

# Stakeholder Comments Template

## Subject: Payment Acceleration Proposal

Submitted by	Company	Date Submitted
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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 Word) to [pacceleration@caiso.com](mailto:pacceleration@caiso.com). Submissions are requested by close of business on October 14th, 2008.

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

### 1. Bifurcation of DA/RT Settlements

During the Payment Acceleration Stakeholder meeting on August 19<sup>th</sup>, 2008, Calpine presented a proposal to bifurcate the DA/RT settlements (proposal was posted for MP review on 8/20/08). CAISO is conducting an impact analysis on this proposal and to date has concluded the following:

- No legal or policy issues exist that would prevent a DA/RT market settlement bifurcation.
- System and process impacts exist, however; CAISO feels they are manageable.
- Due to system/process impacts, implementation would occur post MRTU go-live.
- Complexity of Meter Estimation is eliminated.

Please provide comments on any impacts this proposal would have on your systems and/or processes.

*Dynegy believes the bifurcation would result in additional coding to Dynegy's market interface software product, and additional work on the shadow settlement process, but little change in accounting settlements.*

### 2. Methodology for Estimating Meter Data

CAISO held a conference call on September 18<sup>th</sup>, 2008 to discuss potential methodologies for estimating Meter Data at T+5B absent polled or SC submitted data availability. Options discussed are listed below:

- Using DA IFM Schedules Only
- Using DA IFM + adjustment based on CAISO Actual Load

- Use current Credit Liability Meter Data estimation (uses the IFM DA schedule and adder of +/- 10% factor (or other % Factor).

Dynegy supports estimating meter data using DA IFM schedules only.

### 3. Guidelines for SC submitted T+5B Meter Data

- “measurement file” guideline vs. SQMD requirement
- Determining accuracy for SC submitted “measurement file” or SQMD
- Responsibilities for compliance for SC submitted “measurement file” or SQMD

Dynegy would support submittal of generation/load data to CAISO, but doing so would require the new interfaces to upload this data to CAISO. Internal sources at CAISO may be more reliable and expedient.

### 4. In cases where Meter Data estimation is used, do you support applying interest charges on the variation between initial & true-up statements?

No.

### 5. Implementation Schedule

Would you support a manual invoicing process to accelerate payments and cash clearing on an interim basis until the final Payment Acceleration solution can be implemented post MRTU go-live? The manual process would not require any SaMC external interface changes. It would be based on pre-payment of DA charge codes and be reflected on the SaMC invoice.

A manual invoicing process would require additional work to Dynegy's market interface product and to Dynegy's shadow settlement processes. At this time Dynegy does not know the full extent of that work and cannot determine if such work would make business sense.

### 6. Invoicing Options

Please comment on the following invoice preference:

- Monthly on a fixed date - i.e.) 20<sup>th</sup> of every month
- Proposed – 3<sup>rd</sup> Tuesday of each month
- Semi-Annual or Weekly

Mixing Initial & True-up Statement across Different Accounting Months on same invoice.

Dynegy prefers a fixed monthly date. Mixing initial and true-up statements from different accounting months on the same invoice will add complexity that Dynegy has not yet fully evaluated and considered.

### 7. Other Comments?

Dynegy strongly supports the CAISO's efforts to accelerate the payment cycle. Accelerating payments will greatly reduce credit risk in the CAISO markets.