Transmission System.

- (w) **“Waiver”** means the determination by the NLSO to waive any provisions of the NL Transmission Policies and Procedures or terms of service under an applicable Transmission Service Agreement for a given entity.

Section 4 Non-Discrimination Requirements in the Provision of Transmission Service

- (a) The NLSO will strictly enforce all terms of its Transmission Service Agreements and NL Transmission Policies and Procedures relating to the sale or purchase of open access Transmission Service, if an applicable Transmission Service Agreement or the NL Transmission Policies and Procedures **do not provide for** the use of discretion by the NLSO.
- (b) The NLSO will apply all terms of its Transmission Service Agreements and NL Transmission Policies and Procedures relating to the sale or purchase of open access Transmission Service in a fair and impartial manner that treats all Transmission Customers in a not unduly discriminatory manner, if the Transmission Service Agreement or the NL Transmission Policies and Procedures **provide for** the use of discretion by the NLSO.
- (c) The NLSO will not, through its Transmission Service Agreements, NL Transmission Policies and Procedures or otherwise, give undue preference to any person in matters relating to the sale or purchase of Transmission Service (including, but not limited to, issues of price, curtailments, scheduling, priority, or ancillary services).
- (d) The NLSO will process all similar requests for Transmission Service in accordance with the application procedures set forth in the NL Transmission Policies and Procedures, in the same manner and within the same period of time.

Section 5 Independent Functioning Rule

- (a) *General Rule.* Except as permitted in this part or otherwise consistent with PUB orders, Transmission Function Employees must function independently of Marketing Function Employees.
- (b) *Separation of Functions.*
- (1) The NLSO and the NL Transmission Owners will not permit Marketing Function Employees to:
- (i) Conduct Transmission Functions; or
 - (ii) Have access to the system control center or similar facilities used for operation of the NL Transmission System that differs in any way from the access available to other Transmission Customers.

- (c) The NLSO and the NL Transmission Owners will not permit their Transmission Function Employees to conduct Marketing Functions.

Section 6 No Conduit Rule

- (a) The NLSO and the NL Transmission Owners will not use anyone as a conduit for the disclosure of Non-Public Transmission Function Information to Marketing Function Employees.
- (b) An employee, contractor, consultant or agent of the NLSO or an NL Transmission Owner, and an employee, contractor, consultant or agent of an Affiliate of the NLSO or an NL Transmission Owner that is engaged in Transmission Functions, is prohibited from disclosing Non-Public Transmission Function Information to any Marketing Function Employees.

Section 7 Transparency Rule

- (a) *Contemporaneous Disclosure.*
 - (1) If the NLSO or an NL Transmission Owner discloses Non-Public Transmission Function Information, other than information identified in paragraph (a)(2) of this section, in a manner contrary to the requirements of this Code of Conduct, notice of such disclosure will be promptly posted on OASIS and such disclosed information shall be made available to other requesting Transmission Customers.
 - (2) If the NLSO or an NL Transmission Owner discloses, in a manner contrary to the requirements of this Code of Conduct, non-public transmission customer information, CEII, or any other information that by law is subject to limited dissemination, the NLSO will promptly post notice on OASIS that the information was disclosed.
- (b) *Exclusion for Specific Transaction Information.* Transmission Function Employee(s) may discuss with a Marketing Function Employee a specific request for Transmission Service submitted by the Marketing Function Employee. The NLSO or an NL Transmission Owner, as applicable, is not obligated to contemporaneously disclose information otherwise covered by this Code of Conduct if the information relates solely to a Marketing Function Employee's specific request for Transmission Service.
- (c) *Voluntary Consent Provision.* A Transmission Customer may voluntarily consent, in writing, to allow the NLSO or an NL Transmission Owner, as applicable, to disclose the Transmission Customer's non-public information to Marketing Function Employees. If the Transmission Customer authorizes the disclosure of its information to Marketing Function Employees, the NLSO will post notice on OASIS of that consent along with a statement that it did not

provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

(d) *Posting the Code of Conduct and any Related Materials on OASIS.* The current Code of Conduct and any related materials will be posted permanently on OASIS.

(e) *Identification of Affiliate Information on OASIS.*

(1) The NLSO and each NL Transmission Owner will post on OASIS the names and addresses of all its Affiliates that employ or retain Marketing Function Employees.

(2) The NLSO and each NL Transmission Owner will post on OASIS a complete list of the employee-staffed facilities shared by any of its Transmission Function Employees and Marketing Function Employees. The list will include the types of facilities shared and the addresses of the facilities.

(f) *Identification of Employee Information on OASIS.*

(1) The NLSO and each NL Transmission Owner will post on OASIS the job titles and job descriptions of its Transmission Function Employees.

(2) The NLSO and each NL Transmission Owner will post a notice on OASIS of any transfer of a Transmission Function Employee to a position as a Marketing Function Employee, or any transfer of a Marketing Function Employee to a position as a Transmission Function Employee. The information posted under this section will remain on OASIS for 90 days. No such job transfer will be used as a means to circumvent any provision of this part. The information to be posted will include:

(i) The name of the transferring employee,

(ii) The respective titles held while performing each function (*i.e.*, as a Transmission Function Employee and as a Marketing Function Employee), and

(iii) The effective date of the transfer.

(g) *Timing and General Requirements of Postings on OASIS.*

(1) The NLSO will update on OASIS the information required by this Code of Conduct within seven business days of any change, and post the date on which the information was updated.

(2) In the event that an emergency, such as an earthquake, flood, fire or hurricane severely disrupts the NLSO's normal business operations, the posting requirements in this part may be suspended by the NLSO, provided that upon resumption of normal business operations, all required postings will be timely made.

- (3) All postings on OASIS required by this part will be sufficiently prominent as to be readily accessible.
- (h) *Exclusion For and Recordation of Certain Information Exchanges.*
 - (1) Notwithstanding the requirements of Section 5(a) and Section 6, Transmission Function Employees and Marketing Function Employees may exchange certain Non-Public Transmission Function Information, as delineated in Section 7(h)(2), in which case a contemporaneous record of all such exchanges will be made by the Transmission Function Employee and provided to the NLSO for retention except in emergency circumstances, in which case a record must be made of the exchange and provided to the NLSO as soon as practicable after the fact. The record may consist of hand-written or typed notes, electronic records such as e-mails and text messages, recorded telephone exchanges, and the like, and will be retained in accordance with any applicable record retention policy and in accordance with applicable law.
 - (2) The non-public information subject to the exclusion in Section 7(h)(1) is as follows:
 - (i) Information pertaining to compliance with all applicable Reliability Standards, and
 - (ii) Information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units.
- (i) *Posting of Waivers.* The NLSO will post on OASIS within one business day a notice of each Waiver of any provision of a Transmission Service Agreement or the NL Transmission Policies and Procedures that the NLSO grants in favor of an Affiliate, unless such waiver has been approved by the PUB. The NLSO will also maintain a log of the acts of Waiver and keep such records in accordance with any applicable record retention policy.

Section 8 Implementation Requirements

- (a) *Compliance Measures and Code of Conduct Distribution.*
 - (1) The NLSO and the NL Transmission Owners will implement measures to ensure that the requirements of this Code of Conduct are observed by its employees and by the employees of its Affiliates, if applicable.
 - (2) The NLSO and the NL Transmission Owners will distribute this Code of Conduct to Transmission Function Employees, Marketing Function Employees, officers, directors, supervisory employees, and any other employees likely to become privy to Transmission Function Information.

(b) *Training and Compliance Personnel.*

- (1) The NLSO and the NL Transmission Owners will provide annual training on this Code of Conduct to all the employees listed in paragraph (a)(2) of this section. The NLSO will provide training on this Code of Conduct to employees in the categories listed in paragraph (a)(2) of this section, within the first 30 days of their starting a position in one of those categories. The NLSO will require each employee who has taken the training to certify electronically or in writing that she or he has completed the training.
- (2) The NLSO and each NL Transmission Owner will designate a Director of the Code of Conduct who will be responsible for compliance with this Code of Conduct. The NLSO will post the name of each Director of the Code of Conduct and provide his or her contact information on OASIS.

(c) *Books and Records.* The NLSO and the NL Transmission Owners will maintain all books of account and records related to the provision of Transmission Service and operation of the NL Transmission System in accordance with any applicable record retention policy.