

**COMMENTS OF IDAHO POWER COMPANY  
ON CAISO'S MARKET SETTLEMENT TIMELINE ISSUE PAPER  
AND STRAW PROPOSAL**

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Idaho Power Company ("Idaho Power") appreciates the opportunity to comment on the California Independent System Operator's ("CAISO") Market Settlement Timeline Issue Paper and Straw Proposal ("Issue Paper"), dated June 11, 2019.

As Idaho Power understands the Issue Paper, the following changes are being proposed:

**Settlement Time Changes**

1. Consume Settlement Quality Meter Data ("SQMD") four business days after the trade date and incorporate the meter data, along with any price corrections, into a new statement that is published seven business days (T+7B) after the trade date (to replace the current initial T+3B statement).
2. Allow participants to dispute the initial T+7B statement.
3. Remove the settlement statement that is published twelve business days (T+12B) after the trade date.
4. Change the current T+55B recalculation statement to T+60B and accept final meter data 52 business days after the trade date (which was previously 48 business days).

5. Reduce the number of optional settlement recalculation statements and reduce the normal settlement life cycle from 36 months (T+36M) to 24 months (T+24M). Proposed change will include T+12M, T+21M, and T+24M statements (which will replace the T+9M, T+18M, T+33M, and T+36M statements).

**Dispute Threshold**

Propose to only consider settlement disputes for revenues or charges over \$100 unless there is an approved placeholder dispute.

**Settlement Timeline Changes**

In summary, Idaho Power has prepared the table below showing the current and proposed changes to the settlement statements.

Required Statements								
	Current	Proposed		Current	Proposed		Current	Proposed
Publication	T+3B	T+7B		T+12B	NA		T+55B	T+60B
SQMD	na - estimated	T+4B		T+8B	NA		T+48B	T+52B
Disputable Statement	No	Yes - full		Yes - full	NA		Yes - full	Yes - full
Disputes Due	na	T+14B		T+14B	NA		T+22B	T+22B

Optional Statements											
	Current	Proposed		Current	Proposed		Current	Proposed		Current	Proposed
Publication	T+9M	T+12M		T+18M	T+21M		T+33M	T+24M		T+36M	NA
SQMD	na	na		na	na		na	na		na	NA
Disputable Statement	Yes - inc	Yes - inc		Yes - inc	Yes - inc		Yes - inc	No		No	NA
Disputes Due	T+22B	T+22B		T+22B	T+22B		T+22B	na		na	NA

Idaho Power requests that CAISO include a similar table in the Market Settlement Timeline draft final proposal to show the current versus proposed settlement timelines.

CAISO indicated that the purpose of these changes is to reduce participant financial exposure by producing initial settlement statements that will better approximate the final settlement, allow for sufficient time for CAISO and market participants to resolve

disputes, and reduce CAISO and participant administrative costs associated with low-value settlement recalculation efforts.

Idaho Power appreciates and supports CAISO's proposal to eliminate the T+3B settlement statement and replace it with a more accurate T+7B settlement statement that incorporates SQMD meter data and that can be disputed. These changes will increase the accuracy of the statement because actual meter data and market price correction data will be used in the calculation of the charge codes.

While Idaho Power supports a more accurate initial settlement statement, it is concerned with the compressed T+4B meter submission deadline. Idaho Power has contracted generation from small power production facilities. These facilities can have communication issues that require Idaho Power to send out a meter technician to obtain an accurate meter read by the current T+8B meter submission deadline. Moving this deadline up could cause Idaho Power to have to estimate meter data more frequently or send meter technicians into the field more often. (In addition, after-the-fact interchange schedule data for dynamic schedules may be updated up to 168 hours after the trade hour, and so could be updated after the T+4B meter submission deadline.) CAISO should consider pushing this meter submission deadline to T+5B to give participants more time to compile accurate metering data.

Idaho Power is also in favor of CAISO reducing the normal settlement statement life cycle from 36 months to 24 months. This will allow participants to decrease record retention requirements, save internal database storage, and decrease workload on settlement staff that must review statements out to T+36M.

### **Dispute Threshold - \$100**

CAISO is proposing to implement a threshold on disputes—to allow only those over \$100 unless there is an approved placeholder dispute in place. While Idaho Power understands the administrative burden that CAISO is trying to address, there may be underlying operational issues at the root of some disputes that may not be identified or resolved if disputes under \$100 were not allowed. The placeholder mechanism may address some of these, but not all.

In particular, disputes under \$100 could identify potential market solution errors. The Issue Paper indicates that CAISO has been denying roughly one third of all settlement disputes less than \$100. It is Idaho Power's understanding that when a dispute is the result of a market solution defect, CAISO denies the dispute because it cannot go back and re-run the market. How many of denied disputes under \$100 were denied because there was a market solution defect, but the market could not be re-run (as opposed to being denied because the market ran properly and the dispute was otherwise invalid)? The proposed limitation on disputes is concerning because even smaller dollar amount disputes may be indicative of market solution errors or other market issues. Without these disputes, CAISO may not see trends or be able to identify and troubleshoot potential market errors that need to be corrected. For these reasons, Idaho Power does not support the \$100 threshold on disputes. Participants should continue to be able to submit disputes of any dollar amount.

In addition, as part of this initiative, CAISO should consider improvements to the current dispute process. First, CAISO should allow for comments and questions by participants after CAISO denies a dispute (whatever the reason for the denial) so that

participants can understand why the dispute was denied. Second, CAISO should provide its determination on disputes before the T+52B date to give participants time to review the determination. Because CAISO will have more time to process disputes, it should allow participants sufficient time to understand the response to the dispute and what should be expected from the T+60B statement. In addition, if participants do not agree with the determination, this would give them opportunity to discuss and resolve with CAISO prior to the T+60B statement being published.

Idaho Power thanks CAISO for the opportunity to comment and looks forward to continued collaboration on these issues.