

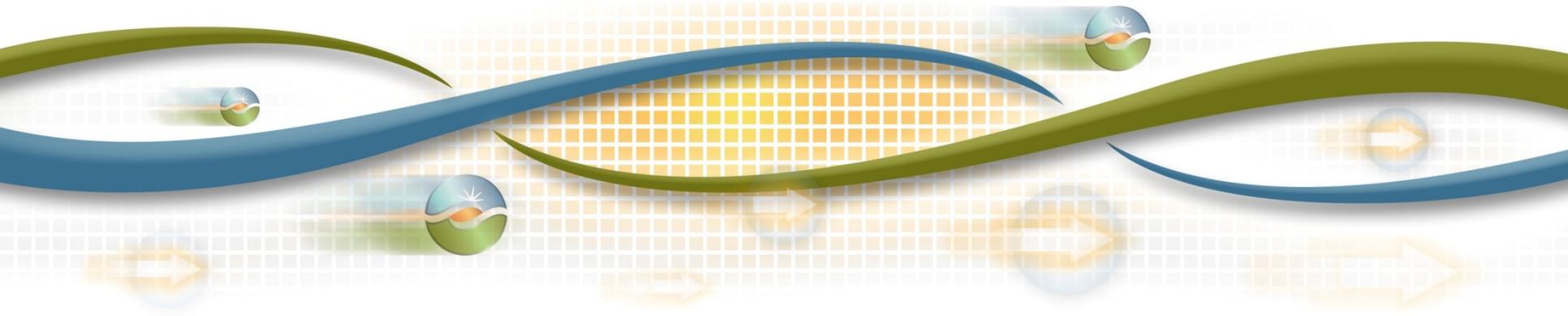


California ISO
Shaping a Renewed Future

Briefing on 2014 Operations Audit

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Audit Committee Meeting
General Session
May 29, 2014



Operation audit background

- Independent audit review required by tariff
- Compliance with operations policies, procedures
- Scope determined generally by stakeholder feedback, PwC input, and Management
- Scope is set to ensure broad range of operations processes from year to year
- No stakeholder input received for 2014 audit
- PricewaterhouseCoopers to conduct the 2014 audit

2014 audit scope determination

- Congestion management
 - System operating limit (SOL) evaluation and implementation.
 - Operations horizons of day-ahead, current day, real-time, and post-contingency
 - Engineering analysis and transmission limits
 - Includes procedures related to:
 - Determination of transmission limits
 - Unit commitments
 - Real-time adjustments
 - Used to accommodate upcoming real time conditions

Audit schedule

Target Date	
May	Operations Engineering and Real Time Operations process data provided to PricewaterhouseCoopers
June	Audit parameters finalized
July	First on-site audit conducted
September	Second on-site audit conducted
December	Audit results presented to the Audit Committee