



Decision on Settlement Modifications for Payment Acceleration

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Payment acceleration begins the first of November

- Provides settlement benefits
 - Reduces initial settlement timeline 38 business days to 7
 - Reduces cash clearing timeline 80 calendar days to 25
 - Changes invoicing from monthly to semi-monthly
- Dry run period underway and going well
 - Currently in the second of a three month dry run period
 - Two minor neutrality issues identified with semi-monthly invoicing
 - Participating Intermittent Resource Program (PIRP)
 - Congestion Revenue Rights (CRR)

When invoicing semi-monthly, PIRP month-end netting causes bias.

- Currently, uninstructed deviations are:
 - Exempt from daily charges and allocations
 - Trued up through month-end netting
 - Charged to net negative deviators
- Issues caused with semi-monthly invoicing:
 - Over or under collection of charges
 - Non-neutral settlement on mid-month invoice

In addition, when invoicing semi-monthly, current CRR settlement also causes bias.

- Currently, CRR entitlements are:
 - Comprised of both daily and monthly charges
 - Funded by day ahead congestion revenues
 - Distributed imbalances through month-end CRR balancing account

- Issues caused with semi-monthly invoicing:
 - Congestion revenues might be higher or lower than entitlements
 - Non-neutral settlement on mid-month invoice

Proposed resolutions solves accounting issues without negative impact to participants.

- Convert PIRP deviation charges and cost allocation to daily charge codes
 - Neutrality is achieved on semi-monthly invoice
 - Exemptions re-established at the end of month
 - No monetary consequences to PIRP participants
- Convert CRR balancing account from a monthly to daily charge code
 - Neutrality is achieved on semi-monthly invoice
 - No financial impact to CRR holders

ISO and stakeholders vetted proposed resolution.

- ISO
 - Posted white paper with recommendations
 - Reached out to participants to gain understanding and feedback
- Participants
 - Understand the need for change
 - Understand no financial impact
 - Accept proposed modification