



## Stakeholder Comments Template

### Market Settlements Timeline

This template has been created for submission of stakeholder comments on the Revised Straw Proposal meeting that was held on August 22, 2019. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the [initiative webpage](#).

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business **September 6, 2019**.

Submitted by	Organization	Date Submitted
Zakary Liske, (916) 781-4265	NCPA	9/6/2019

**Please provide your organization's comments on the following issues and questions.**

#### 1. Modify settlements timeline

Please provide your organization's feedback on modifying the settlements timeline, as described in the Revised Straw Proposal. Please indicate Support, Support with caveats, Oppose, or Oppose with caveats. Please explain your rationale and include examples if applicable.

NCPA appreciates the opportunity to provide feedback to the CAISO regarding the Market Settlement Timeline initiative. While NCPA generally supports the CAISO's Revised Straw Proposal, there are several caveats that require further elaboration.

First, NCPA believes that, while moving the Initial settlement statement back from T+3B to T+9B will provide additional quality to the statement, this delay in delivering the initial statement is excessive. NCPA prefers that the CAISO take the approach outlined in the Issue Paper and Straw Proposal to publish Initial statements at T+7B and consider making the meter data submittal deadline T+5B, which, based on the most recently proposed timelines of T+7B for meter submittal and T+9B for Initial statements, should be a feasible two-business-day window. NCPA has assessed its internal processing timelines associated with its billing process and determined that the T+9B deadline will create significant staff constraints and create potential unfavorable cash flow timing for Members and Customers. NCPA fully supports more timely and accurate settlements, but believes there is a limit on the timeliness due to the already tight margins between clearing of CAISO-NCPA settlements and NCPA-

Member settlements. Further, NCPA is bound by several agreements that do not have any invoicing flexibility, and, if our only alternative approach is to delay the cash clearing between NCPA and our Members, then we are in a worse position than today and this would not be an improvement or effective initiative. In other words, the currently-proposed timeline for the initial settlement statement offers to NCPA Members none of the touted advantages of the CAISO initiative.

Second, NCPA is extremely appreciative that the CAISO will consider submitted data for WAC on the Initial statement. NCPA believes this is a meaningful improvement over the current implementation and will lead to more accurate settlements. In light of this, NCPA is also aware that many Market Participants are likely to have credit/collateral concerns related to pushing back Initial statement publication. One approach that may be of benefit to all involved would be to move WAC to a daily settlement that clears weekly instead of monthly that utilizes SC submitted data for Initial statements. NCPA Members and Customers have a diverse portfolio of load and generation, so energy costs are typically marginal, which makes WAC NCPA's most significant cost each month. Instead of clearing those costs once per month it may be beneficial to clear WAC weekly, which would ease some credit concerns and help accelerate when WAC is financially recognized.

In addition, as stated in comments to the original Straw Proposal, NCPA is in favor of an additional settlement statement between the initial statement and a first recalculation statement at T+70B. This time gap creates unnecessary time between the submission of a dispute and the fulfillment of said dispute on the next available settlement statement. NCPA acknowledges that complex disputes may require longer resolution times, and therefore, may not be available until T+70B, but notes that, in many cases, CAISO is aware of issues shortly after settlement execution, and that the resolution to such issues is often relatively rapid. Delaying proper accounting for customer cash based on this scenario is undesirable for Market Participants and their customers.

## **2. Extend flexibility in publishing settlements/weekly invoices**

Please provide your organization's feedback on the proposal to extend flexibility in publishing settlements/weekly invoices, as described within the Revised Straw Proposal. Please indicate Support, Support with caveats, Oppose, or Oppose with caveats. Please explain your rationale and include examples if applicable.

NCPA supports this aspect of the initiative with the following minor caveat: adjusting the invoice due date by 4 days if an invoice is published after 5:00 A.M. on Thursday needs to consider federal holidays as well – i.e., if the following Monday is a holiday, then CAISO should adjust the due date to five days.

## **3. Reduce administrative costs for low value disputes**

Please provide your organization's feedback on the proposal for reducing administrative costs for low value disputes, as described within the Revised Straw

Proposal. Please indicate Support, Support with caveats, Oppose, or Oppose with caveats. Please explain your rationale and include examples if applicable.

NCPA fundamentally opposes the CAISO's proposal to limit disputes to issues greater than \$100. This proposal is shortsighted and potentially masks any existing low dollar value issues that do not otherwise qualify for placeholder disputes.

Furthermore, the CAISO provided reasoning that there was an immaterial dollar amount of approved disputes less than \$100, which entirely abandons treating all Market Participants equitably. Large-scale participants would likely be unharmed due to sheer size alone, but small-scale participants who do not have the same size are completely overlooked.

In addition, in stakeholder comments and conference calls, the IOUs expressed similar concern that limiting disputes to an arbitrary dollar amount is not a wise precedent.

NCPA respectfully requests that the CAISO reconsider this limitation, and asks instead that the CAISO continue to work through its defect backlog and improve the quality of its processes, particularly the output of its market systems, in order to address what are real dispatch or settlement issues, while at the same time not discriminating against smaller Market Participants, which the current proposal clearly does.

### **Additional comments**

Please offer any other feedback your organization would like to provide on the Revised Straw Proposal.

As part of this process, NCPA would like the CAISO to provide some additional information for reference. First, it would be helpful for the CAISO to further elaborate on the potential and feasibility of integrating the payment calendar into an API – NCPA does not view this as an implementation detail, but as a separate provision of data by the CAISO that should be available to all Market Participants. Second, while the draft payment calendar provided as part of this initiative is helpful, it would be much appreciated if the CAISO can provide a tentative cut-over schedule and calendar so that Market Participants can begin to assess how they will converge their processes on the current timeline to the revised timeline.