



Versant Power FERC Compliance Plan

Standards of Conduct Policy & Procedures

Policy #: 11.005

Revised: August 09, 2022

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Section 1: Definition of Terms

Capitalized terms used in these Standards of Conduct Policy & Procedures, not otherwise defined herein, shall have the definitions provided to the corresponding terms under 18 C.F.R. § 358.3.

Section 2: Statement of Policy Regarding Standards of Conduct for Versant Power Electric Company and Compliance with Commission Requirements

It is the policy of Versant Power and its Affiliates that the companies and all employees will and must comply with the standards of conduct in the Federal Energy Regulatory Commission's (FERC or Commission) regulations set forth in 18 C.F.R. Part 358, including the General Principles applicable to Transmission Providers under 18 C.F.R. Section 358.2. To ensure full compliance and to advise the FERC and the public as to the steps being taken by Versant Power and its Affiliates, to comply, the following Implementation Procedures have been developed. Versant Power, its Affiliates, and all Transmission Function Employees will follow these Implementation Procedures or shall request specific Commission waiver, as appropriate. Consistent with FERC's regulations, these procedures do not apply to activities with respect to bundled retail electricity sales.

Consistent with the requirements of 18 C.F.R. Section 358.2, Versant Power's Standards of Conduct ensure that:

- (i) Versant Power will treat all transmission customers, affiliated and non-affiliated, on a not unduly discriminatory basis and will not make or grant any undue preference or advantage to any person or subject any person to any undue prejudice or disadvantage with respect to any transmission of electric energy in interstate commerce, or with respect to the wholesale sale of electric energy in interstate commerce;
- (ii) Versant Power's Transmission Function Employees will function independently from the Marketing Function Employees of Versant Power and its Affiliates;
- (iii) Versant Power and its employees, contractors, consultants and agents are prohibited from disclosing, or using a conduit to disclose, non-public Transmission Function information to Marketing Function Employees of Versant Power and its Affiliates; and
- (iv) Versant Power will provide equal access to non-public Transmission Function information to all its Transmission Function customers, affiliated and non-affiliated, except in the case of confidential customer information or Critical Energy Infrastructure Information.

The specific process by which Versant Power's Standards of Conduct were developed, and the procedures for their enforcement, are described in Section 6 hereof.

Section 3: Independent Functioning

3.1 General Rule

3.1(a) Except as permitted in 18 C.F.R. Part 358 or otherwise permitted by Commission order, all Transmission Function Employees shall function independently of any Marketing Function Employees of Versant Power and its Affiliates.

3.2 Separation of Functions

3.2(a) Marketing Function Employees of Versant Power are prohibited from:

- (i) Conducting Transmission Functions; and
- (ii) Having access to the system control center or similar facilities used for transmission operations that differs in any way from the access available to other transmission customers.

3.2(b) Transmission Function Employees of Versant Power are prohibited from conducting Marketing Functions.

Section 4: Information Access and Disclosure Restrictions

4.1 No Conduit Rule

4.1(a) Versant Power may not use anyone as a conduit for sharing non-public Transmission Function information with Marketing Function Employees of Versant Power or its Affiliates.

4.1(b) Employees, contractors, consultants, or agents of Versant Power, and employees, contractors, consultants or agents of an Affiliate of Versant Power that is engaged in Marketing Functions, may not disclose non-public Transmission Function Information to any Marketing Function Employees of Versant Power or its Affiliates.

4.2 Contemporaneous Disclosure

4.2(a) If a Versant Power employee discloses non-public Transmission Function Information, other than information identified in Section 4.2(b), in a manner contrary to the provisions of Section 4.1 hereof (reflecting the prohibitions set forth in 18 C.F.R. Section 358.6) Versant Power must immediately post such information on its Internet website.

4.2(b) If a Versant Power employee discloses non-public transmission customer information, critical energy infrastructure information or any other information that FERC by law has determined to be subject to limited dissemination, in a manner contrary to the provisions of Section 4.1 hereof (reflecting the prohibitions set forth in 18 C.F.R. Section 358.6) Versant Power must immediately post notice of such disclosure of such information on its Internet website.

4.3 Versant Power's Transmission Function Employees may discuss with its Marketing Function Employees a specific request for transmission service submitted by the Marketing Function Employee. Versant Power is not required to contemporaneously disclose information otherwise covered by Section 4.1, if the information relates solely to a Marketing Function Employee's specific request for transmission service.

4.4 A transmission customer may voluntarily consent, in writing, to allow Versant Power to disclose the transmission customer's non-public information provided to Versant Power with Marketing Function Employees. In such case, Versant Power must post a notice on its Internet website of that consent, together with a statement that Versant Power did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

4.5 Notwithstanding the requirements of Sections 3.1(a) and 4.1, Transmission Function Employees and Marketing Function Employees may exchange certain nonpublic information, including: (1) non-public information pertaining to compliance with Reliability Standards approved by FERC; and (2) non-public information necessary to maintain or restore operation of the transmission system or generating units, or that may affect the dispatch of generating units. In such cases, Versant Power shall make and retain a contemporaneous record of all such exchanges except in emergency situations, in which case a record shall be made of the exchange as soon as practicable after the fact. Such records shall be made available to FERC upon request and will be maintained for a period of five years.

4.6 Versant Power will maintain its books of accounts and records separately from those of its Affiliates that employ or retain Marketing Function Employees and these will be available for FERC inspections.

Section 5: Tariff Implementation and Non-Discrimination Requirements

5.1 Versant Power shall strictly enforce all tariff provisions relating to the sale or purchase of open access transmission service, to the extent that such provisions do not permit use of discretion.

5.2 Versant Power shall apply all tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all transmission customers in a non-discriminatory manner, if these tariff provisions permit the use of discretion.

5.3 Versant Power shall process all similar requests for transmission in the same manner and within the same period of time.

5.4 Versant Power may not, through its tariffs or otherwise, give preference to any person in matters relating to the sale or purchase of transmission service including, but not limited to, issues of price, curtailments,

scheduling, priority, ancillary services, or balancing.

Section 6: Posting and Transparency

6.1 Identification of Affiliate Information on Internet Website

6.1(a) Versant Power will maintain and keep current on its Internet website a list of all of its Affiliates that employ or retain Marketing Function Employees, including addresses. Versant Power will revise and post on its Internet website a revised list of Affiliates within seven (7) business days of a change to the information previously posted. The revised posting also will indicate the date it was updated.

6.1(b) Versant Power will maintain and keep current on its Internet website a list of all employee-staffed facilities shared by any of its Transmission Function Employees and Marketing Function Employees, including a description of the facilities and relevant addresses. Versant Power will revise and post on its Internet website a revised list of all facilities so shared within seven (7) business days of a change to the information previously posted. The revised posting also will indicate the date it was updated.

6.1(c) Versant Power shall post information concerning potential merger partners as Affiliates that may employ or retain Marketing Function Employees, within seven (7) business days after the potential merger is announced.

6.2 Identification of Employee Information on Internet Website

6.2(a) Versant Power will maintain and keep current on its Internet website a listing of Versant Power's job titles and job descriptions for all Transmission Function Employees. Versant Power will revise and post on its Internet website a revised listing of Versant Power's job titles and descriptions for all Transmission Function Employees within seven (7) business days of a change to the information previously posted. The revised posting also will indicate the date it was updated.

6.2(b) Transfers. Versant Power shall post notices of any employee transfers between a position that is a Transmission Function and a position that is a Marketing Function on its Internet website within seven (7) business days of such transfer, including an identification of the transferring employee, his/her respective titles (pre and post-transfer) and the effective date of the transfer. Versant Power shall retain such postings for 90 days.

6.3 If Versant Power grants waiver of any provisions of its tariffs in favor of any Affiliate, unless such waiver has been approved by the Commission, Versant Power shall post notice of such waiver on its Internet website within one business day of the act of such waiver. Versant Power shall also maintain a log of such acts of waiver, which shall be maintained for a period of five years from the date of such act of waiver.

Section 7: Development of Standards of Conduct and Compliance Procedures

7.1 Posting of Compliance Procedures

Versant Power shall post and thereafter maintain on its Internet website these written procedures implementing the standards of conduct in compliance with the requirements of 18 C.F.R. Part 358 and shall make updates accordingly.

7.2 Description of Process for Maintaining Standards and Ensuring Compliance

Versant Power provides the following written procedures describing the process by which Versant Power otherwise ensures compliance with the regulations under 18 C.F.R. Part 358.

7.2(a) To ensure independent functioning of the Transmission Function (and in addition to updating its Standards of Conduct) Versant Power provides copies of these revised Standards of Conduct to all employees and Marketing Function Employees at Versant Power's Affiliates.

In addition, Versant Power conducts training programs in accordance with 18 C.F.R. Section 358.8(c)(1), including annual training and training of any new employees within thirty (30) days of their employment. All Versant Power officers, directors, supervisory employees, as well as all Transmission Function Employees, Marketing Function Employees or other employees with access to Transmission Function information shall sign or certify having received such training on an annual basis.

7.2(b) Versant Power has designated the VP, Legal and Regulatory Affairs, Arielle Silver Karsh, as its Chief Compliance Officer (CCO). Ms. Silver Karsh was fully briefed by regulatory counsel regarding the new Standards of Conduct and the responsibilities thereunder. Ms. Silver Karsh was directly involved in establishing the revised Standards of Conduct, including, specifically, the provisions governing independent functioning. Ms. Silver Karsh, in conjunction with regulatory counsel, reviewed each of the requirements under 18 C.F.R. Part 358 and independently confirmed Versant Power's compliance. Ms. Silver Karsh's contact information is provided below.

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7.2(c) The Chief Compliance Officer's general duties and functions include the following:

- Answering employee questions regarding the standards of conduct.
- Coordinating audits and investigations with Federal Energy Regulatory Commission Staff.
- Overseeing compliance with the standards of conduct, including on-going posting and training requirements described in Section 6.3 hereof.
- Interfacing with regulatory counsel on compliance issues.

7.3 Description of Process for Ensuring Continued Compliance

7.3(a) Versant Power's Chief Compliance Officer shall be responsible for Versant Power's updating information

required to be posted pursuant to standard of conduct procedures.

Versant Power's Chief Compliance Officer shall discharge these responsibilities by

(i) Directing that information concerning employment changes be communicated to the Chief Compliance Officer within three (3) business days following such change;

(ii) Directing that all employees familiarize themselves with the Standards of Conduct and communicate any information that would require posting or updating of Versant Power's Internet website to maintain compliance with the Standards of Conduct.

7.3(b) Versant Power will provide a copy of its standards of conduct to any new Transmission Function or Marketing Function Employee of Versant Power upon the new employee's commencement of employment.

7.3(c) Versant Power's Chief Compliance Officer shall certify to the Board of Directors on annual basis Versant Power's Compliance with the Standards of Conduct.

Authorized By:

John Flynn
President

Arielle Silver Karsh
Vice President, Legal & Regulatory Affairs

Date

Date

Paul Miller
Chief Operating Officer

Date

Version History

| Version | Action | Individual Making Edits | Date |
|----------------|--|--------------------------------|-------------|
| 1 | Original | | 05/13/09 |
| 2 | Rebranded to Versant Power Added Version History Table Non-Substantive Edits (formatting, grammatical) | Beverly Erickson | 09/04/20 |
| 3 | Updated CCO (Tim Pease to Arielle Silver Karsh who has been serving as Interim since Mr. Pease departure from the Company) | Beverly Erickson | 8/09/22 |