

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



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Sheryl Vacca
SENIOR VICE PRESIDENT
CHIEF COMPLIANCE AND AUDIT OFFICER

September 13, 2016

WHOLESALE ELECTRICITY PROGRAM MANAGER BYRON

RE: Report on Agreed-Upon Procedures related to the 2015 Annual Power Source Disclosure Program

Attached is the final report for: Audit No. P17A014, Report on Agreed-Upon Procedures related to the 2015 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).



Matt Hicks
Systemwide Deputy Audit Officer

Attachment

cc: Senior Vice President Vacca
Systemwide Audit Manager Cataldo
Associate Program Manager Clark

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

POWER SOURCE DISCLOSURE PROGRAM
Audit Project No. P17A014
August 2016

Work Performed by:
Stephanie Chen, 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. 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 June 1, 2016 when the UC Wholesale Electricity Program Manager submitted attestation forms summarizing the electricity purchases and sales for the calendar year 2015. This audit fulfills the second requirement in which an independent certified public accountant or a certified internal auditor verifies that the 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 Schedule 2 of the Annual Report and submitting it, along with the audit attestation to the California Energy Commission by October 1, 2016.

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 Schedule 1 (Annual Report to the California Energy Commission: Power Source Disclosure Program) and Schedule 2 (Annual Power Content Label Calculation) agree with supporting documentation.
- Verification that Schedules 1 and 2 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 Schedules 1 and 2.
2. Agreed the purchases and sales by facility name, unique identification number, certificate number, kilowatt hours and fuel type to supporting documentation.
3. Tested the mathematical accuracy of Schedules 1 and 2.

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 2015, are complete and 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.