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, **assessment**s 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 **TSO**s 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 C**ompliance 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 C**ompliance 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 4[1], 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 5[2], 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)).

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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 **TSO**s.

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 audit**s:

- The **compliance self-assessment** is annually performed via analysis of member **self-assessment**s and subsequent sets of data provided by the RGCE member **TSO**s.
- 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

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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 **TSO**s.

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).

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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 **TSO**s to be audited within the regular process during the year;
- Proposing to the RGCE Plenary the **TSO**s to be audited within the exceptional process in cooperation with other expert bodies if required;

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- Creating **Audit team**s, composed by members of the SG CME to perform **compliance audit**s;
- 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-compliance**s and **sufficient compliance**s, 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 **TSO**s which have questions regarding the **Compliance Monitoring Process**

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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 **questionnaire**s (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 **TSO**s 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.

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4 REGULAR COMPLIANCE MONITORING PROCESS

4.1 Overview

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

1	**Approval and publication of CMP 2016**	**November 2015**
2	**Self-assessment data collection**	**April – June 2016**
3	**Compliance audits**	**April – October 2016**
4	**Monitor status of action plans**	**January – December 2016**
5	**Draft COR 2016**	**December 2016**
6	**Presentation of the final COR 2016 to the RGCE Plenary and acknowledgement of the RGCE Plenary**	**Plenary meeting in 2017**

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 **TSO**s 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.**

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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.

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5 SELF-ASSESSMENT PROCESS

5.1 Overview

The **self-assessment process** is the fundamental part along with regular **compliance audit**s 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 **TSO**s 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.

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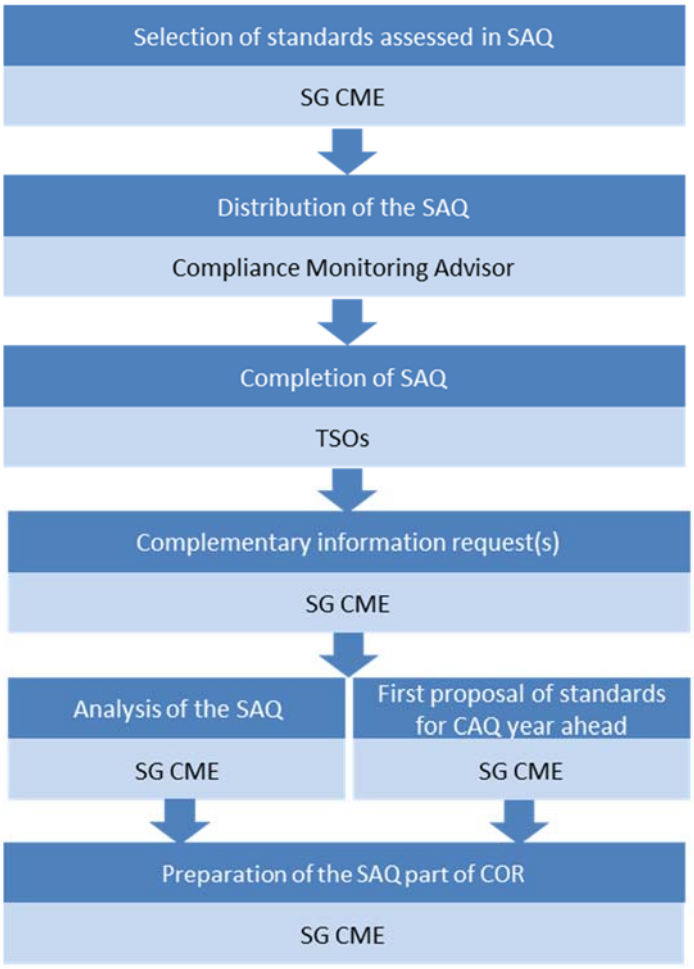

1	**Delivery of the Self-assessment Questionnaire to member TSOs**	**March - April 2016**
2	**Submission of self-assessment questionnaire by member TSOs**	**May - June 2016**
3	**Preliminary assessment and complementary information requests to member TSOs (if needed)**	**June - July 2016**
4	**Analysis of the SAQ answers**	**July - October 2016**
5	**Draft COR**	**December 2016**

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.

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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**.

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6 COMPLIANCE AUDIT PROCESS

6.1 Overview

This chapter describes the practice of **compliance audit**s which the RGCE uses to review **TSO**s' declarations of **compliance** with **standards**. **Compliance audits** are conducted periodically to ensure each **TSO** is audited regularly. **Audit team**s consist of members of the **SG CME**, and of other experienced personnel from the ENTSO-E Secretariat and RGCE member **TSO**s, 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 **TSO**s being audited as well as on the **TSO**s 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.

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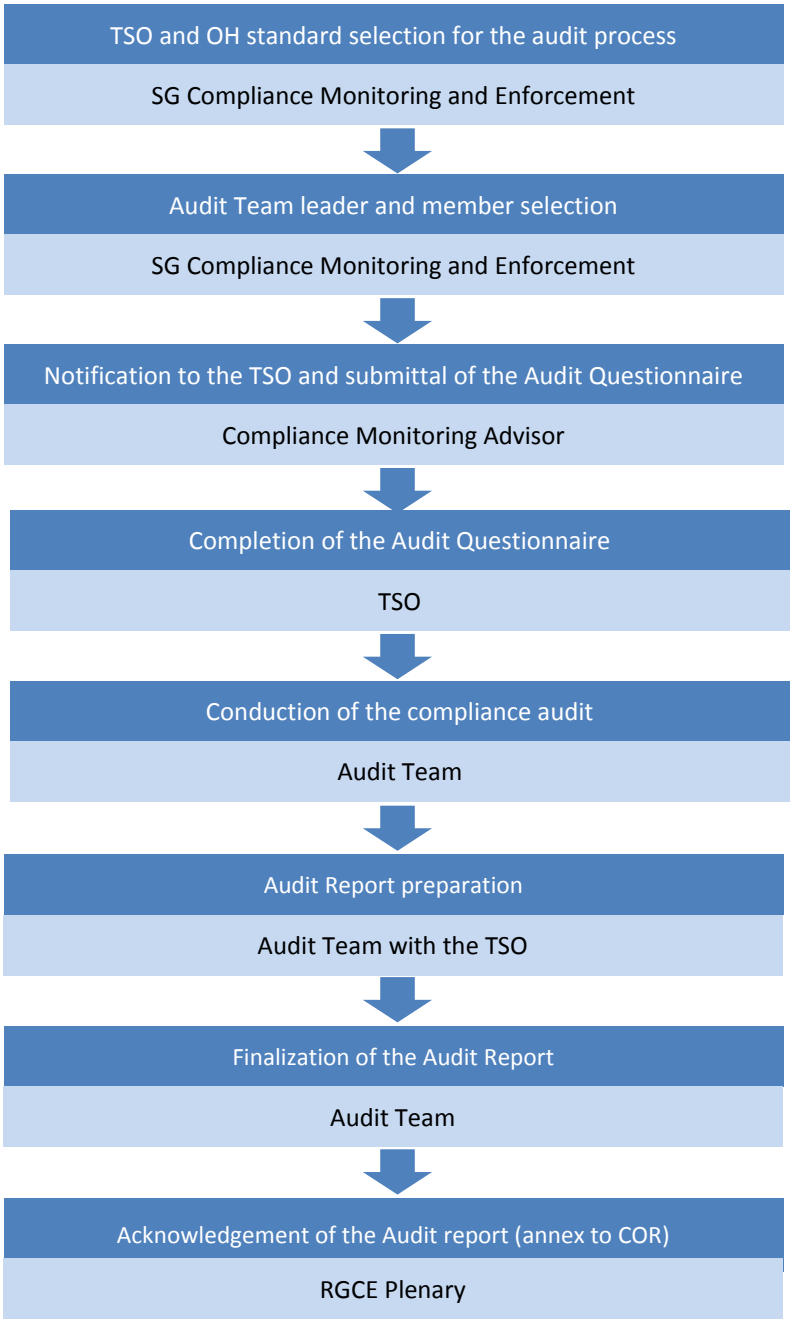

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TSOs to be audited are informed of their selection.	**December 2015**
Audit schedule (definition of date and Audit team)	**February 2016**
CAQ sent to the **TSO** involved in the **compliance audit** by the **Compliance Monitoring Advisor**	**at least 8 weeks prior to audit**
CAQ returned to **Compliance Monitoring Advisor** by **TSO**	**4 weeks prior to audit**
If convenient for a better audit, preliminary findings of the Audit Team about the submitted **CAQ** are sent to audited TSO	**5 working days prior to the audit**
Audit report draft sent to **TSO** for review by the **Compliance Monitoring Advisor**	**2 weeks after audit**
Audit report draft returned to the **Compliance Monitoring Advisor** by the **TSO**	**4 weeks after audit**
Final audit report issued by the audit team and sent to the **TSO**	**6 weeks after audit**
RGCE Plenary acknowledgment of the report in conjunction with **COR**	**RGCE Plenary meeting in 2017**

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 **TSO**s 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 **TSO**s;
- 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.

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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 **TSO**s 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 audit**s 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**.

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

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 **CAQ**s which are sent to the **TSO**s 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 level**s. To ease out audited **TSO**s preparation for the audit, the audit

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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.

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- 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 **TSO**s.

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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.

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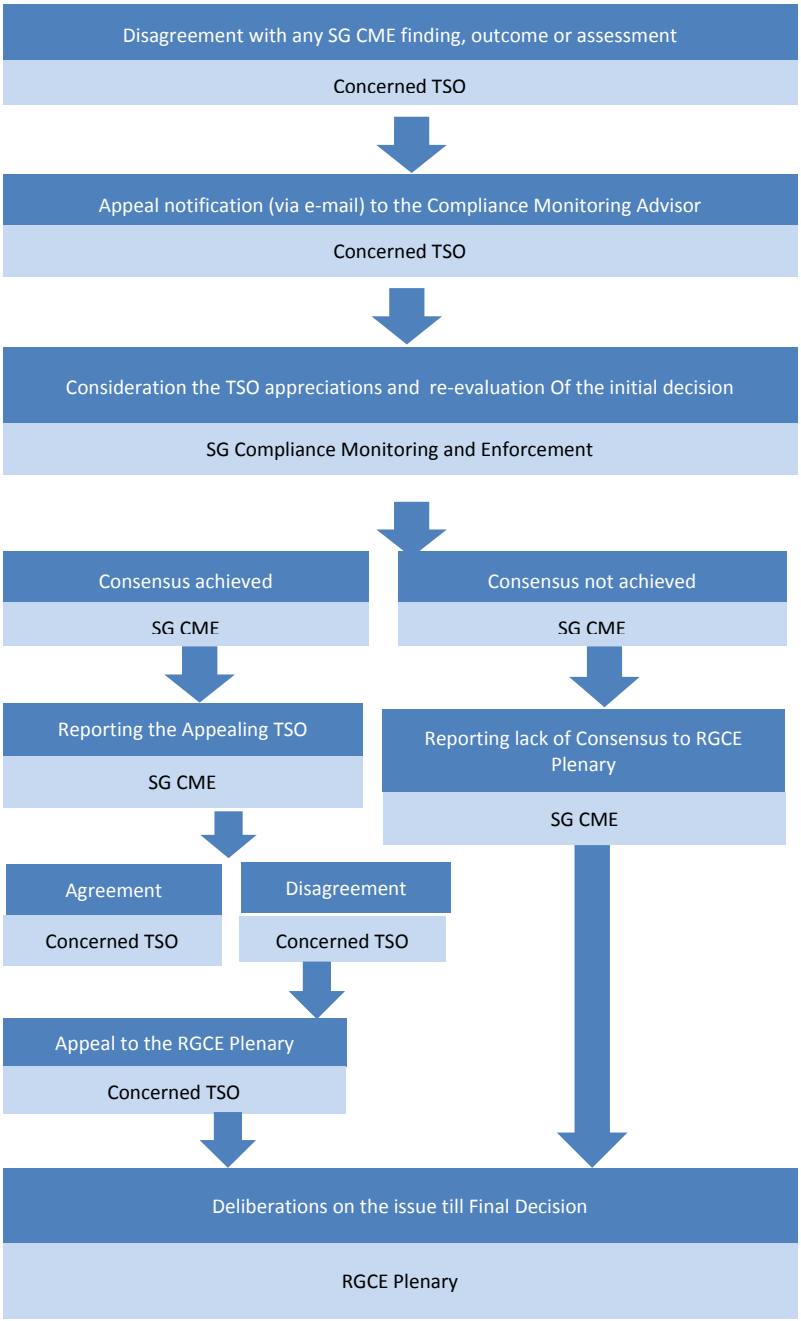

5. A report on the disputed matter, which is prepared by the **Compliance Monitoring Advisor** after the oral presentations of the Parties to facilitate the RGCE Plenary deliberations, is made available to the Parties. The Parties have the opportunity to respond to the report

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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.

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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:

Action plan	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.
Appeal and Dispute Resolution process	A TSO challenges **SG CME** findings and brings the matter to RGCE Plenary for a decision.
Audit team	An investigating group set up among the **SG CME** members and, if necessary, other RGCE member **TSO**s' 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.
Assessment	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.
Compliance	Conformity with the **standards**.
Compliance audit	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).
Compliance Audit Questionnaire (CAQ)	Compliance Audit Questionnaire contains all standards and questions which will examined during the **compliance** audit.
Compliance database	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 **TSO**s.
Compliance	The degree to which a RGCE member **TSO** complies with a specific **standard**. Three levels (categories) are defined: **fully compliant**, **sufficiently compliant** and

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level	**non-compliant**.
Compliance monitoring process	The process of assessing whether the RGCE member **TSO**s are compliant with the **standards**. It consists of the regular processes of **self-assessment** and **compliance audits** and the exceptional process of **compliance audits**.
Compliance monitoring program (CMP)	The document that defines the **Compliance monitoring process** and points out the **standards** to be checked, the **TSO**s 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**.
Compliance Monitoring Advisor (CMA)	An employee of the ENTSO-E Secretariat whose task is to accompany the **Compliance** monitoring **process** from the technical and administrational point of view as well as to support the **SG CME** at its work.
Compliance Oversight Report (COR)	The annual document in which the current **Compliance** status of the RGCE member **TSO**s is presented based on the **self-assessment** and **compliance audits** conducted by **Audit teams** according to the annual **CMP**. For **non-compliant TSO**s 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**.
Compliance Self-Assessment Question (COSAQ)	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.
Complementary regular process documents	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**.
Control Area Manager (CAM)	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**.
Fully compliant – full compliance (FCo)	The **TSO** may declare **full compliance** only if it fulfils the monitored **standard** in all details.
Non-compliance declaration	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**.
Non-compliant - Non-compliance	The **TSO** must declare **non-compliance** if it doesn't fulfil at least one essential requirement specified in the monitored OH standard.

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(NCo)	
Not applicable (N/A)	Not applicable 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.
Progress reports on a regular basis	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**.
RGCE Operation Handbook standards **(standards)**	Conformity **standards** resulting from the RGCE Operational Handbook.
Self-Assessment	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**.
Self-Assessment questionnaire **(SAQ)**	A list of questions maintained by the ENTSO-E Secretariat concerning the **compliance** of the RGCE member **TSO**s 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**.
Sub group Compliance Monitoring & Enforcement **(SG CME)**	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 **TSO**s with the **standards**, and to propose enforcement and/or **temporary remedial measures** to the RGCE Plenary, if necessary.
Sufficiently compliant – sufficient compliance **(SCo)**	The **TSO** may declare **sufficient compliance** 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 **TSO**s.
Temporary remedial measures	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.
TSO	A member of ENTSO-E, regardless of its internal legal structure (e.g. ISO, ITO, TSO).

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