

Separation of Activities Protocol Relating to Standards of Conduct



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Table of Contents

I.	Introduction	1
II.	Definitions	2
III.	Protocol Details	3
IV.	Training Requirements.....	6
V.	Right to Audit	7
VI.	Chief Compliance Officer	7

Avangrid Renewables Separation of Activities Protocol

May 26, 2022

I. Introduction

Avangrid Renewables, LLC (“**Avangrid Renewables**”) is a developer and operator of renewable and thermal generation assets across the United States with a primary focus on wind and solar generation. Power from the projects is typically sold through long-term power purchase agreements. Avangrid Renewables is registered by the North American Electric Reliability Corporation as a generation only balancing authority area within the Western Electricity Coordinating Council. Avangrid Renewables does not own or operate either transmission facilities or natural gas transportation facilities.

The Federal Energy Regulatory Commission (“**FERC**”) has adopted certain Standards of Conduct to create open and fair access to transmission services (the “**Standards of Conduct**”).¹ As a subsidiary of Avangrid, Inc., and through its affiliate relationship with Avangrid Networks, Inc., Avangrid Renewables is subject to FERC’s Standards of Conduct and complies with Avangrid Networks affiliates’ Standard of Conduct Compliance Plans.

This Separation of Activities Protocol is under the umbrella of the overall Avangrid Code of Business Conduct and Ethics (“**Code**”). The Code sets forth Avangrid’s commitment to business ethics and transparency. Further, it establishes a set of principles and guidelines for conduct designed to ensure ethical and responsible behavior by all employees. It also defines Avangrid’s Compliance Program and provides employees with contact information for reporting violations and seeking guidance about how the Code might apply to a specific situation.

While Avangrid Renewables does not own or operate transmission facilities or natural gas transportation facilities, this Separation of Activities Protocol (“**SoA**” or “**Protocol**”) has been designed to ensure appropriate controls are maintained with respect to ensuring the separation of commercial activities between Avangrid Renewables National Control Center and Avangrid Renewables Marketing Function (as defined in Section II below).

The purpose of this SoA is to ensure that there are controls in place to not allow access to Non-Public Transmission Function Information by Marketing Function Employees.

Avangrid Renewables has accordingly established this SoA and has directed the Chief Compliance Officer of Avangrid Renewables to ensure it is implemented. This Protocol may be amended from time to time by the Compliance Department.

¹ *Standards of Conduct for Transmission Providers*, Order No. 717, FERC Stats. & Regs. ¶131,280 (2008), reh’g pending (codified at 18 C.F.R. pt. 358)

II. Definitions

The following definitions apply to this Protocol and are consistent with those definitions contained in the Standards of Conduct.

Chief Compliance Officer (“CCO”): The person Avangrid Renewables has authorized to oversee the Compliance Department and program, including the implementation of this Protocol.

Contemporaneous Record: A record related to this Protocol that is made at the time of, or shortly after, an event occurs. The record may consist of handwritten or typed notes, electronic records such as e-mails and text messages, recorded telephone conversations, and the like. The record retention period for all Contemporaneous Records will be five years. Should the record be subject to another regulatory record keeping rule, that is longer, it will be kept for that period.

Employee: Any employee, contractor, consultant or agent of Avangrid Renewables.

Marketing Function: Includes activities such as the sale for resale (a.k.a. wholesale sale) in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights.

Marketing Function Employee: Any Employee who actively and personally engages on a day-to-day basis in a Marketing Function. Marketing Function Employee designation, removal, etc. will be determined by the CCO in consultation with the General Counsel and the Chief Commercial Officer.

National Control Center Function: The National Control Center (NCC) is the function responsible for interfacing directly with external Reliability Entities who may possess and potentially convey Non-Public Transmission Function Information.

National Control Center Function employee: Any Employee actively performing the Generator Operator (GOP) and/or Balancing Authority (BA) role(s) on behalf of Avangrid Renewables and acting as a real time operational point of contact for external Reliability Entities. NCC Function Employee designation, removal, etc. will be determined by the CCO in consultation with the General Counsel and the Chief Commercial Officer.

Non-Public Transmission Function Information (“NPTFI”): Refers to Transmission Function Information not posted on a transmission provider’s external websites or OASIS or not otherwise simultaneously available to the public, including non-public information related to the planning, directing, organizing and carrying out of day to day transmission operations, such as transmission line outages, future transmission outage plans, maintenance activities, available transmission capacity, etc.

Reliability Assurance: The group responsible for the development and administration of the

Avangrid Renewables North American Electric Reliability Corporation (NERC) Compliance Program, with oversight authority for applicable regulatory compliance requirements from federal and regional Bulk Electric System agencies like FERC, NERC, Western Electricity Coordinating Council (WECC), etc.

Reliability Entity: Includes Balancing Area Authorities, Transmission Operators ,and Reliability Coordinators

Shared Service Function: Any department that provides services to both the NCC and marketing functions. This includes Information Technology, Telecoms, Internal Audit, Risk, Control, Asset Management, Compliance and Legal.

Shared Service Function Employee: Any employee who works for a shared service function. Shared Service Function Employee designation, removal, etc. will be determined by the CCO in consultation with the General Counsel and the Chief Commercial Officer.

Alignment with the Intent of FERC Standards of Conduct

While Avangrid Renewables does not own or operate any transmission assets, as an affiliate, it fully supports Avangrid Networks' compliance with its Standards of Conduct Policies and holds itself to the highest ethical standards. When dealing with external third parties, with respect to NPTFI, Avangrid Renewables holds itself to the spirit and intent of the FERC Standards of Conduct in the following areas:

- **Non-Discrimination:** Employees must treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis with respect to transmission of electric energy in interstate commerce, or with respect to the wholesale sale of electric energy in interstate commerce.
- **Independent Functions:** The NCC Employees and Marketing Function Employees must function independently from each other.
- **No Conduit:** Employees may not disclose, or use another person as a conduit to disclose, NPTFI to Marketing Function Employees. However, there are exceptions, which are discussed in Transparency Rule section of this Protocol.
- **Transparency:** Equal market access to NPTFI.

III. Protocol Details

The following section provides additional details regarding the key elements of the SoA Protocol.

A. Independent Functions

Avangrid Renewables Marketing and NCC activities will be organizationally separate, reporting to different executives within Avangrid Renewables. This separation is to ensure Marketing and NCC activities and personnel operate, with respect to NPTFI, independently from each another.

B. No Conduit Rule

During its day-to-day activities, the NCC receives NPTFI. Unless under system emergency conditions, or conditions detailed in Transparency Rule section, NCC Function employees are prohibited from sharing NPTFI with Marketing Function employees. This prohibition on sharing with marketing function employees also extends to Shared Service Function employees who may have access to NPTFI in their daily operations.

Any NCC or Shared Service Function Employee that discloses NPTFI to a Marketing Function Employee in a manner that does not comply with this Protocol shall immediately report the disclosure to the CCO.

- **Physical Storage and Access Restrictions**

The NCC will be responsible for implementing and maintaining physical access restrictions that preclude Marketing Function Employees from accessing areas that display or hold NPTFI (for example, physical files and folders). Many of these physical access restrictions are expected to be similar to those currently utilized for NERC compliance.

The Compliance Department will work with the relevant departments to establish appropriate controls with shared services functions to ensure that there is no conduit risk where shared services resources may inadvertently pass on NPTFI to Market Function employees. The Reliability Assurance and Compliance departments will support these activities.

- **Electronic Storage and Access Restrictions**

The NCC will be responsible for implementing and maintaining electronic access restrictions that preclude Marketing Function Employees from accessing areas where there NPTF electronic Information is maintained. (for example, electronic screens/folders/documents, software programs and storage solutions). Many of these controls are expected to be the same, or similar to those utilized for NERC compliance.

With respect to electronic access and storage, the Compliance Department will work with the relevant departments to establish appropriate controls, in conjunction with the shared services functions, to address risks related to the No Conduit Rule. The Reliability Assurance and Compliance Department will support development and evaluation of these controls as needed.

C. Transparency Rule: Exceptions to No Conduit Rule

This Protocol provides for exceptions to permit certain interactions with Marketing Function Employees and the disclosure of certain NPTFI to Marketing Function Employees. These exceptions apply to interactions between both NCC and/or Shared Service Function Employees and Marketing Function Employees.

- **External Entity’s Voluntary Consent**

An external transmission or generation entity may voluntarily consent in writing to allow a NCC or Shared Service Function Employees to disclose NPTF Information to Marketing Function Employees for the purposes of fulfilling the contractual obligations associated with their assets. Avangrid Renewables shall not provide any preferences, either operational or price-related, in exchange for this voluntary consent. Prior to the initial sharing of any information, the relevant Avangrid Renewables department will provide the customer’s written consent to the CCO. The CCO will provide their written consent before information is exchanged.

- **Information Pertaining to Compliance with Reliability Standards**

NCC function employees may disclose to Marketing Function Employees NPTFI pertaining to compliance with system reliability standards approved by FERC. A Contemporaneous Record must be made of any information exchanged under this exception. This record will be stored by the NCC. In emergency circumstances, a record of the exchange may be made as soon as practicable after the fact. This exception does not apply to proposed or potential reliability standards that have not yet been approved by FERC.

- **Information Necessary to Restore or Maintain System Reliability**

NCC Function Employees or Shared Service Function Employees may disclose to Marketing Function Employees NPTFI when necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units. A Contemporaneous Record must be made of any information exchanged under this exception. In emergency circumstances, a record of the exchange may be made as soon as practicable after the fact.

- **Improper Disclosures**

Should an improper disclosure of NPTFI occur, the NCC will immediately alert the CCO who will work with Legal to identify which external parties need to be notified of the disclosure event.

IV. Violations of Separation of Activities

If an employee suspects or has knowledge of a violation of this Protocol or believes a violation will occur in the future, that employee must immediately report it. The employee may report the alleged violation to their supervisor, Legal, the CCO or to the Avangrid Ethics and Compliance Helpline by phone (1.877.606.9171) or online at www.avangrid.com/speakup. If the report is to a supervisor, that supervisor must promptly communicate the employee report to one of the alternate choices above.

Every report of a possible violation will be reviewed and investigated by the CCO and their team, who may, if necessary, call upon either internal or external support.

As soon as reasonably possible, the CCO will prepare a report of the findings of the investigation which will be escalated, as appropriate. The report will include whether a violation actually occurred, and if so, what remedial actions are to be taken to correct the violation and whether external communications are necessary.

The CCO will ensure any related actions or business process improvements are implemented as soon as possible.

Avangrid Renewables has a zero tolerance policy for retaliation against employees who report concerns in good faith. Any type of retaliatory action against an individual for reporting an ethical or compliance related concern is strictly prohibited.

No individual, regardless of their level or position, may commit or ask another employee to commit an illegal act or violation of the Protocol. In addition, no employee of Avangrid Renewables may justify unlawful conduct or any conduct in violation of the Policy by claiming to have been following the instructions of management. Any such instructions must be reported immediately to either Legal, the CCO or through the Helpline. If it is found that an employee has violated this Protocol, the violation will be reviewed by the CCO and may be referred to Human Resources for appropriate disciplinary measures.

V. Training Requirements

Any employee covered by this Protocol (including contractors, consultants and agents) must receive a copy of this Protocol and undertake training on the Separation of Activities Protocol and associated controls annually, after which they must certify in writing or electronically that they completed the training.

Any new Employees who would require training under the preceding paragraph must receive a copy of this Protocol and training on the Separation of Activities and associated controls within the first 30 days of employment, after which they must certify in writing or electronically that they have completed the training.

VI. Posting

A copy of this Protocol will be posted on the Avangrid Renewables website.

VII. Right to Audit

This Protocol may be subject to reviews by Internal Audit.

VIII. Chief Compliance Officer

The Chief Compliance Officer (CCO) is Alex Tait, Avangrid Renewables Chief Compliance Officer

Contact Information

Separation of Activities questions and possible Separation of Activities violations shall be directed to the Chief Compliance Officer as follows:

E-mail: alex.tait@avangrid.com Phone: 503 701 7490

Document Revision Tracking

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1	26 May 2022	Alex Tait	Original