



NORTHEAST POWER COORDINATING COUNCIL, INC.
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Compliance Audit Report Public Version

**Huntley Power LLC
NCR#07108**

November 2 to November 16, 2009

**Confidential Information (including Privileged and
Critical Energy Infrastructure Information)
Has Been Removed**

November 16, 2009

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Executive Summary

This final compliance audit report is the public version. Confidential information (including privileged and critical energy infrastructure information) has been redacted from this report. The full final compliance audit report was submitted to the audited entity and NERC.

The off-site compliance audit of Huntley Power LLC (Huntley), NERC ID #NCR07108 was conducted between November 2 and November 16, 2009. At the time of the audit, Huntley was registered for the GO and GOP functions. The audit was completed using data submitted by Huntley prior to the off-site audit being started and data provided by way of follow-up emails and phone calls as a result of questions raised during the off-site audit.

The auditor evaluated Huntley Power LLC's compliance with thirteen reliability standards and sixty requirements and sub-requirements in the 2009 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed reliability standards identified in the NERC 2009 Implementation Plan from June 18, 2007 or monitoring timeframes specified in each reliability standard. Of the thirteen standards and sixty requirements and sub-requirements audited for the functions Huntley is registered for, twelve standards and their fifty requirements and sub-requirements were judged to be compliant. One standard and its ten requirements and sub-requirements were judged to be not applicable.

Huntley Power LLC provided an overview resulting in a more clear understanding of their business model and accelerated the audit process. The evidence provided to demonstrate compliance was well presented and well organized. The auditor would like to thank the Huntley audit preparation team for the support offered throughout the audit.

Audit Process

The compliance audit process steps are detailed in the NERC CMEP. The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

Objectives

All registered entities are subject to audit for compliance with all reliability standards applicable to the functions for which the registered entity is registered.¹ The audit objectives are to:

- Independently review Huntley Power LLC's compliance with the requirements of the reliability standards that are applicable to Huntley based on the functions Huntley is registered for.

¹ North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

- Validate compliance with applicable reliability standards from the NERC 2009 Implementation Plan list of actively monitored standards and additional NERC reliability standards selected by NERC.
- Validate compliance with applicable Regional Standards from the NPCC 2009 Implementation Plan list of actively monitored standards.
- Validate evidence of self-reported violations and previous self-certifications and confirm compliance with other requirements of the reliability standard.
- Review the status of associated mitigation plans.
- Observe and document Huntley Power LLC's compliance program and culture.

Scope

The audit included all standards identified in the August 31, 2009 audit letter. The audit was a regularly scheduled audit and one self-reported violation was noted. No compliance investigations were involved. The mitigation plan for the self-reported violation was completed prior to the start of the off-site audit. NPCC Compliance Enforcement staff was satisfied with Huntley's plan and submitted evidence and have deemed that Huntley Power LLC is now fully compliant with VAR-002-1 R3. Additional evidence of compliance to this requirement was deemed unnecessary for this audit.

At the time of the audit, Huntley was registered for the functions GO and GOP. The audit team evaluated Huntley for compliance during the period of June 18, 2007 to November 16, 2009.

Confidentiality and Conflict of Interest

Confidentiality and Conflict of Interest of the audit team are governed under the Delegation Agreement with NERC and Section 1500 of the NERC Rules of Procedure.

The audited entity was informed in advance of the audit that the independent contractors executed confidentiality agreements and code of conduct documentation was in place for the NERC representative and regional entity staff. Work history and conflict of interest forms submitted by each audit team member are on file in the NPCC corporate offices. The audited entity was given an opportunity to object to an audit team member on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with the audit team member's impartial performance of duties. The audited entity accepted the audit team member participants with no objections.

Off-site Audit

Huntley Power LLC was provided with a pre-audit request letter identifying the standards and requirements subject to audit. The audit letter was sent to Huntley Power LLC more than 60 days in advance of the scheduled audit. This is an off-site audit conducted every six years or as determined to be necessary by the region. Huntley had self-reported one violation; it was mitigated and Huntley is now fully compliant with VAR-002-1 R3.

Huntley Power LLC is registered for GO and GOP functions in NPCC.

If necessary, the auditor would have requested interviews with Huntley Power LLC employees representing subject matter expertise regarding all of the registered functions of Huntley. These interviews in conjunction with the submitted evidence would provide the auditor with a basis for professional judgment when validating compliance with reliability standards.

Methodology

The auditor prepared reliability standards audit worksheets (RSAWs) to evaluate each standard. The RSAWs are used to ensure consistency and to document evidence of compliance or non-compliance with the standards. All relevant documents are considered and to the extent they form a portion of the audit trail are included in the RSAWs.

Audit Overview

The initial audit overview was conducted on October 30, 2009. The call was led by the auditor for NPCC, and representatives for Huntley participated. An explanation of the audit process was given and the timelines were discussed. Huntley was given an opportunity to reject the auditor but accepted the auditor and his credentials for this audit.

Audit

The audit was performed off-site by the auditor, with Compliance Manager of NPCC assisting. Additional questions were provided to Huntley Power LLC by way of emails and phone calls, and the Huntley staff then took the time necessary to develop the answers and submitted them by way of email and phone calls to the auditor.

Exit Briefing

The exit briefing was led by the auditor by way of a conference call on November 16, 2009 and was attended by representatives for Huntley Power LLC. The auditor reviewed the audit process and summarized the preliminary findings of the audit.

The results of the audit were that of the thirteen standards and sixty requirements and sub-requirements audited for the functions Huntley is registered for, twelve standards and their fifty requirements and sub-requirements were judged to be compliant. One standard and its ten requirements and sub-requirements were judged to be not applicable.

The exit briefing is also a forum for the auditor to offer informal recommendations for process improvement. These recommendations are not included in the audit report but would be captured in a separate document and sent to Huntley. This was not necessary for this audit.

Company Profile

Huntley Power LLC is the company subject to this NPCC off-site audit and is an affiliate of NRG Energy Inc., its parent company. NRG Energy Inc. owns and operates a diverse portfolio of power generating facilities, primarily in Texas, Louisiana, California and the Northeastern section of the United States. Its operations include baseload, intermediate, peaking, and cogeneration facilities, wind and thermal energy production primarily using fossil fuels for production. NRG also has ownership interests in generating facilities in Australia and Germany. Each region is led by a Regional President that reports to the CEO of NRG Energy Inc. Huntley Power LLC is located in the NRG's Northeast region.

Huntley Power LLC is registered as the generator owner and operator located in the NRG Energy Inc.'s Northeast Portfolio under the Regional President of the Northeast region and Senior Vice President of Plant Operations. Huntley Power LLC provides operating services for the facility, which operates within the balancing authority area of the New York Independent System Operator (NYISO) and locally within the western area of New York under the jurisdiction of National Grid.

Huntley Power LLC is located in Tonawanda, New York, within the jurisdiction of the Northeast Power Pool Coordinating Council (NPCC). Huntley Power LLC's Plant Manager reports to the VP, NE Operations, who reports directly to the Senior Vice President of Plant Operations.

Huntley Power LLC is supported through an energy marketing services agreement with NRG Power Marketing Inc, who is registered as the associated Purchasing/Selling Entity and provides scheduling of capacity and ancillary services, bidding and dispatch for this facility.

Huntley Power LLC's facility is located in the NRG's Northeast region. The facility has 2 Cross Compound Turbine/Generators located in Tonawanda, NY, within the NYISO jurisdiction. All units burn sub-bituminous coal. This facility operates within the footprint of the New York Independent System Operator NYISO (BA) and connects to the Bulk Electric System at the National Grid (TO) substation located at the Huntley facility. These units are nominally 13.8KV and are connected to station owned step up transformers; stepped up 230KV, and are independently connected to National Grid (TO).

Audit Specifics

The compliance audit was conducted off-site between November 2 and November 16, 2009 at NPCC offices in New York City, New York.

NPCC Audit Team Role	Title	Company
Lead	Contracted Consultant	NPCC-Compliance Audit Program
Regional staff	Manager Compliance	NPCC-Compliance Audit Program

Huntley Power LLC

Title	Audited Entity's Organization
Director- Regulatory Compliance	NRG Energy Inc
Senior Engineer	Huntley Power LLC
Plant Manager	
Operations Manager	
Manager, Real Time Operations-NE	NRG Power Marketing LLC

Audit Results

The auditor evaluated Huntley Power LLC's compliance with thirteen reliability standards and sixty requirements and sub-requirements identified in the NERC 2009 Implementation Plan from June 18, 2007 or monitoring timeframes specified in each reliability standard.

The results of the audit were that of the thirteen standards and sixty requirements and sub-requirements audited for the functions Huntley is registered for, twelve standards and their fifty requirements and sub-requirements were judged to be compliant. One standard and its ten requirements and sub-requirements were judged to be not applicable.

Huntley Power LLC provided an overview resulting in a more clear understanding of their business model and accelerated the audit process. The evidence provided to demonstrate compliance was well presented and well organized. The auditor would like to thank the Huntley audit preparation team for the support offered through the audit.

Findings

The following table details findings for compliance with the reliability standards listed in the NERC 2009 Implementation Plan.

Huntley Power LLC

Reliability Standard	Requirement	Finding
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant

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Reliability Standard	Requirement	Finding
COM-002-2	R1.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R1.1.	Compliant
FAC-008-1	R1.2.	Compliant
FAC-008-1	R1.2.1.	Compliant
FAC-008-1	R1.2.2.	Compliant
FAC-008-1	R1.3.	Compliant
FAC-008-1	R1.3.1.	Compliant
FAC-008-1	R1.3.2.	Compliant
FAC-008-1	R1.3.3.	Compliant
FAC-008-1	R1.3.4.	Compliant
FAC-008-1	R1.3.5.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-001-1	R8.	Compliant
IRO-004-1	R4.	Compliant
IRO-005-1	R13.	Compliant
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R2.1.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R3.1.	Compliant
PRC-001-1	R5.	Compliant
PRC-001-1	R5.1.	Compliant
PRC-004-1	R2.	Compliant
PRC-004-1	R3	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R1.1.	Compliant
PRC-005-1	R1.2.	Compliant
PRC-005-1	R2.	Compliant
PRC-005-1	R2.1.	Compliant
PRC-005-1	R2.2.	Compliant
PRC-017-0	R1.	N/A
PRC-017-0	R1.1.	N/A
PRC-017-0	R1.1.1.	N/A
PRC-017-0	R1.1.2.	N/A
PRC-017-0	R1.1.3.	N/A

Reliability Standard	Requirement	Finding
PRC-017-0	R1.1.4.	N/A
PRC-017-0	R1.2.	N/A
PRC-017-0	R1.3.	N/A
PRC-017-0	R1.4.	N/A
PRC-017-0	R1.5.	N/A
TOP-001-1	R3.	Compliant
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R7.1.	Compliant
TOP-001-1	R7.3.	Compliant
TOP-002-2	R3.	Compliant
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R14.1	Compliant
TOP-002-2	R14.2	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R18.	Compliant

Compliance Culture

The audit team reviewed Huntley Power LLC's compliance culture. During all contacts, Huntley's staff was professional in their approach to compliance and understood the importance of the compliance and its role in maintaining reliability.