



QUARTERLY ENERGY PROCUREMENT COMPLIANCE AGREED-UPON PROCEDURES ENGAGEMENT

San Diego Gas and Electric Company

Fourth Quarter of 2021 - Advice Letter 3949-E

Utility Audits, Risk and Compliance Division
Utility Audits Branch
June 23, 2022



MEMBERS OF THE TEAM

Angie Williams, Director

Masha Vorobyova, Assistant Director

Tracy Fok aka Tracy Yeh, CPA, Supervisor

Tim Baumgardner, Lead

Amal Kattan-Handal, Lead

Keen Banh, Staff

Paulina Zepeda Gomez, Staff

A digital copy of this report can be found at:

[Audit Reports by Industry \(ca.gov\)](#)

**You can contact our office at:
California Public Utilities Commission
Utility Audits, Risk and Compliance Division
400 R Street, Suite 221
Sacramento, CA 95811**

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Transmitted via e-mail

June 23, 2022

Ms. Estela De Llanos
Vice President – Energy Procurement
San Diego Gas and Electric Company
8330 Century Park Court, CP33B
San Diego, CA 92123

Dear Ms. De Llanos:

Final Report Transmittal Letter – Agreed-Upon Procedures Engagement of San Diego Gas and Electric Company’s Quarterly Energy Procurement Compliance Report for the period of October 1, 2021, through December 31, 2021

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) has completed its agreed-upon procedures (AUP) engagement of San Diego Gas and Electric Company’s (SDG&E) Quarterly Energy Procurement Compliance Report (QCR) filed for its Fourth Quarter of 2021 in Advice Letter (AL) 3949-E. The final AUP report is enclosed.

SDG&E’s responses to the AUP report findings are incorporated into this report. As required by Public Utilities Code Section 454.5(g), the confidential market sensitive information contained in the AUP report is redacted. We will post the final redacted audit report on our website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/Audit-Reports-by-Industry).

A Corrective Action Plan addressing the findings is required. SDG&E has already provided the information regarding its corrective actions planned and those responses have been included into the report. However, SDG&E is still required to file a supplemental AL 3949-E with amended Attachment H of its QCR. Once SDG&E submits the supplemental AL, no further actions will be required.

We appreciate SDG&E’s assistance and cooperation during the engagement. If you have any questions regarding this report, please contact Tracy Fok, Program and Project Supervisor, at (415) 703-3122 or tracy.fok@cpuc.ca.gov.

Sincerely,

Masha Vorobyeva for Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division
cc: See next page

Ms. Estela De Llanos
Vice President – Energy Procurement
San Diego Gas and Electric Company
June 23, 2022
Page 2

cc: Michael Schneider, Vice President – Risk Management & Chief Compliance Officer, SDG&E
Gregory Anderson, Regulatory Tariff Manager, California Regulatory Affairs, SDG&E
Will Fuller, Regulatory Business Manager, California Regulatory Affairs, SDG&E
Rachel Peterson, Executive Director, CPUC
Kristin Stauffacher, Deputy Executive Director, Office of the Commission, CPUC
Pete Skala, Director of Efficiency, Electrification, and Procurement, Energy Division, CPUC
Michele Kito, Interim Program Manager, Energy Division, CPUC
Simone Brant, Interim Program and Project Supervisor, Energy Division, CPUC
Eric Dupre, Public Utilities Regulatory Analyst, Energy Division, CPUC
Theresa Buckley, Staff Attorney, CPUC
Masha Vorobyova, Assistant Director, UAB, CPUC
Tracy Fok, Program and Project Supervisor, UAB, CPUC
Tim Baumgardner, Senior Management Auditor, UAB, CPUC
Amal Kattan-Handal, Senior Management Auditor, UAB, CPUC
Keen Banh, Associate Management Auditor, UAB, CPUC
Paulina Zepeda Gomez, Staff Services Management Auditor, UAB, CPUC

TABLE OF CONTENTS

I. INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES.....	1
II. PROCEDURES AND FINDINGS.....	3
A. TRANSACTION RECONCILIATION/ANALYSIS.....	3
B. QUARTERLY COMPLIANCE REPORT (QCR).....	4
C. STRONG SHOWING JUSTIFICATION.....	5
D. ELECTRONIC SOLICITATION PROCESS.....	6
E. ELECTRONIC SOLICITATION CONTRACTS.....	8
F. BILATERAL AND BROKER CONTRACTS.....	9
G. REQUEST FOR OFFERS (RFO) CONTRACTS.....	10
H. CONVERGENCE BIDDING.....	11

I. INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) performed the agreed-upon procedures (AUP) enumerated in Procedures and Findings section of this report for San Diego Gas and Electric Company's (SDG&E or the utility) energy procurement compliance reporting period of October 1, 2021, through December 31, 2021 (Q4 2021). These procedures were agreed to between CPUC's Energy Division (ED) and UAB solely to assist ED in determining whether the three large investor-owned electric utilities are in compliance with certain energy procurement-related state laws and CPUC's energy procurement directives. SDG&E is one of these utilities¹ and is responsible for complying with the energy procurement requirements.

ED engaged UAB to perform this AUP engagement. UAB is required to be independent and to meet other ethical responsibilities in accordance with the relevant ethical requirements related to the AUP engagement. We conducted this engagement in accordance with attestation standards established by the generally accepted government auditing standards (GAGAS). The sufficiency of the AUP procedures is solely the responsibility of ED. ED has agreed to and acknowledged that the procedures performed are appropriate for the intended purpose of the AUP engagement. Consequently, we make no representation regarding the sufficiency of the procedures described herein either for the purpose for which this report has been requested or for any other purpose. The results of the engagement are detailed in Procedures and Findings section of this report.

We were not engaged to, and did not, perform an examination or review of the subject matter, the objective of which would be the expression of an opinion on SDG&E's compliance with the energy procurement-related state laws and the CPUC's energy procurement directives. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to ED.

The purpose of this report is to communicate to ED the utility's compliance and the results of the AUP performed. The report may not be suitable for any other purposes. The procedures performed may not address all the items of interest to users other than ED and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

¹ Pacific Gas and Electric Company and Southern California Edison Company are the other two electric utilities subject to the agreed-upon procedures engagements.

In accordance with CPUC Decision (D.) 12-04-046, Ordering Paragraph (OP) 13, this report shall be made public. As required by Public Utilities (PU) Code Section 454.5(g), the confidential market sensitive information contained in the AUP report is redacted. The redacted report can be found on the CPUC public website through the following link: [Audit Reports by Industry \(ca.gov\)](#).

Masha Vorobyeva for Angie Williams

Angie Williams, Director
Utility Audits, Risk and Compliance Division

II. PROCEDURES AND FINDINGS

Below are the results of the AUP performed and associated findings. The sufficiency of these procedures is solely the responsibility of ED. Thus, UAB makes no representation regarding the sufficiency of the following procedures used for this engagement for the purposes for which this report has been requested.

A. Transaction Reconciliation/Analysis

1. Inspected the utility's Q4 2021 electric physical transaction details in Attachment A² to determine whether they contained any electronic solicitation or other competitive solicitation transactions, requiring additional performance of the audit procedures for Electronic Solicitation and Related Contracts indicated in Section E of this report.

Finding: We found no exceptions as a result of this procedure.

2. Reconciled to determine whether the utility's Q4 2021 electric physical transaction details in Attachment A agreed to the corresponding transaction summary in Attachment C. Performed mathematical re-calculation and an analysis of 100% of transactional average prices, volumes, and notional values for the detection of a reporting anomaly.

Finding: We found no exceptions as a result of this procedure.

3. Reconciled to determine whether the utility's Q4 2021 electric financial transaction details in Attachment A agreed to the corresponding transaction summary in Attachment C. Performed mathematical re-calculation and an analysis of 100% of transactional average prices, volumes, and notional values for the detection of a reporting anomaly.

Finding: We found no exceptions as a result of this procedure.

4. Reconciled to determine whether the utility's Q4 2021 gas physical transaction details in Attachment A agreed to the corresponding transaction summary in Attachment D. Performed mathematical re-calculation and an analysis of 100% of transactional average prices, volumes, and notional values for the detection of a reporting anomaly.

Finding: We found no exceptions as a result of this procedure.

5. Reconciled to determine whether the utility's Q4 2021 gas financial transaction details in Attachment A agreed to the corresponding transaction summary in Attachment D. Performed mathematical re-calculation and an analysis of 100% of transactional average prices, volumes, and notional values for the detection of a reporting anomaly.

Finding: We found no exceptions as a result of this procedure.

² All references to attachments in the list of Procedures and Findings are to the attachments to the utility's Quarterly Compliance Report subject to this engagement.

6. Reconciled to determine whether the utility's Q4 2021 transport, storage, park and lend transaction details in Attachment A agreed to the corresponding transaction summary in Attachment D.

Finding: We found no exceptions as a result of this procedure.

B. Quarterly Compliance Report (QCR)

1. Inspected the QCR advice letter filing, including the attachments of supporting documentation, to determine whether the filing was accurate and complete.

Finding #1: SDG&E failed to demonstrate compliance with D.02-10-062, Appendix B, and PU Code Section 581. SDG&E incorrectly reported Request for Offers (RFO) contracts delivery dates in Attachment H – Contracts Executed/Contracts Amended. For additional information about the finding, please see Finding #1 at procedure G.1 listed below.

SDG&E's Response: See G.1.

2. Identified any of the utility's authorized decision-makers that were not listed in the QCR.

Finding: We did not find any of the utility's authorized decision-makers that were not listed in the QCR.

3. Inspected QCR and associated attachments to determine whether the utility provided its descriptions of and justifications for its procurement processes used to select the transactions.

Finding: We found no exceptions as a result of this procedure.

4. Inspected QCR and associated attachments to determine whether the utility explained or justified the timing of its transactions.

Finding: We found no exceptions as a result of this procedure.

5. Inspected QCR and associated attachments to determine whether the utility discussed the system load requirements/conditions underlying the need for the quarter's transactions.

Finding: We found no exceptions as a result of this procedure.

6. Inspected QCR and associated attachments to determine whether the utility provided a copy of any data of forecasts used by the utility to analyze transactions.

Finding: We found the utility provided a copy of forecast data used to analyze transactions.

7. Inspected QCR and associated attachments to determine whether the utility provided a copy of each of the utility's procurement contracts reported in Attachment H – Contracts Executed/Contracts Amended.

Finding: We found no exceptions as a result of this procedure.

8. Inspected QCR and associated attachments to determine whether the utility provided a reasonable number of analyses, as requested by the CPUC or the Procurement Review Group (PRG) and provided the resulting outputs.

Finding: We found no exceptions as a result of this procedure.

9. Inspected QCR and associated attachments to determine whether the utility's QCR included its briefing package provided to the ultimate decision maker.

Finding: We found no exceptions as a result of this procedure.

10. Inspected QCR and associated attachments to determine whether the utility provided the break-even spot prices equivalent to the contracts.

Finding: We found no exceptions as a result of this procedure.

11. Inspected QCR and associated attachments to determine whether the utility provided average price information for non-standard transactions.

Finding: We found no exceptions as a result of this procedure.

12. Inspected QCR and associated attachments to determine whether the utility provided California Independent System Operator (CAISO) electricity procurement information in the utility's QCR.

Finding: We found no exceptions as a result of this procedure.

C. Strong Showing Justification

1. Inspected Attachment A of the utility's QCR for any transactions subject to strong showing justification and inspected Attachment M – Transactions Subject to Strong Showing of the QCR to determine whether the transactions were properly justified in Attachment M.

Finding: We found no exceptions as a result of this procedure.

2. Compared the prices of bilateral contracts in Attachment A for non-standard products that are waived from strong showing justification under D.03-06-067, OP 3(d) to the prices of relevant market supporting documentation to determine whether the bilateral contract prices are reasonable based on available and relevant market data. Compared the buy and sell average prices paid or sold in Attachment A to the market high and low prices to ensure reasonable deals were completed.

Finding: We found no exceptions as a result of this procedure.

3. Inspected Attachment H of the utility's QCR for any transactions subject to strong showing justification and inspected Attachment M of the QCR to determine whether the transactions were properly justified in Attachment M.

Finding: We found no exceptions as a result of this procedure.

4. Compared the prices of bilateral contracts in Attachment H for non-standard products that are waived from strong showing justification under D.03-06-067, OP 3(d) to the prices of relevant market supporting documentation to determine whether the bilateral contract prices are reasonable based on available and relevant market data. Compared the buy and sell average prices paid or sold in Attachment H to the market high and low prices to ensure reasonable deals were completed.

Finding: We found no exceptions as a result of this procedure.

5. Inspected other bilateral transactions in the utility's QCR for any transactions subject to strong showing justification and inspected Attachment M of the QCR to determine whether the transactions were properly justified in Attachment M.

Finding: We found no exceptions as a result of this procedure.

6. Compared the prices of other bilateral contracts for non-standard products that are waived from strong showing justification under D.03-06-067, OP 3(d) to the prices of relevant market supporting documentation to determine whether the bilateral contract prices are reasonable based on available and relevant market data. Compared the buy and sell average prices paid or sold for other transactions to the market high and low prices to ensure reasonable deals were completed.

Finding: We found no exceptions as a result of this procedure.

D. Electronic Solicitation Process

Requested and inspected copies of electronic solicitation documents, criteria, evaluation supporting documentation, bids received, and other relevant supporting documentation:

1. Ascertained that the utility developed its electronic bid documents under oversight of its Independent Evaluator (IE), vetted through the PRG and any differences were resolved by ED staff in advance of public issuance of the solicitation bid document.

Finding: We found no exceptions as a result of this procedure.

2. Ascertained that the utility consulted with its IE, PRG and ED to outline its plans and solicited feedback prior to drafting solicitation bid document so that the solicitation process was improved by the identification of data gaps, confirmation of the fairness of the confidential components of the solicitation, and in compliance with the letter and spirit of CPUC policies on competitive solicitations.

Finding: We found no exceptions as a result of this procedure.

3. Ascertained that the electronic solicitation went through a competitive bidding process.

Finding: We found no exceptions as a result of this procedure.

4. Validated that the electronic solicitation bid criteria included the measures recommended by the CPUC and were consistent with the CPUC's requirements.

Finding: We found no exceptions as a result of this procedure.

5. Validated that the electronic solicitation bid criteria were clearly described and defined.

Finding: We found no exceptions as a result of this procedure.

6. Ascertained that the rationale for the electronic solicitation bid criteria was clearly explained.

Finding: We found no exceptions as a result of this procedure.

7. Ascertained that project viability was part of the electronic solicitation bid criteria.

Finding: We found no exceptions as a result of this procedure.

8. Ascertained that the utility presented its electronic solicitation candidates in its PRG meetings for feedback from PRG members, ED staff, and IE.

Finding: We found no exceptions as a result of this procedure.

9. Ascertained that the utility addressed any concerns raised by its PRG members, ED staff, and IE regarding the electronic solicitation.

Finding: We found no exceptions as a result of this procedure.

10. Identified whether the electronic solicitation process optimized the energy value of the products being solicited.

Finding: We found no exceptions as a result of this procedure.

11. Identified whether the bid evaluation process was transparent and the circumstances under which the bid results could be rejected were well understood by potential bidders in advance of the solicitation.

Finding: We found no exceptions as a result of this procedure.

12. Identified whether all bids considered were submitted solely via the electronic solicitation process.

Finding: We found no exceptions as a result of this procedure.

13. Identified any pre-bid and post-bid negotiations.

Finding: We found no exceptions as a result of this procedure.

14. Ascertained that the award decision was communicated within the timeframe of the electronic solicitation.

Finding: We found no exceptions as a result of this procedure.

15. Identified whether the utility created any false barriers to participation in the electronic solicitation or to attempt to limit the competitive process by manipulating the electronic solicitation products and/or process.

Finding: We found no exceptions as a result of this procedure.

16. Identified whether the utility issued an electronic solicitation seeking bids for both Power Purchase Agreements (PPA) and Utility Owned Generation (UOG).

Finding: We found no exceptions as a result of this procedure.

17. Identified whether the electronic solicitation process solicited fossil-fuel generation contracts less than five years and evaluated whether the utility considered the use of Brownfield sites first and took full advantage of their location before it considered building new generation on Greenfield sites.

Finding: We found no exceptions as a result of this procedure.

18. Ascertained that the electronic solicitation was evaluated by an IE regardless of contract duration if the electronic solicitation involved affiliates or utility bidders.

Finding: We found no exceptions as a result of this procedure.

19. Identified whether the electronic solicitation solicited PPAs less than five years. If any, confirmed whether the utility recognized the effects of debt equivalence (DE) when comparing PPA against PPAs in their bid evaluations, but not when a UOG project was being considered.

Finding: We found no exceptions as a result of this procedure.

20. Ascertained that the winning contracts met the utility's electronic solicitation evaluation criteria.

Finding: We found no exceptions as a result of this procedure.

E. Electronic Solicitation Contracts

1. Inspected the utility's Q4 2021 electric physical transactions included in Attachment A to determine if there are any electronic solicitation or other competitive solicitation transactions.

Finding: We found no exceptions as a result of this procedure.

2. Traced and agreed each contract to contract/trade confirmations for the type of contract, contract term, counterparty, product type, total volume, and total cost.

Finding: We found no exceptions as a result of this procedure.

3. Inspected PRG meeting materials to determine whether the utility consulted with its PRG before the contracts were executed if any contract term was over one calendar quarter.

Finding: We found no exceptions as a result of this procedure.

4. Inspected counterparties' credit supporting documentation to validate that the contracts derived from the electronic solicitation selection process were executed with investment-grade counterparties or non-investment grade counterparties that were supported with surety bonds, guarantee, collateral, etc.

Finding: We found no exceptions as a result of this procedure.

5. Inspected the utility's IE report to determine whether IE evaluated any contracts executed with affiliate(s) or any contracts with terms greater than two years.

Finding: We found no exceptions as a result of this procedure.

6. Inquired of the utility as to whether the contracts had any impact on the overall Time to Expiration Value at Risk (TeVAR).

Finding: We found no contracts had any impact on the overall TeVAR.

7. Identified any contract related to a new fossil generation or PPA that was less than five years.

Finding: We did not identify any contract related to a new fossil generation or PPA that was less than five years.

8. Traced and agreed all electronic solicitation contracts executed during the quarter to supporting documentation to ensure that they were correctly and completely reported in attachments of the utility's QCR.

Finding: We found no exceptions as a result of this procedure.

F. Bilateral and Broker Contracts

1. Traced and agreed each contract to contract/trade confirmations for the type of contract, contract term, counterparty, product type, total volume, and total cost.

Finding: We found no exceptions as a result of this procedure.

2. Inspected PRG meeting materials to determine whether the utility consulted with its PRG before the contracts were executed if any contract term was over one calendar quarter.

Finding: We found no exceptions as a result of this procedure.

3. Inspected counterparties' credit supporting documentation to validate that the contracts executed bilaterally with investment-grade counterparties or non-investment grade counterparties that were supported with surety bonds, guarantee, collateral, etc.

Finding: We found no exceptions as a result of this procedure.

4. Inspected the utility's IE report to determine whether IE evaluated any contracts executed with affiliate(s) or any contracts with terms greater than two years.

Finding: We found no exceptions as a result of this procedure.

5. Inquired of the utility as to whether the contracts had any impact on the overall TeVAR.

Finding: We found no contracts had any impact on the overall TeVAR.

6. Identified any contract related to a new fossil generation or PPA that was less than five years.

Finding: We did not identify any contract related to a new fossil generation or PPA that was less than five years.

7. Traced and agreed all bilateral contracts executed during the quarter to supporting documentation to ensure that they were correctly and completely reported in attachments of the utility's QCR.

Finding: We found no exceptions as a result of this procedure.

G. Request for Offers (RFO) Contracts

1. Traced and agreed each contract to contract/trade confirmations for the type of contract, contract term, counterparty, product type, total volume, and total cost.

Finding #1: SDG&E incorrectly reported the delivery dates of two RFO contracts in Attachment H as shown below:

- a. [REDACTED] contract with execution date of 10/26/2021 indicated a delivery date in Attachment H as 8/1/2022 – 10/31/2021 instead of 8/1/2022 – 10/31/2022.
- b. [REDACTED] contract with execution date of 10/28/2021 indicated a delivery date in Attachment H as 5/1/2012 – 06/30/2022 instead of 05/1/2022 – 06/30/2022.

SDG&E's Responses:

On May 5, 2022, SDG&E stated:

SDG&E agrees that it incorrectly typed the end of this transaction as the year 2021 in Attachment H. The correct year for the end date is 2022.

On June 1, 2022, SDG&E stated:

SDG&E utilizes a review process of the Attachment H inputs prior to submittal. Transaction information is entered in the draft attachment template during each quarter by SDG&E Front Office and/or Origination personnel, as applicable, as transactions are executed. After the end of each quarter, the information is reviewed by SDG&E's Mid-Office and Validation & Analysis personnel. For Q4 2021 the Validation & Analysis manager position was open, resulting in insufficient review of SDG&E's Attachment H, which resulted in these typographical errors. The Validation & Analysis manager position has been filled since the Q4 2021 submission and going forward, SDG&E believes this position will provide the added layer of review necessary to avoid these types of errors in future quarterly Attachment H submissions.

On June 2, 2022, SDG&E stated:

SDG&E will file an amended Attachment H in a supplemental advice letter.

2. Inspected PRG meeting documentation to determine whether the utility consulted with its PRG before the contracts were executed if any contract term was over one calendar quarter.

Finding: We found no exceptions as a result of this procedure.

3. Inspected the utility's IE report to determine whether IE evaluated any contracts executed with affiliate(s) or any contracts with terms greater than two years.

Finding: We found no exceptions as a result of this procedure.

4. Inspected counterparties' credit supporting documentation to validate that the contracts derived from the RFO selection process were executed with investment-grade counterparties or non-investment grade counterparties that were supported with surety bonds, guarantee, collateral, etc.

Finding: We found no exceptions as a result of this procedure.

5. Inquired of the utility as to whether the contracts had any impact on the overall TeVAR.

Finding: No contracts had any impact on the overall TeVAR.

6. Identified any contract related to a new fossil generation or PPA with a term of less than five years.

Finding: We did not identify any contract related to a new fossil generation or PPA with a term of less than five years.

7. Traced and agreed all RFO contracts executed during the quarter to supporting documentation to ensure that they were correctly and completely reported in attachments of the utility's QCR.

Finding: We found no exceptions as a result of this procedure.

H. Convergence Bidding

1. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility submitted its virtual supply bids in the CAISO's Day-Ahead market, up to, but not exceeding, the amount of the Day-Head forecast of intermittent generation in the Day-Ahead market, followed by buying it back through the convergence sale in the CAISO Real-Time market.

Finding: We found no exceptions as a result of this procedure.

2. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility used defensive convergence bidding and reported such use on a case-by-case basis with actual market and settlement data, and not just hypothetical scenarios showing how engaging in convergence bidding by the utility protected ratepayers.

Finding: We found no exceptions as a result of this procedure.

3. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility reported if and how it employed convergence bidding strategies intended to protect the utility's ratepayers from avoidable risks at identified locations.

Finding: We found no exceptions as a result of this procedure.

4. Inquired of the utility and inspected the supporting documents to determine whether the utility provided written notice to the Commission's Executive Director, the Director of Energy Division, and the General Counsel of any notices from the CAISO or any other regulatory agency.

Finding: We found no exceptions as a result of this procedure.

5. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility incurred the amount of loss from its convergence bidding activities in the CAISO's Day-Ahead and Real-Time energy market exceeded its stop loss limit.

Finding: We found no exceptions as a result of this procedure.

6. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility provided, in its QCR filing, a set of information regarding convergence bidding activities in the CAISO's Day-Ahead and Real-Time energy markets for each calendar month of the audit period.

Finding: We found no exceptions as a result of this procedure.

7. Inspected the utility's PRG meeting materials to determine whether the utility provide to its PRG participants review of the utility's convergence bidding strategies, performance, and market analysis in the quarterly PRG meetings.

Finding: We found no exceptions as a result of this procedure.

8. Inspected the convergence bidding documents included in the utility's QCR to determine whether the utility used a common template developed by ED when reporting the summary of convergence bids for each month made in the CAISO's Day-Ahead and Real-Time energy markets.

Finding: We found no exceptions as a result of this procedure.