

# Stakeholder Comments Template

## Subject: Payment Acceleration Proposal

This template has been created for submission of stakeholder comments on the following topics in regards to Payment Acceleration. Upon completion of this template please submit (in MS

Submitted by	Company	Date Submitted
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Word) to [pacceleration@caiso.com](mailto:pacceleration@caiso.com). Submissions are requested by close of business on October 24th, 2008.

Please submit your comments to the following questions for each topic in the spaces indicated.

### 1. Bifurcation of DA/RT, Estimation & Settlement Timeline Options

During the Payment Acceleration Stakeholder meeting on October 16<sup>th</sup>, 2008, alternatives were discussed in regards to the Settlements timeline, estimation, and bifurcation of DA/RT settlements. The following options were discussed:

- Option #1 - Add a Settlement calculation at T+9B (in addition to the proposed 'DA only' calculation at T+2B). This would provide a settlement run for RT charges prior to the proposed T+50B timeline, as well as allow for a DA/RT bifurcation at T+2B. The T+9B calculation would use one of the following estimation options absent polled or SC submitted data availability:
  - DA IFM Schedules Only
  - DA IFM + adjustment based on CAISO Actual Load
  - Current Credit Liability Meter Data estimation (uses the IFM DA schedule and adder of +/- 10% factor (or other % Factor).

In addition, T+9B would replace the T+7B credit run.

- Option #2 - Replace the proposed T+2B DA Only Settlement calculation with a T+5B calculation that includes both DA and RT charge codes. The T+5B calculation would use an estimation methodology based upon hourly load forecast data, which is used for all real-time load settlement calculations prior to receiving actual meter data. In addition, T+5B would replace the T+7B credit run.

	Timeline	Estimation
Option #1	T+2B – DA Only T+9B – DA &RT T+50B – 1 <sup>st</sup> true-up T+100B – 2 <sup>nd</sup> true-up	One of three proposed options (i.e. DA IFM schedules)

	T+18M - 3 <sup>rd</sup> true-up T+35M - 4 <sup>th</sup> true-up	
Option #2	T+5B – DA &RT T+50B – 1 <sup>st</sup> true-up T+100B – 2 <sup>nd</sup> true-up T+18M - 3 <sup>rd</sup> true-up T+35M - 4 <sup>th</sup> true-up	DA schedules + hourly load forecast data

Please provide comments on these options:

Of the two options listed above, NCPA generally supports a modified version of Option #2. NCPA believes that the proposed T+5B calculation should be extended and preformed on T+9B to allow sufficient time for meter data processing and delivery. NCPA believes that T+9B calculations will increase data and settlement accuracy.

## 2. Methodology for Estimating Meter Data

SCE has suggested the CAISO to seek additional alternatives to the three estimation options presented on September 18<sup>th</sup>. In particular, SCE recommends the CAISO to investigate the meter estimation methodology used by the New York ISO. It is their understanding that the NYISO methodology is based upon hourly load forecast data which is used for all real-time load settlement calculations prior to receiving actual meter data. NYISO has been using this methodology since its market inception in 1999 and may provide the CAISO with a fair and viable alternative to the estimation approaches currently being proposed.

CAISO is exploring this option. Would you support an estimation methodology based on hourly load forecasts?

NCPA generally supports the concept of using hourly load forecast data to derive estimated meter data for Load.

## 3. Implementation Schedule

Do you support the phased implementation approach discussed in the October 16<sup>th</sup> Stakeholder Meeting? Assuming invoicing remains the same as the MRTU implementation (monthly at month-end), could you support an accelerated timeline within 1-3 months post MRTU go-live? .

NCPA does not support a phased implementation approach, and does not support the implementation of Payment Acceleration on an accelerated timeline (within 1-3 months). Due to the complexity and scope of work involved NCPA supports the exiting SaMC schedule to implement payment acceleration six months after MRTU “go-live”.

## 4. Invoicing

Would you support an invoice solution that meets the following criteria?

- Does not mix initial and true-up statements from previous accounting months
- Includes trade dates from a specific month only, but not necessarily includes trade dates that encompass a full month (i.e. could include a partial month).
- Monthly charges are on invoice that included the month end date.

Please provide detailed examples of your preferred invoicing solution.

NCPA supports a solution which is consistent with existing practices, in which invoices are issued twice monthly (initial and true-up invoices) that encompass a full calendar month at month end, and does not involve the mixing of initial/true-up statements across multiple accounting periods. Both the initial and true-up invoices should include Day-Ahead and Real-Time settlements for all trade dates within the applicable month.

#### **5. Other Comments?**

No additional comments at this time.