

Bonneville Power Administration Comments

Market Settlement Timeline Issue Paper and Straw Proposal

Submitted by	Organization	Date Submitted
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Bonneville Power Administration (Bonneville) appreciates the opportunity to comment on the Issue Paper and Straw Proposal for the Market Settlement Timeline and CAISO's effort to streamline settlements.

Bonneville is a federal power marketing administration within the U.S. Department of Energy that markets electric power from 31 federal hydroelectric projects and some non-federal projects in the Pacific Northwest with a nameplate capacity of 22,500MW. Bonneville currently supplies 30 percent of the power consumed in the Northwest. Bonneville also operates 15,000 miles of high voltage transmission that interconnects most of the other transmission systems in the Northwest with Canada and California. Bonneville is obligated by statute to serve Northwest municipalities, public utility districts, cooperatives and other regional entities prior to selling power out of the region.

While Bonneville generally supports the proposed changes, Bonneville has a number of comments and questions on the implementation of the proposal, which are described below.

Settlement Timeline Proposals

In the June 11, 2019, Straw Proposal, the CAISO proposes the following:

- replace the T+3B statement with a T+7B statement
- eliminate the T+12B statement
- replace the T+55B statement with a T+60B statement
- replace the T+9M, T+18M, and T+33M resettlement statements with T+12M and T+21M resettlement statements
- move the final (non-disputable) statement up to 24 months from 36 months.

Bonneville would like the CAISO to clarify the justification for lengthening the time between the "final" settlement statement and the first resettlement statement by eleven weeks (T+55B to T+9M is a difference of 25 weeks, whereas T+60B to T+12M is a difference of 36 weeks). This proposal results in nearly a three month lag for entities to

receive any resettlements from the T+60B statement. BPA would like to determine if this modified timeline would have a significant financial impact on the resettlement with entities' customers (i.e. what is the anticipated dollar magnitude of resettlements between the T+60B and T+12M statements?).

Meter Information Proposal

The CAISO proposes to move up the time for providing settlement quality meter data from T+8B to T+4B days.

Bonneville would appreciate if the CAISO could comment on the expected quality of the settlement quality meter data received 4 business days sooner than was previously the case. Is the CAISO confident that the meter data provided at T+4B days is sufficiently accurate to avoid large swings in data and prices when compared to the current T+8B requirement? It would be helpful if the CAISO would provide statistics on the settlement quality meter data accuracy delta from T+4B to T+8B from the past six months. If the T+4B data is of a lesser quality than the T+8B meter data, then it appears the CAISO may not be achieving its stated objective of issuing higher quality initial settlements statements to customers.

Dispute Timeline Proposals

In the Straw Proposal, CAISO proposes the following dispute windows for the new settlement timeline:

- Disputes over the T+7B settlement are due in 14B days.
- Disputes over the T+60B, T+12M, and T+21M are due 22B days after the respective settlement is issued.

Bonneville appreciates CAISO's efforts to perform settlements on quality data and to expeditiously resolve disputes, but believes additional time should be added to dispute the relevant settlement statements. Bonneville supports adding 7B days to the end of each dispute period. Thus, the T+7B day dispute period would be for 21B days; the T+60B et al., should be 29B days. The new timelines provide significant time for CAISO to review and revise settlement statements. The CAISO will also be issuing changes to settlements less frequently, which will likely mean larger changes in settlement statements to customers when they occur. Just as the CAISO is taking more time to review settlements, customers should also be given an adequate opportunity to review the settlement statements and additional time to investigate changes from prior settlements.

Proposed Dispute Threshold

In the June 11, 2019, Straw Proposal, the CAISO is proposing to only consider disputes of amounts greater than \$100 unless the dispute is an approved place-holder.

Bonneville believes additional clarification is needed on the proposal to limit disputes to a \$100 threshold. Bonneville has six questions and comments regarding this proposal.

1. Does the \$100 threshold apply to each statement, each award, each dispute, or each MWh? The proposal should be clarified as to what the \$100 threshold applies to.
2. What savings will the CAISO see when it determines that a dispute is not worth \$100? If the CAISO staff have to investigate the issue (i.e., dispute was for \$10,000, but after investigation, the amount in error is only \$99), then hasn't the CAISO already expended its resources and time to reach a resolution?
3. Has the CAISO considered the impact of this proposal on EIM Entities? EIM Entities are required by their respective Tariffs to bring disputes raised by their Transmission Customers regarding EIM-related charges to the Market Operator. None of the EIM Entities' tariffs contain a similar dollar threshold. Unless each EIM Entity modifies its tariff's dispute provisions to include a similar \$100 limit, EIM Entities may be forced to give a remedy to their Transmission Customers, while not receiving a remedy from the CAISO.
4. To what extent does limiting the dispute threshold to \$100 impact EIM Entities over extended periods of time (e.g. one year, three years, etc.)? In order to resettle any dispute with an Entity, the CAISO must collect or pay other Entities as appropriate to "fund" the dispute. Is the CAISO able to provide the financial impacts existing EIM Entities would have experienced (both positive and negative) had the \$100 dispute threshold been in place over the past two years (such as the number of disputes filed under \$100 per Entity, the total resettlement amount of charges each Entity would have incurred from disputes \$100 or less regardless of which Entity filed the disputes, and the total resettlement amount of credits each Entity would have incurred from disputes \$100 or less regardless of which Entity filed the disputes)?
5. What criteria are used to approve a "place-holder dispute", and what happens to disputes that are denied "place-holder" status? The CAISO should provide more detail on what this process entails, what constitutes a "place-holder dispute",
6. Why isn't market participant self-regulation a sufficient deterrent to filing trivial settlement disputes? As CAISO notes, the work involved with revising and reviewing settlement statements is time consuming and expensive for both market participants and CAISO.

Tariff or Business Practice

Section 3 of the Straw Proposal indicates that the proposal will require Tariff changes. But the schedule contained in the proposal does not include a FERC filing. Please clarify if CAISO intends to make proposed changes to its Tariff, Business Practice, or both?