



**Compliance Audit Report
Public Version**

**Colorado Green Holdings, LLC (COGH)
NCR05104**

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

Date of Audit: April 20, 2010

TABLE OF CONTENTS

Executive Summary	3
Audit Process	3
Objectives.....	4
Scope	4
Confidentiality and Conflicts of Interest.....	4
Methodology.....	5
Company Profile	5
Audit Participants	6
Audit Results	6
Findings.....	6
Compliance Culture	9
Exit Briefing.....	9

Executive Summary

The Western Electricity Coordinating Council (WECC) performed an off-site compliance audit of Colorado Green Holdings, LLC (COGH) NERC ID NCR05104 on April 20, 2010. At the time of the audit, COGH was registered on the North American Electric Reliability Corporation (NERC) Compliance Registry for the following functions:

Generator Owner (GO)

Generator Operator (GOP)

The Audit Team evaluated COGH for compliance with ninety (90) requirements in the NERC Compliance Monitoring and Enforcement Program 2010 Implementation Plan (CMEP IP). Additionally two (2) requirements in the WECC Regional Reliability Standards were audited. The Audit Team reviewed the NERC Reliability Standards for the period of June 18, 2007 through April 20, 2010. COGH submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by COGH to assess compliance with standards applicable to COGH at this time.

Based on the information and documentation provided by COGH, the Audit Team found COGH to be compliant with thirty-seven (37) applicable requirements. The Audit Team determined that fifty-five (53) Requirements were not applicable to COGH. COGH had zero (0) Outstanding Violations. The Audit Team also determined that the two (2) Requirements in the WECC Regional Reliability Standards were not applicable to COGH's registered functions. The Audit Team identified zero (0) New Possible Violation(s).

These audit results are further explained in the Audit Results Findings section of this report which includes detailed information regarding the Audit Team's findings of applicability and compliance for the NERC Reliability Standards reviewed during the compliance audit. Any New Possible Violations will be processed through the NERC and WECC CMEP.

There were no ongoing or recently completed mitigation plans and therefore none were reviewed by the Audit Team.

Audit Process

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

Objectives

A Registered Entity is subject to audit for compliance with all Reliability Standards applicable to its registered functions.

The audit objectives are to:

- Review compliance with the requirements of Reliability Standards that are applicable to COGH, based on the functions that COGH is registered to perform;
- Validate compliance with applicable Reliability Standards from the NERC 2010 CMEP Implementation Plan list of actively-monitored Reliability Standards and any applicable NERC Reliability Standards selected by WECC;
- Validate compliance with applicable Regional Standards from the WECC 2010 CMEP Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Review the status of mitigation plans.

Scope

The scope of the compliance audit included the NERC Reliability Standards from the WECC CMEP 2010 Implementation Plan. In addition, this audit included any self-reports, self-certifications, outstanding mitigation plans or remedial action directives which have been completed or pending in the year of the compliance audit.

At the time of the audit, COGH was registered for the functions GO and GOP. The Audit Team evaluated COGH for compliance during the period of June 18, 2007 to April 20, 2010.

WECC notified COGH of the audit on February 05, 2010. WECC informed COGH that the Audit Team would perform the audit in accordance with the CMEP and the 2010 NERC Compliance Questionnaire and Reliability Standard Audit Worksheets (RSAW). In preparation for the audit, the Audit Team reviewed the RSAWs and other documents submitted by COGH to evaluate compliance with each applicable Reliability Standard.

Confidentiality and Conflicts of Interest

Confidentiality and Conflict of Interest of the Audit Team are governed under the WECC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. COGH was informed of WECC's obligations and responsibilities under the Delegation Agreement and Rules of Procedure. On April 20, 2010, WECC provided the work history for each Audit Team member to COGH. COGH had the opportunity to object to an Audit Team member's participation in the audit on the basis of a possible conflict of interest or because of other circumstances that could interfere with an Audit Team member's impartiality. Section 3.1.5 of the WECC CMEP requires the COGH to submit

any objections no later than fifteen (15) days prior to the start of the off-site audit. COGH did not submit any objections regarding any Audit Team members. There have been no denials of information or access limitations placed upon this Audit Team by COGH.

Methodology

The Audit Team reviewed the information, data, and evidence submitted by COGH and assessed compliance with requirements of the applicable Reliability Standards. Submittals of information and requests for data were sent to COGH at least thirty (30) days before the scheduled date of the audit. Additional information relevant to the audit could be submitted until the last day of the review at the audit site. After that date, only data or information which was relevant to the content of the report or its findings can be submitted upon agreement by the Audit Team lead.

The Audit Team requested and received additional information and sought clarification from subject matter experts during the audit.

The Audit Team reviewed documentation provided by COGH. Data, information, and evidence submitted in the form of policies, procedures, emails, logs, data sheets, etc., was validated, substantiated and cross checked for accuracy as appropriate. Where sampling is applicable to a requirement, the sample set is determined by a statistical methodology augmented with professional judgment to ensure that the sample set is representative of the Requirement's significance to the reliability of the Bulk Electrical System (BES).

Findings were based on the Audit Team's knowledge of the BES, the NERC Reliability Standards and team members' professional judgment. All findings were developed based on the consensus of the Audit Team.

Company Profile

The 162 megawatt Colorado Green Wind Power Project located 20 miles south of the town of Lamar and is located in Prowers County. It is the largest wind farm in Colorado. COGH is equally owned by Shell WindEnergy Incorporated and Iberdrola Renewables.

The COGH site consists of 108 GE Wind Turbines rated at 1.5 MW @ 600 Volts AC and connects to 600 V/34.5 kV step up transformers. The output of the individual 34.5 kV transformers is stepped up to 230 kV (consists of East and West components and 230 kV tie bus) for transport via a 44-mile 230 kV transmission line that interconnects at the Lamar 230 kV Switching Station operated by Public Service Company of Colorado.

As a GO/GOP, COGH uses Shell WindEnergy Services as the operational overseer. PPM Technical Services, LLC (a subsidiary of Iberdrola Renewables), operates the site under an Operations and Maintenance Agreement.

Audit Participants

The following is a list of WECC Audit Team members and COGH personnel who participated in the audit.

Audit Team Members

Audit Team Role	Title	Company
Audit Team Lead	Compliance Engineer	WECC
Member	Senior Compliance Engineer	WECC
Member	Compliance Consultant	WECC

COGH Audit Participants

Title	Company
Compliance Manager	COGH

Audit Results

The Audit Team evaluated COGH for compliance with ninety (90) requirements in the NERC Compliance Monitoring and Enforcement Program 2010 Implementation Plan (CMEP IP). Additionally two (2) requirements in the WECC Regional Reliability Standards were audited. The Audit Team reviewed the NERC Reliability Standards for the period of June 18, 2007 through April 20, 2010. COGH submitted information and documentation for the Audit Team's evaluation of compliance with requirements. The Audit Team reviewed and evaluated all information provided by COGH to assess compliance with standards applicable to COGH at this time.

Based on the information and documentation provided by COGH, the Audit Team found COGH to be compliant with thirty-seven (37) applicable requirements. The Audit Team determined that fifty-five (53) Requirements were not applicable to COGH. COGH had zero (0) Outstanding Violations. The Audit Team also determined that the two (2) Requirements in the WECC Regional Reliability Standards were not applicable to COGH's registered functions. The Audit Team identified zero (0) New Possible Violation(s).

Findings

The following table details the findings for compliance for the scope identified for this audit.

The Finding column may contain any one of the following: Compliant, New Possible Violation, Not Applicable (N/A), Outstanding Violation, Retraction Requested, Self-Reported Violation, or other appropriate description.

Standard	Req.	Finding
CIP-001-1	R1.	Compliant
CIP-001-1	R2.	Compliant
CIP-001-1	R3.	Compliant
CIP-001-1	R4.	Compliant
COM-002-2	R1.	Compliant
COM-002-2	R2.	N/A
FAC-002-0	R1.	Compliant
FAC-008-1	R1.	Compliant
FAC-008-1	R2.	Compliant
FAC-008-1	R3.	Compliant
FAC-009-1	R1.	Compliant
FAC-009-1	R2.	Compliant
IRO-001-1.1	R3.	N/A
IRO-001-1.1	R7.	N/A
IRO-001-1.1	R8.	Compliant
IRO-001-1.1	R9.	N/A
IRO-004-1	R1.	N/A
IRO-004-1	R2.	N/A
IRO-004-1	R3.	N/A
IRO-004-1	R4.	Compliant
IRO-004-1	R5.	N/A
IRO-004-1	R6.	N/A
IRO-004-1	R7.	N/A
IRO-005-2	R1.	N/A
IRO-005-2	R2.	N/A
IRO-005-2	R3.	N/A
IRO-005-2	R4.	N/A
IRO-005-2	R5.	N/A
IRO-005-2	R7.	N/A
IRO-005-2	R8.	N/A
IRO-005-2	R9.	N/A
IRO-005-2	R10.	N/A
IRO-005-2	R11.	N/A
IRO-005-2	R12.	N/A
IRO-005-2	R13.	Compliant
IRO-005-2	R14.	N/A
IRO-005-2	R15.	N/A
IRO-005-2	R16.	N/A

Standard	Req.	Finding
IRO-005-2	R17.	N/A
NUC-001-1	R1.	N/A
NUC-001-1	R2.	N/A
NUC-001-1	R3.	N/A
NUC-001-1	R4.	N/A
NUC-001-1	R5.	N/A
NUC-001-1	R6.	N/A
NUC-001-1	R7.	N/A
NUC-001-1	R8.	N/A
NUC-001-1	R9.	N/A
PRC-001-1	R1.	Compliant
PRC-001-1	R2.	Compliant
PRC-001-1	R3.	Compliant
PRC-001-1	R4.	N/A
PRC-001-1	R5.	Compliant
PRC-001-1	R6.	N/A
PRC-004-1	R1.	N/A
PRC-004-1	R2.	Compliant
PRC-005-1	R1.	Compliant
PRC-005-1	R2.	Compliant
PRC-017-0	R1.	N/A
TOP-001-1	R1.	N/A
TOP-001-1	R2.	N/A
TOP-001-1	R3.	Compliant
TOP-001-1	R4.	N/A
TOP-001-1	R5.	N/A
TOP-001-1	R6.	Compliant
TOP-001-1	R7.	Compliant
TOP-001-1	R8.	N/A
TOP-002-2	R1.	N/A
TOP-002-2	R2.	N/A
TOP-002-2	R3.	Compliant
TOP-002-2	R4.	N/A
TOP-002-2	R5.	N/A
TOP-002-2	R6.	N/A
TOP-002-2	R11.	N/A
TOP-002-2	R13.	Compliant
TOP-002-2	R14.	Compliant
TOP-002-2	R15.	Compliant
TOP-002-2	R16.	N/A
TOP-002-2	R17.	N/A
TOP-002-2	R18.	Compliant
TOP-002-2	R19.	N/A

Standard	Req.	Finding
TOP-003-0	R1.	Compliant
TOP-003-0	R2.	Compliant
TOP-003-0	R3.	Compliant
TOP-003-0	R4.	N/A
VAR-002-1.1a	R1.	Compliant
VAR-002-1.1a	R2.	Compliant
VAR-002-1.1a	R3.	Compliant
VAR-002-1.1a	R4.	Compliant
VAR-002-1.1a	R5.	Compliant
VAR-STD-002a-1	WR1.	N/A
VAR-STD-002b-1	WR1.	N/A

Compliance Culture

COGH's compliance culture was not reviewed by the Audit Team.

Exit Briefing

To conclude the audit, the Audit Team leader gave a PowerPoint presentation for COGH's personnel summarizing the Audit Team's preliminary findings. The Audit Team leader also explained the next steps in the audit process and how WECC handles possible violations under the CMEP.

In Accordance with WECC CMEP Section 3.1.6:

WECC provided the draft of this audit report and an Entity Comment Form to COGH on May 11, 2010 for review and comment. However, COGH provided no comments.

Management Approval

This report was reviewed and approved by John McGhee, WECC Director of Compliance Audits and Investigations on June 14, 2010.