Scheduling Coordinator's Self Audit

Audit Review Period:
August 1 of Previous Calendar Year through July 31 of Calendar Year

Audit Report Due to the ISO:
October 31 of Calendar Year

Please send Audit Reports electronically to:
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SC Self Audit Report

The following provides details on the audit requirement, the expected content and timeline for the submittal of the audit report:

1. Scheduling Coordinator’s Audit Requirement

ISO Tariff Section 10.3.10.1 “Requirement for Audit and Testing”, states that:

   Each Scheduling Coordinator shall at least annually conduct (or engage an independent, qualified entity to conduct) audits and tests of the Metering Facilities of the Scheduling Coordinator Metered Entities that it represents and the Meter Data provided to the Scheduling Coordinator in order to ensure compliance with all applicable requirements of any relevant Local Regulatory Authority. Scheduling Coordinators shall undertake any other actions that are reasonable (and) necessary to ensure the accuracy and integrity of the Settlement Quality Meter Data provided by them to the CAISO.

Key aspects of this requirement are that the Scheduling Coordinators are responsible for performing audits and tests annually to ensure compliance with all applicable Local Regulatory requirements and to ensure the accuracy and integrity of the Settlement Quality Meter Data submitted to the ISO. These audits and tests can occur throughout the year based on the Scheduling Coordinators practices. The ISO uses a submitted audit report as evidence that Scheduling Coordinators have successfully performed their requirement.

2. Audit Period: August 1 through July 31:

The Scheduling Coordinators’ audit requirement specifies that audits and tests need to be completed each year. Performance of the audits and tests are an ongoing Scheduling Coordinators’ requirement; however, because the ISO uses an audit report to demonstrate compliance with the Scheduling Coordinator's tariff requirement, an audit period is selected. The ISO has selected the period: August 1 of the previous year, through July 31, of the present year in an effort to provide sufficient time for report development and not interfere with year-end audit activities. The ISO will use this annual audit period for future audit reports.

3. Audit Report Content and Due Date: October 31

The Audit Report will be due to the ISO on October 31 of the calendar (or present) year. As stated above, the Audit Report is provided to the ISO as evidence that the Scheduling Coordinators’ tariff requirement has been completed. Therefore, the audit report should contain, at a minimum, the following items:

   A. Scheduling Coordinator’s management assertion that they have completed the appropriate audits and tests and that they have reviewed the results. Based on their review, they assert that tariff requirement 10.3.10.1 was completed for the audit period and that they have taken all reasonable and necessary actions to ensure the accuracy and integrity of the Settlement Quality Meter Data provided to the ISO.
   B. A description of the entities they represent in the ISO market (such as LSEs, ESPS, Cities, Direct Access Customers, etc.), as well as the name of the applicable Local Regulatory Authority.
   C. A description of the Settlement Quality Meter Data process and controls in place to assure compliance.
   D. A description of the audits and tests performed and who performed the activities.
   E. Explanation of any errors identified and corrective actions to prevent recurrence. If significant issues were identified in the previous audit, a discussion of the corrective actions taken to remedy the issues should also be included.
Supporting data does not need to be provided with the Audit Report; however, the ISO maintains the right to ask for and review any material used to complete your audit.

The audit report submittal is important in demonstrating the Scheduling Coordinator’s compliance to the audit requirement. Therefore, it is important to note that failure to submit an audit report by the due date is a violation of tariff requirement 10.3.10.1 and results in a Rules of Conduct violation, section 37.6.3.2, of $1,000/day until the report is received by the ISO.

The ISO expects that the Scheduling Coordinators use “due professional care” in selecting the relevant activities to be audited and tested. Identification of sample size of the Settlement Quality Meter Data for the audits and tests should be selected based on the Scheduling Coordinators’ experience along with the judgment of the entity performing the audit. The ISO encourages the Scheduling Coordinators to review their previous audits and the previous lessons learned reports posted on the ISO website for additional information to consider when designing an audit or test. As always, if you do have any questions you may direct them to the ISO mailbox at: msqc@caiso.com.