

# BPA Policy 233-1

## FERC Standards of Conduct

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## 1. Purpose & Background

On October 16, 2008, the Federal Energy Regulatory Commission (FERC) issued Order No. 717, a final rule revising the Standards of Conduct (SOC) for Transmission Providers. Order No. 717 (and subsequent Order Nos. 717-A, 717-B, 717-C, 717-D, known collectively as Order No. 717) is codified in Title 18 Part 358 of the U.S. Code of Federal Regulations (CFR).

The purpose of the SOC requirements is to create open and fair access to transmission service and require transmission providers to provide access to transmission and Transmission Function Information in a not unduly preferential or discriminatory manner, including to a transmission provider's own Marketing Function. The SOC requirements prevent a transmission provider's Marketing Function from gaining any kind of undue advantage in the market or preferential access to transmission.

The purpose of this policy is to document how Bonneville Power Administration (BPA) implements the SOC requirements.

The SOC requirements apply to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and conducts transmission transactions with an affiliate that engages in Marketing Functions. BPA is not a public utility as defined in the Federal Power Act; however, BPA is committed to the principle of open access transmission. Providing access to transmission service and transmission information on a not unduly discriminatory basis and without undue preference is a cornerstone of open access transmission service. So, while not required to do so by FERC, BPA follows Order 717.

## 2. Policy Owner

This policy is owned by the Executive Vice President of Compliance, Audit and Risk. The SOC Office within the FERC Compliance organization in the Agency Compliance and Governance organization is responsible for implementing and administering this policy.

## 3. Applicability

BPA follows Order 717. The SOC requirements govern interactions between Undesignated Employees (UEs), Transmission Function Employees (TFEs), and Marketing Function Employees (MFEs), and the types of information that can be shared with MFEs and transmission customers.

## 4. Terms & Definitions

A. **Marketing Function:** The sale for resale 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.

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- B. **Marketing Function Employee (MFE):** An employee who actively and personally engages on a day-to-day basis in Marketing Functions. A list of MFEs is available on the [FERC Standards of Conduct page](#), on BPA’s internal website (BPA Connection).
- C. **Open Access Transmission Tariff (OATT):** This document defines the terms and conditions of point-to-point, network integration transmission, and interconnection services offered by BPA Transmission Services.
- D. **Open Access Same-Time Information System (OASIS):** A website used to communicate with customers, provide transmission system information, process requests for transmission service, and post notices.
- E. **SOC-Restricted Information:** Transmission Function Information or transmission customer information that is not posted to BPA’s external website or its OASIS or is otherwise not simultaneously available to all transmission customers and potential transmission customers.
- F. **Transmission Function:** The planning, directing, organizing or carrying out of day-to-day transmission operations, including granting and denying transmission service requests.
- G. **Transmission Function Employee (TFE):** An employee who actively and personally engages on a day-to-day basis in transmission functions. A list of TFEs is available on the [FERC Standards of Conduct page](#), on BPA’s internal website (BPA Connection).
- H. **Transmission Function Information:** Information relating to Transmission Functions. A list of information that is generally considered transmission function information is available on the [FERC Standards of Conduct page](#), on BPA’s internal website (BPA Connection).
- I. **Undesignated Employee (UE):** An employee who is not designated as a TFE or MFE.

## 5. Policy

It is BPA’s policy to follow the SOC requirements in Order 717. The following outlines how BPA implements these requirements.

### A. General principles

BPA treats all transmission customers on a not unduly discriminatory basis, and does not provide any transmission customer, including BPA’s own Marketing Function, any undue preference or advantage.

### B. Non-discrimination requirements

1. TFEs must enforce all OATT provisions that do not provide for the use of discretion. If provisions permit the use of discretion, TFEs use that discretion in a fair and impartial manner.

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2. TFEs must not give any undue preference to any transmission customer including BPA's own Marketing Function in matters relating to sale or purchase of transmission service.
3. TFEs must process all similar requests for transmission in the same manner and within the same period of time.
4. If BPA waives any OATT provision in favor of BPA's Marketing Function, whoever grants the waiver must notify the SOC Office and the Transmission Reservation Desk. The SOC Office must log the waiver and the Transmission Reservation Desk must post notice of the waiver to OASIS.

**C. Employee designations**

1. The SOC Office determines what positions should be designated as TFE, MFE, or UE, depending on the job duties that position performs.
2. Human Resources Service Center (HRSC) assigns a SOC designation to all federal positions through its classification process using the determination established by the SOC Office.
3. The SOC Office assigns a TFE SOC designation to contract workers who are performing TFE job duties. All other contract workers are considered UEs. Contract workers cannot perform MFE job duties.
4. The SOC Office posts lists of individuals designated as TFE and MFE on BPA's [FERC Standards of Conduct page](#).
5. The SOC Office issues badges to TFEs and MFEs to provide a visible indication of their designations. TFEs and MFEs must wear these badges. The SOC Office issues badges to UEs by request.

**D. Independent functioning rule**

1. MFEs and UEs are prohibited from conducting Transmission Functions, and TFEs and UEs are prohibited from conducting Marketing Functions.
2. **Physical separation and access restrictions**
  - a) MFEs are prohibited from accessing the Dittmer building in Vancouver, Wash. and the rooms designated as transmission rooms in the Munro Scheduling Center in Spokane, Wash., because these locations contain the transmission control systems and facilities where transmission functions are performed.
  - b) MFEs and TFEs both have access to the Emergency Scheduling Center (ESC) in Vancouver, Wash. but are prohibited from accessing it at the same time except in an emergency situation. MFEs and TFEs who plan to occupy the ESC must notify the SOC Office and others in accordance with the *Transmission Services Temporary Use of the Emergency Scheduling Center (ESC) Memorandum of Understanding (MOU) with Power Services*.

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**3. Electronic separation and access restrictions**

- a) MFEs are prohibited from accessing SOC-Restricted Information that is stored in internal shared drives and SharePoint sites. The SOC Office maintains a list of electronic access controls designed to prevent MFE access to this information.
- b) UEs and TFEs must safeguard SOC-Restricted Information by not attaching such documents to Outlook meeting invitations or SharePoint sites where information can be inadvertently disclosed to an MFE.
- c) SharePoint site administrators, Outlook distribution list owners, Outlook shared mailbox owners, and other software and site administrators must update permissions and lists accordingly when the MFE list is updated.

**4. Joint meetings and interactions**

- a) Business-related meetings and other interactions (e.g., e-mails and telephone conversations) between TFEs and MFEs are generally prohibited unless a specific exception applies, Exceptions to Independent Functioning and No Conduit Rules (see below).
- b) Business-related meetings
  - i) Anyone who wishes to schedule a business-related meeting that does not fall into an exception described below with TFEs and MFEs in attendance must obtain approval from the SOC Office before the meeting. The SOC Office will evaluate whether the meeting is permissible and what additional controls are necessary.
  - ii) Anyone who facilitates any business-related meeting with TFEs and MFEs in attendance, regardless of whether it falls into an exception must:
    - a. Remind all meeting attendees at the beginning of the meeting that both MFEs and TFEs are present and that no SOC-Restricted Information may be discussed.
    - b. Provide a written record of the meeting to the SOC Office. The record should include attendees and a summary of what was discussed.
- c) Other interactions

TFEs must provide a record of all other business-related interactions (e.g., e-mails and telephone conversations) with MFEs to the SOC Office or cc [soc@bpa.gov](mailto:soc@bpa.gov) on emails, regardless of whether the interaction falls into an exception. The record should include participants and a summary of what was discussed.
- d) MFEs and TFEs may jointly attend non-business related meetings including all-employee meetings, all-manager meetings, diversity trainings, non-business

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related job skills trainings, and social events. Interactions about non-business matters do not need to be reported to the SOC Office.

**E. No Conduit Rule**

1. UEs and TFEs are prohibited from disclosing SOC-Restricted Information to MFEs. Exceptions to this prohibition are described below.
2. If information is posted on BPA’s external website or its OASIS, or is otherwise simultaneously available to all transmission customers and potential transmission customers, then it is considered public within the context of the SOC requirements and can be shared with MFEs.
3. If any UE or TFE discloses SOC-Restricted Information to an MFE, or an MFE becomes aware of SOC-Restricted Information (e.g., realizes they have access to a SharePoint site or internal drive with restricted information or receives an email with restricted information), the individual who becomes aware of the disclosure must notify the SOC Office as soon as possible and take steps to limit the dissemination of the information (e.g., change permissions to the SharePoint site or delete the email).

**F. Exceptions to Independent Functioning and No Conduit Rules**

Consistent with Order 717, exceptions to the Independent Functioning and No Conduit rules permit interactions between MFEs and TFEs and the limited disclosure of non-public Transmission Function Information to MFEs.

1. UEs and TFEs may discuss or share with MFEs any non-public Transmission Function Information that relates solely to BPA’s Marketing Function’s own request for transmission service.
2. Transmission customers may voluntarily consent, in writing, to allow BPA to disclose their non-public information to MFEs. The consent must be in writing and posted to BPA’s [external SOC website](#) before their information can be shared with MFEs. Account Executives who have customers who would like to voluntarily consent must work with the SOC Office to prepare the consent.
3. UEs and TFEs may discuss or share information with MFEs pertaining to compliance with reliability standards that have been approved by FERC. This exception does not apply to proposed or potential standards. Any non-public Transmission Function Information exchanged must be provided to the SOC Office.
4. UEs and TFEs may discuss or share information with MFEs that is necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units. The Senior Dispatcher on shift may suspend SOC in the event of an emergency event pursuant to Dispatcher Standing Order 137. Any non-public Transmission Function Information exchanged must be provided to the SOC Office.

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## G. Transparency Rule

In the event of a violation of the No Conduit Rule, the SOC Office immediately coordinates with the Transmission Reservation Desk to post notice of the disclosure to BPA's OASIS.

1. If the information that was disclosed was non-public transmission customer information or any other information FERC has determined to be subject to limited dissemination, the SOC Office posts notice that the disclosure occurred.
2. If the information that was disclosed was non-public Transmission Function Information, then the SOC Office posts the information itself.

## H. Posting requirements

The SOC Office coordinates with the Transmission Reservation Desk and Transmission Services Web Content team to post the following to BPA's external SOC website and OASIS, in accordance with the SOC requirements:

1. Affiliate information: BPA's Marketing Function resides in the Power Services organization and is treated as an affiliate for FERC SOC purposes.
2. Chief Compliance Officer: BPA has designated the head of Agency Compliance and Governance as its Chief Compliance Officer (CCO). BPA posts the CCO's name and contact information.
3. Shared facilities: BPA posts the addresses and types of facilities shared by MFEs and TFEs.
4. Transmission Function Employees: BPA posts the job titles and job descriptions of all TFEs.
5. Transfers: BPA posts any transfer of a TFE to a position as an MFE or an MFE to a position as a TFE to its OASIS.
6. Written procedures: BPA posts written procedures implementing the SOC requirements.
7. Voluntary consents: BPA posts a list of transmission customers who have voluntarily consented to authorize BPA to disclose their non-public customer information to MFEs.
8. Information disclosures: BPA posts disclosures of SOC-Restricted Information to its OASIS.
9. Waivers: BPA posts any waivers and exemptions of OATT provisions in favor of its marketing function to its OASIS.

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I. **Training**

- 1. Managers and Supervisors must ensure that all new federal employees and contract workers complete SOC training within their first 30 days of employment.
- 2. TFEs, MFEs, supervisors, officers, directors, and UEs likely to become privy to transmission function information must complete SOC training annually.
- 3. The SOC Office is responsible for delivering training and tracking completion.

J. **Internal Log:** The SOC Office logs a record of all business-related meetings and interactions (including e-mails and telephone conversations) between MFEs and TFEs for a period of five years.

K. **Books and records:** Through the use of business units within the accounting system of record, BPA maintains its books of account and records for Transmission Services separate from Power Services, which includes BPA’s Marketing Function.

6. **Policy Exceptions**

None.

7. **Responsibilities**

A. **Account Executives:** Obtain written voluntary consents from transmission customers if necessary.

B. **Chief Compliance Officer (CCO):** The CCO is the head of the Agency Compliance and Governance organization and is the chair of the Open Access Compliance Committee. The CCO is responsible for SOC compliance.

C. **Finance Accounting and Reporting:** Maintains Transmission Services’ books of account and records separate from Power Services through the use of business units within the accounting system of record.

D. **Human Resources Service Center**

- 1. Communicates new federal employees information and start dates to the SOC Office.
- 2. Notifies new federal employees of their required training requirements, including SOC training, through the New Employee Orientation (NEO).
- 3. Using SOC Office designations, assigns SOC codes for new federal employees or federal employees changing positions.

E. **Managers and Supervisors**

- 1. Ensure that new federal employees and contract workers complete SOC training within their first 30 days of employment.

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2. Ensure that federal employees and contract workers who are required to complete annual SOC training do so by the due date established by the SOC Office.

**F. Marketing Function Employees (MFEs)**

1. Make the SOC Office aware if they receive any restricted SOC-Restricted Information.
2. Follow the *Transmission Services Temporary Use of the Emergency Scheduling Center (ESC) Memorandum of Understanding (MOU) with Power Services*.

**G. Office of General Counsel (OGC), Transmission:** Interprets the SOC requirements and provides guidance to the SOC Office.

**H. Open Access Compliance Committee (OACC):** The steering committee that oversees BPA’s SOC compliance program.

**I. SOC Office**

1. Assigns SOC designations to contract workers.
2. Provides guidance to the HR Service Centers Classification unit to assign the SOC designations to federal employees position descriptions while completing the classification processes.
3. Maintains oversight of all SOC designations.
4. Maintains the online SOC training module and materials.
5. Tracks training completion for new federal employees and contract workers.
6. Distributes training to TFEs, MFEs, supervisors, officers, and directors annually and tracks training completion.
7. Reviews BPA’s external SOC website and OASIS to ensure posting requirements are met.
8. Performs overall administration of BPA’s SOC compliance program.
9. Manages ongoing compliance monitoring, oversight, and determinations regarding SOC requirements consistent with guidance from OGC.

**J. Supplemental Labor Management Office (SLMO)**

1. Distributes SOC training to new contract workers.
2. Provides new contract worker training reports to the SOC Office.

**K. Transmission Function Employees (TFEs)**

1. Provide a record of all business-related interactions (including e-mails and telephone conversations) with MFEs to the SOC Office.

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2. Follow the non-discrimination requirements and do not provide any transmission customer, including BPA’s Marketing Function, an undue preference or advantage.
  3. Follow the *Transmission Services Temporary Use of the Emergency Scheduling Center (ESC) Memorandum of Understanding (MOU) with Power Services*.
- L. **Transmission Reservation Desk** (within the Transmission Marketing and Sales Organization): Posts SOC-related notices to BPA’s OASIS.
  - M. **Transmission Services (TS) Web Content Team** (within Transmission Marketing and Sales): Makes updates to the external SOC site.
  - N. **Site Administrators and Outlook Owners:** SharePoint site administrators, Outlook distribution list owners, Outlook shared mailbox owners, and other software and site administrators must update permissions and lists accordingly to safeguard information.
  - O. **TTOM Process Support and Management (PSM) Team:** The PSM Team in the Transmission Technology Ops Monitor, Analyze Process organization (TTOM) modifies card key access so that MFEs cannot access the Dittmer building or the transmission scheduling rooms in the Munro building.

## 8. Standards & Procedures

None.

## 9. Performance & Monitoring

- A. The SOC Office tracks compliance with this policy through ongoing compliance monitoring and spot checks.
- B. The SOC Office measures the effectiveness of this policy by analyzing actual violations, areas of risk of violation, and the volume of meeting and interaction requests and records its receives.

## 10. Authorities & References

- A. [18 CFR § 358](#), [FERC Order No. 717](#)
- B. Dispatcher Standing Order 137
- C. [External BPA Standards of Conduct Page](#)
- D. [Internal Standards of Conduct Page](#) on BPA Connection (BPA’s internal website)
- E. *Transmission Services Temporary Use of the Emergency Scheduling Center (ESC) Memorandum of Understanding (MOU) with Power Services*

## 11. Review

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This policy is reviewed if FERC enacts changes to the SOC rules. This policy is subject to an automatic sunset review to be conducted no later than September 2022.

## 12. Revision History

Version Number	Issue Date	Brief Description of Change or Review
1.0	9/7/2017	Initial publication as BPA Policy. This was approved by the Deputy Administrator, Dan James, on behalf of the vacant EVP Compliance, Audit and Risk position. The EVP CAR owns this policy.
1.1	8/23/2018	<ul style="list-style-type: none"> <li>• Federal employee SOC designation management duties are streamlined by eliminating duplicative functions. The SOC Office no longer does this. The need for managers and supervisors to submit SOC designation change request forms is eliminated.</li> <li>• Typo, formatting and grammar corrections.</li> </ul> <p>These are minor and administrative revisions. The policy's effective date is not updated.</p>

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