NCR ID :	**NCR00026**		
Registered Entity Name:	**Florida Reliability Coordinating Council, Inc.**		
Registered Entity Acronym:	**FRCC**		
Compliance Monitoring Process:	**Compliance Audit**		
Distribution:	**Public Version. Confidential Information Has Been Removed, Including Privileged and Critical Energy Infrastructure Information.**		
Regional Entity:	**SERC Reliability Corporation (SERC)**		
Date of Opening Presentation:	**June 15, 2022**	Date of Closing Presentation:	**September 1, 2022**
Audit Period Start Date:	**April 29, 2019**	Audit Period End Date:	**May 16, 2022**
Date of Report:	**9/16/2022**	IP Year:	**2022**
O&P Potential Noncompliance:	**None (zero)**		
Jurisdiction:	**United States**		

Table of Contents

Executive Summary

SERC Reliability Corporation (SERC) conducted an Operations & Planning (FERC Order 693) Standards Compliance Audit of Florida Reliability Coordinating Council (FRCC), NCR ID 00026 from May 16, 2022 through September 1, 2022.

At the time of the Compliance Audit, FRCC was registered for the functions of Planning Authority (PA), and Reliability Coordinator (RC).

FRCC was also registered for Coordinated Function Registrations (CFRs), for the PA function: CFR00145, CFR00148, CFR00149, CFR00150, CFR00151, CFR00152, CFR00154, CFR00155, CFR00156, CFR00157, CFR00158, and CFR00159.

FRCC and FPL are registered for a Coordinated Function Registration (CFR), for the RC function: CFR ID CFR00605.

FPL performs the RC functions as described by the Second Amended Agreement between FRCC and FPL for The Real Time Reliability Coordinator and Next Day Operations Planning Functions ("RC Agreement").

The Compliance Audit team (team) evaluated FRCC for compliance with 28 requirements from the 2022 Electric Reliability Organization (ERO) Enterprise Compliance Monitoring and Enforcement Program (CMEP). The team assessed compliance with the NERC Reliability Standards for the period of April 29, 2019 through May 16, 2022.

FRCC submitted evidence for the team's evaluation of compliance with Requirements. The team reviewed and evaluated all evidence provided to assess compliance with selected Requirements applicable to FRCC at this time.

The team notified FRCC of two (2) recommendations.

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

Compliance Audit Process

The Compliance Audit process steps are detailed in the NERC ROP. The CMEP generally conforms to the United States Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to compliance assessments with all Reliability Standards applicable to the functions for which the registered entity is registered[1] in the Region(s) performing the assessment. The Compliance Audit objectives are designed to:

- Provide reasonable assurance of compliance to the identified applicable Requirements
- Review compliance with applicable NERC Reliability Standards identified for 2022 ERO Enterprise CMEP
- Review FRCC's internal compliance program and controls

Scope

The scope of this Compliance Audit considered the NERC Reliability Standards from the 2022 ERO Enterprise CMEP Implementation Plan, Inherent Risk Assessment (IRA), and Compliance Oversight Plan (COP) for FRCC completed by SERC.

The Reliability Standards and Requirements in-scope for this Compliance Audit are illustrated in Table 2: Compliance Audit Scope.

Table 2: Compliance Audit Scope

Registered Function	Standards	Requirement(s)
RC	EOP-006-3	R1, R2, R3, R4
RC	EOP-008-2	R5, R7
PA	FAC-002-3	R1
PA, RC	FAC-014-2	R1, R3, R5
RC	IRO-002-7	R4, R6
RC	IRO-008-2	R1, R2, R3, R4, R5
RC	IRO-010-3	R1, R2, R3
RC	IRO-018-1(i)	R1, R2, R3
PA	MOD-032-1	R1, R2
PA	MOD-033-2	R1, R2
PA	PRC-023-4	R6

The team did not expand the scope of the Compliance Audit beyond what was stated in the notification package.

Internal Compliance Program

Within the scope of the Compliance Audit, FRCC's compliance program was reviewed.

[1] NERC ROP, Appendix 4C, Section 3.1, Compliance Audits.

Controls

The team reviewed FRCC Compliance Audit's related internal controls associated with Requirements in scope. The compliance audit team found FRCC to have a mature internal control program.

Confidentiality and Conflict of Interest

Confidentiality and conflict of interest of the team are governed under the Regional Delegation Agreements with NERC, and Section 1500 of the NERC ROP.[2] FRCC was informed of SERC's obligations and responsibilities under the agreement and procedures. The work history for each team member was provided to FRCC, and an opportunity was given to object to a team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with a team member's impartial performance of duties. FRCC had not submitted any objections by the stated objection due date based on the ROP and accepted the team member participants without objection. There were no denials or access limitations placed upon this team by FRCC.

Methodology

The ERO Compliance Monitoring and Enforcement Manual (Manual)[3] documents the ERO Enterprise's current approaches used to assess a registered entity's compliance with the NERC Reliability Standards. The ERO Enterprise uses, "to the extent possible, the Generally Accepted Auditing Standards (GAAS), the Generally Accepted Government Auditing Standards (GAGAS), and standards sanctioned by the Institute of Internal Auditors, as guidance for performing activities under the Compliance Monitoring and Enforcement Program (CMEP)."[4] While the ERO Enterprise does not necessarily perform compliance monitoring activities that must be in accordance with these standards recognized in the United States, the ERO Enterprise uses these standards as framework to conduct compliance monitoring activities under the CMEP, and recognizes that these standards provide information used in oversight, accountability, transparency, and improvements in ERO Enterprise operations.

SERC provided FRCC with a Compliance notification package to commence the Compliance Audit. FRCC provided evidence at the time requested, or as agreed upon, by SERC. The team reviewed the evidence submitted by FRCC and assessed compliance with the applicable Requirements. Additional evidence could be submitted until the agreed-upon deadline prior to the exit briefing. After that date, only data or information that was relevant to the content of the report or its finding could be submitted with the agreement of the team lead.

The team reviewed the documentation provided by FRCC, requested additional evidence, and sought clarification from subject matter experts during the Compliance Audit interviews. The evidence submitted in the form of policies, procedures, emails, logs, studies, data sheets, etc. were validated, substantiated, and cross-checked for accuracy as appropriate. Where sampling is applicable to a Requirement, the sample set was determined by a statistical methodology, along with professional judgment as mentioned in the Manual.

The findings were based on the facts, the documentation reviewed, and the team's knowledge of the Bulk Electric System (BES), the NERC Reliability Standards, and professional judgment. All findings were developed based upon the consensus of the team members.

[2] See NERC ROP

[3] http://www.nerc.com/pa/comp/Pages/ERO-Enterprise-Compliance-Auditor-Manual.aspx

[4] NERC ROP, Section 1207 and 126 FERC 61,038, Paragraph 3

Company Profile

FRCC is a not-for-profit company incorporated in the State of Florida. FRCC's mission is to promote and assure the reliability of the bulk power system in peninsular Florida east of the Apalachicola River.

FRCC NCR00026, registered with NERC as the RC and PA on May 29, 2007. FRCC RC is the recognized RC for 10 NERC registered Balancing Authorities (BAs) and 16 registered Transmission Operators (TOPs) within the FRCC Regional footprint, and is one of the 12 total Planning Authorities (PAs) within the FRCC footprint. FRCC RC oversees 54,000 MWs of generation, and 12,050 miles of BES transmission system lines, and experienced an all-time peak demand of 52,368 MWs on January 11, 2010.

FRCC RC utilizes Florida Power and Light (FPL), to perform the Real-Time operational activities of the RC function, Real-time Assessments and Next-Day planning RC functions pursuant to the RC Agreement. Under the RC Agreement, FPL has the responsibility and authority to take any action necessary to maintain the reliability of the BES consistent with the RC function.

FRCC RC utilizes four FPL Control Centers through the RC Agreement, from which RC operations can occur: FPL Primary System Control Center (SCC), located in Miami, Florida; Backup Control Center (BUCC), located in Daytona Beach, Florida; Remote Backup Control Center (RBCC), located in Miami, Florida; Local Backup Control Center (LBCC), located in Miami, Florida.

Compliance Audit Findings

Based on the results of this Compliance Audit, no findings were noted for the applicable Requirements in-scope for this engagement.

Recommendations and Positive Observations

Recommendations

The team identified and informed FRCC of two (2) recommendations. The specific details of each recommendation are described below:

1. **MOD-033-2, R1:** Consider keeping a record of the rationale for rejecting Dynamic Local Events (DLEs). The record may reveal a systemic reliability risk in the future and aid in creating a work plan for addressing the impediment to using certain rejected DLEs other that the DLEs that have been used in the recent past.

2. **MOD-033-2, R1:** Consider using engineering discretion to choose another dynamic modeling event for the next DLE validation effort in order to assure more broadly that the performance of the Florida dynamic models are a robust representation of the Florida System and simulate representative dynamic performance. The two most recent dynamic modeling validation efforts both involved St. Lucie generation unit trips.

Positive Observation

The team identified and informed FRCC of six (6) positive observations. The specific details of each positive observation are described below:

1. **EOP-008-2, R5:** FRCC's Restoration Plan is very detailed and effectively coordinates the implementation of the system restoration process for the Florida Reliability Coordinating Council (FRCC). The plan includes multiple appendixes with valuable information for use in the restoration process and includes list of restoration milestones that are reported to the FRCC RCSO.
2. **IRO-008-2, R1:** FRCC's RC/TOP next day planning process is well coordinated and documented

3. **IRO-010-3, R1**: FRCC's data specification procedure requires the collection of non-BES generator information which provides enhanced visibility to distributed generation resources and a more accurate State Estimator solution.

4. **MOD-033-2, R1:** There was a notable improvement in model validation results between the more recent 2021 Steady State validation analysis and the previous validation analysis.

5. **General:** FPL's Operational Technology Services personnel provided a detailed review of the Network Monitoring Resilience project upgrade that was implemented in 2018. The architecture was reviewed for redundancy, resilience, and flexibility in storm scenarios. The dual live redundant communications between four Control Centers is very robust in its capability to assure that no lapse in operations data communications will occur relative to FPL's Control Center data support.
6. **General:** FRCC has a mature Internal Controls Program that includes continuous evidence capture and quality review processes.

Compliance Culture

SERC Reliability Corporation (SERC) performed an assessment of FRCC's compliance culture in conjunction with the Compliance Audit process. The assessment was accomplished through a review of responses to the Internal Compliance Survey questionnaire and additional information that was gathered during interviews and observations. This included an assessment of factors that characterize vigorous and effective compliance programs including:

- Demonstrated a culture of Reliability and Security;
- Demonstrated active engagement and leadership by senior management;
- Effective in-practice preventive measures appropriate to the circumstances of the company

SERC Contact Information

Any questions regarding this Compliance Audit report can be directed to:

SERC Reliability Corporation
3701 Arco Corporate Drive
Suite 300
Charlotte, NC 28273
Manager Operations and Planning Monitoring

On behalf of SERC Reliability Corporation (SERC), this report was prepared and reviewed by:

Compliance Audit Team Lead	Date
Compliance Auditor, Operations and Planning	9/16/2022
Management Representative	**Date**
Manager, Operations & Planning	9/16/2022

Appendix 1

Compliance Audit Participants

Appendix Table 1: Compliance Audit Team and Appendix Table 2: FRCC Participants list all personnel from the team and FRCC who were directly involved during the meetings and interviews.

Role	Title	Entity
Audit Team Lead	Senior Compliance Auditor	SERC
Team Member	Principal Compliance Auditor	SERC
Team Member	Auditor	Power Advisors, LLC Contractor

Title	Entity
President and CEO	FRCC
Director of Regulatory	FRCC
Regulatory Manager	FRCC
Sr. Manager of Operations	FRCC
Sr. Director of Operations	FRCC
Sr Manager System Operations – T/S	FPL
Manager of Regional Transmission Planning	FRCC
Sr. Director of Planning	FRCC
RC Operations Project Engineer	FRCC
System Operator – T/S	FPL
System Operator – T/S	FPL
Sr. Mgr Grid Control Systems Applications	FPL
IT Technology Manager	FPL
IT Technology Director	FPL
Principal IT Architect	FPL
Principal IT network Engineer	FPL
IT Technology Manager	FPL
Senior IT Network Engineer	FPL
Sr. Manager of RC Operations and Oversight	FRCC
Sr. RC Program Analyst	FRCC
FRCC Planning Committee Chair - Sr. Director - Transmission Services, Transmission and Distribution Planning – Power Delivery	FPL
Principal Engineer Transmission Services and Planning - Dynamics SME	FPL
FRCC Transmission Technical Subcommittee Chair – Manager, System Planning	TEC
FRCC Transmission Technical Subcommittee Vice-Chair - Manager II, Tariff Administration	DEF
FRCC Stability Analysis Subcommittee Vice-chair – Senior Engineer Transmission Planning	OUC
FRCC Stability Analysis Subcommittee Chair – Senior Engineer Transmission Planning	DEF

Title	Entity
Supervisor of Reliability Assessments and Member Support	FRCC
Vice President, General Counsel & Director of Human Resources	FRCC