



Market Settlement Timeline

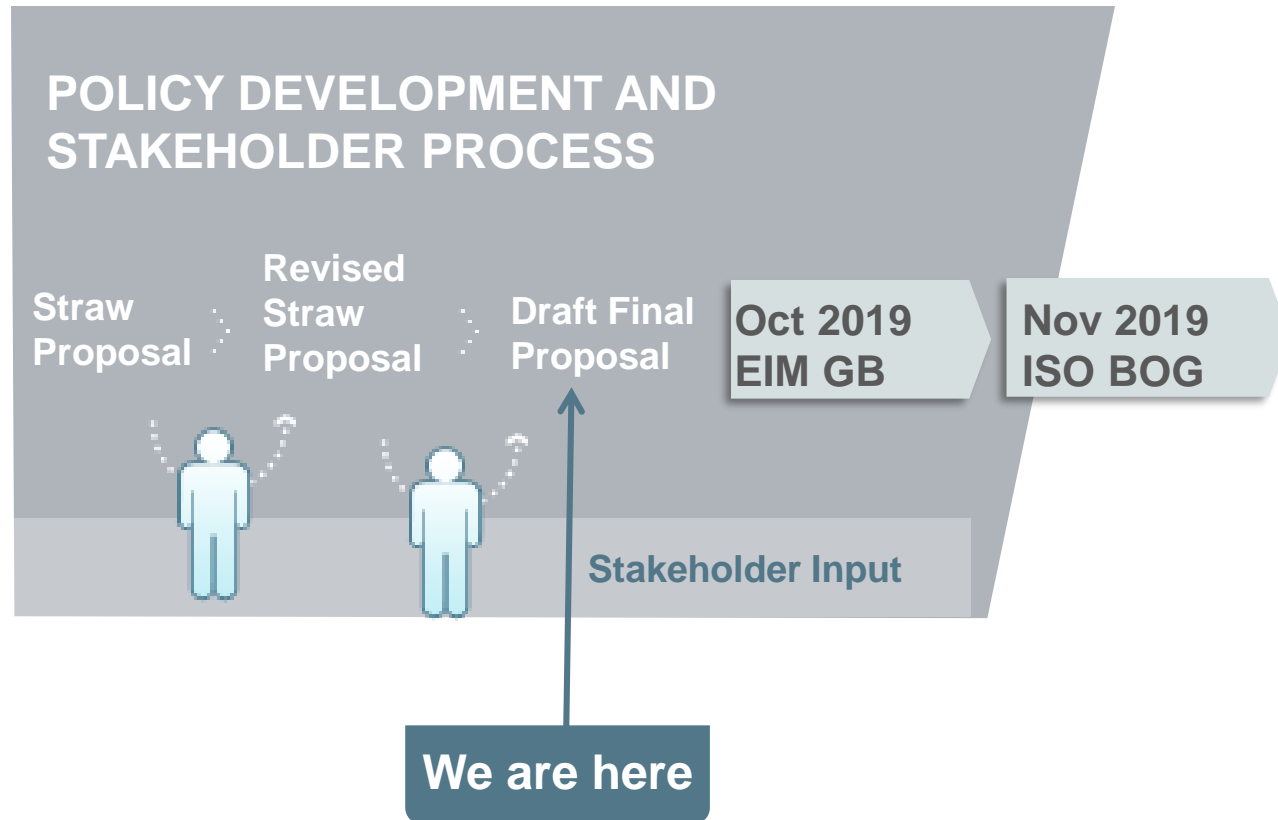
Stakeholder Conference Call
September 30, 2019

James Lynn – Senior Advisor

Agenda

Time	Topic	Presenter
1:00	Welcome / Policy Process	Kristina Osborne
1:10	Draft Final Proposal	James Lynn
2:50	Next Steps	Kristina Osborne

ISO Policy Initiative Stakeholder Process



Initiative objective and scope

- Reduce market participant financial exposure by increasing initial settlement statement quality and timeliness
- Allow sufficient time to resolve disputes and provide more accurate statements in an overall shorter time horizon
- Extend flexibility in publishing settlement statements and weekly invoices.

Stakeholder feedback

- Concerned on the elapsed time between required and optional statements
 - The CAISO adjusted the timeline so the first optional statement is at T+11M.
- Requested additional clarification on optional versus required statements and clarifications on the charge code release cycle.
 - The CAISO has provided these clarifications.
- Concerned on the impacts of proposal on the estimated aggregated liability, aggregated credit liability and financial security requirements
 - The CAISO understands our participants concerns and has provided the results of the analysis requested.

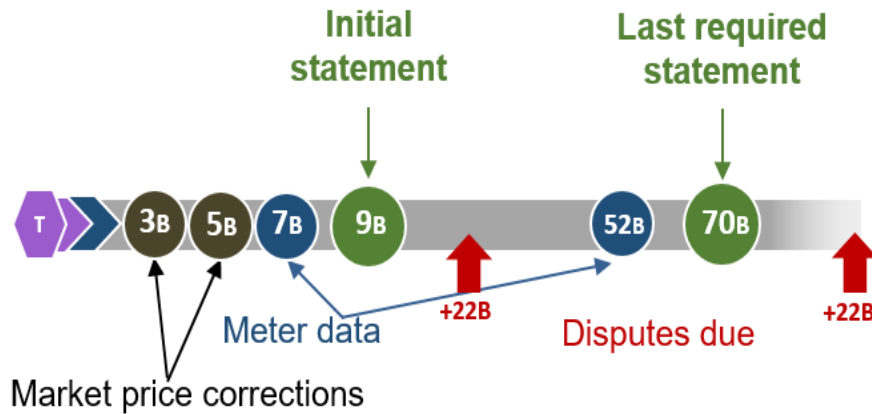
Stakeholder feedback

- Requested CAISO consider the development of an application programming interface (API) for the settlement payment calendar.
 - The CAISO will consider developing an API for the payment calendar during future initiatives.
- Expressed continued concern that the dispute threshold is not justified
 - The CAISO modified the proposal to remove the dispute threshold at this time.
- Requested CAISO consider market participants level of effort for implementation
 - The CAISO will address implementation timelines for this initiative through the Release Planning meetings.

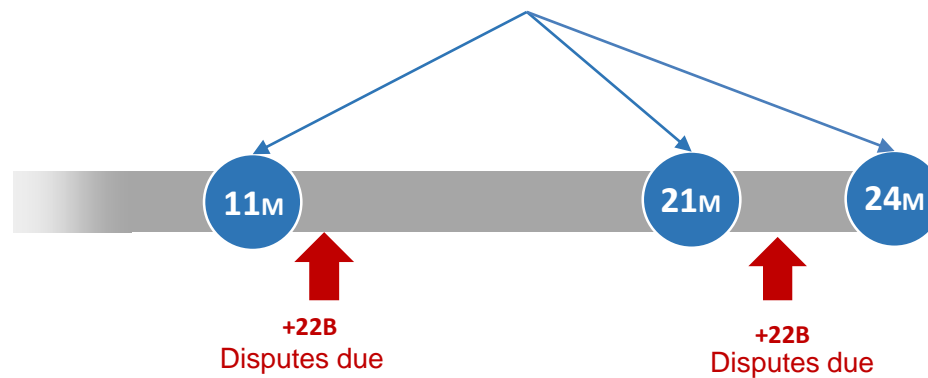
Proposal Overview

- Modify settlement timeline.
 - Proposal to re-align, consolidate, and extend the required settlement timeline within 70 business days after a trade date
 - Proposal to re-align and shorten the optional settlement timeline beyond 70 business days after a trade date
- Extend flexibility in publishing settlement statements and weekly invoices.

Modify Settlement Timeline

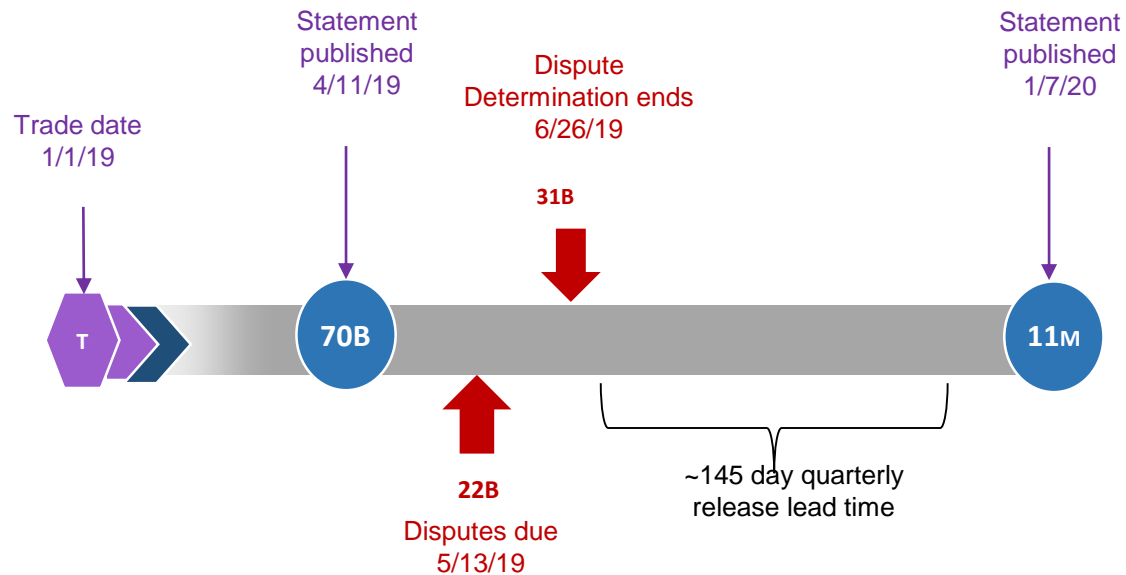


Optional statements

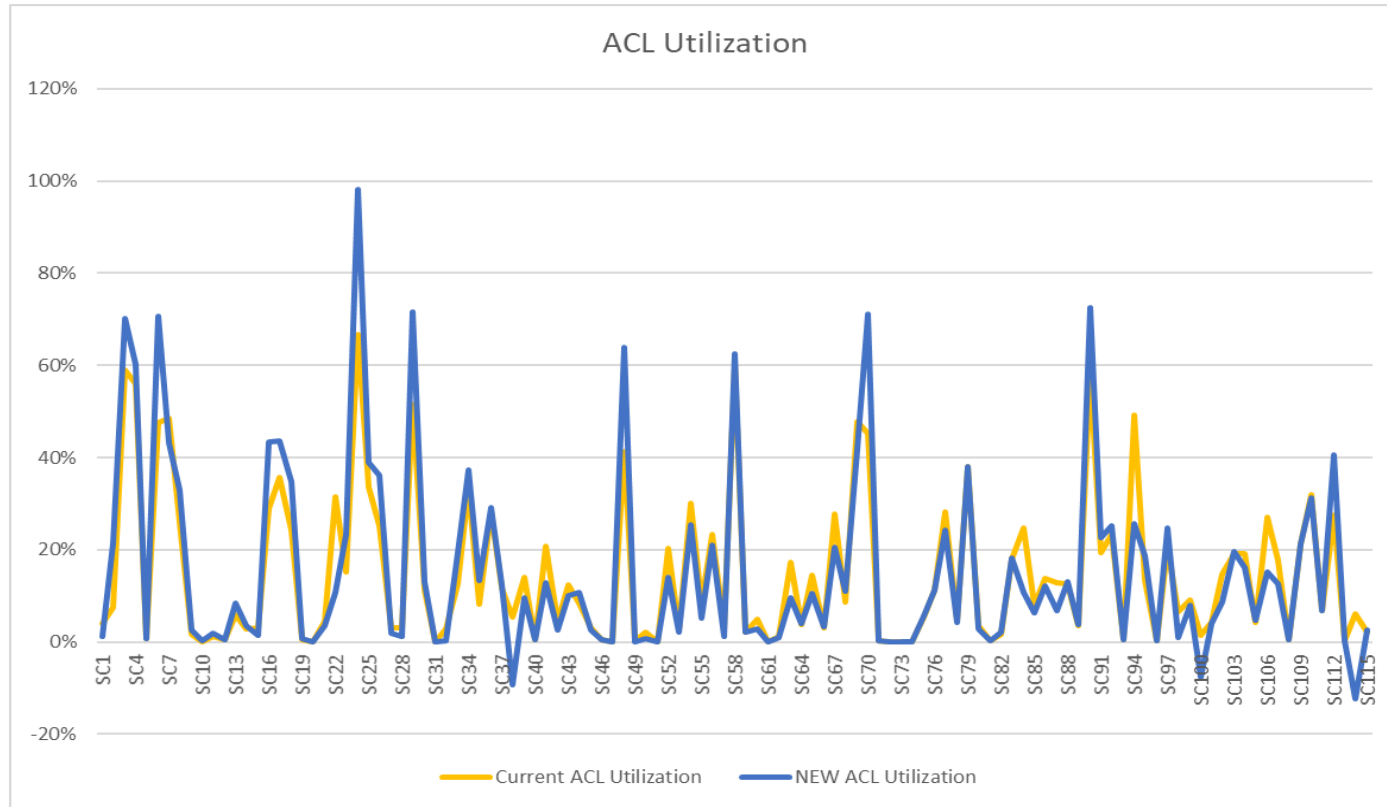


Alignment of T+70B and T+11M Statements

T+70B Dispute Resolution via Quarterly Release Timeline for Trade Date 1/1/19

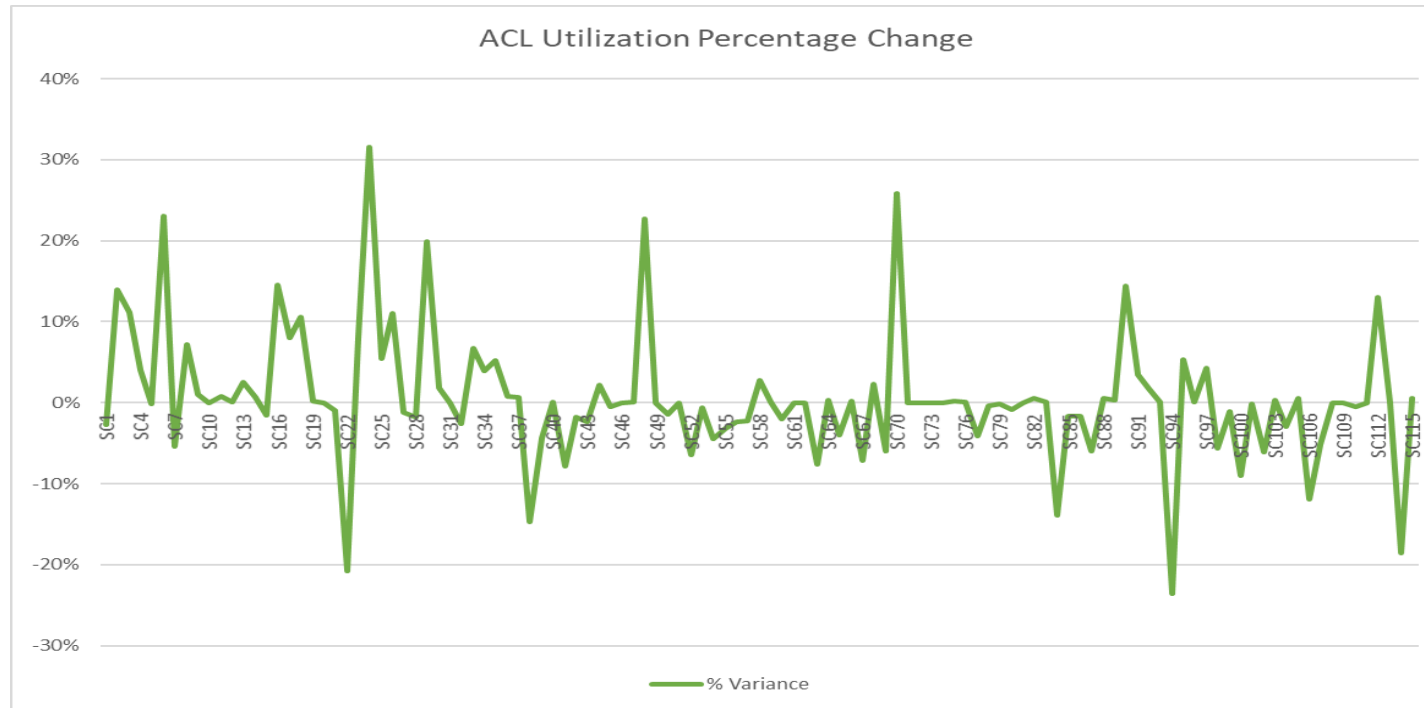


Estimated Aggregated Liability Analysis



Average EAL calculations against the maximum ACL

Aggregated Credit Limit Analysis



Maximum increase in ACL utilization was 32%, while the maximum decrease in ACL Utilization was 24%

Extend flexibility in publishing settlement statements and weekly invoices

- Clarify tariff provisions for flexibility in publishing settlement statements and weekly invoices
 - Invoices will be considered timely if published by 5:00 a.m. Thursdays.
 - For weekly invoices published after 5:00 a.m. on Thursdays, the invoice due dates will be adjusted to be 4 business days from that invoice date.
- Proposes to timely inform market participants of any expected delay.

In summary

- Modify settlement timeline.
 - Proposal to re-align, consolidate, and extend the required settlement timeline within 70 business days after a trade date
 - Proposal to re-align and shorten the optional settlement timeline beyond 70 business days after a trade date
- Extend flexibility in publishing settlement statements and weekly invoices.

Benefits

- Receive a more accurate initial statement
 - Initial statement will include:
 - Polled meter data and SC submitted meter data (including after-the-fact tags)
 - Day Ahead and Real Time price corrections
 - After-the-fact corrections such as exceptional dispatch
 - Participants can settle with 3rd party sooner
- The first recalculation statement will be more accurate because the ISO and market participants will have more time to resolve disputes
 - Provide an extra two weeks to resolve disputes

Benefits

- Improves certainty of participants' financial position.
- Save processing costs and data storage by reducing re-settlement frequency.

Energy Imbalance Market Governing Body classification

- Propose advisory role
 - Generally applicable to entire real-time market (and day-ahead market)
 - Not driven primarily by Energy Imbalance Market

Proposed Initiative Schedule

Date	Milestone
August 15, 2019	Revised Straw Proposal
August 22, 2019	Stakeholder Call
September 6, 2019	Stakeholder Comments due
September 23, 2019	Draft Final Proposal
September 30, 2019	Stakeholder conference call
October 10, 2019	Stakeholder Comments due
October 30, 2019	Energy Imbalance Market Governing Body
November 13-14, 2019	CAISO Board of Governors

Submit comments to initiativecomments@caiso.com