

# **Stakeholder Comments on: The CAISO's Payment Acceleration Project**

<b>Submitted by (Name and phone number)</b>	<b>Company or Entity</b>	<b>Date Submitted</b>
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Southern California Edison Company ("SCE") hereby submits its initial comments on the California Independent System Operator's ("CAISO") Payment Acceleration.

## **Introduction**

SCE appreciates the opportunity to comment on the CAISO's Payment Acceleration presentation ("Payment Acceleration"), and would like to provide initial comments on the following areas: 1) Entrance Criteria and 2) Exit Criteria.

### **I. Entrance Criteria:**

1. Publish detailed final business and technical documentation for the components of:
  - BPM for the new charge code(s) that support Payment Acceleration, such as the charge code to assess interest
  - BPM for submitting estimated meter data on T+5B
  - BPM for modifying SC's estimated meter data, if applicable, when the total submitted meter estimates fall short of the total actual load
  - BPM for the new settlements, billing and invoicing requirements under Payment Acceleration
  - Updated settlements and invoicing calendar
  - Updated API and technical specifications, as needed, to retrieve the new statements and invoices produced in Payment Acceleration
  
2. Retain and make available to stakeholders historical estimated meter data submitted on T+5B.

Moreover, if the CAISO makes any necessary adjustments within its billing system to SC's estimated meter data, the CAISO will need to retain the original historical estimated meter data submitted by SC, adjusted estimated meter data and the subsequent actual meter data.

## II. Exit Criteria:

1. For MRTU Production Exit Criteria, SCE requests the CAISO to demonstrate stability and accuracy with both invoicing and settlement statements. The measurement methodology for evaluating stability and accuracy should be achieved through the CAISO's stakeholder process. The following are suggested measurement metrics that could be used for invoicing and settlement statements:

### Stability:

Invoicing:

- Publish initial invoices for April – July 2009
- Publish true-up invoices for April- June 2009

Settlement Statements:

- Publish T+38B settlement statements for April – July 2009
- Publish T+51B settlement statements for April – June 2009

### Accuracy:

Invoicing:

1. Verify all invoice amounts displayed on the invoice are a result of aggregating the daily charges codes for the corresponding settlement month. If discrepancies occur, the CAISO must provide an acceptable explanation (i.e. rounding).

Settlement Statements:

2. Ensure market settlement results follow business rules as documented in the CAISO's Settlements BPM.
  - Stakeholders can use their shadow settlement systems to validate settlement results follow business rules.
3. Verify that individual charges codes are producing results within a realistic and expected range.
  - A potential measurement metric could be associated with the number of disputes (relating to charge code errors) that are submitted by Market Participants.
4. Review differences between T+38B and T+51B settlement statements.
  - Significant differences between statements that are not a result of meter data changes are troublesome and should be investigated and addressed by CAISO prior to moving forward with PA. Moreover, the CAISO needs to work with market participants in developing thresholds to define boundary to be considered as large amount.

2. Demonstrate successful dry runs with both invoices and settlements based on the following<sup>1</sup>:
  - Develop a controlled environment for SC's to test the submission of estimated meter data.
  - Production of 2 full settlement months of T+7B, T+38B, T+76B settlement statements, timely, completely and accurately
  - Production of 2 full settlement months of Initial Invoice (which is a total 4 invoices of 2 split-months), timely, completely and accurately
  - Production of 2 full settlement months of T+38B Invoices, timely, completely and accurately
  - Production of 2 full settlement months of T+76B Invoices, timely, completely and accurately
  - Stakeholder Verification, using shadow settlement systems, that charge code results are calculated per BPM based on estimated meter data.

The following are examples to illustrate dry run criteria for both invoices and settlements statements<sup>2</sup>:

Invoicing:

- Publish bi-monthly invoices for April and May of 2009.
- Publish 1st true-up (T+38B) and 2nd true-up (T+76B) for both April and May 2009.

Settlement Statements:

- Publish T+7B settlement statements for April and May of 2009.
- Publish T+38B and T+76B settlement statements for April and May 2009.

3. Demonstrate successful interest calculations between the Initial Statement & the First True-up Statements and also between the Initial Statement & Second True-up Statements.
4. If a dry run failed to produce accurate statements/invoices, the CAISO will need to rerun the settlement process until accurate statements/invoices can be substantiated (in contrast to the current market simulation where CAISO simply states that they know why it did not work and not go back to redo and still count it as a complete and successful simulation).

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<sup>1</sup> Given the likelihood that stakeholders will not be submitting disputes on the PA dry run statements SCE encourages the CAISO to consider expediting the publishing of the T+76B statements and invoices closer to T+51B. This should allow for stakeholders to get results through the 2<sup>nd</sup> true-up invoice (3<sup>rd</sup> actual invoice) while keeping a target deployment date of 6-months after MRTU go-live.

<sup>2</sup> SCE recommend the CAISO benchmark Payment Acceleration dry runs against actual production months in MRTU (April & May 2009).