

Stakeholder Comments Template

Subject: Payment Acceleration Proposal

This template has been created for submission of stakeholder comments on the following topics in regards to Payment Acceleration. Upon completion of this template please submit (in MS

Submitted by	Company	Date Submitted
Caroline Emmert – 317-344-7154	ACES Power Marketing, Inc.	10/24/2008

Word) to pacceleration@caiso.com. Submissions are requested by close of business on October 24th, 2008.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. Bifurcation of DA/RT, Estimation & Settlement Timeline Options

During the Payment Acceleration Stakeholder meeting on October 16th, 2008, alternatives were discussed in regards to the Settlements timeline, estimation, and bifurcation of DA/RT settlements. The following options were discussed:

- Option #1 - Add a Settlement calculation at T+9B (in addition to the proposed 'DA only' calculation at T+2B). This would provide a settlement run for RT charges prior to the proposed T+50B timeline, as well as allow for a DA/RT bifurcation at T+2B. The T+9B calculation would use one of the following estimation options absent polled or SC submitted data availability:
 - DA IFM Schedules Only
 - DA IFM + adjustment based on CAISO Actual Load
 - Current Credit Liability Meter Data estimation (uses the IFM DA schedule and adder of +/- 10% factor (or other % Factor).

In addition, T+9B would replace the T+7B credit run.

- Option #2 - Replace the proposed T+2B DA Only Settlement calculation with a T+5B calculation that includes both DA and RT charge codes. The T+5B calculation would use an estimation methodology based upon hourly load forecast data, which is used for all real-time load settlement calculations prior to receiving actual meter data. In addition, T+5B would replace the T+7B credit run.

	Timeline	Estimation
Option #1	T+2B – DA Only T+9B – DA &RT T+50B – 1 st true-up T+100B – 2 nd true-up	One of three proposed options (i.e. DA IFM schedules)

	T+18M - 3 rd true-up T+35M - 4 th true-up	
Option #2	T+5B – DA &RT T+50B – 1 st true-up T+100B – 2 nd true-up T+18M - 3 rd true-up T+35M - 4 th true-up	DA schedules + hourly load forecast data

Please provide comments on these options:

- Option 2 provides for timely settlement statement publication, but neither of the options address when funds would actually clear. Adding a settlement at 9 business days is redundant, unless it is used in place of the 5th business day. Under Option 2 and following the preference for keeping a full month of trade dates within one invoice would dictate that Invoices and Payment advices be issued on the 5th or 9th business day following the end of the month (to coincide with the publishing of the statement for the last day of the month). Financial clearing would take place 5 or 9 business days following invoicing. This would be acceptable.
 - APM also suggests that the 1st true-up be performed closer to the current Preliminary Settlement date where meter data is submitted by the 45th calendar date and the statement would publish at 38 business days. By implementing Statements at the 5th business day, then again at the 38th business day, the only real change to the current process would be the addition of the 5th (or 9th) business day Statement.

2. Methodology for Estimating Meter Data

SCE has suggested the CAISO to seek additional alternatives to the three estimation options presented on September 18th. In particular, SCE recommends the CAISO to investigate the meter estimation methodology used by the New York ISO. It is their understanding that the NYISO methodology is based upon hourly load forecast data which is used for all real-time load settlement calculations prior to receiving actual meter data. NYISO has been using this methodology since its market inception in 1999 and may provide the CAISO with a fair and viable alternative to the estimation approaches currently being proposed.

CAISO is exploring this option. Would you support an estimation methodology based on hourly load forecasts?

- APM would support such an estimation methodology.

3. Implementation Schedule

Do you support the phased implementation approach discussed in the October 16th Stakeholder Meeting? Assuming invoicing remains the same as the MRTU

implementation (monthly at month-end) could you support an accelerated timeline within 1-3 months post MRTU go-live?

- APM does not have any problem with accelerating the timeline for implementing Payment Acceleration, providing that the invoicing remains at the monthly level (see Option 2 comments above). Additional provision would be that MRTU is successfully operating with no payload issues through settlements, with few disputes. Suggestion would be to run MRTU successfully for a minimum of two full months before implementing Payment Acceleration.

4. **Invoicing**

Would you support an invoice solution that meets the following criteria?

- Does not mix initial and true-up statements from previous accounting months
- Includes trade dates from a specific month only, but not necessarily includes trade dates that encompass a full month (i.e. could include a partial month).
- Monthly charges are on invoice that included the month end date.

Please provide detailed examples of your preferred invoicing solution.

- First bullet – APM would definitely support and approve of this
- Second bullet – Partial month settlements would not be supported by APM (i.e., weekly or bi-weekly invoicing)
- Third bullet – APM supports the inclusion of all monthly charges with all other charges for that month, and further recommends that monthly charges be incorporated into the last statement for the month (same as it works today).

5. **Other Comments?**

(Submit Comments Here)