Compliance Monitoring Program
2016

RG CE – SG CME

4 November 2015
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1 INTRODUCTION

ENTSO-E promotes the reliable and efficient operation of the European interconnected transmission systems through the establishment of European wide network codes, regional technical rules, assessments and enforcement of compliance with these rules. This document addresses the Compliance Monitoring Program (CMP) for the year 2016 that will be used to ensure in a transparent and non-discriminatory way that ENTSO-E member TSOs in the Regional Group Continental Europe (RGCE) are compliant with the standards included in the Policies of the RGCE Operation Handbook (OH). It addresses accountability, compliance expectations, process flows, compliance audit process, a survey on the status of action plans, an appeal process and a dispute resolution process.

The Compliance Monitoring Advisor, in co-operation with the ENTSO-E RGCE Sub Group Compliance Monitoring and Enforcement (SG CME), is responsible for the update, maintenance and overseeing of this process. The single point of contact for the Compliance monitoring process is the ENTSO-E Compliance Monitoring Advisor (Carlos.CastelConesa@entsoe.eu).

This CMP document, together with the related documents, questionnaires, reports and schedules associated with the compliance monitoring and assessment process will be published on the ENTSO-E public website or uploaded to ENTSO-E member share point. Lessons learned from the ENTSO-E Compliance monitoring process will be included in the COR, which will be published on the ENTSO-E public website.

The Compliance Monitoring Process in 2016 checks the compliance via two processes: the self-assessment process ((selected) standards of Policy 4¹, Coordinated Operational Planning, of the RGCE OH) plus some selected standards from other Policies in case deemed necessary and the compliance audit process ((selected) standards and requirements of Policy 5², Emergency Operations, of the RGCE OH). Furthermore the status of action plans and progress in solving non compliances will be actively monitored.

¹ For Policy 4 the new version as approved in the RGCE Plenary meeting on 15th April 2015.

² For Policy 5 the updated version approved in the RGCE Plenary meeting on 4th June 2014 will be used. (Version where the ENTSO-E RGCE general plan for UFLS is written as a Guideline (B-G1)).
2 COMPLIANCE MONITORING IN RGCE

2.1 General approach

The Compliance monitoring process is the process of assessing whether the ENTSO-E RGCE member TSOs are compliant with the standards written in the OH. RGCE co-ordinates the development of the standards as well as promotes and supports its application.

All compliance assessment information, questionnaires, schedules, documents, reviews and reports are maintained and uploaded to ENTSO-E member share point or ENTSO-E public website by the ENTSO-E Compliance Monitoring Advisor in accordance with the ENTSO-E Internal Regulations regarding the confidentiality of data submitted by RGCE member TSOs.

2.2 Regular and exceptional processes

The Compliance monitoring process is performed via regular and exceptional processes. The regular Compliance monitoring process is based on self-assessment and compliance audits:

- The compliance self-assessment is annually performed via analysis of member self-assessments and subsequent sets of data provided by the RGCE member TSOs.
- Periodic compliance audits are performed on every RGCE member TSO to verify compliance with a chosen set of standards.

The exceptional Compliance monitoring process is based on compliance audits and is launched under control of the RGCE Plenary, for instance following a triggering event that jeopardized the security and reliability of the interconnected system operation.

Progress in implementing action plans to solve non fully compliances is closely monitored by SG CME in order to promote achieving full compliance. The status is reported to the RGCE on a regular basis.

To conclude the yearly activities related to CMP, an annual COR is prepared and submitted to the RGCE Plenary for acknowledgement. After this acknowledgement, COR is published in the public website of ENTSO-E.

2.3 Compliance declaration

While self-assessing the compliance of a standard the TSO selects one of the 3 compliance levels or not applicable status; the TSO must be able to explain why the declared compliance level has been chosen.

FULL COMPLIANCE

The TSO may declare full compliance (FCo) only if it fulfils the monitored standard in all details.

SUFFICIENT COMPLIANCE
The TSO may declare sufficient compliance (SCo) only if it fulfils the monitored standard in its essential parts, but not in all details. The choice between non-compliant and sufficiently compliant also has to be considered with a risk analysis approach, with a particular focus on the impact on the security of the European interconnected network or on the neighbouring TSOs.

**NON-COMPLIANCE**

The TSO must declare non-compliance (NCo) if it doesn’t fulfil at least one essential requirement specified in the monitored standard.

**NOT APPLICABLE**

Not applicable (N/A) applies when a given standard does not concern the TSO, e.g. it is directed to a Control Block while a TSO performs only the role of a Control Area.

In case of any disagreement on what parts of a standard are essential, the relevant expert bodies of ENTSO-E will be consulted. The final decision on the matter will be taken by the RGCE Plenary as described in chapter 7 of this document (Appeal and dispute resolution process).
3 Roles of RGCE Bodies

3.1 RGCE
It is the responsibility of the RGCE to oversee the reliability of the interconnected transmission network in its area. The RGCE therefore ensures that there is a consistent program to monitor each member TSO’s compliance with the standards and carries out activities to assess and enforce this.

3.2 RGCE Member TSOs
Each member TSO of the RGCE has the responsibility to comply with the standards included in the RGCE OH and is demanded to participate and co-operate in the evaluations of the performance and other activities of the RGCE to assess the compliance with standards.

3.3 RGCE Plenary
The RGCE Plenary is the executive directing body of the RGCE responsible for:

- Approving the CMP;
- Providing guidelines to support the activities of the SG CME;
- Monitoring the SG CME activities which are regularly reported by the Convenor of the SG;
- Acknowledging the COR;
- Deciding on measures in case of non-compliance;
- Managing an appeal procedure;
- Deciding on conducting exceptional compliance audits.

3.4 Sub group Compliance Monitoring and Enforcement
The SG CME is responsible for:

- Developing and executing a detailed and comprehensive compliance process;
- Administering the compliance process;
- Selecting the standards to be included into the annual self-assessment process;
- Developing the annual self-assessment questionnaire and assessing the credibility of the answers provided by the RGCE member TSOs;
- Selecting the standards to be checked at compliance audits;
- Selecting the TSOs to be audited within the regular process during the year;
- Proposing to the RGCE Plenary the TSOs to be audited within the exceptional process in cooperation with other expert bodies if required;
• Creating Audit teams, composed by members of the SG CME to perform compliance audits;

• Preparing the COR, including Audit reports and outcomes of the annual self-assessment process, to be submitted to RGCE Plenary;

• Recommending measures to the RGCE Plenary in case of unsuccessful action plans;

• Detecting inconsistencies within the standards of the OH;

• Recommending RGCE OH Policies improvements to RGCE Plenary;

• Reporting on the status of addenda and action plans;

• Reporting on the status of non-compliances and sufficient compliances detected during the annual self-assessment process and compliance audits;

• Co-ordinating efforts with Compliance Monitoring Advisor and RGCE Plenary on further development of the Compliance monitoring process;

• Addressing independence of auditors and non-disclosure of proprietary information, where appropriate;

• Monitoring workload of member TSOs spent on participation and co-operation in the Compliance monitoring process;

• Assessing TSOs applying for ENTSO-E as RGCE members and reporting the evaluation to the RGCE Plenary.

3.5 SG CME Audit Team

An Audit team is in charge of the following tasks:

• Developing audit schedules;

• Preparing and conducting a compliance audit of a TSO;

• Checking the TSO’s compliance with standards and identifying non-compliances and sufficient compliances, if any; providing a TSO additional recommendations for further improvements of its processes;

• Preparing the audit report;

• Presenting and submitting the final audit report to the audited TSO and SG CME;

• Recommending any necessary follow-up actions to the SG CME;

• Notifying the audited TSO of the conclusion of its compliance audit.

3.6 Compliance Monitoring Advisor

The Compliance Monitoring Advisor, in cooperation with SG CME and under the oversight of the RGCE Plenary, is responsible for all aspects of implementation, update, maintenance and amendment of CMP. RGCE member TSOs which have questions regarding the Compliance Monitoring Process
or specific compliance activities can contact the Compliance Monitoring Advisor. The responsibilities of the Compliance Monitoring Advisor include:

- Supporting the efforts of the SG CME and the RGCE Plenary in the Compliance monitoring process development;
- Supporting the preparation of the questionnaires (e.g. self-assessment questionnaire) needed in the Compliance monitoring process;
- Supporting the SG CME in the evaluation of every requirement specified in the ENTSO-E standards, in order to make it measurable or evaluable;
- Supporting the audit teams during the performance of the compliance audits;
- Informing RGCE member TSOs on compliance requirements;
- Managing and maintaining the compliance database;
- Interfacing with member TSOs (e.g. manage information exchanges for self-assessment questionnaire, compliance audit, appeal procedure, etc.)
- Supporting SG CME meetings.
4 REGULAR COMPLIANCE MONITORING PROCESS

4.1 Overview

The table below presents a summarised description of the regular Compliance monitoring process.

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Approval and publication of CMP 2016</td>
<td>November 2015</td>
</tr>
<tr>
<td>2</td>
<td>Self-assessment data collection</td>
<td>April – June 2016</td>
</tr>
<tr>
<td>3</td>
<td>Compliance audits</td>
<td>April – October 2016</td>
</tr>
<tr>
<td>4</td>
<td>Monitor status of action plans</td>
<td>January – December 2016</td>
</tr>
<tr>
<td>5</td>
<td>Draft COR 2016</td>
<td>December 2016</td>
</tr>
<tr>
<td>6</td>
<td>Presentation of the final COR 2016 to the RGCE Plenary and acknowledgement of the RGCE Plenary</td>
<td>Plenary meeting in 2017</td>
</tr>
</tbody>
</table>

4.2 Preparation of the CMP

It is the responsibility of RGCE to develop and review the standards. In order to obtain adequate results from the Compliance monitoring process, the standards need to be specific, measurable, appropriate, written in understandable manner, clearly and precisely defining what constitutes compliance requirements and coherent with the latest evolution of the interconnected system. Lessons learned from the Compliance monitoring process and detected improvements of the standards will be included in the COR. In case of any doubt related to these prerequisites, SG CME consults the relevant ENTSO-E RGCE bodies.

The SG CME prepares the annual CMP. It contains specifications on standards to be monitored both in the self-assessment and compliance audits, schedules and deadlines, and the method for selection of TSOs to be audited within the regular process.

4.3 Approval of CMP

SG CME submits the annual CMP to RGCE Plenary for approval.

4.4 Self-assessment process

Each RGCE member TSO self-evaluates its compliance level on the basis of an annual self-assessment questionnaire provided by SG CME.
4.5 Compliance audits

SG CME Audit Teams perform compliance audits at RGCE member TSO premises to investigate the declarations of the self-assessment questionnaire from the previous year and of the pre-audit questionnaire, this is done via checking of evidence.

4.6 Status of action plans

SG CME continually monitors the status of action plans via the submittal of questionnaires to be filled in by all member TSOs that have issued such plans. This status and progress will be reported to the RGCE Plenary meetings.

4.7 Preparation of the COR

The SG CME prepares the COR including the detected NCo's and concerns on the credibility of the answers provided by member TSOs by analysing the self-assessment questionnaire, the results of the compliance audits and the results of the surveys on the status of the action plans.

4.8 Acknowledgement of the COR

The RGCE Plenary reviews and acknowledges the COR. The RGCE Plenary may send the COR back to SG CME only for formal reasons with a clear statement on what has to be adapted.

If needed, the RGCE Plenary makes decisions regarding appeals in accordance with the Appeal and Dispute Resolution process, as further described in chapter 7. The Compliance Monitoring Advisor sends notification of resolution to the appealing TSO and SG CME.

4.9 Initiation of enforcement

In case lack of progress in removing non-compliances is detected (e.g. deadlines mentioned in the action plans are not respected) the Convenor of the RGCE Plenary can start the enforcement process with the support of the Compliance Monitoring Advisor by sending a formal letter to the affected TSO. The letter specifies standards for which such problems have been found, and the measures including deadlines to be implemented by the TSO. The ENTSO-E RGCE Plenary has the final responsibility and authority for issuing such measures. If existing, the measures and deadlines are decided on the basis of the action plan delivered by the TSO, and upon consultation with the relevant RGCE bodies.
5 SELF-ASSESSMENT PROCESS

5.1 Overview

The self-assessment process is the fundamental part along with regular compliance audits for the regular Compliance monitoring process.

Self-assessment requires each RGCE member TSO to assess by itself its compliance with each standard to be monitored within the frame of the annual CMP, by filling in a questionnaire prepared by the SG CME.

The self-assessment questionnaire (SAQ) requires for each monitored standard:

- the TSO declaration of one of the three possible compliance levels: fully compliant (FCo), sufficiently compliant (SCo), non-compliant (NCo) or not applicable (N/A);
- an action plan with deadline in case the answer is sufficiently compliant (SCo) or non-compliant (NCo).

Additional to the chosen standards, TSOs may be asked:

- to answer to one or more COSAQs, “COmpliance Self-Assessment Questions” (to be answered by “yes” or “no” or “not applicable”) addressing the requirements of the concerned standard. These questions shall drive the TSOs to choose their compliance level and help the SG CME to analyse the credibility of the compliance level chosen by the TSOs;
- to provide a brief explanation, consisting on open written sentence(s) to explain the compliance level or N/A declared for the concerned standard. These explanations help the SG CME to analyse the credibility of the compliance level chosen by the TSOs.

The timetables, plans, SAQ fill in instructions and a link to SAQ are communicated to the RGCE member TSOs Control Area Managers by e-mail. This information is maintained and uploaded to ENTSO-E member share point.
5.2 Selection of the standards

SG CME selects the standards to be monitored based on previous years’ experience and requirements given by RGCE during CMP approval.
5.3 Distribution of the SAQ

The Compliance Monitoring Advisor creates the questionnaire and distributes the questionnaire material to the RGCE member TSOs Control Area Managers.

5.4 Completion of the SAQ

All TSOs should fill in the questionnaire before the issued deadline.

5.5 Complementary information request

SG CME may require complementary information after preliminary assessment of the questionnaire answers in order to collect missing answers (if any) or clarify answers provided by the TSO at the first round questionnaire.

5.6 Analysis of the SAQ

SG CME analyses the SAQ data to check credibility of the compliance declarations. As a parallel process, the standards to be chosen for the Compliance Audit Questionnaire (CAQ) for the next year are selected, as the Policy investigated in the SAQ of the year Y will be audited in the CAQ in the year Y+1.

5.7 Preparation of the SAQ part for the COR

SG CME elaborates the SAQ analysis results which are included in the COR. The detailed analysis results will be annexed to the COR.
6 COMPLIANCE AUDIT PROCESS

6.1 Overview

This chapter describes the practice of compliance audits which the RGCE uses to review TSOs’ declarations of compliance with standards. Compliance audits are conducted periodically to ensure each TSO is audited regularly. Audit teams consist of members of the SG CME, and of other experienced personnel from the ENTSO-E Secretariat and RGCE member TSOs, if needed.

The Audit team practices are:

- Main purpose of the compliance audit is to verify data and information which were provided by the TSO before the audit (pre-audit questionnaire and self-assessment questionnaire of the previous year).

- The compliance audit process minimises the impact on personnel of the TSOs being audited as well as on the TSOs which the Audit team members belong to.

- Whereas a free exchange of information is encouraged, lengthy and detailed discussions are discouraged: an efficient approach is therefore expected.

- The Audit team may ask the TSO to demonstrate that the system operators and the responsible personnel are familiar with the standards and know how to implement the related rules.

- The Audit team may ask the TSO to explain the process of developing, collecting and reporting compliance data. The methods used should be verified as well. The Audit team members shall refrain from making premature comments until the entire Audit team has the opportunity to reach consensus on its findings. Should there be a disagreement of opinion among the Audit team members the Team Leader either resolve the disagreement or present the issue to the SG CME for final determination.

- At the end of the Audit, the Audit team provides an oral summary to the management of the audited TSO of the main issues identified during the audit fieldwork, including the audit report and audit findings.

- The Audit team should use its expertise to ensure that the spirit of the audited standard is fulfilled in all its details, without going beyond the standard itself.
<table>
<thead>
<tr>
<th>Step</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSO and OH standard selection for the audit process</td>
<td>SG Compliance Monitoring and Enforcement</td>
</tr>
<tr>
<td>Audit Team leader and member selection</td>
<td>SG Compliance Monitoring and Enforcement</td>
</tr>
<tr>
<td>Notification to the TSO and submittal of the Audit Questionnaire</td>
<td>Compliance Monitoring Advisor</td>
</tr>
<tr>
<td>Completion of the Audit Questionnaire</td>
<td>TSO</td>
</tr>
<tr>
<td>Conduction of the compliance audit</td>
<td>Audit Team</td>
</tr>
<tr>
<td>Audit Report preparation</td>
<td>Audit Team with the TSO</td>
</tr>
<tr>
<td>Finalization of the Audit Report</td>
<td>Audit Team</td>
</tr>
<tr>
<td>Acknowledgement of the Audit report (annex to COR)</td>
<td>RGCE Plenary</td>
</tr>
</tbody>
</table>
### 6.2 Audit Team Leader and members selection

RGCE member TSOs may annually nominate its staff outside of the SG CME for the Audit team that meet the qualifications listed below. The SG CME creates an Audit team of minimum 3 experts for each compliance audit. The Audit team is responsible for assessing the TSO’s compliance with the standards. If requested by the TSOs being audited, the Audit team members must subject themselves to confidentiality agreements for any data that is made available to them during the audit process.

**Qualifications of Audit team members:**

- Membership in the SG CME or at least three years of experience in the area of system operations and scheduling practices;
- Thorough familiarity with the standards;
- No affiliation with the TSO being audited and its neighbouring TSOs;
- No two or more members from the same TSO are allowed.

**SG CME** appoints one member as the Audit team leader responsible for overall co-ordination of the compliance audit. One member of the Audit team will be the Compliance Monitoring Advisor to ensure consistent adherence to ENTSO-E practices and harmonized procedures in all compliance audits. The Compliance Monitoring Advisor assists the Audit team leader and is responsible for distributing and collecting the audit questionnaires, arranging the on-site visits, and preparing and distributing the audit report.
6.3 TSO and OH standard selection principles for the audit process

Each TSO has to be audited regularly. In 2014 the first cycle was finalised and all TSOs have been visited at least once. Starting a new cycle in 2015, SG CME decided that the selection regime would not only focus on the previously used 5 year cycle but should, at the same time, avoid that a TSO is double checked on the same policy within consecutive cycles. Therefore in 2015 none of the TSOs audited in 2010 on Policy 8 were visited again.

Thus, for 2016, the TSOs that were audited in 2010 and that have not been audited in the last two years together with the new SG CME members TSOs TEIAS and OST will be audited on Policy 5. The SG CME shall perform seven compliance audits in 2016.

SG CME can select the TSOs according to the following criteria:

- TSOs that have returned improper or insufficiently filled in self-assessment questionnaires or delivered the data not in time,
- TSOs that have the worst credibility evaluation of the compliance declarations (see chapter 5.6).

The regular compliance audits deal with the standards from previous years' self-assessment; the SG CME has the possibility to focus the audit on a selected set of standards.

<table>
<thead>
<tr>
<th>Year</th>
<th>Self-assessment</th>
<th>Compliance audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Policy 8</td>
<td>Voluntary compliance audits</td>
</tr>
<tr>
<td>2010</td>
<td>Policy 1, 2 and 3</td>
<td>Policy 8</td>
</tr>
<tr>
<td>2011</td>
<td>Policy 5</td>
<td>Selected standards from Policy 1, 2 and 3</td>
</tr>
<tr>
<td>2012</td>
<td>Policy 4</td>
<td>Selected standards from Policy 5</td>
</tr>
<tr>
<td>2013</td>
<td>Selected standards from Policy 3</td>
<td>Selected standards from Policy 4</td>
</tr>
<tr>
<td>2014</td>
<td>Policy 8</td>
<td>Selected standards from Policy 3</td>
</tr>
<tr>
<td>2015</td>
<td>Policy 5 (updated version approved by RGCE Plenary on 04.06.2014)</td>
<td>Selected standards from Policy 8</td>
</tr>
<tr>
<td>2016</td>
<td>Policy 4 (new version as approved in the RGCE Plenary meeting on 15th April 2015), Policy 5 the standards that were updated during 2015.</td>
<td>Selected standards from Policy 5</td>
</tr>
</tbody>
</table>

6.4 Notification of a TSO and the audit questionnaire

The Compliance Monitoring Advisor notifies each selected TSO about the compliance audit which will be performed as soon as possible after the selection is known, but not later than 8 weeks before the compliance audit.

The SG CME prepares CAQs which are sent to the TSOs selected for audit, offering them the possibility to give additional and updated explanations, especially related to documents and other materials which were not or not fully addressed in the self-assessment process.

This questionnaire addresses the capabilities and actions of the audited TSO in relation to previously declared compliance levels. To ease out audited TSOs preparation for the audit, the audit
questionnaire includes examples of material and evidence needed by the Audit team for some standards.

The Compliance Monitoring Advisor sends the audit questionnaire to each audited TSO, at least 8 weeks prior to the audit.

6.5 Completion of the audit questionnaire

Each audited TSO fills in CAQ and returns it to the Compliance Monitoring Advisor not later than 4 weeks prior to the audit.

6.6 Preliminary findings of the Audit team

The Audit team will submit its preliminary findings from the analysis of the filled in CAQ to audited TSO in case it believes this will serve the efficiency of the actual audit. If applicable this will be done not later than 5 days prior to the audit.

6.7 Conduction of the compliance audit

The Audit team conducts the visit to the audited TSO’s facilities. One of the main reasons of the visits is to review the existing documentation, assessing if the provided evidence support the self-assessed claims of the audited TSO.

During the visit, the Audit team members will:

- Inspect the TSO’s facilities, operational procedures and equipment;
- Review TSO’s data collected in the questionnaires;
- Review TSO’s data submittals (may be conducted off-site);
- Interview the TSO’s operational, engineering and management staff;
- Review all documents and data considered necessary.

6.8 Audit report preparation

The Audit teams assess the TSO’s compliance with standards on the basis of the results of the audit steps described above. The Audit team’s findings have to be documented in a formal report which includes at least the following elements:

- The purpose of the compliance audit (routine inspection of the credibility of the TSO’s declarations regarding the compliance with standards, or some more concrete event-driven goal).
- The scope of the compliance audit (list of standards reviewed).
- Findings based on the TSO’s compliance with the audited standards. All findings concerning sufficient compliance, non-compliance and non-applicable have to be clearly described.
• In special cases where, due to particular circumstances (i.e. conditions required by the standard have never occurred, the activity allowed by the standard is prohibited by applicable regulation, etc.), it is not possible for the TSO to provide evidences which support the accomplishment with the standard, the Audit Team could (after assessing the justification of such an impossibility) skip auditing the standard by stating that “No Evidence” is available. A “No Evidence” statement shall be completed with a justifying explanation.

• The audited TSO’s response to the audit report findings, including a clear statement as to whether the TSO agrees or disagrees with the findings.

If the TSO agrees, the audit report should also include the date the TSO has to provide to the Compliance Monitoring Advisor a detailed action plan with relative deadline aiming at correcting the areas of non-compliance.

If the TSO disagrees, the audit report should include a detailed clear description of the reason for the disagreement. In case the TSO wants to appeal, the process described in chapter 7 has to be applied.

6.9 Finalisation of the audit report

The Audit team is responsible for developing a draft audit report and presenting it to the audited TSO for review and written response. Any different opinion on the compliance audit results should be discussed to ensure that both the audited TSO and the Audit team clearly understand each other's position. On this basis, the audit report is updated and presented to the SG CME. In case the TSO wants to appeal, the process described in chapter 7 is applicable.

Furthermore, a common summary report of all onsite audits is included to the annual COR. It includes an executive summary and qualitative analysis of each performed audit.

The audit reports are published on the ENTSO-E website as an annex to the COR.

6.10 Acknowledgment of the Audit Report

The RGCE Plenary is responsible for acknowledgement of the common summary report of all compliance audits in conjunction with acknowledgement of the COR. If necessary, the RGCE Plenary may send the report back to the SG CME for further clarification, review or verification of each audited TSO’s compliance. The involved Audit team reviews any compliance audit steps required to ensure the findings are solely based on transparent and accurate compliance audit results. Once the RGCE Plenary has acknowledged the report, it notifies the SG CME and the concerned TSOs.
7 APPEAL AND DISPUTE RESOLUTION PROCESS

The Appeal and Dispute Resolution Process is a sequential process, intended to offer the concerned TSO the possibility to correct any outcome, assessment or statement made by the SG CME. The steps are:

1. The TSO that disagree with whatever SG CME finding, outcome or assessment, initiates the process by notifying (via e-mail) the Compliance Monitoring Advisor it is appealing against the findings of the SG CME, no later than 14 days after the SG CME statement.

2. The Compliance Monitoring Advisor notifies the SG CME the TSO's appeal and the SG CME shall include within its activity list to take into consideration the TSO appreciations and to re-evaluate its initial decision. This must be done within the 14 days after the Compliance Monitoring Advisor's notification.

   Final conclusion shall be taken by consensus of the SG CME members. Consensus shall be defined as no substantial disagreement on a relevant issue. Any member of the SG CME that has an interest in the outcome of the proceeding, specifically any member belonging to the concerned TSO, cannot participate in the decision process.

   2a - If the consensus is achieved SG CME will report the concerned TSO about its final conclusion and the arguments that support them.

   2b - If the consensus cannot be achieved, the issue should be presented by the SG CME to the RGCE Plenary.

3. If the concerned TSO still disagree with the submitted report (case 2a) the TSO can appeal to the RGCE Plenary by presenting its position to the Convenor of the RGCE Plenary on the matter in writing and with any supporting documentation within 14 days of issuance of the report of the SG CME.

4. In case of lack of consensus within SG CME members (case 2b) or TSO’s appeal to the RGCE Plenary, both the affected TSO and the SG CME prepare written statements of their positions on the issues and present them, with any appropriate supporting documentation, to the RGCE Plenary within 4 weeks after the written notification. The TSO concerned and the SG CME have the right to make oral presentations to the RGCE Plenary, in this case questions may be asked only by members of the RGCE Plenary.
5. A report on the disputed matter, which is prepared by the Compliance Monitoring Advisor after the oral presentations of the Parties to facilitate the RGCE Plenary deliberations, is made available to the Parties. The Parties have the opportunity to respond to the report.
6. RGCE Plenary delivers its decision at the next scheduled meeting. The decision is based on ENTSO-E Internal Regulations. Members of the RGCE Plenary directly involved in the outcome of the proceeding, especially RGCE Plenary representatives of the TSO concerned are excluded from voting. The decision of the RGCE Plenary on the matter is final.
8 TERMS, DEFINITIONS AND ABBREVIATIONS

In the following the most important terms used in this document as well as in the written and verbal communication within the scope of CMP are defined:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Action plan</td>
<td>In case of a “non-compliant” TSO the action plan is the list of measures submitted by the TSO that will lead to sufficient or full compliance with a standard. It contains a description of temporary remedial measures (if anything of that kind is feasible), a description of mitigating actions that will allow removing the non-compliance and a deadline (schedule) for the accomplishment of these actions. In case of a “sufficiently compliant” TSO the action plan is the list of measures submitted by the TSO that will lead it to full compliance with a standard. It contains a description of actions and a deadline (schedule) for the accomplishment of these actions.</td>
</tr>
<tr>
<td>Appeal and Dispute Resolution process</td>
<td>A TSO challenges SG CME findings and brings the matter to RGCE Plenary for a decision.</td>
</tr>
<tr>
<td>Audit team</td>
<td>An investigating group set up among the SG CME members and, if necessary, other RGCE member TSOs’ experts appointed with the task to conduct a Compliance audit. The members of the group must be free of interest conflicts and must not belong to the investigated TSO and its physical neighbours. Furthermore, they must comply with ENTSO-E confidentiality provisions.</td>
</tr>
<tr>
<td>Assessment</td>
<td>An evaluation that allows a conclusion to be reached or a decision to be made that may or may not involve an analysis or simulation.</td>
</tr>
<tr>
<td>Compliance</td>
<td>Conformity with the standards.</td>
</tr>
<tr>
<td>Compliance audit</td>
<td>An audit performed on the premises of every RGCE member TSO to verify compliance with the standards. It is conducted either as a regular process or as an exceptional process (if deemed necessary by the RGCE Plenary).</td>
</tr>
<tr>
<td>Compliance Audit Questionnaire (CAQ)</td>
<td>Compliance Audit Questionnaire contains all standards and questions which will examined during the compliance audit.</td>
</tr>
<tr>
<td>Compliance database</td>
<td>The database maintained by the ENTSO-E Secretariat containing current and historical results of the Compliance monitoring process. It allows automatic processing of self-assessment submittals of the RGCE member TSOs.</td>
</tr>
<tr>
<td>Compliance</td>
<td>The degree to which a RGCE member TSO complies with a specific standard. Three levels (categories) are defined: fully compliant, sufficiently compliant and</td>
</tr>
<tr>
<td>level</td>
<td>non-compliant.</td>
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<tr>
<td>Compliance monitoring</td>
<td>The process of assessing whether the RGCE member TSOs are compliant with the standards. It consists of the regular processes of self-assessment and compliance audits and the exceptional process of compliance audits.</td>
</tr>
<tr>
<td>process</td>
<td></td>
</tr>
<tr>
<td>Compliance monitoring</td>
<td>The document that defines the Compliance monitoring process and points out the standards to be checked, the TSOs to be audited during a period of one calendar year as well as a description of the procedures to be followed and the demands to be responded by each RGCE member TSO.</td>
</tr>
<tr>
<td>program (CMP)</td>
<td></td>
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<tr>
<td>Compliance Monitoring</td>
<td>An employee of the ENTSO-E Secretariat whose task is to accompany the Compliance monitoring process from the technical and administration point of view as well as to support the SG CME at its work.</td>
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<tr>
<td>Advisor (CMA)</td>
<td></td>
</tr>
<tr>
<td>Compliance Oversight</td>
<td>The annual document in which the current Compliance status of the RGCE member TSOs is presented based on the self-assessment and compliance audits conducted by Audit teams according to the annual CMP. For non-compliant TSOs it details the findings, the action plans and progress reports. It may also contain proposals on how to improve the RGCE Operation Handbook and recommendations concerning the development of the Compliance monitoring process.</td>
</tr>
<tr>
<td>Report (COR)</td>
<td></td>
</tr>
<tr>
<td>Compliance Self-Assessment Question (COSAQ)</td>
<td>Compliance Self-Assessment Question is an additional question related to a RGCE OH standard to help a TSO to assess its compliance level in the Self-Assessment Process on a proper way.</td>
</tr>
<tr>
<td>Complementary regular process documents</td>
<td>Accompanying documents in form of an action plan with deadline and progress reports on a regular basis to be sent to the SG CME by a RGCE member TSO which declared non-compliance with a standard.</td>
</tr>
<tr>
<td>Control Area Manager</td>
<td>The person that is officially responsible for the Compliance monitoring process on behalf of an RGCE member TSO – single point of contact of TSO with respect to the Compliance monitoring process.</td>
</tr>
<tr>
<td>(CAM)</td>
<td></td>
</tr>
<tr>
<td>Fully compliant – full compliance (FCo)</td>
<td>The TSO may declare full compliance only if it fulfils the monitored standard in all details.</td>
</tr>
<tr>
<td>Non-compliance</td>
<td>The formal communication within the scope of the self-assessment of an RGCE member TSO to the SG CME that it is non-compliant with a standard. The non-compliance declaration must be accompanied with a correct action plan.</td>
</tr>
<tr>
<td>Non-compliance -</td>
<td>The TSO must declare non-compliance if it doesn’t fulfil at least one essential requirement specified in the monitored OH standard.</td>
</tr>
<tr>
<td>Non-compliance</td>
<td></td>
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<tr>
<td><strong>(NCo)</strong></td>
<td>Not applicable (N/A)</td>
</tr>
<tr>
<td><strong>Progress reports on a regular basis</strong></td>
<td>A formal communication by a non-compliant RGCE member TSO to the SG CME concerning the implementation of the actions that will lead to the success of an action plan and eventually to compliance with a standard.</td>
</tr>
<tr>
<td><strong>Self-Assessment</strong></td>
<td>The practice of a TSO to review its compliance with a chosen set of standards on regular basis and to notify the ENTSO-E Compliance Monitoring Advisor and the SG CME of its level of compliance for each OH standard. The above set is defined from SG CME.</td>
</tr>
<tr>
<td><strong>Self-Assessment questionnaire (SAQ)</strong></td>
<td>A list of questions maintained by the ENTSO-E Secretariat concerning the compliance of the RGCE member TSOs with the standards. The questions include a description of how the compliance with each standard is to be assessed. The compliance questionnaire is a mean to perform the self-assessment.</td>
</tr>
<tr>
<td><strong>Sub group Compliance Monitoring &amp; Enforcement (SG CME)</strong></td>
<td>A RGCE Working Group acting as the Compliance Monitoring Body of the RGCE. Its main task is to define and establish the processes and procedures for monitoring the compliance of the RGCE member TSOs with the standards, and to propose enforcement and/or temporary remedial measures to the RGCE Plenary, if necessary.</td>
</tr>
<tr>
<td><strong>Sufficiently compliant – sufficient compliance (SCo)</strong></td>
<td>The TSO may declare sufficient compliance only if it fulfills the monitored standard in its essential parts, but not in all details. The choice between non-compliant and sufficiently compliant also has to be considered with a risk analysis approach, with a particular focus on the impact on the security of the European interconnected network or on the neighbouring TSOs.</td>
</tr>
<tr>
<td><strong>Temporary remedial measures</strong></td>
<td>A list of actions submitted by “non-compliant” TSO as a part of an action plan in order to decrease the risk during the period of non-compliance in which the corresponding mitigating actions will be realized. Temporary remedial measures are not equal to the mitigating actions and do not replace them.</td>
</tr>
<tr>
<td><strong>TSO</strong></td>
<td>A member of ENTSO-E, regardless of its internal legal structure (e.g. ISO, ITO, TSO).</td>
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