California ISO

2009 Operational Compliance Assessment Presentation to the Audit Committee

March 25-26, 2010

Background

Some form of operational assessment has been performed each year since the CAISO's start-up – 2009 was the first year the assessment was conducted since MRTU went live.

Management determined the scope of the report.

Audit Committee briefed on the 2009 Operational Assessment scope and plan in December 2009:

• Assessment period – December 14 -18, 2009.

• Agreed-Upon Procedures – report of findings; not an opinion.

Scope of control room functions covered:

• Exceptional Dispatch Processes.

• Exceptional Dispatch tool conformity with source data and operating procedure.

Report issued February 17, 2010.

Findings

Unit commitment order by nature of unit – no exceptions.

Unit commitment software initialization – no exceptions.

Unit commitment approvals – no exceptions.

Exceptional Dispatch tool resource data – no exceptions.

Exceptional Dispatch tool reliability capacity calculation – no exceptions.

Unit commitment under Interim Capacity Procurement Mechanism – no occurrence to assess.

Exceptional Dispatch tool reason codes – exceptions noted – some inconsistency between codes in tool and operating procedure.

Exception condition:

- Agreed to by management.

- Corrected by management during our testing period.

- PwC re-test revealed no exceptions.

PwC Observation

Exception Condition – inconsistent documentation between two separate data sources.

Management responses:

- Corrected inconsistency.

- Determined the data source with errors was not the primary source for control room operators.

PwC recommendation:

- Determine the data source used by control room operators – this data source should be used by all personnel.

- Be vigilant that data source contains accurate and complete data.

- Eliminate redundant data sources that could cause confusion.

Questions?

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