



**California Independent System Operator  
2007/2008 Operational Compliance Assessment  
Presentation to the Audit Committee  
February 10-11, 2009**

**PRICEWATERHOUSECOOPERS** 

# Agenda

- Background and Scope
- Findings and Observations
- Questions

# Background

- Some form of operational assessment has been performed each year since the CAISO's start-up.
- Management determined the scope of the report.
- Audit Committee briefed on the plan for the 2007/2008 Operational Assessment via CAISO memorandum dated August 29, 2008.
- The 2007/2008 assessment is more narrow than prior years:
  - One report covering portions of two years.
  - Overall coverage is approximately 1% of control room functions.
- Assessment period – October 2007 through March 2008.

# Scope

- Agreed-Upon Procedures engagement which is a report of findings; not an opinion.
- Scope of control room functions covered:
  - Publishing and logging Transmission De-rate and Re-rate actions.
  - Publishing of Final Day-Ahead Schedules.
- Audit Committee briefed on the plan for the 2007/2008 Operational Assessment via CAISO memorandum dated August 29, 2008.
- Primary applications reviewed in this assessment:
  - OASIS, among other things, is used by the CAISO to communicate market notifications to market participants.
  - SLIC is used by the CAISO to log operations events.

# Findings & Observations

- Report issued January 29, 2009.
- Numerous exception conditions identified in both general areas.
- Management agrees with our findings and that these exceptions are deviations from expected practice.
- Management (not PwC) has assessed impacts to:
  - Reliability;
  - Tariff; and
  - Settlements.
- PwC Observation - given the nature of these procedures, risk of identified exceptions impacting the above key attributes is low.

# Findings & Observations (continued)

- **Publishing and logging Transmission De-Rate/Re-Rate Information**

- 100% of tested transmission de-rate/re-rate occurrences (Tested Occurrences) were posted to OASIS by the Grid Resources Coordinator.

- Exception conditions:

- 28% of Tested Occurrences were not logged in SLIC by the Transmission Dispatcher or were not complete.
- 42% of Tested Occurrences that were logged in SLIC independently by the Transmission Dispatcher and Grid Resources Coordinator had inconsistencies.
- 23% of Test Occurrences that were logged in SLIC and posted to OASIS by the Grid Resources Coordinator had inconsistencies.

# Findings & Observations (continued)

- **Publishing and logging of Final Day-Ahead Schedules**
  - 100% of tested Day-Ahead Final Schedules (Tested DA Schedules) were posted to OASIS.
  - 100% of Tested DA Schedules had consistent information in both SLIC and OASIS.
  - Exception condition:
    - 25% of Tested DA Schedules were not posted to OASIS and SLIC within 10 minutes (criteria set by management) of each other.

# Questions & Answers

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