

January 24, 2017

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER17-_____-000**

Tariff Amendment to Transition from T+35M to T+33M Timing

Dear Secretary Bose:

The California Independent System Operator Corporation (CAISO) submits this tariff amendment to adjust the timing of one phase in its settlement and billing process.¹ Stakeholders generally support the proposed amendment, which aligns the dispute deadline for the second-to-last recalculation settlement statement with similar recalculation settlement statements. No stakeholders have opposed the amendment.

The CAISO requests that the Commission accept the tariff revisions contained in this filing to become effective May 3, 2017. In order to provide regulatory certainty sufficient lead-time for the CAISO to implement this amendment, the CAISO respectfully requests that the Commission issue an order by 20 days prior to the requested date, *i.e.*, April 13, 2017.

I. Background: the CAISO Settlement Process and the Proposed Change

For each trading day,² the CAISO begins its settlement and billing process by issuing an initial settlement statement three business days later with estimated charges or credits. This initial settlement statement is followed by a

¹ The CAISO submits this filing pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d.

² The process described here focuses narrowly on the settlement of a single trading day. The big picture is more complex. Every business day, a market participant receives several settlement statements for past trading days. For example, in addition to an initial settlement statement for the trading day three business days earlier, the market participant will receive a number of recalculation statements for earlier trading days. The market participant is responsible for reviewing each of these settlement statements and submitting any disputes within the applicable deadline.

series of recalculation settlement statements that refine the financial settlements to reflect additional data that has become available and the resolution of disputes. Currently, recalculation settlement statements are issued at the following intervals after the trading day: 12 business days, 55 business days, 9 months, 18 months, 35 months and 36 months. All settlement statements are invoiced within one week of being issued.

With the exception of the final recalculation statement issued at 36 months, each of the recalculation settlement statements is subject to dispute. Any adjustments resulting from valid disputes appear on the next recalculation statement.

For most recalculation settlement statements, market participants have 22 business days to review the settlement statements and submit any disputes. For the 35 months recalculation statement, however, market participants currently have only five business days to review and submit disputes. This deadline is shorter than the dispute deadline for other recalculation settlement statements due to the need to finalize settlements within one month – *i.e.*, before the final recalculation settlement statement at 36 months.

In September 2015, a number of market participants filed comments with the Commission in Docket No. EL15-94 stating that the deadline to review and dispute the 35 month recalculation settlement statement is too short. In response to these comments, the CAISO proposes to adjust the settlement statement timeline to allow market participants more time to review and submit disputes on the second-to-last recalculation settlement statement. To allow time for this expanded dispute timeline, this tariff amendment adjusts the timing of the second-to-last recalculation settlement statement from 35 months after the trading day to 33 months. This will align the dispute deadline for the 35 month recalculation with other recalculation settlement statements issued 55 business days after the trading day and later – statements that a market participant may receive on the same day.

II. Proposed Tariff Amendment

The tariff changes associated with moving the second-to-last recalculation settlement statement from 35 months after the trading day (“T+35M”) to 33 months after the trading day (“T+33M”) are as follows:

- Appendix A has been modified to add a definition of the “Recalculation Settlement Statement T+33M;”
- References to T+35M have been changed to T+33M throughout Section 11.29, except in the section describing the transition period (explained below);

- Section 11.29.8.4.6 has been revised to lengthen the dispute period for the T+33M to 22 business days;
- Section 11.29.8.5 has been revised so that the CAISO has 31 business days to decide whether to accept a dispute on the T+33M, consistent with the deadline applicable to other recalculation settlement statements;
- Sections 11.29.5, 11.29.7, 11.29.8, and 11.29.24 have been clarified to address minor grammar and terminology issues; and
- The change from T+35M to T+33M will require a two month transition period. During that time, the CAISO and market participants will need to review and process an additional set of settlement statements. Accordingly, the CAISO is proposing to add language to Section 11.29.7.1.5 to govern the bridge period for the settlement process timeline change for 2017.

The transition process will work as follows:

The CAISO will issue the first T+33M recalculation settlement statement on May 3, 2017, for trading day August 1, 2014, if there are any incremental adjustments that affect that trading day.

The two months following May 3, 2017, *i.e.*, through July 3, 2017, will be a transitional overlap period. During this period, the CAISO will issue both a T+33M and T+35M recalculation settlement statement, to the extent that incremental adjustments affect the relevant trading days. This overlap period occurs because the CAISO will need to issue the last of the T+35M recalculation settlement statements for trading days before August 1, 2014, that will not be captured on the new T+33M recalculation settlement statement.

To illustrate, the CAISO will issue the first T+33M recalculation settlement statement on May 3, 2017 to cover the trading day 33 months prior, August 1, 2014, assuming that there are incremental adjustments affecting transactions on August 1, 2014. On the same day (May 3, 2017), the CAISO will also issue a T+35M recalculation settlement statement for the trading days that occurred 35 months prior, which are May 30 through June 1, 2014. The following day, May 4, 2017, the CAISO will issue the T+33M for August 2, 2014, and the T+35M for June 2, 2014, assuming that these are necessary.

This process will continue for two months, during which time the CAISO will issue, when necessary to reflect incremental adjustments, both the new T+33M and also a T+35M recalculation settlement statement. The T+35M

recalculation settlement statement will cover the remainder of the trading days that could not be captured by a T+33M recalculation settlement statement because they precede August 1, 2014, *i.e.*, May 31 through July 31, 2014, when the relevant trading days are affected by incremental adjustments.

This transitional overlap period will conclude Wednesday, July 5, 2017. Beginning Thursday, July 6, 2017, the CAISO will only issue T+33M recalculation settlement statements.

CAISO tariff sections 11.29.7.1.3 and 11.29.7.1.4 describe similar transition periods from previous changes to the settlement timeline. These sections, however, no longer effect CAISO settlements. Accordingly, the CAISO proposes to amend these sections to state that they are “Not Used.”

The CAISO also proposes minor revisions to clarify sections 11.29.5, 11.29.7, 11.29.8, and 11.29.24. The clarifications include punctuation, grammar, correction to a cross-reference, removal of terms no longer in use by the CAISO, and using terms defined in Appendix A of the CAISO tariff.

III. Stakeholder Process

The CAISO conducted a stakeholder process that included a straw proposal posted in December of 2015, and a final proposal posted in January of 2016. The feedback from stakeholders was supportive. No stakeholder opposed the changes. In August 2016, the CAISO posted the tariff language for review and comment. The CAISO Board approved the amendment in an open meeting on August 31, 2016.

IV. Effective Date

The CAISO respectfully requests that the Commission issue an order by April 13, 2017, accepting the tariff revisions contained in this filing effective May 3, 2017. Issuance of the Commission order 20 days of the requested effective date, by April 19, is necessary so that the CAISO has enough time to prepare.

V. Communications

Pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3), please provide all correspondence and other communications to the following individuals, whose names appear on the official service list established by the Commission with respect to this filing:

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VI. Service

The CAISO has served copies of this filing on the California Public Utilities Commission, the California Energy Commission, and all parties with scheduling coordinator agreements under the CAISO tariff. In addition, the CAISO has posted a copy of this filing on the CAISO website.

VII. Contents of Filing

In addition to this transmittal letter, this filing includes the following attachments:

- Attachment A: Clean CAISO tariff sheets incorporating this tariff amendment;
- Attachment B: Marked CAISO tariff sheets showing the revisions contained in this tariff amendment; and
- Attachment C: Memorandum to the CAISO Board dated August 24, 2016.

VII. Conclusion

For the reasons set forth in this filing, the CAISO respectfully requests that the Commission accept the tariff revisions proposed in this filing effective as of May 3, 2017, and with an order accepting the proposed tariff revisions by April 13, 2017.

Respectfully submitted,

/s/ Daniel Shonkwiler

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Attachment A – Clean Tariff Records

Tariff Amendment to Transition from T+35M to T+33M Timing

California Independent System Operator Corporation

11.29.5 General Principles For Production Of Settlement Statements

11.29.5.1 Basis of Settlement

The basis of each Settlement Statement will be the debiting or crediting of an account in the name of the relevant Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO.

11.29.5.2 Right to Dispute

All Scheduling Coordinators, CRR Holders, Black Start Generators or Participating TOs will have the right to dispute any item or calculation set forth in any Recalculation Settlement Statement T+12B (except Scheduling Coordinator Estimated Settlement Quality Meter Data or CAISO Estimated Settlement Quality Meter Data), Recalculation Settlement Statement T+55B, or Incremental Changes in Recalculation Settlement Statements T+9M, T+18M, and T+33M or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3 in accordance with the CAISO Tariff, but not those set forth in Initial Settlement Statement T+3B or Recalculation Settlement Statement T+36M.

11.29.5.3 Data Files

Settlement Statements relating to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO will be accompanied by data files of supporting information that includes the following for each Settlement Period of the Trading Day:

- (a) the aggregate quantity (in MWh) of Energy supplied or withdrawn by the Scheduling Coordinator Metered Entities represented by the Scheduling Coordinator;
- (b) the aggregate quantity (in MW) and type of Ancillary Services capacity provided or purchased;
- (c) the relevant prices that the CAISO has applied in its calculations;
- (d) details of the scheduled quantities of Energy and Ancillary Services accepted by the CAISO in the Day-Ahead Market and the RTM;
- (e) details of FMM Instructed Imbalance Energy or RTD Imbalance Energy and penalty payments;
- (f) details of the CRR Payments or CRR Charges, and any payments or charges associated with the CRR Auctions; and

- (g) detailed calculations of all fees, charges and payments allocated among Scheduling Coordinators and each Scheduling Coordinator's share.

11.29.5.4 Settlement Software

The CAISO Settlement software will be audited by an independent firm of auditors competent to carry out audits of such software to determine its consistency with the CAISO Tariff. In any dispute regarding Settlement calculations, a certificate from the firm of auditors that the CAISO software is consistent with the CAISO Tariff will be prima facie proof that the charges shown in a Settlement Statement have been calculated in a method consistent with the CAISO Tariff. Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.

* * * *

11.29.7 Settlements Cycle

11.29.7.1 Timing of the Settlements Process

The CAISO will publish: (i) Initial Settlement Statements T+3B on the third (3) Business Day from the relevant Trading Day (T+3B); (ii) Recalculation Settlement Statements T+12B on the twelfth (12) Business Day from the relevant Trading Day (T+12B); (iii) Recalculation Settlement Statements T+55B on the fifty-fifth (55) Business Day from the relevant Trading Day (T+55B); (iv) Recalculation Settlement Statements T+9M on the one-hundred and ninety-fourth (194) Business Day after the Trading Day, which is approximately nine (9) months after the Trading Day (T+9M), if necessary; (v) Recalculation Settlement Statements T+18M on the three hundred and eighty third (383) Business Day after the Trading Day, which is approximately eighteen (18) calendar months from the relevant Trading Day (T+18M), if necessary; (vi) Recalculation Settlement Statements T+33M on the six hundred and ninety-third (693) Business Day after the Trading Day, which is approximately thirty-three (33) calendar months from the relevant Trading Day (T+33M), if necessary; (vii) Recalculation Settlement Statements T+36M on the seven hundred and fifty-ninth (759) Business Day after the Trading Day, which is approximately thirty-six (36) calendar months from the relevant Trading Day (T+36M), if necessary; and (viii) any Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3. The CAISO will issue a

Market Notice if a Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33M, Recalculation Settlement Statement T+36M, or any Unscheduled Recalculation Settlement Statement pursuant to Section 11.29.7.3 is issued for a Trading Day. The CAISO will notify affected Market Participants regarding failed or late publication of any settlement statements specified above and will rectify such failed or late publications pursuant to its procedures posted on the CAISO Website.

11.29.7.1.1 Initial Settlement Statement T+3B

The CAISO will provide to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for validation an Initial Settlement Statement T+3B for each Trading Day within three (3) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day. Each Initial Settlement Statement T+3B will be solely based on CAISO Estimated Settlement Quality Meter Data in accordance with Section 11.1.4. The Initial Settlement Statement T+3B will include the following:

- (a) the amount payable or receivable by the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for each charge referred to in Section 11 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.29;
- (c) the components of each charge in each Settlement Period except for information contained in the imbalance energy report referred to in this Section 11.29.7.1.1; and
- (d) a breakdown of the components of the imbalance energy charge (the imbalance energy report).

11.29.7.1.2 Recalculation Settlement Statements

The CAISO will provide to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO Recalculation Settlement Statements in accordance with the CAISO Tariff and the

CAISO Payments Calendar. Recalculation Settlement Statements will be in a format similar to that of the Initial Settlement Statement T+3B and will include the same granularity of information provided in the Initial Settlement Statement T+3B as amended following the validation procedure.

11.29.7.1.3 [Not Used]

11.29.7.1.4 [Not Used]

11.29.7.1.5 Bridge Period for Settlements Process Timeline Change (2017)

For Trading Days May 30, 2014 through July 31, 2014, the settlement timeline will include: (i) Initial Settlement Statements T+3B on the third (3) Business Day from the relevant Trading Day (T+3B); (ii) Recalculation Settlement Statements T+12B on the twelfth (12) Business Day from the relevant Trading Day (T+12B); (iii) Recalculation Settlement Statements T+55B on the fifty-fifth (55) Business Day from the relevant Trading Day (T+55B); (iv) Recalculation Settlement Statements T+9M on the one-hundred and ninety-fourth (194) Business Day after the Trading Day, which is approximately nine (9) months after the Trading Day (T+9M), if necessary; (v) Recalculation Settlement Statements T+18M on the three hundred and eighty-third (383) Business Day after the Trading Day, which is approximately eighteen (18) calendar months from the relevant Trading Day (T+18M) if necessary; (vi) Recalculation Settlement Statements T+35M on the seven hundred and thirty-seventh (737) Business Day after the Trading Day, which is approximately thirty-five (35) calendar months from the relevant Trading Day (T+35M) if necessary; (vii) Recalculation Settlement Statements T+36M on the seven hundred and fifty-ninth (759) Business Day after the Trading Day, which is approximately thirty-six (36) calendar months from the relevant Trading Day (T+36M), if necessary; and (viii) any Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3.

A Recalculation Settlement Statement T+35M will be subject to the same provisions in the CAISO Tariff and are applicable to a Recalculation Settlement Statement T+33M, except that any Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO must submit any disputes no later than five (5) Business Days after the publication date of a Recalculation Settlement Statement T+35M. In addition, any dispute of a Recalculation Settlement Statement T+35M may be based only on: (i) Incremental Changes between the immediately preceding Recalculation Settlement Statement for the

Given Trading Day and the Recalculation Settlement Statement T+35M; (ii) Meter Data issues identified through the audit process; or (iii) any good faith negotiation or dispute resolution settlement. For a settlement statement dispute based on Recalculation Settlement Statement T+35M, the CAISO will reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than fourteen (14) days after the end of the dispute period for that settlement statement. Valid disputes regarding data appearing on Recalculation Settlement Statement T+35M will be reflected on Recalculation Settlement Statement T+36M. The CAISO will issue a notice to market participants if a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any additional Recalculation Settlement Statement is required for a Trading Day within the period of May 30, 2014 through July 31, 2014.

11.29.7.2 Basis for Billing and Payment

The Initial Settlement Statement T+3B and any Recalculation Settlement Statement will constitute the basis for billing in accordance with the CAISO Tariff. The Initial Settlement Statement T+3B will constitute the basis for billing for all charges in the first instance. The Recalculation Settlement Statements T+12B and T+55B will constitute the basis for billing for adjustments to charges set forth in the Initial Settlement Statement T+3B. Each Scheduling Coordinator, CRR Holder, Black Start Generator, and Participating TO must pay any net debit and, subject to the limitations in Section 11.29.17.1, are entitled to receive any net credit shown in its Invoice or Payment Advice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit.

11.29.7.2.1 Elimination of Invoices under \$10.00

Invoices and Payment Advices due to or from any Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO for amounts less than \$10.00 will be adjusted to \$0.00 and no amount will be due to or from that Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO for that Invoice or Payment Advice.

11.29.7.3 Unscheduled Recalculation Settlement Statements

11.29.7.3.1 Unscheduled Reissue Recalculation Settlement Statement

The CAISO will issue an Unscheduled Reissue Recalculation Settlement Statement to correct a

miscalculation that occurred on a Recalculation Settlement Statement T+9M or Recalculation Settlement Statement T+18 if the following criteria are met:

- The miscalculation occurred as a result of a CAISO data transfer error or other similar data processing error;
- The miscalculation was identified by the CAISO, Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO on a timely basis within the dispute timeline applicable to the Recalculation Settlement Statement; and
- The financial impact of the miscalculation on the market as a whole was greater than \$1,000,000 for the Trading Day. For purposes of determining whether the \$1,000,000 threshold for issuing the unscheduled recalculation settlement statement has been met, the CAISO will calculate the financial impact resulting from an error based on the dollar value of the charges that were mistakenly assessed due to the error.

The CAISO will issue a Market Notice to advise Market Participants that a miscalculation occurred and that it will be corrected in an Unscheduled Reissue Recalculation Settlement Statement. The CAISO will issue the Unscheduled Reissue Recalculation Settlement Statement no less than thirty (30) days after the date that the Market Notice was issued and will include the net adjustment amounts in the next available regularly scheduled invoice. Any miscalculation due to a CAISO data transfer error or other similar data processing error that does not meet the criteria set forth in this section will be corrected on the next Recalculation Settlement Statement T+18M or Recalculation Settlement Statement T+33M as appropriate.

11.29.7.3.2 Unscheduled Directed Recalculation Settlement Statement

The CAISO will not issue Recalculation Settlement Statements other than Recalculation Settlement Statements T+12B; Recalculation Settlement Statements T+55B, Recalculation Settlement Statements T+9M, Recalculation Settlement Statements T+18M, Recalculation Settlement Statements T+33M, Recalculation Settlement Statements T+36M, and Unscheduled Reissue Recalculation Settlement Statements unless directed by the CAISO Governing Board or pursuant to a FERC order.

11.29.7.3.3 If an Unscheduled Directed Recalculation Settlement Statement is ordered by the CAISO Governing Board, the CAISO will arrange to have the Recalculation Settlement Statement carried out as

soon as is reasonably practicable following the CAISO Governing Board's order, subject to the availability of staff and computer time, compatible software, appropriate data, and other resources.

11.29.7.3.4 The cost of an Unscheduled Directed Recalculation Settlement Statement will be borne by the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO requesting it, unless an additional Recalculation Settlement Statement was needed due to a clerical oversight or error on the part of the CAISO staff.

11.29.7.3.5 Where an Unscheduled Directed Recalculation Settlement Statement indicates that the accounts of Scheduling Coordinators, CRR Holders, Black Start Generators, or Participating TOs should be debited or credited to reflect alterations to Settlements previously made under the CAISO Tariff, for those Scheduling Coordinators, CRR Holders, Black Start Generators, or Participating TOs affected by the additional Recalculation Settlement Statement, the CAISO will reflect the amounts to be debited or credited in the next scheduled weekly Invoice or Payment Advice for the end of the month.

11.29.7.3.6 Unscheduled Directed Recalculation Settlement Statements, post closing adjustments and the financial outcomes of CAISO ADR Procedures and any other dispute resolution may be invoiced separately from monthly market activities in accordance with Section 11.29.10.3.

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11.29.8 Confirmation And Validation

11.29.8.1 Confirmation

It is the responsibility of each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO to notify the CAISO if it fails to receive a Settlement Statement on the date specified for the publication of such Settlement Statement in the CAISO Payments Calendar. Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have received its Settlement Statement on the dates specified, unless it notifies the CAISO to the contrary.

11.29.8.2 Review of Initial Settlement Statement T+3B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will have the opportunity to review the terms of the Initial Settlement Statement T+3B that it receives. Because this settlement statement is solely based on CAISO Estimated Settlement Quality Meter Data and is not subject to dispute or exception, the Initial Settlement Statement T+3B will be deemed financially binding on the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO that it relates to.

11.29.8.3 Validation of Recalculation Settlement Statements

11.29.8.3.1 Validation of Recalculation Settlement Statement T+12B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will have the opportunity to review the terms of the Recalculation Settlement Statement T+12B that it receives. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+12B unless it has raised a dispute or reported an exception within fourteen (14) Business Days from the date of issuance. Once validated, a Recalculation Settlement Statement T+12B will be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO that it relates to, except to the extent that the CAISO performs a Recalculation Settlement Statement.

The notice of dispute, if any, must clearly state: the Trading Day; the issue date of the Recalculation Settlement Statement T+12B; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and the notice of dispute must be accompanied with all available evidence reasonably required to support the claim.

11.29.8.3.2 Validation of Recalculation Settlement Statement T+55B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will have the opportunity to review the terms of the Recalculation Settlement Statement T+55B that it receives. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+55B unless it has raised a dispute or reported an exception within twenty-two (22) Business Days from the date of issuance. Once validated, a Recalculation Settlement Statement T+55B will be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO that it relates to, except to the extent that the CAISO performs a subsequent Recalculation Settlement Statement.

The notice of dispute, if any, must clearly state: the Trading Day; the issue date of the Recalculation Settlement Statement T+55B; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and the notice of dispute must be accompanied with all available evidence reasonably required to support the claim.

11.29.8.3.3 Validation of Additional Recalculation Settlement Statements

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will have the opportunity to review the Incremental Changes, including the CAISO's implementation of a prior accepted dispute, that appear on or are omitted from any Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33M, or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated the Incremental Changes on each Recalculation Settlement Statement unless it has raised a dispute or reported an exception regarding those Incremental Changes within time periods set forth in Sections 11.29.8.4.1 through 11.29.8.4.6 from the date of issuance. Once validated, the Incremental Changes on a Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3 shall be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO that it relates to, except to the extent that the CAISO performs an Unscheduled Recalculation Settlement Statement pursuant to Section 11.29.7.3.

The notice of dispute must clearly state: the Trading Day; the issue date of the Recalculation Settlement Statement; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and the notice of dispute must be accompanied with all available evidence reasonably required to support the claim. No disputes or exceptions are permitted for any items reflected on Recalculation Settlement Statement T+36M.

11.29.8.4 Disputes or Exceptions

11.29.8.4.1 Dispute of Initial Settlement Statement T+3B Not Permitted

Because the Initial Settlement Statement T+3B is solely based on CAISO Estimated Settlement Quality Meter Data, which will be reconciled to actual data on subsequent Recalculation Settlement Statements, no disputes or exceptions will be permitted for any terms reflected on this settlement statement.

11.29.8.4.2 Dispute of Recalculation Settlement Statement T+12B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit a dispute that identifies discrepancies or errors for any item in Recalculation Settlement Statement T+12B, except for CAISO or Scheduling Coordinator Estimated Settlement Quality Meter Data, no later than fourteen (14) Business Days from the publication date of the Recalculation Settlement Statement T+12B. Valid disputes regarding data appearing on Recalculation Settlement Statement T+12B will be reflected in a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+12B, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+12B.

11.29.8.4.3 Dispute of Recalculation Settlement Statement T+55B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit a dispute that identifies discrepancies or errors for any item in a Recalculation Settlement Statement T+55B no later than twenty-two (22) Business Days after the publication date of the Recalculation Settlement Statement T+55B. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+55B will be reflected in a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+55B, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set

forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+55B.

11.29.8.4.4 Dispute of Recalculation Settlement Statement T+9M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes in a Recalculation Settlement Statement T+9M, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+9M, no later than twenty-two (22) Business Days after the publication date of the Recalculation Settlement Statement (T+9M). A dispute must only be based on Incremental Changes between Recalculation Settlement Statement T+55B and Recalculation Settlement Statement T+9M. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+9M will be reflected on a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+9M, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+9M.

11.29.8.4.5 Dispute of Recalculation Settlement Statement T+18M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+18M no later than twenty-two (22) Business Days after the publication data of the Recalculation Settlement Statement T+18M. A dispute must only be based on Incremental Changes between the immediately preceding Recalculation Settlement Statement for the given Trading Day and Recalculation Settlement Statement T+18M. Valid Disputes regarding data appearing on a Recalculation Settlement Statement T+18M will be reflected on a later Recalculation Settlement Statement. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a

Recalculation Settlement Statement T+18M, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+18M.

11.29.8.4.6 Dispute of Recalculation Settlement Statement T+33M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes in a Recalculation Settlement Statement T+33M, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+33M, no later than twenty-two (22) Business Days after the publication date of a Recalculation Settlement Statement T+33M. A dispute must only be based on: (i) Incremental Changes between the immediately preceding Recalculation Settlement Statement for the given Trading Day and Recalculation Settlement Statement T+33M; (ii) Meter Data issues identified through the audit process; or (iii) any good faith negotiation or dispute resolution settlement. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+33M will be reflected on the Recalculation Settlement Statement T+36M. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+33M, it may initiate a good faith negotiation or other dispute resolution remedy under the procedures and pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate a good faith negotiation or other dispute resolution remedy within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Recalculation Settlement Statement T+33M. Once validated, a Recalculation Settlement Statement T+33M will be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO that it relates to.

11.29.8.4.7 No Dispute of Recalculation Settlement Statement T+36M

Recalculation Settlement Statement T+36M will not be subject to either a dispute by a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO, or adjustment by the CAISO, except as directed by the CAISO Governing Board or by an order issued by FERC. Nothing herein will be construed to restrict the right of the CAISO or any Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO's to seek redress from FERC in accordance with the Federal Power Act.

11.29.8.4.8 **Unscheduled Recalculation Settlement Statements**

Each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO may submit disputes regarding Incremental Changes on an Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3 no later than twenty-two (22) Business Days after the publication date of the Unscheduled Recalculation Settlement Statement. A dispute must only be based on Incremental Changes between the Unscheduled Recalculation Settlement Statement and prior applicable Recalculation Settlement Statement. Valid disputes regarding data appearing on an Unscheduled Recalculation Settlement Statement will be reflected on a later Recalculation Settlement Statement. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on an Unscheduled Recalculation Settlement Statement, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to have validated each Unscheduled Recalculation Settlement Statement T+55B.

11.29.8.4.9 **Recurring Disputes or Exceptions**

A Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may request the CAISO to treat as recurring a dispute or exception raised in accordance with Sections 11.29.8.1 and 11.29.8.3 above, if a dispute or exception would apply to Recalculation Settlement Statements for subsequent Trading Days as permitted by Section 11.29.8.4. A request for recurring treatment may be made for any valid reason provided that Recalculation Settlement Statements for subsequent Trading Days would be affected, including, but not limited to, that the disputed calculation will recur, or that a

disagreement as to policy will affect calculations in subsequent Recalculation Settlement Statements. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO wishes to request that the CAISO treat a dispute as recurring, it must, in the notice, clearly indicate that it requests such treatment and set forth in detail the reasons that support such treatment. To the extent possible, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO must state the types of charges and dates to which the dispute will apply, and provide estimates of the amounts that will likely be claimed on each date.

The CAISO will make a determination on such a request within five (5) Business Days of receipt. To preserve its right to dispute an item, a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO must continue to raise a dispute or report an exception until it is notified by the CAISO that the CAISO agrees to treat the dispute or exception as recurring. If the CAISO grants a request to treat a dispute or exception as recurring, the dispute raised or exception reported by the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO will be deemed to apply to every subsequent Recalculation Settlement Statement provided to the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO from the date that the CAISO grants the request for recurrent treatment until: a) ninety (90) days have elapsed, unless the CAISO indicates a different expiration date on its response to the request, in which case the expiration date will be as stated by the CAISO in its response; or b) the dispute or exception is resolved, whichever is shorter. The CAISO may deny a request that the CAISO treat a dispute as recurring for any valid reason, including because the request is not adequately specific as to the basis for recurring treatment or the subsequent calculations that will be affected.

11.29.8.5 CAISO Timeline for Determining Settlement Statement Disputes

The timeline for the CAISO to reach a determination on a settlement statement dispute will be as follows:

- (a) For a settlement statement dispute based on a Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33M, or Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3, the CAISO will reach a determination to approve or deny the dispute, and

provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than thirty-one (31) Business Days after the end of the dispute period for that settlement statement; with the exception of complex disputes or unless otherwise agreed to by the disputing Scheduling Coordinator. In the event that the CAISO's determination results in an adjustment to payments and/or charges, the CAISO in its notice to the disputing Scheduling Coordinator will identify the subsequent recalculation settlement statement expected to include the adjustment.

- (b) Complex settlement statement disputes involve policy considerations, entail extensive research, require granular review of previous market runs, include complicated data or calculations, or depend on additional information to be provided by the disputing Scheduling Coordinator or a third party. The CAISO in its sole discretion may designate a settlement statement dispute to be a complex dispute. The CAISO will advise the disputing Scheduling Coordinator within thirty-one (31) Business Days after the end of the dispute period for that settlement statement if a dispute is a complex dispute. The CAISO will make reasonable efforts to reach a determination to approve or deny a complex dispute resulting from: (i) a Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, or Recalculation Settlement Statement T+9M, no later than fifteen (15) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+18M; and (ii) a Recalculation Settlement Statement T+18M and an Unscheduled Recalculation Settlement Statement, no later than thirty-one (31) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+33M.

11.29.8.6 Payment Pending Dispute

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO that receives an Invoice or Payment Advice will pay any net debit and, subject to the limitations in Section 11.29.17.1, will be entitled to receive any net credit shown in the Invoice or Payment Advice on the Payment Date,

whether or not there is any dispute regarding the amount of the debit or credit. The provisions of Section 13 will apply to the disputed amount.

* * * *

11.29.24 CAISO Payments Calendar

11.29.24.1 Preparation

In September of each year, the CAISO will prepare a draft CAISO Payments Calendar for the following calendar year showing for each Trading Day:

- (a) The date by which Scheduling Coordinators are required to provide Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data for all their Scheduling Coordinator Metered Entities for each Settlement Period in the Trading Day;
- (b) The date on which the CAISO will issue Initial Settlement Statements T+3B and Invoices and Payment Advices to Scheduling Coordinators or CRR Holders, Black Start Generators and Participating TOs for that Trading Day;
- (c) The date on which the CAISO will issue the Recalculation Settlement Statements T+12B; T+55B, T+9M, T+18M, T+33M, and T+36M, and Invoices and Payment Advices to Scheduling Coordinators, CRR Holders, Black Start Generators and Participating TOs for that Trading Day;
- (d) The dates by which Scheduling Coordinators, CRR Holders, Black Start Generators and Participating TOs are required to notify the CAISO of any disputes in relation to their Recalculation Settlement Statements T+12B, T+55B, T+9M, T+18M and T+33M.
- (e) The date and time by which CAISO Debtors are required to have made payments into the CAISO Clearing Account in payment of Invoices for that Trading Day;

- (f) The dates and times on which the CAISO Clearing Account will remit payments to the CAISO Creditors of amounts owing to them for that Trading Day; and
- (g) In relation to Reliability Must-Run Charges and RMR Payments, the details are set out in Sections 11.13.3 and 41 of the CAISO Tariff.

The CAISO will make a draft of the CAISO Payments Calendar available on the CAISO Website to Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs, and RMR Owners that may submit comments and objections to the CAISO within two weeks of the date of posting of the draft on the CAISO Website. No later than October 31 in each year, the CAISO will publish the final CAISO Payments Calendar for the following calendar year, after considering the comments and objections received from Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs, and RMR Owners. The final CAISO Payments Calendar will be posted on the CAISO Website, and will show for the period from January 1 to December 31 in the next succeeding year (both dates inclusive), the dates that Settlement Statements will be published by the CAISO and the Payment Dates that the CAISO will pay the Participating TOs the Wheeling revenues allocated to them pursuant to Section 26.1.4.3.

11.29.24.2 Distribution

Any CAISO Payments Calendar prepared pursuant to this Section 11.29.24 will be distributed promptly to each Scheduling Coordinator, each Participating TO, the CAISO Bank, the CAISO Audit Committee, and the CAISO Governing Board and will be published on the CAISO Website.

11.29.24.3 Final Calendar Binding

The final CAISO Payments Calendar shall be binding on the CAISO and on Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs and RMR Owners.

11.29.24.4 Calendar Content and Format

The CAISO may change the content or format of the CAISO Payments Calendar. The CAISO may also produce a summary outline of the Settlement and billing cycles.

11.29.24.5 Update the Final Payments Calendar

If, as a result of an amendment to the CAISO Tariff approved by FERC, the final CAISO Payments Calendar developed in accordance with Section 11.29.24 is rendered inconsistent with the timing set forth

in this CAISO Tariff, the CAISO will update the final CAISO Payments Calendar to make it consistent with the CAISO Tariff as approved by FERC on the date that the CAISO Tariff amendment goes into effect. The CAISO will simultaneously send out a Market Notice to Market Participants that the final CAISO Payments Calendar has been revised.

* * * *

- Recalculation Settlement Statement

The recalculation of a Settlement Statement in accordance with the provisions of the CAISO Tariff, which includes the Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, the Recalculation Settlement Statement T+9M, the Recalculation Settlement Statement T+18M, the Recalculation Settlement Statement T+33M, the Recalculation Settlement Statement T+36M or any other Recalculation Settlement Statement authorized by the CAISO Governing Board.

* * * *

- Recalculation Settlement Statement T+33M

The reissue of a Recalculation Settlement Statement T+55B, a Recalculation Settlement Statement T+9M, a Recalculation Settlement Statement T+18M, or an Unscheduled Reissue Recalculation Settlement Statement by the CAISO thirty-three (33) calendar months after Trading Day (T+33M) on the six hundred and ninety-third (693) Business Day from the relevant Trading Day (T+33M).

* * * *

- Settlement Statement

Any one of the following: Initial Settlement Statement T+3B, Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33M, Recalculation Settlement Statement T+36M, Unscheduled Reissue Recalculation Settlement Statement, or any other Recalculation Settlement Statement authorized by the CAISO Governing Board.

* * * *

Attachment B – Marked Tariff Records

Tariff Amendment to Transition from T+35M to T+33M Timing

California Independent System Operator Corporation

11.29.5 General Principles For Production Of Settlement Statements

11.29.5.1 Basis of Settlement

The basis of each Settlement Statement ~~shall~~will be the debiting or crediting of an account in the name of the relevant Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO.

11.29.5.2 Right to Dispute

All Scheduling Coordinators, CRR Holders, Black Start Generators or Participating TOs ~~shall~~will have the right to dispute any item or calculation set forth in any Recalculation Settlement Statement T+12B (except Scheduling Coordinator Estimated Settlement Quality Meter Data or CAISO Estimated Settlement Quality Meter Data), Recalculation Settlement Statement T+55B, or Incremental Changes in Recalculation Settlement Statements T+9M, T+18M, and T+~~33~~35M or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3 in accordance with the~~is~~ CAISO Tariff, but not those set forth in Initial Settlement Statement T+3B or Recalculation Settlement Statement T+36M.

11.29.5.3 Data Files

Settlement Statements relating to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO ~~shall~~will be accompanied by data files of supporting information that includes the following for each Settlement Period of the Trading Day:

- (a) the aggregate quantity (in MWh) of Energy supplied or withdrawn by the Scheduling Coordinator Metered Entities represented by the Scheduling Coordinator;
- (b) the aggregate quantity (in MW) and type of Ancillary Services capacity provided or purchased;
- (c) the relevant prices that the CAISO has applied in its calculations;
- (d) details of the scheduled quantities of Energy and Ancillary Services accepted by the CAISO in the Day-Ahead Market and the RTM;
- (e) details of FMM Instructed Imbalance Energy or RTD Imbalance Energy and penalty payments;
- (f) details of the CRR Payments or CRR Charges, and any payments or charges associated with the CRR Auctions; and

- (g) detailed calculations of all fees, charges and payments allocated among Scheduling Coordinators and each Scheduling Coordinator's share.

11.29.5.4 Settlement Software

The CAISO Settlement software ~~shall~~will be audited by an independent firm of auditors competent to carry out audits of such software to determine its consistency with the CAISO Tariff. In any dispute regarding Settlement calculations, a certificate ~~of such from the~~ firm of auditors that the CAISO software is consistent with the CAISO Tariff ~~shall~~will be prima facie proof that the charges shown in a Settlement Statement have been calculated in a method consistent with the CAISO Tariff. Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.

* * * *

11.29.7 Settlements Cycle

11.29.7.1 Timing of the Settlements Process

The CAISO will publish: (i) Initial Settlement Statements T+3B on the third (3) Business Day from the relevant Trading Day (T+3B); (ii) Recalculation Settlement Statements T+12B on the twelfth (12) Business Day from the relevant Trading Day (T+12B);¹ (iii) Recalculation Settlement Statements T+55B on the fifty-fifth (55) Business Day from the relevant Trading Day (T+55B);¹ (iv) Recalculation Settlement Statements T+9M on the one-hundred and ninety-fourth (194) Business Day after the Trading Day, which is approximately nine (9) months after the Trading Day (T+9M);¹ if necessary;¹ (v) Recalculation Settlement Statements T+18M on the three hundred and eighty third (383) Business Day after the Trading Day, which is approximately eighteen (18) calendar months from the relevant Trading Day (T+18M);¹ if necessary;¹ (vi) Recalculation Settlement Statements T+~~335~~335M on the ~~six hundred and ninety-third (693) seven hundred and thirty-seventh (737)~~ Business Day after the Trading Day, which is approximately thirty-~~five three (335)~~ calendar months from the relevant Trading Day (T+~~335~~335M);¹ if necessary;¹ (vii) Recalculation Settlement Statements T+36M on the seven hundred and fifty-ninth (759) Business Day after the Trading Day, which is approximately thirty-six (36) calendar months from the relevant Trading Day (T+36M);¹ if necessary;¹ and (viii) any Unscheduled Recalculation Settlement

Statement issued pursuant to Section 11.29.7.3. The CAISO will issue a ~~Market n~~Notice ~~to the market~~ if a Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33~~5~~M, Recalculation Settlement Statement T+36M, or any Unscheduled Recalculation Settlement Statement pursuant to Section 11.29.7.3 is issued for a Trading Day. The CAISO will notify affected Market Participants regarding failed or late publication of any settlement statements specified above and will rectify such failed or late publications pursuant to its procedures posted on the CAISO Website.

11.29.7.1.1 Initial Settlement Statement T+3B

The CAISO ~~shall~~will provide to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for validation an Initial Settlement Statement T+3B for each Trading Day within three (3) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day. Each Initial Settlement Statement T+3B will be solely based on CAISO Estimated Settlement Quality Meter Data in accordance with Section 11.1.4. The Initial Settlement Statement T+3B will include the following:

- (a) the amount payable or receivable by the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for each charge referred to in Section 11 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.29;
- (c) the components of each charge in each Settlement Period except for information contained in the ~~l~~imbalance ~~E~~energy report referred to in this Section 11.29.7.1.1; and
- (d) a breakdown of the components of the ~~l~~imbalance ~~E~~energy charge (the ~~l~~imbalance ~~E~~energy report).

11.29.7.1.2 Recalculation Settlement Statements

The CAISO ~~shall~~will provide to each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO Recalculation Settlement Statements in accordance with the CAISO Tariff and the CAISO Payments Calendar. Recalculation Settlement Statements ~~shall~~will be in a format similar to that of the Initial Settlement Statement T+3B and ~~shall~~will include the same granularity of information provided in the Initial Settlement Statement T+3B as amended following the validation procedure.

11.29.7.1.3 ~~[Not Used] Recalculation Settlement Statement – Bridge Period~~

~~For Trading Days April 1, 2009 through October 31, 2009, the settlement timeline shall include: (i) issuance of Recalculation Settlement Statement T+18M if necessary, Recalculation Settlement Statement T+35M if necessary, and Recalculation Settlement Statement T+36M, if necessary to adjust any charge set forth in a previously published Settlement Statement for any Trading Day within this period; and (ii) any other Recalculation Settlement Statement authorized under Section 11.29.7.3.~~

~~Any Recalculation Settlement Statement issued pursuant to this Section shall be subject to the same provisions in the CAISO Tariff as are applicable to a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any other Recalculation Settlement Statement authorized under Section 11.29.7.3, including, but not limited to, Section 11.29.7.2 (Basis for Billing and Payment), Section 11.29.8 (Confirmation and Validation), and Section 11.29.9 (Payment Procedures), except that Section 11.29.10.2 (Interest) shall not apply.~~

~~The CAISO will include the publication dates and related invoice dates for the Recalculation Settlement Statements for Trading Days within the period April 1, 2009 through October 31, 2009 on the CAISO Payments Calendar prepared in accordance with Section 11.29.24.~~

~~The CAISO will issue a notice to the market if a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any additional Recalculation Settlement Statement is required for a Trading Day within the period April 1, 2009 through October 31, 2009.~~

~~To the extent that any provision in this Section is in conflict or inconsistent with CAISO Tariff Appendix H (Grandfathered Metering and Settlement Provisions for Trading Days Prior to November 1, 2009), the provision in this Section shall prevail.~~

11.29.7.1.4 ~~[Not Used] Bridge Period for Settlements Process Timeline Change~~

~~For Trading Days November 1, 2009 to September 30, 2011, the settlement timeline shall include: (i) issuance of Recalculation Settlement Statement T+18M if necessary, Recalculation Settlement Statement T+35M if necessary, and Recalculation Settlement Statement T+36M, if necessary to adjust any charge set forth in a previously published Settlement Statement for any Trading Day within this period; and (ii) any other Recalculation Settlement Statement authorized under Section 11.29.7.3.~~

~~Any Recalculation Settlement Statement issued pursuant to this Section shall be subject to the same provisions in the CAISO Tariff as are applicable to a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any other Recalculation Settlement Statement authorized under Section 11.29.7.3, including, but not limited to, Section 11.29.7.2 (Basis for Billing and Payment), Section 11.29.8 (Confirmation and Validation), and Section 11.29.9 (Payment Procedures), except that Section 11.29.10.2 (Interest) shall not apply.~~

~~The CAISO will include the publication dates and related invoice dates for the Recalculation Settlement Statements for Trading Days within the period November 1, 2009 through September 30, 2011 on the CAISO Payments Calendar prepared in accordance with Section 11.29.24.~~

~~The CAISO will issue a notice to the market if a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any additional Recalculation Settlement Statement is required for a Trading Day within the period November 1, 2009 through September 30, 2011.~~

~~To the extent that any provision in this Section is in conflict or inconsistent with CAISO Tariff Appendix H (Grandfathered Metering and Settlement Provisions for Trading Days Prior to November 1, 2009), the provision in this Section shall prevail.~~

11.29.7.1.5 Bridge Period for Settlements Process Timeline Change (2017)

For Trading Days May 30, 2014 through July 31, 2014, the settlement timeline will include: (i) Initial Settlement Statements T+3B on the third (3) Business Day from the relevant Trading Day (T+3B); (ii) Recalculation Settlement Statements T+12B on the twelfth (12) Business Day from the relevant Trading Day (T+12B); (iii) Recalculation Settlement Statements T+55B on the fifty-fifth (55) Business Day from the relevant Trading Day (T+55B); (iv) Recalculation Settlement Statements T+9M on the one-hundred and

ninety-fourth (194) Business Day after the Trading Day, which is approximately nine (9) months after the Trading Day (T+9M), if necessary; (v) Recalculation Settlement Statements T+18M on the three hundred and eighty third (383) Business Day after the Trading Day, which is approximately eighteen (18) calendar months from the relevant Trading Day (T+18M) if necessary; (vi) Recalculation Settlement Statements T+35M on the seven hundred and thirty-seventh (737) Business Day after the Trading Day, which is approximately thirty-five (35) calendar months from the relevant Trading Day (T+35M) if necessary; (vii) Recalculation Settlement Statements T+36M on the seven hundred and fifty-ninth (759) Business Day after the Trading Day, which is approximately thirty-six (36) calendar months from the relevant Trading Day (T+36M), if necessary; and (viii) any Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3.

A Recalculation Settlement Statement T+35M will be subject to the same provisions in the CAISO Tariff and are applicable to a Recalculation Settlement Statement T+33M, except that any Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO must submit any disputes no later than five (5) Business Days after the publication date of a Recalculation Settlement Statement T+35M. In addition, any dispute of a Recalculation Settlement Statement T+35M may be based only on: (i) Incremental Changes between the immediately preceding Recalculation Settlement Statement for the Given Trading Day and the Recalculation Settlement Statement T+35M; (ii) Meter Data issues identified through the audit process; or (iii) any good faith negotiation or dispute resolution settlement. For a settlement statement dispute based on Recalculation Settlement Statement T+35M, the CAISO will reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than fourteen (14) days after the end of the dispute period for that settlement statement. Valid disputes regarding data appearing on Recalculation Settlement Statement T+35M will be reflected on Recalculation Settlement Statement T+36M. The CAISO will issue a notice to market participants if a Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, Recalculation Settlement Statement T+36M, or any additional Recalculation Settlement Statement is required for a Trading Day within the period of May 30, 2014 through July 31, 2014.

11.29.7.2 Basis for Billing and Payment

The Initial Settlement Statement T+3B and any Recalculation Settlement Statement ~~shall~~will constitute the basis for billing in accordance with the ~~is~~ CAISO Tariff. The Initial Settlement Statement T+3B ~~shall~~will constitute the basis for billing for all charges in the first instance. The Recalculation Settlement Statements T+12B and T+55B ~~shall~~will constitute the basis for billing for adjustments to charges set forth in the Initial Settlement Statement T+3B. Each Scheduling Coordinator, CRR Holder, Black Start Generator, and Participating TO ~~shall~~must pay any net debit and, subject to the limitations in Section 11.29.17.1, ~~shall~~bear entitled to receive any net credit shown in its Invoice or Payment Advice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit.

11.29.7.2.1 Elimination of Invoices under \$10.00

Invoices and Payment Advices due to or from any Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO for amounts less than \$10.00 will be adjusted to \$0.00 and no amount will be due to or from that Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO for that Invoice or Payment Advice.

11.29.7.3 Unscheduled Recalculation Settlement Statements

11.29.7.3.1 Unscheduled Reissue Recalculation Settlement Statement

The CAISO ~~shall~~will issue an Unscheduled Reissue Recalculation Settlement Statement to correct a miscalculation that occurred on a Recalculation Settlement Statement T+9M or Recalculation Settlement Statement T+18 if the following criteria are met:

- The miscalculation occurred as a result of a CAISO data transfer error or other similar data processing error;
- The miscalculation was identified by the CAISO, Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO on a timely basis within the dispute timeline applicable to the Recalculation Settlement Statement; and
- The financial impact of the miscalculation on the market as a whole was greater than \$1,000,000 for the Trading Day. For purposes of determining whether the \$1,000,000 threshold for issuing the unscheduled recalculation settlement statement has been met, the CAISO will calculate the financial impact resulting from an error based on the dollar value of the charges that were mistakenly assessed due to the error.

The CAISO will issue a ~~Market~~ Notice to advise ~~the~~ Market Participants that a miscalculation occurred and that it will be corrected in an Unscheduled Reissue Recalculation Settlement Statement. The CAISO will issue the Unscheduled Reissue Recalculation Settlement Statement no less than thirty (30) days after the date that the ~~Market~~ Notice was issued and will include the net adjustment amounts in the next available regularly scheduled invoice. Any miscalculation due to a CAISO data transfer error or other similar data processing error that does not meet the criteria set forth in this section will be corrected on the next Recalculation Settlement Statement T+18M or Recalculation Settlement Statement T+~~33~~5M as appropriate.

11.29.7.3.2 Unscheduled Directed Recalculation Settlement Statement

The CAISO ~~shall~~ will not issue ~~no~~ Recalculation Settlement Statements other than Recalculation Settlement Statements T+12B; Recalculation Settlement Statements T+55B, Recalculation Settlement Statements T+9M, Recalculation Settlement Statements T+18M, Recalculation Settlement Statements T+~~33~~5M, Recalculation Settlement Statements T+36M, and Unscheduled Reissue Recalculation Settlement Statements unless directed by the CAISO Governing Board or pursuant to a FERC order.

11.29.7.3.3 If an Unscheduled Directed Recalculation Settlement Statement is ordered by the CAISO Governing Board, the CAISO ~~shall~~ will arrange to have the Recalculation Settlement Statement carried out as soon as is reasonably practicable following the CAISO Governing Board's order, subject to the availability of staff and computer time, compatible software, appropriate data, and other resources.

11.29.7.3.4 The cost of an Unscheduled Directed Recalculation Settlement Statement ~~shall~~ will be borne by the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO requesting it, unless an additional Recalculation Settlement Statement was needed due to a clerical oversight or error on the part of the CAISO staff.

11.29.7.3.5 Where an Unscheduled Directed Recalculation Settlement Statement indicates that the accounts of Scheduling Coordinators, CRR Holders, Black Start Generators, or Participating TOs should be debited or credited to reflect alterations to Settlements previously made under ~~the~~ CAISO Tariff, for those Scheduling Coordinators, CRR Holders, Black Start Generators, or Participating TOs affected by the additional Recalculation Settlement Statement, the CAISO ~~shall~~ will reflect the amounts to be debited or credited in the next scheduled weekly Invoice or Payment Advice for the end of the month.

11.29.7.3.6 Unscheduled Directed Recalculation Settlement Statements, post closing adjustments and the financial outcomes of CAISO ADR Procedures and any other dispute resolution may be invoiced separately from monthly market activities in accordance with Section 11.29.10.3.

* * * *

11.29.8 Confirmation And Validation

11.29.8.1 Confirmation

It is the responsibility of each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO to notify the CAISO if it fails to receive a Settlement Statement on the date specified for the publication of such Settlement Statement in the CAISO Payments Calendar. Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have received its Settlement Statement on the dates specified, unless it notifies the CAISO to the contrary.

11.29.8.2 Review of Initial Settlement Statement T+3B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will have the opportunity to review the terms of the Initial Settlement Statement T+3B that it receives. Because this settlement statement is solely based on CAISO Estimated Settlement Quality Meter Data and is not subject to dispute or exception, the Initial Settlement Statement T+3B ~~shall~~will be deemed financially binding on the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO ~~to~~ ~~which~~that it relates to.

11.29.8.3 Validation of Recalculation Settlement Statements

11.29.8.3.1 Validation of Recalculation Settlement Statement T+12B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will have the opportunity to review the terms of the Recalculation Settlement Statement T+12B that it receives. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Recalculation Settlement Statement T+12B unless it has raised a dispute or reported an exception within fourteen (14) Business Days from the date of issuance. Once validated, a Recalculation Settlement Statement T+12B ~~shall~~will be binding on the Scheduling Coordinator, CRR

Holder, Black Start Generator or Participating TO ~~to which that~~ it relates to, except to the extent that the CAISO performs a Recalculation Settlement Statement.

The notice of dispute, if any, ~~shall~~ must clearly state: ~~clearly~~ the Trading Day; the issue date of the Recalculation Settlement Statement T+12B; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and ~~shall~~ the notice of dispute must be accompanied with all available evidence reasonably required to support the claim.

11.29.8.3.2 Validation of Recalculation Settlement Statement T+55B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~ will have the opportunity to review the terms of the Recalculation Settlement Statement T+55B that it receives. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~ will be deemed to have validated each Recalculation Settlement Statement T+55B unless it has raised a dispute or reported an exception within twenty-two (22) Business Days from the date of issuance. Once validated, a Recalculation Settlement Statement T+55B ~~shall~~ will be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO ~~to which that~~ it relates to, except to the extent that the CAISO performs a subsequent Recalculation Settlement Statement.

The notice of dispute, if any, ~~shall~~ must clearly state: ~~clearly~~ the Trading Day; the issue date of the Recalculation Settlement Statement T+55B; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and ~~shall~~ the notice of dispute must be accompanied with all available evidence reasonably required to support the claim.

11.29.8.3.3 Validation of Additional Recalculation Settlement Statements

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~ will have the opportunity to review the Incremental Changes, including the CAISO's implementation of a prior accepted dispute, that appear on or are omitted from any Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33~~5~~M, or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3. The Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~ will be deemed to have validated the Incremental Changes on each Recalculation Settlement Statement unless it has raised a

dispute or reported an exception regarding those Incremental Changes within time periods set forth in Sections 11.29.8.4.1 through 11.29.8.4.6 from the date of issuance. Once validated, the Incremental Changes on a Recalculation Settlement Statement T+9M-, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+35M, or Unscheduled Recalculation Settlement Statements that it receives pursuant to Section 11.29.7.3 shall be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~to which that~~ it relates to, except to the extent that the CAISO performs an Unscheduled Recalculation Settlement Statement pursuant to Section 11.29.7.3.

The notice of dispute ~~shall~~ must clearly state: ~~clearly~~ the Trading Day; the issue date of the Recalculation Settlement Statement; the item disputed; the reasons for the dispute; and the amount claimed (if appropriate), and ~~shall the notice of dispute must~~ be accompanied with all available evidence reasonably required to support the claim. No disputes or exceptions are permitted for any items reflected on Recalculation Settlement Statement T+36M.

11.29.8.4 Disputes or Exceptions

11.29.8.4.1 Dispute of Initial Settlement Statement T+3B Not Permitted

Because the Initial Settlement Statement T+3B is solely based on CAISO Estimated Settlement Quality Meter Data, which will be reconciled to actual data on subsequent Recalculation Settlement Statements, no disputes or exceptions ~~shall~~ will be permitted for any terms reflected on this settlement statement.

11.29.8.4.2 Dispute of Recalculation Settlement Statement T+12B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit a dispute that identifies discrepancies or errors for any item in Recalculation Settlement Statement T+12B, except for CAISO or Scheduling Coordinator Estimated Settlement Quality Meter Data, no later than fourteen (14) Business Days from the publication date of the Recalculation Settlement Statement T+12B. Valid disputes regarding data appearing on Recalculation Settlement Statement T+12B will be reflected in a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+12B, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute

resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Recalculation Settlement Statement T+12B.

11.29.8.4.3 Dispute of Recalculation Settlement Statement T+55B

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit a dispute that identifies discrepancies or errors for any item in a Recalculation Settlement Statement T+55B no later than twenty-two (22) Business Days after the publication date of the Recalculation Settlement Statement T+55B. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+55B will be reflected in a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+55B, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Recalculation Settlement Statement T+55B.

11.29.8.4.4 Dispute of Recalculation Settlement Statement T+9M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes in a Recalculation Settlement Statement T+9M, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+9M, no later than twenty-two (22) Business Days after the publication date of the Recalculation Settlement Statement (T+9M). A dispute ~~shall~~must only be based on Incremental Changes between Recalculation Settlement Statement T+55B and Recalculation Settlement Statement T+9M. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+9M will be reflected on a later Recalculation Settlement Statement for that Trading Day. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+9M, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling

Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Recalculation Settlement Statement T+9M.

11.29.8.4.5 Dispute of Recalculation Settlement Statement T+18M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+18M no later than twenty-two (22) Business Days after the publication date of the Recalculation Settlement Statement T+18M. A dispute ~~shall~~must only be based on Incremental Changes between the immediately preceding Recalculation Settlement Statement for the given Trading Day and Recalculation Settlement Statement T+18M. Valid Disputes regarding data appearing on a Recalculation Settlement Statement T+18M will be reflected on a later Recalculation Settlement Statement. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+18M, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Recalculation Settlement Statement T+18M.

11.29.8.4.6 Dispute of Recalculation Settlement Statement T+~~33~~35M

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may submit disputes regarding Incremental Changes in a Recalculation Settlement Statement T+~~33~~35M, including the CAISO's implementation of a prior accepted dispute contained in a Recalculation Settlement Statement T+~~33~~35M, no later than ~~five (5)~~ twenty-two (22) Business Days after the publication date of a Recalculation Settlement Statement T+~~33~~35M. A dispute ~~shall~~must only be based on: (i) Incremental Changes between the immediately preceding Recalculation Settlement Statement for the given Trading Day and Recalculation Settlement Statement T+~~33~~35M; (ii) Meter Data issues identified through the audit process;

or (iii) any good faith negotiation or dispute resolution settlement. Valid disputes regarding data appearing on a Recalculation Settlement Statement T+335M will be reflected on the Recalculation Settlement Statement T+36M. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on a Recalculation Settlement Statement T+335M, it may initiate a good faith negotiation or other dispute resolution remedy under the procedures and pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate a good faith negotiation or other dispute resolution remedy within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~ will be deemed to have validated each Recalculation Settlement Statement T+335M. Once validated, a Recalculation Settlement Statement T+335M ~~shall~~ will be binding on the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~to which that~~ it relates to.

11.29.8.4.7 No Dispute of Recalculation Settlement Statement T+36M

Recalculation Settlement Statement T+36M ~~shall~~ will not be subject to either a dispute by a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO, or adjustment by the CAISO, except as directed by the CAISO Governing Board or by an order ~~of issued by~~ FERC. Nothing herein ~~shall~~ will be construed to restrict the right of the CAISO or any Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO's to seek redress from FERC in accordance with the Federal Power Act.

11.29.8.4.8 Unscheduled Recalculation Settlement Statements

Each Scheduling Coordinator, CRR Holder, Black Start Generator or Participating TO may submit disputes regarding Incremental Changes on an Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3 no later than twenty-two (22) Business Days after the publication date of the Unscheduled Recalculation Settlement Statement. A dispute ~~shall~~ must only be based on Incremental Changes between the Unscheduled Recalculation Settlement Statement and prior applicable Recalculation Settlement Statement. Valid ~~Dis~~putes regarding data appearing on an Unscheduled Recalculation Settlement Statement will be reflected on a later Recalculation Settlement Statement. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO disagrees with the CAISO's resolution of a dispute regarding data appearing on an Unscheduled Recalculation Settlement

Statement, it may initiate dispute resolution under Section 13 of the CAISO Tariff pursuant to the deadlines set forth in Section 13. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO does not initiate dispute resolution under Section 13 of the CAISO Tariff within the time period set forth in Section 13, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to have validated each Unscheduled Recalculation Settlement Statement T+55B.

11.29.8.4.9 Recurring Disputes or Exceptions

A Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO may request the CAISO to treat as recurring a dispute or exception raised in accordance with Sections 11.29.8.1 and 11.29.8.3 above, if a dispute or exception would apply to Recalculation Settlement Statements for subsequent Trading Days as permitted by Section 11.29.8.4. A request for recurring treatment may be made for any valid reason provided that Recalculation Settlement Statements for subsequent Trading Days would be affected, including, but not limited to, that the disputed calculation will recur, or that a disagreement as to policy will affect calculations in subsequent Recalculation Settlement Statements. If a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO wishes to request that the CAISO treat a dispute as recurring, it ~~shall~~must, in the notice, clearly indicate that it requests such treatment and set forth in detail the reasons that support such treatment. To the extent possible, the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~must state the types of charges and dates to which the dispute will apply, and provide estimates of the amounts that will likely be claimed on each date.

The CAISO ~~shall~~will make a determination on such a request within five (5) Business Days of receipt. To preserve its right to dispute an item, a Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO must continue to raise a dispute or report an exception until it is notified by the CAISO that the CAISO agrees to treat the dispute or exception as recurring. If the CAISO grants a request to treat a dispute or exception as recurring, the dispute raised or exception reported by the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~shall~~will be deemed to apply to every subsequent Recalculation Settlement Statement provided to the Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO from the date that the CAISO grants the request for

recurrent treatment until: a) ninety (90) days have elapsed, unless the CAISO indicates a different expiration date on its response to the request, in which case the expiration date ~~shall~~will be as stated by the CAISO in its response; or b) the dispute or exception is resolved, whichever is shorter. The CAISO may deny a request that the CAISO treat a dispute as recurring for any valid reason, including because the request is not adequately specific as to the basis for recurring treatment or the subsequent calculations that will be affected.

11.29.8.5 CAISO Timeline for Determining Settlement Statement Disputes

The timeline for the CAISO to reach a determination on a settlement statement dispute ~~shall~~will be as follows:

- (a) For a settlement statement dispute based on a Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+33M, or Unscheduled Recalculation Settlement Statement issued pursuant to Section 11.29.7.3, the CAISO ~~shall~~will reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than thirty-one (31) Business Days after the end of the dispute period for that settlement statement; with the exception of complex disputes or unless otherwise agreed to by the disputing Scheduling Coordinator. In the event that the CAISO's determination results in an adjustment to payments and/or charges, the CAISO in its notice to the disputing Scheduling Coordinator ~~shall~~will identify the subsequent recalculation settlement statement expected to include the adjustment.
- (b) ~~For a settlement statement dispute based on Recalculation Settlement Statement T+35M, the CAISO shall reach a determination to approve or deny the dispute, and provide electronic notice of the outcome to the Scheduling Coordinator that submitted the dispute, no later than fourteen (14) days after the end of the dispute period for that settlement statement. Valid disputes regarding data appearing on Recalculation Settlement Statement T+35M will be reflected on Recalculation Settlement Statement T+36M.~~

~~(c)~~ — Complex settlement statement disputes involve policy considerations, entail extensive research, require granular review of previous market runs, include complicated data or calculations, or depend on additional information to be provided by the disputing Scheduling Coordinator or a third party. The CAISO in its sole discretion may designate a settlement statement dispute to be a complex dispute. The CAISO will advise the disputing Scheduling Coordinator within thirty-one (31) Business Days after the end of the dispute period for that settlement statement if a dispute is a complex dispute. The CAISO ~~shall~~will make reasonable efforts to reach a determination to approve or deny a complex dispute resulting from: (i) a Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, or Recalculation Settlement Statement T+9M, no later than fifteen (15) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+18M~~3~~ and (ii) a Recalculation Settlement Statement T+18M and an Unscheduled Recalculation Settlement Statement, no later than ~~thirty-three (33)~~ thirty-one (31) months after the Trading Day so that any resultant adjustment will be included on the Recalculation Settlement Statement T+~~33~~35M.

11.29.8.6 Payment Pending Dispute

Each Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO ~~which~~that receives an Invoice or Payment Advice ~~shall~~will pay any net debit and, subject to the limitations in Section 11.29.17.1, ~~shall~~will be entitled to receive any net credit shown in the Invoice or Payment Advice on the Payment Date, whether or not there is any dispute regarding the amount of the debit or credit. The provisions of Section 13 ~~shall~~will apply to the disputed amount.

* * * *

11.29.24 CAISO Payments Calendar

11.29.24.1 Preparation

In September of each year, the CAISO will prepare a draft CAISO Payments Calendar for the following calendar year showing for each Trading Day:

- (a) The date by which Scheduling Coordinators are required to provide Actual Settlement Quality Meter Data or Scheduling Coordinator Estimated Settlement Quality Meter Data for all their Scheduling Coordinator Metered Entities for each Settlement Period in the Trading Day;
- (b) The date on which the CAISO will issue Initial Settlement Statements T+3B and Invoices and Payment Advices to Scheduling Coordinators or CRR Holders, Black Start Generators and Participating TOs for that Trading Day;
- (c) The date on which the CAISO will issue the Recalculation Settlement Statements T+12B; T+55B, T+9M, T+18M, T+3~~3~~5M, and T+36M, and Invoices and Payment Advices to Scheduling Coordinators, CRR Holders, Black Start Generators and Participating TOs for that Trading Day;
- (d) The dates by which Scheduling Coordinators, CRR Holders, Black Start Generators and Participating TOs are required to notify the CAISO of any disputes in relation to their Recalculation Settlement Statements T+12B, T+55B, T+9M, T+18M and T+3~~3~~5M.
- (e) The date and time by which CAISO Debtors are required to have made payments into the CAISO Clearing Account in payment of Invoices for that Trading Day;
- (f) The dates and times on which the CAISO Clearing Account will remit payments to the CAISO Creditors of amounts owing to them for that Trading Day; and
- (g) In relation to Reliability Must-Run Charges and RMR Payments, the details are set out in Sections 11.13.3 and 41 of the CAISO Tariff. ~~paragraph 3 of Appendix N, Part J.~~

-The CAISO will make a draft of the CAISO Payments Calendar available on the CAISO Website to Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs, and RMR Owners any

~~of which that~~ may submit comments and objections to the CAISO within two weeks of the date of posting of the draft on the CAISO Website. No later than October 31~~st~~ in each year, the CAISO will publish the final CAISO Payments Calendar for the following calendar year, after considering the comments and objections received from Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs, and RMR Owners. The final CAISO Payments Calendar will be posted on the CAISO Website, and will show for the period from ~~1~~ January 1 to ~~31~~ December 31 in the next succeeding year (both dates inclusive), the dates ~~on which that~~ Settlement Statements ~~shall will~~ be published by the CAISO and the Payment Dates ~~on which that~~ the CAISO will pay the Participating TOs the Wheeling revenues allocated to them pursuant to Section 26.1.4.3.

11.29.24.2 Distribution

-Any CAISO Payments Calendar prepared pursuant to this Section 11.29.24 ~~shall will~~ be distributed promptly to each Scheduling Coordinator, each Participating TO, the CAISO Bank, the CAISO Audit Committee, and the CAISO Governing Board and ~~shall will~~ be published on the CAISO Website.

11.29.24.3 Final Calendar Binding

-The final CAISO Payments Calendar shall be binding on the CAISO and on Scheduling Coordinators, CRR Holders, Black Start Generators, Participating TOs and RMR Owners.

11.29.24.4 Calendar Content and Format

-The CAISO may change the content or format of the CAISO Payments Calendar. The CAISO may also produce a summary outline of the Settlement and billing cycles.

11.29.24.5 Update the Final Payments Calendar

-If, as a result of an amendment to the CAISO Tariff approved by FERC, the final CAISO Payments Calendar developed in accordance with Section 11.29.24 is rendered inconsistent with the timing set forth in this CAISO Tariff, the CAISO ~~shall will~~ update the final CAISO Payments Calendar to make it consistent with the CAISO Tariff as approved by FERC on the date ~~on which that~~ the CAISO Tariff amendment goes into effect. The CAISO ~~shall will~~ simultaneously send out a Market Notice to Market Participants that the final CAISO Payments Calendar has been revised.

* * * *

- Recalculation Settlement Statement

The recalculation of a Settlement Statement in accordance with the provisions of the CAISO Tariff, which includes the Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, the Recalculation Settlement Statement T+9M, the Recalculation Settlement Statement T+18M, the Recalculation Settlement Statement T+3~~3~~5M, the Recalculation Settlement Statement T+36M or any other Recalculation Settlement Statement authorized by the CAISO Governing Board.

* * * *

- Recalculation Settlement Statement T+33M

The reissue of a Recalculation Settlement Statement T+55B, a Recalculation Settlement Statement T+9M, a Recalculation Settlement Statement T+18M, or an Unscheduled Reissue Recalculation Settlement Statement by the CAISO thirty-three (33~~5~~) calendar months after Trading Day (T+33M) on the six hundred and ninety-third (693) Business Day from the relevant Trading Day (T+33M).

* * * *

- Settlement Statement

Any one of the following: Initial Settlement Statement T+3B, Recalculation Settlement Statement T+12B, Recalculation Settlement Statement T+55B, Recalculation Settlement Statement T+9M, Recalculation Settlement Statement T+18M, Recalculation Settlement Statement T+3~~3~~5M, Recalculation Settlement Statement T+36M, Unscheduled Reissue Recalculation Settlement Statement, or any other Recalculation Settlement Statement authorized by the CAISO Governing Board.

* * * *

Attachment C – Memorandum to CAISO Board of Governors
Tariff Amendment to Transition from T+35M to T+33M Timing
California Independent System Operator Corporation



Memorandum

To: ISO Board of Governors

From: Eric Schmitt, Vice President, Operations

Date: August 24, 2016

Re: **Decision on settlement and dispute timeline change**

This memorandum requires Board action.

EXECUTIVE SUMMARY

For each trading day, the ISO issues an initial settlement statement with estimated charges or credits, followed by a series of recalculation settlement statements that refine the financial settlements as additional data becomes available and disputes are resolved. The second-to-last of the recalculation settlement statements is currently issued 35 months after the trading day. This statement is commonly referred to as the “T+35M” recalculation statement.

Because this 35 month recalculation statement is issued only one month before settlements are effectively final at 36 months, the tariff allows market participants only five business days to submit any disputes. This dispute period is significantly shorter than the dispute period for other settlement recalculations.

To allow market participants additional time to review and dispute this penultimate statement, Management proposes to accelerate it by two months, from 35 months after the trading day to 33 months after the trading day. This change would allow the dispute period to be expanded from 5 business days to 22 business days, which would be consistent with the dispute period for other statements.

Moved, that the ISO Board of Governors approves the change to the timeline for settlement statements and disputes, as described in the memorandum dated August 24, 2016; and

Moved, that the ISO Board of Governors authorizes Management to make all necessary and appropriate filings with the Federal Energy Regulatory Commission to implement the proposed tariff change.

DISCUSSION AND ANALYSIS

In September 2015, a number of market participants filed comments in Federal Energy Regulatory Commission Docket No. EL15-94 stating that the deadline to review and dispute the 35 month recalculation settlement statement is too short. In response to these comments, and to comments expressed during the stakeholder process, the ISO is proposing to adjust the settlement statement timeline to allow more time to review these statements and to submit disputes.

Currently, the 35 month recalculation settlement statement has a five business day window for disputes. This deadline is uniquely short among settlement statements, which generally allow at least 22 business days for review. The reason for this short deadline is to allow the ISO enough time to make any adjustments before the 36 month recalculation, which is effectively final.

To allow market participants additional time to review and dispute their 35 month recalculation settlement statements, Management is proposing to adjust the settlement statement timeline to issue this statement 33 months after the trading day, rather than 35 month statement, which will no longer be issued. This change will also help market participants by more closely aligning the dispute deadline of the various settlement statements. The ISO typically issues several different settlement statements on the same day, for example both a 35 month recalculation and an 18 month calculation. This change will avoid a situation where one of these statements is subject to an unusually short review period.

This change will require a two month transition period during which the ISO and market participants would need to review and process an additional set of settlement statements – i.e., both the current T+35M and the new T+33M.

POSITIONS OF THE PARTIES

There is no opposition to the proposed change. Management posted a straw proposal in December of 2015. Stakeholders submitted six sets of written comments, all of which support the changes. Management posted a final proposal in January of 2016. One written comment was submitted, which supported the change. Management posted proposed tariff revisions in July, and hosted a call to discuss the revisions in August. No additional comments were submitted.

CONCLUSION

Management requests the Board approve the modifications to the settlement statement and dispute timeline as described above to allow sufficient time for market participants to review and, if necessary, submit disputes on 33 month recalculation settlement statements.