

***AMENDED  
RULES OF PROCEDURE  
FOR  
FRCC STANDING COMMITTEES***



Board Approved 02/13/2014

**RULES OF PROCEDURE  
FOR  
FRCC STANDING COMMITTEES  
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# **Organizational Structure**

## **A. PREAMBLE**

Pursuant to Article V of the FRCC Bylaws, the Board has not designated Standing Committees as committees of the Board and as such, they do not have authority to take actions reserved to the Board. The FRCC Board appoints Standing Committees to carry out the purposes of the FRCC.

Standing Committee members act on behalf of a diverse membership community that looks to them for leadership in providing for the reliability and security of the bulk power system through Regional Entity activities and coordinated transmission planning and system operations within the FRCC Region. In carrying out their duties on the Standing Committees, each Standing Committee member shall have the right to consider their individual Company's interest during deliberations and discussions of the various issues, as well as in making recommendations or decisions. Each Standing Committee member has a responsibility to be open and honest, though respectful, in communications with others and to be fair and impartial in all aspects of his or her deliberations and decision-making.

It is the policy of the FRCC to comply to the fullest extent possible with both the letter and spirit of all applicable federal and state laws and regulations, including the antitrust laws. In conducting the work of the Standing Committees, each Standing Committee member shall not act contrary to this policy and further act in accordance to the applicable FRCC policies and procedures. In addition, Standing Committee members are expected to promote and adhere to ethical behavior and conduct in the course of the Standing Committees' work. The overarching goal of the Standing Committees is to support the FRCC's mission to ensure that the bulk power system in Peninsular Florida is reliable, adequate and secure, and all Standing Committee members shall be committed to this objective.

## **B. FRCC Standing Committees**

**Pursuant to the FRCC Bylaws**, there are three Standing Committees of the FRCC, the Planning Committee (PC), Operating Committee (OC), and Compliance Committee which is referred to as the Regional Entity Committee & Compliance Forum (RECCF).

The Standing Committees shall sponsor all subordinate subcommittees, working groups or task forces they may create, or that may be created by their subordinate subcommittees and working groups.

The FRCC organizational structure shall be arranged to support a superior-subordinate relationship. This hierarchy shall be ordered as follows:

- ▶ Board of Directors
- ▶ Standing Committee
- ▶ Subcommittee
- ▶ Working Group
- ▶ Task Force

## C. **Organizational Criteria**

Specific organizational criteria of a FRCC Standing Committee shall be as follows:

- ▶ The Board of Directors shall approve each Standing Committee's mission and scope of work statements, and delegate any specific authorities.
- ▶ The Chairs and Vice-Chairs of each Standing Committee shall be elected by the respective committee, and shall be endorsed by the FRCC Board of Directors.
- ▶ The FRCC Board of Directors shall be informed of the formation of any subcommittee, working group, or task force through regular reports by the committee Chairs at Board meetings.

## **Standing Committee Representation**

### A. **Composition**

The composition of the membership of the three Standing Committees is as follows:

Each FRCC Voting Member may appoint one representative, empowered to vote on behalf of the Voting Member, to serve on each Standing Committee. A representative may, if unable to attend a meeting, designate, in writing, an alternate to act on behalf of the representative. FRCC staff will maintain a list showing alternates of record. If the representative sends someone other than a designated alternate of record, a written proxy should be sent to the FRCC staff in advance of the scheduled meeting. Affiliate Members and Adjunct Members may appoint a non-voting representative to serve on the PC, OC and RECCF. Quorum and Voting Rights shall be as defined in Sections 5.6 and 5.7 of the FRCC Bylaws.

#### **Regulatory Observers**

In an effort to keep the Florida Public Service Commission (FPSC) and Federal Energy Regulatory Commission (FERC) staff apprised of the efforts of the various FRCC Standing Committees, and their respective subcommittees, working groups and task forces, members of the FPSC staff and FERC staff are invited to attend all FRCC Regional Entity Standing Committee meetings as observers, including the RECCF. Regulatory observers may not participate in voting, and may not be counted in determining the existence of a quorum.

### **Committee Guests**

At the invitation of the Chair, interested parties are invited to attend committee meetings as guests. Committee guests shall not be permitted to participate in voting and may not be counted in determining the existence of a quorum.

## **B. Chair And Vice-Chair**

- ▶ The Chair and Vice-Chair of each Standing Committee shall be elected by the members of the respective committee, and shall be endorsed by the FRCC Board of Directors
- ▶ The term of office of the Chair and Vice-Chair for each Standing Committee shall be two (2) years, with a limit of two (2) consecutive terms. The Vice-Chair terms do not count towards term limits as Chair if elected after serving as Vice-Chair. Partial terms filling a vacancy do not count toward term limits.
- ▶ The Chair and Vice-Chair of each Standing Committee shall ensure that both minority and majority opinions are presented to the FRCC Board of Directors.
- ▶ The Chair and Vice-Chair of each Standing Committee shall be voting representatives of their respective committees.
- ▶ The Vice-Chair succeeds to the Chair when the Chair is left vacant for any reason.
- ▶ The Chair and Vice-Chair of the three Standing Committees report directly to the FRCC Board of Directors.

## **Standing Committee Quorum and Voting**

The following Quorum and Voting Procedures for the Standing Committees are as specified in Sections 5.6 and 5.7 of the FRCC Bylaws.

### **A. Quorum**

Representation at any Standing Committee meeting of 60% or more of the total voting strength of the Standing Committee shall constitute a quorum for the transaction of business at such meeting provided that a quorum shall require that at least three (3) Sectors are represented.

If a quorum is not present at any meeting of the Standing Committees, then no actions may be taken for the purpose of voting. The representatives present may decide to have discussions concerning agenda items as long as voting is not called.

**B. Voting**

Voting is by Sector. Each voting representative present at a meeting is assigned a vote equal to the voting strength of their Sector, as provided in this section, divided by the number of voting representatives present in that Sector, except that no voting representative present at a meeting shall have more than one (1) vote, except an Investor Owned Utility Sector voting representative who may have up to 1.167 votes. Action by the Standing Committee shall require an affirmative vote equal to or greater than sixty percent (60%) of the total voting strength of the Standing Committee. Abstentions act as a “No” vote under the current voting structure. It is important for the voting representatives to consider this before abstaining on a matter. Should abstentions cause an action not to pass, it is the responsibility of the Chair and Vice-Chair to make sure the matter is included in a report to the Board of Directors.

**Sector Votes**

(1) Suppliers Sector	2.5 Votes
(2) Non-Investor Owned Utility Wholesale Sector	2 Votes
(3) Load Serving Entity Sector	
Municipal	0.5 Vote
Cooperative	0.5 Vote
(4) Generating Load Serving Entity Sector	3.0 Votes
(5) Investor Owned Utility Sector	3.5 Votes
<u>(6) General Sector</u>	<u>1.0 Votes</u>
<b>Total</b>	<b>13 Votes</b>

**C. Proxies**

If a representative is unable to attend a meeting, he/she may designate, in writing, an alternate to act on his/her behalf. If a representative sends someone other than the designated alternate of record, a written proxy should be sent to the FRCC staff prior to the scheduled meeting.

***Duties of Standing Committee Officers and Representatives***

**A. Chair**

In addition to the duties, rights and privileges discussed elsewhere in this document, the Chair shall be responsible for the following:

- ▶ Provide general supervision of committee activities.
- ▶ Coordinate the schedule of all committee meetings, including approval of meeting duration, location and site.
- ▶ Develop committee agendas, and rule on any deviation, addition or deletion from a published agenda.
- ▶ Preside at committee meetings.
- ▶ Manage the progress of all committee meetings, including the nature and length of discussion, recognition of speakers, motions and voting.
- ▶ Facilitate discussion so that all views can be heard on an equal basis.
- ▶ Recognize proxies, as appropriate, at committee meetings.
- ▶ Attend meetings of the FRCC Board of Directors and report to the Board on committee activities.
- ▶ Report on both minority and majority opinions of items brought by the committee to the Board for information or action, including those items that fail to pass a ballot based on the treatment of abstentions.
- ▶ Perform other duties as directed by the FRCC Board of Directors.

**B. Vice-Chair**

- ▶ Either at the discretion of the Chair or when the Chair is absent and/or unable to perform the duties of the Chair, the Vice-Chair will assume such responsibilities until the Chair is in a position to re-assume those responsibilities, or, if the Chair is permanently unable to perform his or her duties, until a new Chair is elected by the committee, and endorsed by the FRCC Board of Directors.
- ▶ Assist the Chair as called upon.
- ▶ Attend meetings of the FRCC Board of Directors in the absence of the Chair.

**C. Standing Committee Voting Representative**

- ▶ Represents the FRCC Voting Member in all committee activities.
- ▶ Provides knowledge and expertise to the committee activities as a representative of the FRCC Voting Member.

- ▶ Provides feedback on committee activities to his/her Voting Member.
- ▶ Responds appropriately to all committee requests in a timely manner, including requests for reviews, comments, and voting on issues before the Standing Committee.
- ▶ Arranges properly for alternates or proxies, as appropriate, to attend and vote at committee meetings.
- ▶ Responds in a timely manner to all requests regarding attendance at committee meetings.

**D. Standing Committee Non-Voting Representative**

- ▶ Represents an Adjunct or Affiliate Member.
- ▶ Provides knowledge and expertise representative of his/her regulatory agency or company.
- ▶ Provides feedback on committee activities to his/her Adjunct or Affiliate Member.

**General Procedures of Standing Committees**

**A. Meetings**

- ▶ Regular meetings of the three Standing Committees shall be held at the discretion of the committees.
- ▶ Special meetings of the Standing Committees may be called by the Chair or upon the request of representatives from three (3) different Sectors. Regular or special meetings may be held by telephone conferencing, or by other means enabling all participants in the meeting to communicate with each other. Special meetings shall be called upon by written notice (letter, facsimile, or e-mail) of the time, date, place and purpose of the meeting given to all representatives not less than five (5) business days prior to the date of the meeting.
- ▶ Actions may be taken by e-mail ballot in absence of a meeting if approved by the Chair for a "time-critical" need, and within five (5) business days notice. However, if any member expresses to the Chair a desire to hold a special meeting to discuss the issue being balloted prior to voting, the Chair will call a special meeting and postpone the vote.
- ▶ Joint meetings of the Standing Committees may be called as required.



- ▶ Meetings of the Standing Committees are regularly scheduled prior to the NERC Standing Committee meetings in order to review agendas and provide direction to FRCC's representatives on the NERC Standing Committees.
- ▶ Meetings of the Standing Committees are open to all Members, and such other invitees as the Chair may deem appropriate. The committee may go into Executive Session in accordance with *Roberts Rules of Order*, at the discretion of the Chair and/or Vice Chair, at which time observers and guests will be excused from the meeting.
- ▶ FRCC Standing Committee meetings are not open to the public.
- ▶ No recorders of any kind are permitted in FRCC Standing Committee meetings.
- ▶ In the absence of specific provisions in these procedures, all committee meetings shall be conducted in accordance with the most recent edition of *Robert's Rules of Order* in all cases to which they are applicable.
- ▶ Standing Committee representatives shall be notified in writing of regular meetings no less than ten (10) business days prior to the proposed meeting date, and five (5) business days in case of a special meeting.
- ▶ An agenda for regular Standing Committee meetings shall be provided to committee members no less than five (5) business days prior to the proposed meeting, and five (5) business days in case of a special meeting. Agenda items shall be categorized and identified in the agenda as: Administrative, Informational, Review (for future action), Action Required, or some other appropriate category.
- ▶ Any item intended to be the subject of a vote of the committee should be included in the agenda and identified as an item for proposed voting action. Agenda background material shall be provided for all items on which committee action is expected. Exceptions require the approval of the committee Chair. An item may be voted on at any committee meeting, which is not on the agenda, if addition of the item to the agenda is approved in accordance with the governance structure of the committee.
- ▶ All action taken by any Standing Committee shall be reported to the Board of Directors, and shall be subject to revision, alteration and approval by the Board.
- ▶ Participants in all FRCC Standing Committee meetings shall abide by the FRCC Antitrust Guidelines and refrain from discussions involving pricing information, marketing strategies, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition. (See Appendix A)

- ▶ Participants in all FRCC Standing Committee meetings shall conduct their activities in accordance with the FERC Standards of Conduct Protocols for the Florida Reliability Coordinating Council. (See Appendix B)

## **B. Subcommittees**

(1) Subcommittees, working groups, and task forces may be established by the Chair or by vote of the Standing Committee members as needed. The Board of Directors shall be notified of the formation of all committee subordinate groups at its next regularly scheduled meeting.

(2) Upon the formation of a subcommittee, a written scope should be developed and approved by the Standing Committee to which the subcommittee reports. The subcommittee Chair shall be appointed by the Standing Committee Chair to which the subcommittee reports.

(3) There is no voting by the subcommittee, which should strive to reach consensus on agenda items and work product. It is the responsibility of the subcommittee Chair to bring any majority or minority opinions to the Standing Committee to which the subcommittee reports.

(4) The membership of the subcommittee is determined and appointed by the FRCC Voting Member of the Standing Committee to which the subcommittee reports. At the invitation of the subcommittee Chair, interested parties are invited to attend subcommittee meetings as guests.

(5) Regular meetings of the subcommittee shall be held quarterly, at a minimum, and further at the discretion of the subcommittee. These meetings may be held as conference calls. The Standing Committee to which the subcommittee reports will request that a report of subcommittee activities be made to the Standing Committee on at least a quarterly basis.

(6) The Standing Committee to which the subcommittee reports shall review and approve any work product of the subcommittee. In order to protect information in accordance with Critical Energy Infrastructure Information (CEII), standards of conduct protocol, and Reliability Only Group (ROG) confidentiality requirements, the Standing Committee may delegate to the subcommittee the review of certain work products and actions containing ROG content. The Standing Committee retains the responsibility to approve these products and actions, however, based on a summary recommendation from the Chair of the subcommittee.

## **C. Working Groups**

(1) A Standing Committee or any of its subcommittees may delegate specific continuing functions to a working group. If a subcommittee determines the need to form a working group, in general the Chair of the subcommittee will seek approval from the Standing Committee to which it reports. If time is of the essence, and there is need to start work immediately, the Chair of the subcommittee will notify the Standing Committee Chair of the formation of the working group, and then will seek formal approval of the working group at the next scheduled meeting of the Standing Committee.

(2) Upon the formation of a working group, a written scope should be submitted to the Standing Committee or subcommittee to which it reports for approval. If the working group reports to a subcommittee, the subcommittee Chair will submit the working groups written scope to the Standing Committee to which it reports for approval. The working group Chair shall be appointed by the Chair of the standing committee or subcommittee to which the working group reports. All working groups will undergo a "sunset" review by the committee to which it reports every two years.

(3) There is no voting by the working group, which should strive to reach consensus on agenda items and work product. It is the responsibility of the working group Chair to bring any majority or minority opinions to the Standing Committee or subcommittee to which the working group reports.

(4) The Standing Committee or subcommittee to which the working group reports shall review and approve any work product of the working group. In order to protect information in accordance with CEII, standards of conduct, and Reliability Only Group (ROG) confidentiality requirements, the Standing Committee or subcommittee may delegate to the working group the review of certain work products and actions containing ROG content. The Standing Committee or subcommittee retains the responsibility to approve these products and actions, however, based on a summary recommendation from the Chair of the working group.

#### **D. Task Forces**

(1) A Standing Committee or any of its subcommittees may form a group, known as a task force, to address a specific issue within a limited time frame typically not to exceed one (1) year. The formation of a task force, approval of its scope, and appointment of its Chair are handled in the same manner as for working groups.

(2) There is no voting by the task force, which should strive to reach consensus on agenda items and work product. It is the responsibility of the task force Chair to bring any majority or minority opinions to the Standing Committee or subcommittee to which the task force reports.

(3) The Standing Committee or subcommittee to which the task force reports shall review and approve any work product of the task force. In order to protect information in accordance with CEII, standards of conduct, and Reliability Only Group (ROG) confidentiality requirements, the Standing Committee or subcommittee may delegate to the task force the review of certain work products and actions containing ROG content. The Standing Committee or subcommittee retains the responsibility to approve these products and actions, however, based on a summary recommendation from the Chair of the task force.

#### **E. Nominating Committee**

The Chair of each Standing Committee shall appoint a Nominating Committee, every two (2) years or as needed. Said Nominating Committee shall be comprised of one representative

from each Sector represented on the Standing Committee. The Chair of the Nominating Committee will be selected by the members of the Nominating Committee.

The functions of the Nominating Committee are as follows:

- ▶ Present a proposed slate of Standing Committee officer candidates to the Standing Committee representatives for election which shall occur at the Standing Committee meeting that is immediately prior to the Annual Meeting of the Voting Members. Voting for these officers shall be in accordance with the voting provisions contained in these Rules of Procedure.
- ▶ Present the slate of officers of the Standing Committee for endorsement by the FRCC Board of Directors at their next scheduled regular meeting.

## **F. Minority Viewpoints**

Any Standing Committee representative who has a minority opinion on any significant action may present the opinion to the Board of Directors in a manner prescribed by the Board (Section 10.4 of the FRCC Bylaws). In general, it is the intent that Standing Committee Chairs present both minority and majority views and opinions to the Board for information and action as indicated in the "Duties of the Standing Committee Officers and Representatives" section of this document. Accordingly, Chairs of the Standing Committees' subordinate groups also need to report both minority and majority opinions to the Standing Committees on the items brought to them.

## **PROCEDURE ON MINUTES OF MEETINGS**

The FRCC keeps written minutes of meetings of the Standing Committees. No official minutes are kept for meetings of the subcommittees, working groups, or task forces unless specifically requested by the Chair.

Minutes serve multiple purposes. First, minutes record the specific actions taken at a meeting, and, second, minutes inform those not in attendance of the actions taken at a meeting.

Minutes should contain the following information:

- ▶ Place, date and time of meeting;
- ▶ Meeting chair and officers present;
- ▶ List of attendees and whether a quorum was present;
- ▶ Statement that minutes from prior meeting were reviewed, amended if necessary, and approved;
- ▶ Description of the substance of matters discussed, with presentations and written materials considered should be included as exhibits, if feasible, or specifically identified and incorporated by reference; and

- ▶ Statement of specific actions taken (*i.e.*, whether the motion passed or did not pass). In the event of a roll call vote, the Minutes will include a list of the members, how each voted, or abstained, and the vote totals, which shall be recorded as an attachment to the Minutes.

Minutes are not a transcript of the meeting. The minutes should be in sufficient detail to apprise the reader of the general tenor and scope of the discussion without attempting to record the statements or opinions of each person speaking.

Minutes of the meeting should be sent out either by mail or electronically within ten (10) business days after each meeting. The Minutes should be reviewed, amended (if necessary) and approved at the next regularly scheduled meeting of the Standing Committees.

The FRCC staff will ensure that this policy is followed. If no staff member is present at a meeting of the Standing Committees, it is the responsibility of the Chair.

## **CONDUCT OF THE MEETING**

The following parliamentary procedures, based on Robert's Rules of order, are provided as guidance in the conduct of a meeting.

<b>MOTIONS When you want to.....</b>	<b>Procedure</b>	<b>Debatable</b>	<b>Comments</b>
Raise an issue for discussion	Move	Yes	The main action that begins a debate
Revise a motion currently under discussion	Amend	Yes	Takes precedence over discussion of main motion. Motions to amend an amendment are permitted, but not any further. The amendment must be germane to the main motion, and can not reverse the intent of the main motion
Reconsider a motion already approved	Reconsider	Yes	Allowed only by a member who voted on the prevailing side of the original motion
End debate	Call for the Question or End Debate	No	If the Chair senses that the committee is ready to vote, he/she may say "if there are no objections, we will now vote on the motion." Otherwise, this motion is debatable and subject to 2/3's majority approval.
Record each member's vote on a motion	Request a Roll Call Vote	No	Takes precedence over main motion. No debate required, but the members must approve according to the Bylaws
Postpone discussion until later in the meeting	Lay on the table	Yes	Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the motion back for further discussion
Postpone discussion until a future date	Postpone until.....	Yes	Takes precedence over main motion. Debatable only regarding the date (and time) at which to bring the motion back for further discussion
Remove the motion for any further consideration	Postpone indefinitely	Yes	Takes precedence over main motion. Debate can extend to the discussion of the main motion. If approved, it

			effectively “kills” the motion. Useful for disposing of a badly chosen motion that cannot be adopted or rejected without undesirable consequences.
Request a review of procedures	Point of Order	No	Second no required. The Chair or Secretary shall review the parliamentary procedure used during the discussion of the motion

The latest edition of *Robert's Rules of Order* should be used in all cases to which they are applicable in the absence of specific provisions in this document.

### Notes on Motions

**Second.** A motion must have a second to ensure that at least two representatives wish to discuss the issue; otherwise, the motion should not be discussed. The "second" is not recorded in the minutes; neither are motions that do not receive a second.

**Announcement by the Chair.** The Chair should announce the motion before debate begins. This ensures that the wording is understood by the membership. Once the motion is announced and seconded, the Committee "owns" the motion, and must deal with it according to parliamentary procedure.

**Revisions.** Technically, revisions to the main motion are accomplished by the Amend procedure. However, immediately after making the motion, and before it is announced by the Chair, another member may ask that the motion be revised. If the original "motion-maker" agrees to the revision, then the revised motion will be the one debated. The original "second" need not be consulted, because the original "motion-maker" plus the "reviser" constitute a motion and a second.

Voting Methods	When Used	How Recorded in Minutes
Unanimous Consent	When the Chair senses that the Committee is substantially in agreement, and the motion needs little or no debate. No actual vote is taken.	The minutes show "by unanimous consent"
Vote by Voice	The standard practice	The minutes show Approved or Not Approved (or Failed)
Vote by Show of Hands (Tally)	To record the number of votes on each side when an issue has engendered substantial debate or appears to be divisive. Also used when a Voice Vote is inconclusive. (The Chair should ask for a Vote by Show of Hands when requested by a member)	The minutes show both vote totals, and then Approved or Not Approved (or Failed).
Vote by Roll Call	To record each member's vote. Each member is called upon by the Secretary, and the member indicates either "Yes", "No", or "Present", if abstaining	The minutes will include the list of members, how each voted or abstained, and the vote totals. Those members for which a "Yes", "No", or "Present" is not shown are considered absent for the vote.

## **HISTORY OF REVISIONS**

**Approved:** FRCC Engineering Committee – November 12, 2002  
FRCC Market Interface Committee – November 13, 2002  
FRCC Operating Committee – November 14, 2002  
FRCC Board of Directors – December 10, 2002  
FRCC Board of Directors – January 26, 2005  
FRCC Operating Committee – February 1, 2007  
FRCC Planning Committee – February 8, 2007  
FRCC Compliance Committee – February 21, 2007  
FRCC Board of Directors – April 24, 2007  
FRCC Board of Directors – July 24, 2007  
FRCC Planning Committee – September 3, 2008  
FRCC Compliance Committee – September 25, 2008  
FRCC Operating Committee - October 2, 2008  
FRCC Board of Directors – October 21, 2008  
FRCC Board of Directors – December 15, 2009  
FRCC RE and MS Planning Committee – June 5, 2012  
FRCC RE and MS Operating Committee – June 7, 2012  
FRCC RE and MS Compliance Committee – July 25, 2012  
FRCC Board of Directors – August 8, 2012  
FRCC Board of Directors – February 13, 2014

## **FRCC ANTITRUST COMPLIANCE GUIDELINES**

### **I. GENERAL**

It is FRCC's policy and practice to obey the antitrust laws and to avoid all conduct that unreasonably restrains competition. This policy requires the avoidance of any conduct that violates, or which might appear to violate, the antitrust laws. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, product design, terms of sale, division of markets, allocation of customers or any other activity that unreasonably restrains competition.

It is the responsibility of every FRCC participant and employee who may in any way affect FRCC's compliance with the antitrust laws to carry out this commitment.

Antitrust laws are complex and subject to court interpretation that can vary over time and from one court to another. The purpose of these guidelines is to alert FRCC participants and employees to potential antitrust problems and to set forth policies to be followed with respect to activities that may involve antitrust considerations. In some instances, the FRCC policy contained in these guidelines is stricter than the applicable antitrust laws. Any FRCC participant or employee who is uncertain about the legal ramifications of a particular course of conduct or who has doubts or concerns about whether FRCC's antitrust compliance policy is implicated in any situation should consult FRCC's President and CEO. FRCC's retained legal counsel will be consulted.

### **II. PROHIBITED ACTIVITIES**

Participants in FRCC activities (including those of its committees and subgroups) should refrain from the following when acting in their capacity as participants in FRCC activities (e.g. at FRCC meetings, conference calls and in informal discussions):

- Discussions involving pricing information, especially margin (profit) and internal cost information and participants' expectations as to their future prices or internal costs.
- Discussions of a participant's marketing strategies.
- Discussions regarding how customers and geographical areas are to be divided among competitors.



- Discussions concerning the exclusion of competitors from markets.
- Discussions concerning boycotting or group refusals to deal with competitors, vendors or suppliers.

### **III. ACTIVITIES THAT ARE PERMITTED**

From time to time decisions or actions of FRCC (including those of its committees and subgroups) may have a negative impact on particular entities and thus in that sense adversely impact competition. Decisions and actions by FRCC (including its committees and subgroups) should only be undertaken for the purpose of promoting and maintaining the reliability and adequacy of the bulk power system. If you do not have a legitimate purpose consistent with this objective for discussing a matter, please refrain from discussing the matter during FRCC meetings and in other FRCC-related communications.

You should also ensure that FRCC procedures, including those set forth in FRCC's Articles of Incorporation, and Bylaws are followed in conducting FRCC business. In addition, all discussions in FRCC meetings and other FRCC-related communications should be within the scope of mandate for or assignment to the particular FRCC committee or subgroup, as well as within the scope of the published agenda for that meeting.

No decisions should be made nor any actions taken in FRCC activities for the purpose of giving an industry participant or group of participants a competitive advantage over other participants. In particular, decisions with respect to setting, revising, or assessing compliance with FRCC reliability standards should not be influenced by anti-competitive motivations.

Subject to the foregoing restrictions, participants in FRCC activities may discuss:

- Reliability matters relating to the bulk power system, including operations and planning matters such as establishing or revising reliability standards, special operating procedures, operating transfer capabilities, and plans for new facilities.
- Matters relating to the impact of reliability standards for the bulk power system on electricity markets, and the impact of electricity market operations on the reliability of the bulk power system.
- Proposed filings or other communications with state or federal regulatory authorities or other governmental entities.
- Matters relating to the internal governance, management and operation of FRCC, such as nominations for vacant for committee positions, budgeting and assessments, and employment matters; and procedural matters such as planning and scheduling meetings.

Any other matters that do not clearly fall within these guidelines should be brought to the attention of the FRCC President and CEO. FRCC's retained legal counsel will be consulted.

OC Approved: February 4, 2009  
PC Approved: February 5, 2009  
Board Approved: February 6, 2009

**FERC Standards of Conduct Protocols**  
**for the**  
**Florida Reliability Coordinating Council**

The Florida Reliability Coordinating Council's ("FRCC") purpose is to ensure and enhance the reliability and adequacy of bulk electricity supply in Florida, now and into the future. The FRCC members are comprised of a variety of entities including investor-owned utilities, cooperative utilities, municipal utilities, federal power agencies, power marketers and independent power producers. To help fulfill its mission, the FRCC requests that its members provide the FRCC and other FRCC members with a variety of transmission information, including but not limited to, transmission plans, operating procedures, maps, and power flows. The FRCC members who are investor-owned utilities that have Open Access Transmission Tariffs ("OATTs") on file with the Federal Energy Regulatory Commission ("FERC") and the FRCC members who have non-jurisdictional "safe harbor" OATTs on file with FERC are subject to specific FERC requirements that regulate the disclosure of their transmission information. Additionally, some non-jurisdictional FRCC members with conforming OATTs are voluntarily complying with these specific FERC requirements that regulate disclosure of their transmission information. In accordance with the OATT and the FERC Standards of Conduct, these utilities must provide non-preferential access to their transmission information to all transmission customers under their OATT. The FERC Standards of Conduct also prohibits these utilities from providing preferential access to their transmission function information to their marketing (merchant) function employees and certain affiliates. Due to the fact that the FRCC has access to and consolidates transmission information from these utilities, and other FRCC transmission owners in Florida, the FRCC also must take all necessary steps to ensure that transmission information is shared in accordance with the OATT and FERC Standards of Conduct so that these utilities may comply with those regulatory requirements.

The OATT and the FERC Standards of Conduct are intended to level the playing field in the wholesale market. In FERC's view, preferential knowledge by marketing employees of the condition of the transmission system would convey a competitive advantage. The OATT and FERC Standards of Conduct are rules that seek to prevent such advantages. In fact, the question is not whether the transfer of information did or would confer an advantage, but rather whether it is *conceivable* that the transfer of information could confer an advantage. The primary rule is that a transmission provider must treat **all** transmission customers, affiliated and non-affiliated, on a non-discriminatory basis and it cannot operate its transmission system to give a preference to any transmission customer or to share non-public transmission or customer information with any transmission customer. At the core, the rules also prevent transmission function employees from sharing with their marketing function employees and certain affiliates

non-public transmission information about the transmission provider's transmission system or any other transmission system, which is information that the affiliated marketing employee receiving the information could use to commercial advantage.

FERC has issued a number of Standards of Conduct orders. FERC's most recent Standards of Conduct order was Order 717 issued on October 16, 2008. FERC also implemented OATT reform via their Order Nos. 890, 890-A and 890-B during 2007 and 2008. As a result of Order Nos. 890, 890-A and 890-B, new transmission planning principles were implemented. These FERC orders taken collectively provide the framework to ensure that non-preferential access to transmission information is being provided to all transmission customers.

## PROTOCOLS

1. The FRCC shall be prohibited from sharing any non-public transmission information with any marketing employee, including marketing employees that are affiliated with FRCC member companies, unless the FRCC has: (1) obtained consent from the Transmission Provider whose non-public transmission information will be disclosed; and (2) such transmission information is posted on a secure website that is accessible by all marketing employees, with appropriate consideration of any redaction of critical energy infrastructure information.
2. The FRCC's Manager of System Planning and Operations shall implement rules and procedures to ensure that Marketers/Brokers do not receive any preferential treatment or achieve any competitive advantage through access to non-public transmission information via the FRCC.
3. If the FRCC discovers that non-public transmission information has been improperly disclosed to a marketing employee, the FRCC shall immediately contact the member company whose information was disclosed.
4. If marketing employees are present during FRCC meetings where non-public transmission information that has not been previously shared per Protocol 1 and appropriately noticed may be discussed, the FRCC's chair of that meeting shall ensure that the marketing employees are excused from the room before such non-public transmission information is discussed and any minutes of the FRCC meetings reflect that marketing employees were excused from the portion of the meeting in which non-public transmission information was discussed. **All marketing employees, affiliated and non-affiliated, should be excused from the meeting.**

## **DEFINITIONS**

Note: These definitions were extracted from the Code of Federal Register text from 18 C.F.R. § 358.3 that was modified as a result of FERC's Standard of Conduct Order 717. Only those portions of the definitions applicable to this document are provided below.

(c) **Marketing functions** means:

(1) in the case of public utilities and their affiliates, 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, all as subject to an exclusion for bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity.

(d) **Marketing function employee** means:

(1) an employee, contractor, consultant or agent of a transmission provider or of an affiliate of a transmission provider who actively and personally engages on a day-to-day basis in marketing functions.

(h) **Transmission functions** means:

(1) the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

(i) **Transmission function employee** means:

(1) an employee, contractor, consultant or agent of a transmission provider who actively and personally engages on a day-to-day basis in transmission functions.

(j) **Transmission function information** means:

(1) information relating to transmission functions.

(k) **Transmission provider** means:

(1) Any public utility that owns, operates or controls facilities used for the transmission of electric energy in interstate commerce.