

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA  
OFFICE OF ETHICS, COMPLIANCE AND AUDIT SERVICES



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Alexander Bustamante  
SENIOR VICE PRESIDENT  
CHIEF COMPLIANCE AND AUDIT OFFICER

September 6, 2017

**EXECUTIVE DIRECTOR RENEWABLE ENERGY PROGRAMS BYRON**

**RE: Report on Agreed-Upon Procedures related to the 2016 Annual Power Source Disclosure Program**

Attached is the final report for: Audit No. P18A012, Report on Agreed-Upon Procedures related to the 2016 Annual Power Source Disclosure Program.

This report also contains a separate attestation memo that you can forward to the California Energy Commission that confirms the audit did not disclose any exceptions and was performed by a Certified Internal Auditor in good standing with the Institute of Internal Auditors as required by the agreed-upon procedures.

We very much appreciate the assistance provided to us by you and members of your staff during our review. If you should have any questions please feel free to contact me at 510-987-9646 (email: [matthew.hicks@ucop.edu](mailto:matthew.hicks@ucop.edu)).

A handwritten signature in black ink, appearing to read "Matt Hicks".

Matt Hicks  
Systemwide Deputy Audit Officer

Attachment

cc: Senior Vice President Bustamante  
Systemwide Audit Manager Cataldo  
Renewable Energy Manager Clark

UNIVERSITY OF CALIFORNIA  
ETHICS, COMPLIANCE AND AUDIT SERVICES  
OFFICE OF THE PRESIDENT  
INTERNAL AUDIT

POWER SOURCE DISCLOSURE PROGRAM  
Audit Project No. P18A012  
August 2017

Work Performed by:  
Winson Truong, Audit Intern  
Peter Cataldo, Certified Internal Auditor and Systemwide Audit Manager

# **Executive Summary**

## **Introduction**

Office of the President (UCOP) Internal Audit Services performed an audit of the University of California Power Source Disclosure Program. As of 2014, the Regents of the University of California is a registered Electric Service Provider (ESP) that provides electricity to many of the UC campuses and medical centers and is subject to reporting requirements.

## **Background**

As an ESP, the University is subject to the regulations and reporting requirements of all ESPs – one of which is an annual reporting of power content to the California Energy Commission (CEC). The Power Content Label describes the sources of electricity that are put into the power grid by the ESP on behalf of its customers.

The Power Source Disclosure reporting process consists of three steps – the first of which occurred July 12, 2017 when the UC Executive Director Renewable Energy Programs submitted attestation forms summarizing the electricity purchases and sales for the calendar year 2016 on May 31, 2017 and submitted revised attestation forms, at the CEC's request, on July 12, 2017. This audit fulfills the second requirement in which an independent certified public accountant or a certified internal auditor verifies that the 2016 Annual Report to the California Energy Commission (Schedules 1 and 2) on power procurement and resale is accurate and complete. The third step consists of populating a Power Content Label template with the percentage values calculated in the Schedule 2 of the Annual Report and submitting it, along with the audit attestation to the California Energy Commission by October 1, 2017.

## **Objectives and Scope**

The primary objectives of this audit project were to follow the agreed upon audit procedures as listed in Appendix A of the Power Source Disclosure Program that includes:

- Verification that power purchases and sales as listed on 2016 Schedule 1 (Annual Report to the California Energy Commission: Power Source Disclosure Program) and 2016 Schedule 2 (Annual Power Content Label Calculation) agree with supporting documentation.
- Verification that the power mix percentages reported on the 2016 Power Content Label agreed to 2016 Schedule 2 information.
- Verification that 2016 Schedules 1 and 2, and the 2016 Power Content Label are mathematically accurate.

## **Procedures Performed**

To accomplish the project objectives and scope, the following procedures were performed:

1. Obtained and reviewed existing documentation, including Renewable Energy Credit contracts, certificates, and meter data reports used to prepare 2016 Schedules 1 and 2.
2. Agreed the purchases and sales by facility name, unique identification number, certificate number, megawatt hours and fuel type to supporting documentation.
3. Agreed the power mix data on the 2016 Schedule 2 to the 2016 Power Content Label.
4. Tested the mathematical accuracy of the 2016 Schedules 1 and 2, and the 2016 Power Content Label.

## **Conclusion**

Based on our review of the supporting documentation, we conclude that Schedules 1 and 2 of the Annual Report to the California Energy Commission: Power Source Disclosure Program, prepared by the University of California for the calendar year 2016, are complete and accurately reflect supporting documentation for power procurement (specific and unspecified purchases). We also conclude that the 2016 Power Content Label was accurate.

As required by the agreed upon audit procedures, we have prepared and attached a separate memo to the California Energy Commission summarizing that the results of our review did not disclose any exceptions and that the audit was performed by a Certified Internal Auditor in good standing with the Institute of Internal Auditors.