



California ISO

Revised Settlement Statements and Dispute Timeline for T+35M

Straw Proposal

December 07, 2015

1. Summary

For each trading day, the ISO issues an initial settlement statement three business days later, followed by a series of recalculation settlement statements that reflect incremental changes as additional data becomes available and disputes are resolved. This process concludes with a final recalculation settlement statement that is not subject to dispute or further adjustment, except as directed by FERC or the ISO Board of Governors. This final settlement statement is issued three years after the trading date.

For the second-to-last of these recalculation settlement statements, issued 35 months after the trading day (the “T+35M recalculation settlement statement), the tariff currently allows market participants five business days to submit any dispute. The ISO is proposing to accelerate this statement from 35 months after the trading day to 33 months. The purpose of this change would be to allow market participants additional time to review and dispute this statement.

The ISO seeks stakeholder comment on this proposal.

2. Schedule for policy stakeholder engagement

Date	Event
Monday, December 07, 2015	Straw proposal posted
Monday, December 14, 2015	Stakeholder call
Monday, January 04, 2016	Stakeholder comments due
TBD	Revised straw proposal posted
TBD	Stakeholder call
TBD	Stakeholder comments due
TBD	Draft final proposal posted
TBD	Stakeholder call
TBD	Stakeholder comments due
TBD	Board of Governors meeting
TBD	FERC filing

3. Background

The ISO tariff currently allows market participants five business days to submit any dispute of a T+35M recalculation settlement statement. In September, a number of ISO market participants filed pleadings at FERC stating that this deadline is too short. See comments filed September 25, 2015 in Docket No. EL15-94. In response to those comments, the ISO undertook to propose changes to the settlement timeline that would allow additional time to review this statement.

The tariff allows longer dispute deadlines for recalculation settlement statements issued earlier in the settlement process, before the T+35M – approximately two to four weeks. The T+35M has a uniquely short review period that is necessary to identify and resolve disputes before the final recalculation settlement statement at T+36M. However, if the ISO revised the settlement and dispute timeline, it would be possible to extend the review period for the T+35M.

4. Proposal for new recalculation settlement statements and settlement dispute timeline

The ISO is proposing to change the publication of settlement statements and dispute timelines for the T+35M recalculation settlement statements as summarized in the Table 1 and Table 2 below.

Table 1
Current Settlement Statement and Dispute Timeline

Settlement Statement	Settlements Cycle	Dispute Timeline
Initial Settlement Statements	T+3B	None
Recalculation Settlement Statements	T+12B	14 Business Days
Recalculation Settlement Statements	T+55B	22 Business Days
Recalculation Settlement Statements	T+9M (T+194B)	22 Business Days
Recalculation Settlement Statements	T+18M (T+383B)	22 Business Days
Recalculation Settlement Statements	T+35M (T+737B)	5 Business Days
Recalculation Settlement Statements	T+36M (T+759B)	No dispute allowed by SC/CRR holders, and no further adjustments except directed by CAISO Gov. Board or FERC

Table 2
Proposed Revised Settlement Statement and Dispute Timeline

Settlement Statement	Settlements Cycle	Dispute Timeline
Initial Settlement Statements	T+3B	None
Recalculation Settlement Statements	T+12B	14 Business Days
Recalculation Settlement Statements	T+55B	22 Business Days
Recalculation Settlement Statements	T+9M (T+194B)	22 Business Days
Recalculation Settlement Statements	T+18M (T+383B)	22 Business Days
Recalculation Settlement Statements	T+33M (T+693B)	22 Business Days
Recalculation Settlement Statements	T+36M (T+759B)	No dispute allowed by SC/CRR holders, and no further adjustments except directed by CAISO Gov. Board or FERC

5. Factors to Consider

Comments filed in FERC Docket No. EL15-94 indicate that several market participants would prefer the proposed alternative timeline that is summarized in Table 2, because it allows more time to review and submit disputes on the second-to-last

settlement statements. If market participants as a whole agree with that change, the ISO would move ahead with implementation.

A possible countervailing consideration is that the proposed change would allow less time to resolve disputes, such as negotiations (GFNs) or arbitrations about earlier settlement disputes. This factor does not seem significant, though, as the proposal would reduce the time available by only two months out of nearly three years.

A transition period would be required, during which the ISO and market participants would need to review and process an additional set of settlement statements – i.e., both the T+35M and the new T+33M. The ISO believes that it can minimize any complications or additional work by selecting the transition period carefully to generally avoid trading days that are subject to adjustment. Accordingly, the ISO does not believe this is a significant factor either in weighing the proposal.

6. Next Steps

The ISO will discuss this straw proposal with stakeholders at stakeholder call meeting on December 14, 2015. Stakeholders should submit written comments by January 04, 2016 to InitiativeComments@caiso.com.