



Market Settlement Timeline

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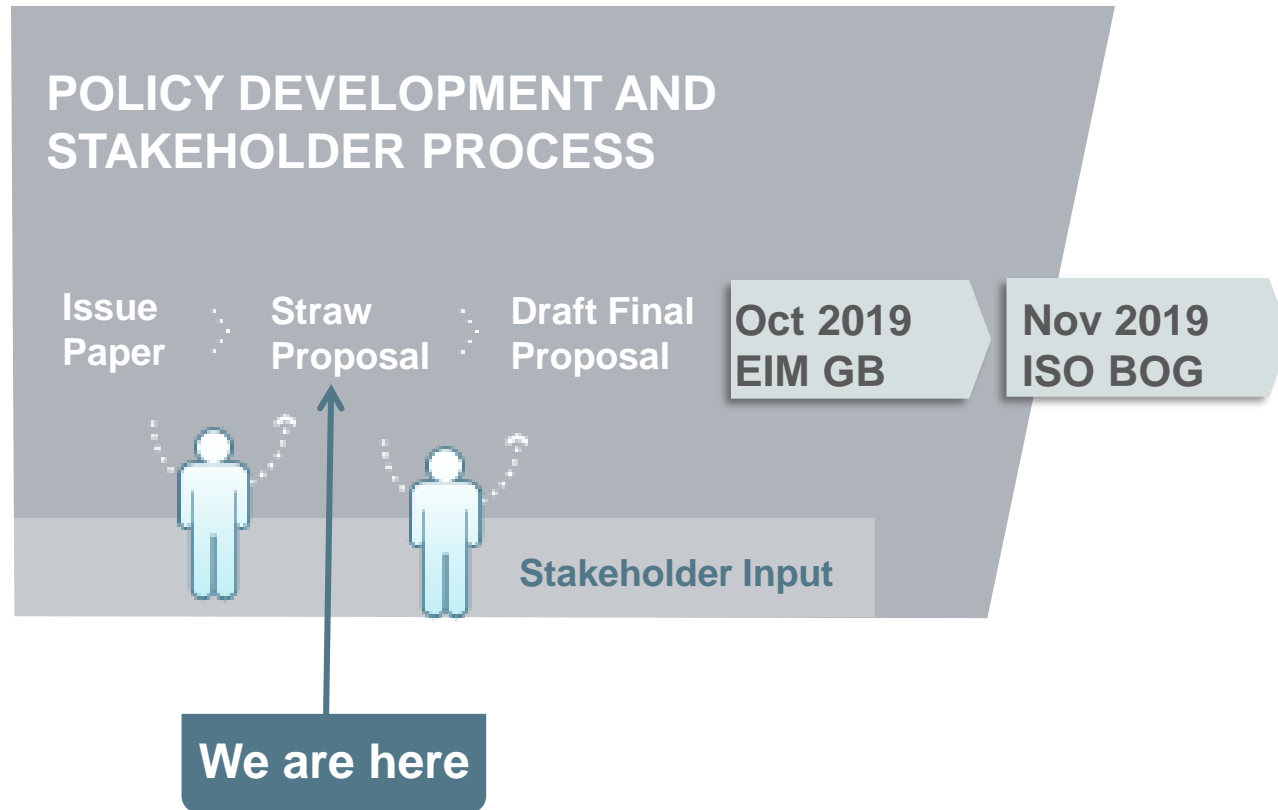
Director of Market Services

June 13, 2019

Agenda

Time	Topic	Presenter
10:00	Welcome / policy process	Kristina Osborne
10:15	Review issue paper and straw proposal	James Lynn
11:50	Next steps	Kristina Osborne

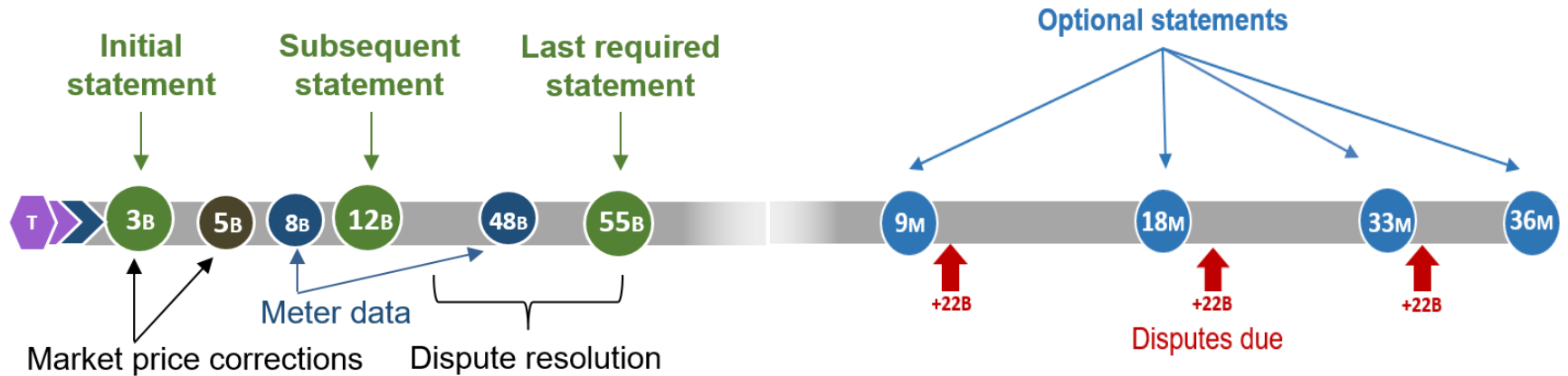
ISO Policy Initiative Stakeholder Process



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
- Reduce CAISO and market participant administrative costs associated with low-value recalculation efforts

Current settlement timeline



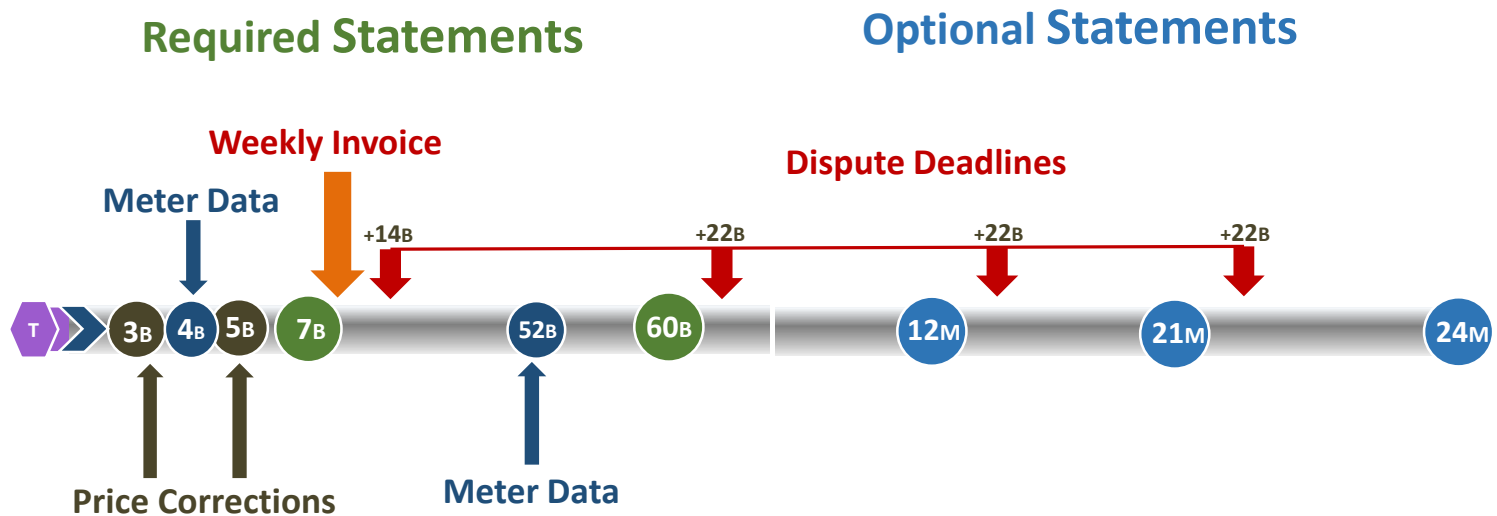
Current settlement timeline is compressed causing various issues

- Financial swing between initial and subsequent recalculation statements
 - Initial reflects estimated meter data and does not include important corrections such as price corrections and exceptional dispatch energy values
 - Market participants settle the initial statement with the CAISO, but some market participants wait until subsequent recalculation statement to bill their customers causing them to float their financial obligation
- Mitigation and system issues often cause the CAISO to delay publications
 - In 2018, CAISO delayed the publication of initial statements 8% of the time
 - Shortens participants' internal timelines

ISO and market participants incur a high resettlement effort for small financial adjustments

- Two recalculation statements are required, four are optional
- ISO initially anticipated the optional recalculation statements would be infrequent
- CAISO consistently publishes most of the optional recalculation statements
- While there are valid reasons to resettle, the resettlements only impact 2% of market transactions after the last required recalculation statement
- The CAISO and market participants incur additional cost and effort processing, analyzing, validating, and storing multiple recalculation statements
- The cost of processing dispute adjustments for small dollar amounts is greater than the actual resettlement

Proposed settlement timeline



Proposals

- Settlement timeline changes as described in previous slides
- Extend flexibility in publication of weekly invoices
- Establish a revenue/charge threshold for submitting disputes

Benefits

- Receive a higher quality initial statement
 - Initial statement will include:
 - Polled meter data and SC submitted meter data (including ATF tags)
 - DA and RT price corrections
 - ATF corrections such as exceptional dispatch
 - Participants can settle with 3rd party sooner
- The first recalculation statement will be of higher quality and accuracy because the CAISO will have more time to resolve disputes
- Save processing costs and data storage by reducing resettlement frequency
- Improves certainty of participants' financial position
- Minimize resettlement and reduce administrative costs through dispute threshold

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
June 10, 2019	Issue paper and straw proposal
June 13, 2019	Stakeholder call
June 27, 2019	Stakeholder comments due
July 2019	Revised straw proposal
August – September, 2019	Draft final proposal
October 30, 2019	Energy Imbalance Market Governing Body
November 13-14, 2019	CAISO Board of Governors

Submit comments to initiativecomments@caiso.com