Settlements & Billing

Configuration Guide: RC Services Late Payment Penalty

**CC 5702**

 Version 5.0

Table of Contents

1. Purpose of Document 3

2. Introduction 3

2.1 Background 3

2.2 Description 3

3. Charge Code Requirements 4

3.1 Business Rules 4

3.2 Predecessor Charge Codes 4

3.3 Successor Charge Codes 5

3.4 Inputs – External Systems 5

3.5 Inputs - Predecessor Charge Codes or Pre-calculations 5

3.6 CAISO Formula 5

3.7 Outputs 5

4. Charge Code Effective Date 6

# Purpose of Document

The purpose of this document is to capture the requirements and design specification for a Charge Code in one document.

# Introduction

## Background

The CAISO serves as the reliability coordinator (RC) for entities within its balancing authority area (BAA), and offers to serve as the RC for other balancing authorities (BAs) in the western interconnection, including transmission operators (TOPs) within those BAs. The revenue required to offset the costs that the CAISO incurs to provide RC Services is the “RC Funding Requirement”.

The RC Funding Requirement consists of the annual costs associated with the CAISO’s provision of RC Services, including the annual costs associated with maintaining shared reliability coordinator tools such as the Western Interchange Tool and the Enhanced Curtailment Calculator. The CAISO determines the RC Funding Requirement based on the percentage of its overall revenue requirement attributable to the cost of providing RC Services. This percentage is updated in conjunction with the triennial cost of service study conducted by the CAISO. The RC Funding Requirement is calculated, on an annual basis, as the product of this percentage multiplied by the annual revenue requirement for the same year.

To recover the RC Funding Requirement, the CAISO will calculate an RC Services rate annually, effective January 1 each year. The CAISO will calculate the RC Services rate by taking the annual RC Funding Requirement, less any known minimum RC Services charge for the applicable year, and dividing the RC Funding Requirement by the sum of (1) the annual Net Energy for Load (NEL) MWh for all BAs with load and TOPs and (2) the annual Net Generation (NG) MWh for all generators connected to generation-only BAs and TOPs that the CAISO anticipates will take RC Services for the applicable year.

The CAISO allocates its own RC Services Charge to RC Customers that are located in the CAISO’s BAA and Scheduling Coordinators that serve load in the CAISO BAA based on their share of the total NERC/WECC Metered Demand in MWh for the CAISO Balancing Authority Area.

## Description

Payment for annual RC Services Invoices are due by 21 Business Days from the date the invoice was issued. If payment is not received by the last day in January of the RC Services assessment year, then a late payment penalty will be assessed. The RC Services Late Payment Penalty (CC 5702) calculates the late payment penalty charged to RC Customers who do not make payment by the due date. The penalty is a one-time $1,000 charge appearing on a supplemental RC Services statement and invoice.

# Charge Code Requirements

## Business Rules

| Bus Req ID | Business Rule |
| --- | --- |
| 1.0 | The RC Services Late Payment Penalty (CC 5702) is a one-time charge billed and invoiced monthly on supplemental RC Services invoices as required. |
| 1.1 | Federal entities that make monthly payments of 1/12 of the annual invoiced amount are subject to a late payment penalty for each instance of failing to pay by the due date per the Reliability Coordinator Service Agreement. |
| 2.0 | This penalty is applicable to RC Customers not within the CAISO footprint, which can be Balancing Authorities or transmission operators who have requested direct billing for RC Services. |
| 3.0 | This charge appears on supplemental RC Services statements and invoices. |
| 3.1 | Payment for any RC Services invoice is due within 21 business days from the invoice date. |
| 4.0 | The CAISO will issue the RC Services Charge-related statements and invoices separately from CAISO market statements and invoices. |
| 5.0 | The RC Services Late Payment Penalty is $1,000. |
| 6.0 | RC Customers shall be prohibited from disputing any RC Charges, except on grounds that an error in the invoice is due to a mere typographical or other ministerial error by the CAISO.  |
| 6.1 | If the CAISO determines that an invoice contains a typographical or other ministerial error, the CAISO may at its discretion issue a corrected invoice within 21 days of the date the initial invoice was issued. |

## Predecessor Charge Codes

| Charge Code/ Pre-calc Name |
| --- |
| None |

##

## Successor Charge Codes

| Charge Code/ Pre-calc Name |
| --- |
| None |

## Inputs – External Systems

| Row # | Variable Name | Description |
| --- | --- | --- |
| 1 | PTBRCServicesLatePmtPenaltyAmt BU’UJmd | RC Services PTB Late Payment Penalty Amount for RC Customer (B) for RC Services year with Bill Period Start (U’) and Bill Period End (U) (in $) and PTB ID (J). |

## Inputs - Predecessor Charge Codes or Pre-calculations

.

|  |  |  |
| --- | --- | --- |
| Row # | Variable Name | Predecessor Charge Code/ Pre-calc Configuration |
|  | None |  |

## CAISO Formula

RCServicesLatePaymentPenaltyAmount BU’Umd =

$\sum\_{}^{}J $ PTBRCServicesLatePmtPenaltyAmt BU’UJmd

##

## Outputs

| Row # | Name | Description |
| --- | --- | --- |
| 1 | RCServicesLatePaymentPenaltyAmount BU’Umd  | Annual RC Services Charge Amount to RC Customer (B)for RC Services year with Bill Period Start (U’) and Bill Period End (U).  |
| 2 | In addition to any outputs listed above, all inputs shall be included as outputs. |  |

# Charge Code Effective Date

| Charge Code/Pre-calc Name | Document Version | Effective Start Date | Effective End Date | Version Update Type |
| --- | --- | --- | --- | --- |
| RC Services Late Payment Penalty (CC 5702) | 5.0 | 7/1/2019 | Open | Configuration Impacted |