

## DOCKETED

<b>Docket Number:</b>	15-IEPR-01
<b>Project Title:</b>	General/Scope
<b>TN #:</b>	206476
<b>Document Title:</b>	STEVE UHLER Comments: AUDIT OF RENEWABLE PORTFOLIO STANDARDS provided to the SMUD Board of Directors, 2014.01.16
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	STEVE UHLER
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	11/2/2015 7:57:11 AM
<b>Docketed Date:</b>	11/2/2015

*Comment Received From: STEVE UHLER*

*Submitted On: 11/2/2015*

*Docket Number: 15-IEPR-01*

**AUDIT OF RENEWABLE PORTFOLIO STANDARDS provided to the SMUD Board of Directors, 2014.01.16**

I don't find such information here, [http://energy.ca.gov/portfolio/rps\\_pou\\_reports.html](http://energy.ca.gov/portfolio/rps_pou_reports.html) per PUC 399.30(f)(3) [http://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=PUC&ionNum=399.30](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PUC&ionNum=399.30). and Title 20, section 3205(c) <http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-CMF.pdf>.

*Additional submitted attachment is included below.*

# SACRAMENTO MUNICIPAL UTILITY DISTRICT

## OFFICE MEMORANDUM

**TO:** John DiStasio      **DATE:** January 16, 2014  
Audit Report No. 28005762

**FROM:** John Rusteika

**SUBJECT:      AUDIT OF RENEWABLE PORTFOLIO STANDARDS**

Attached is Audit and Quality Services' (AQS) report on Renewable Portfolio Standards (RPS). This audit was included in our 2013 annual audit plan.

Our review disclosed that SMUD has implemented a plan to achieve the goals mandated by the State of California. Our tests revealed the strategic plan was adequate and the methods employed to achieve the current RPS target of 20 percent of retail sales was verifiable and documented appropriately. Prior to our review, the Western Electricity Coordinating Council (WECC) completed a review of SMUD's data. Their results revealed the need to review and update registration information in the Western Renewable Energy Generation Information System (WREGIS). No major findings were reported, and the minor findings had nothing to do with accuracy of data. SMUD personnel provided adequate response to correct the minor problems revealed in the WREGIS audit. As a result of their review, AQS decided to reduce the scope of our review and accept the results of the WECC audit.

CC:

Board of Directors	Paul Lau	Jim Tracy
Arlen Orchard	Gary King	Mike Gianunzio
Frankie McDermott	Pam Taheri	Jennifer Davidson
Scott Martin	Vicky Zavattero	Elaine Sison-Lebrilla
Baker Tilly LLP		

# Renewable Portfolio Standards

# AUDIT REPORT 28005762

# AUDIT & QUALITY SERVICES



AQS Report #28005762

January 16, 2014

## AUDIT AND QUALITY SERVICES REPORT

# Renewable Portfolio Standards

### INTRODUCTION:

Audit & Quality Services (AQS) has completed a review of SMUD's Renewable Portfolio Standards (RPS). The purpose of the review was to determine that data used to calculate the RPS percentages was valid and supportable, and the strategic plan developed by SMUD will meet the mandated requirements of the State of California.

The RPS goal is 20% of retail sales by the end of 2013, 25 percent by the end of 2016, and 33% by the end of 2020. SMUD has about 100 generating facility in use, and will achieve an RPS percentage of 23.6 percent of 2012 retail sales.

SMUD has an account with WREGIS that is used to track renewable energy certificates (RECs). These RECs are based on generation data electronically uploaded to WREGIS on a monthly basis by Energy R&D. The certificates can be deposited, transferred, or exported based on the use selected by the account holder. Generation data is validated by the WREGIS Administrator before the certificate is created. Certificates will only be issued for renewable generation that meets one of the renewable fuel/technology definitions within WREGIS. Each certificate has a unique serial number containing codes embedded in the number to indicate the generating unit ID, the location of the generator, and the vintage (month of generation). Certificate numbers cannot be changed. Once certificates are obligated to a state regulatory program, they are retired.

### OBJECTIVE and SCOPE:

The general audit objectives were to:

- Interview personnel to obtain an understanding of how the RPS tracking and reporting is accomplished.
- Evaluate the Strategic Plan developed by SMUD to reach the 33% RPS goal established by the State of California.

Interviews were conducted with Energy Research and Development personnel,

Resource Planning Group, and SMUD's Strategic Plan was assessed.

## **SUMMARY OF FINDINGS / OBSERVATIONS:**

Our review disclosed SMUD is accounting for all generation data from our various operating facility and uploading the data into the Western Renewable Energy Generation Information System (WREGIS). We accepted the audit results from the WREGIS audit completed in October 2013, and reduced the scope of our review.

WREGIS reviewed a third of SMUD's 80 registered generators (25) as well as 20 percent (5) of SMUD's individual small-scale solar generators registered with WREGIS.

The audit revealed eight minor observations, and recommended SMUD provide the missing information and updates the information requested. SMUD personnel agreed and provided the necessary information requested by WREGIS.

Our review of the financial and operational strategic plan revealed that SMUD has done adequate planning to ensure all State mandated requirements for renewable energy will be achieved. SMUD is planning for potential future increases in renewable energy requirements by the end of 2030. All necessary financial resources are being provided when needed.

## **CONCLUSION:**

SMUD's renewable portfolio standards are being properly administered through compliance with policies and procedures. SMUD have developed an Integrated Resource Plan that includes an Enforcement Plan and a Procurement Plan that will provide guidance for future RPS actions.

Proper documentation is being maintained and generation data is uploaded into WREGIS to facilitate issuance of certificate by WREGIS. SMUD's Strategic Plan implementation has incorporated the necessary energy sources to meet the State of California mandated renewable energy goals through the end of 2020. The plan ensures SMUD remains one of the leading renewable energy users in the nation.

Our review evaluated the RPS program for Segregation of Duties concerns. We were able to verify that no segregation of duties problems was found. All RPS facilities are registered by Research and Development personnel, while generation data is uploaded to WREGIS by Resource and Technology personnel. In addition, SMUD have an annual requirement to provide a compliance report to the California Energy Commission that details the retirement of certificates used by SMUD. The annual requirement was complied with.

## **PREPARED BY:**

Chester J. LeBeau  
Senior Internal Auditor