



Market Settlements Timeline Transformation

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Agenda

After this training, you will:

- Understand the purpose for the Market Settlements Timeline Transformation initiative
- Be able to explain the three major changes of the the Market Settlements Timeline Transformation
- Be able to identify the differences between the current required and optional settlement timelines and the new timelines
- Understand where you can find updated information and resources for the Market Settlements Timeline Transformation initiative



Market Settlements Timeline Transformation

BACKGROUND

Initiative Goals

Produce initial settlement statements that will more closely approximate the final settlement

Allow sufficient time for the CAISO and market participants to resolve disputes

Note: CAISO has removed the dispute threshold from the original proposal and will not be implementing the change as part of the scope of this project.

Poll Question



How excited are you for the new Market Settlements timeline?

- A. Bring it on!
- B. I want to hear more...
- C. I'm a little apprehensive
- D. Why am I in this training?

Market Settlements Timeline Transformation

DEFINITIONS

Definitions

Abbreviation/Term	Definition
BPM	Business Practice Manual
BRS	Business Requirements Specification
+B	[X days] Plus [X] Business Days
CAISO	California Independent System Operator
EAL	Estimate Aggregate Liability
FERC	Federal Energy Regulatory Commission
PTO	Participating Transmission Owner
SQMD	Settlement Quality Meter Data
T+	Trade Date Plus [X days]

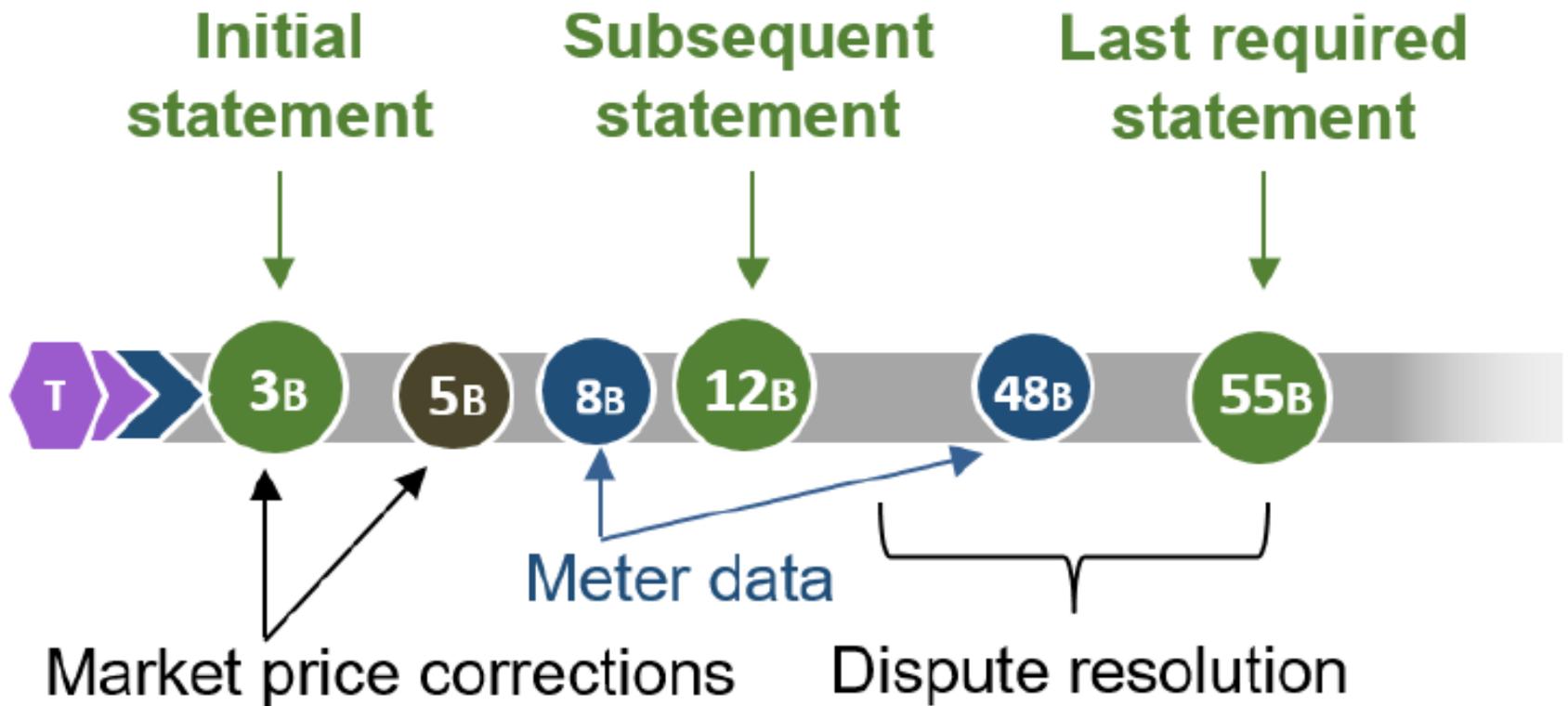
Market Settlements Timeline Transformation

OVERVIEW OF CHANGES

Change Overview



Current Required Settlement Timeline

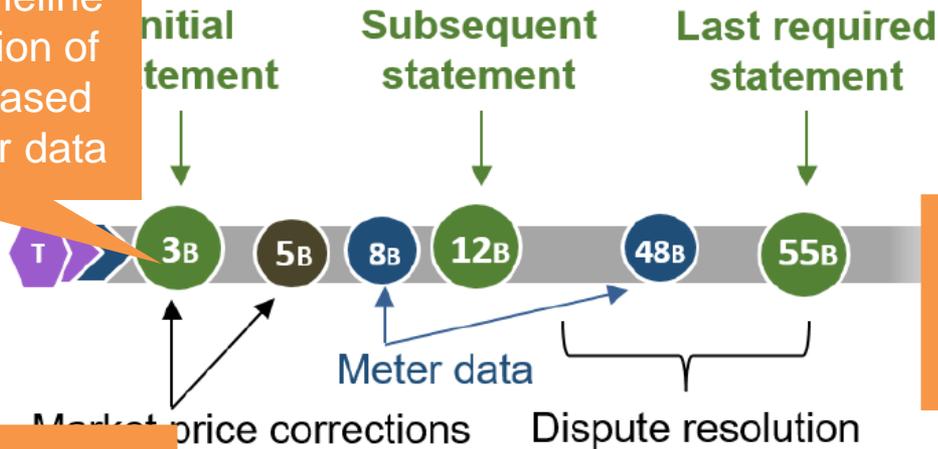


New Required Settlement Timeline



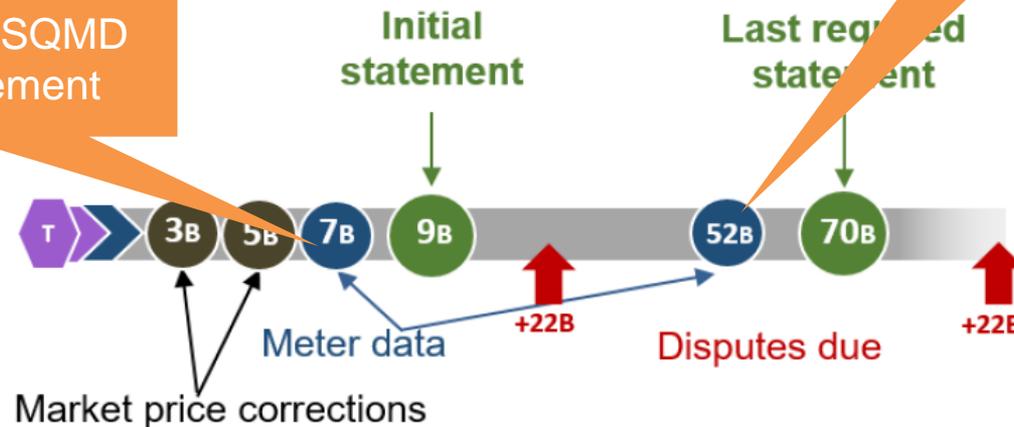
Required Settlement Timeline Comparison

Most significant timeline change is elimination of T+3B statement based on estimated meter data

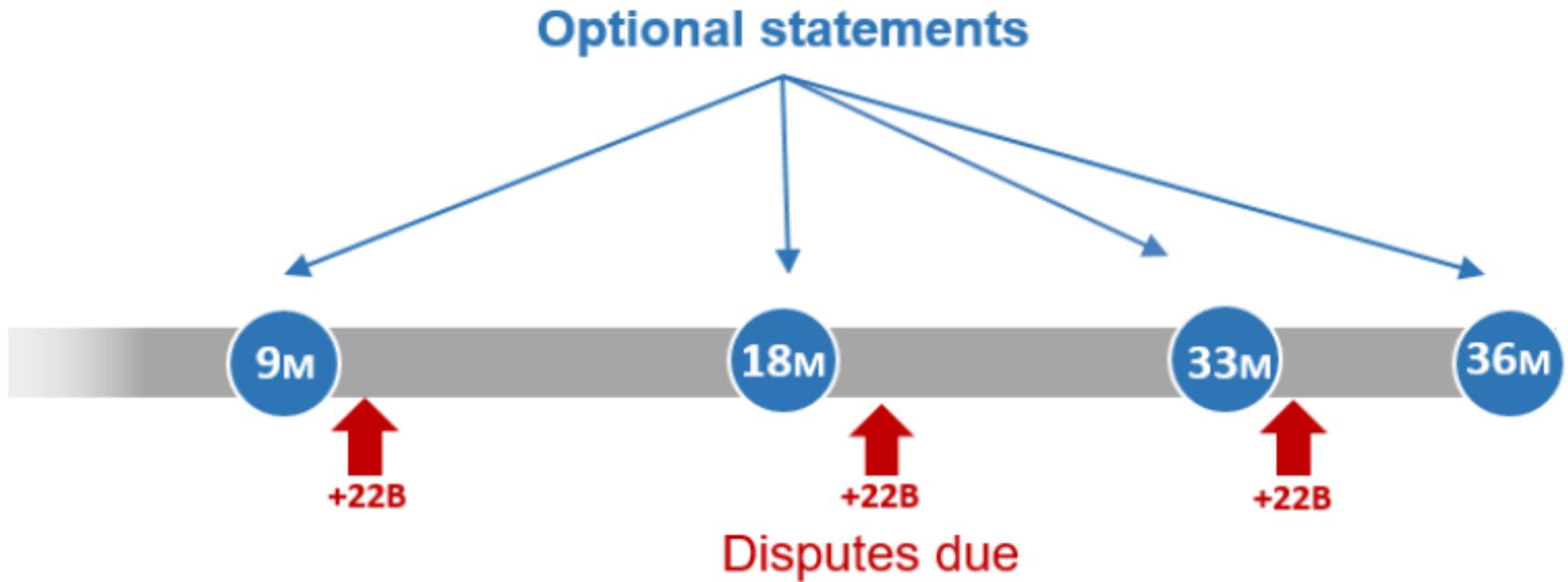


Deadline for submitting meter data is 52 business days

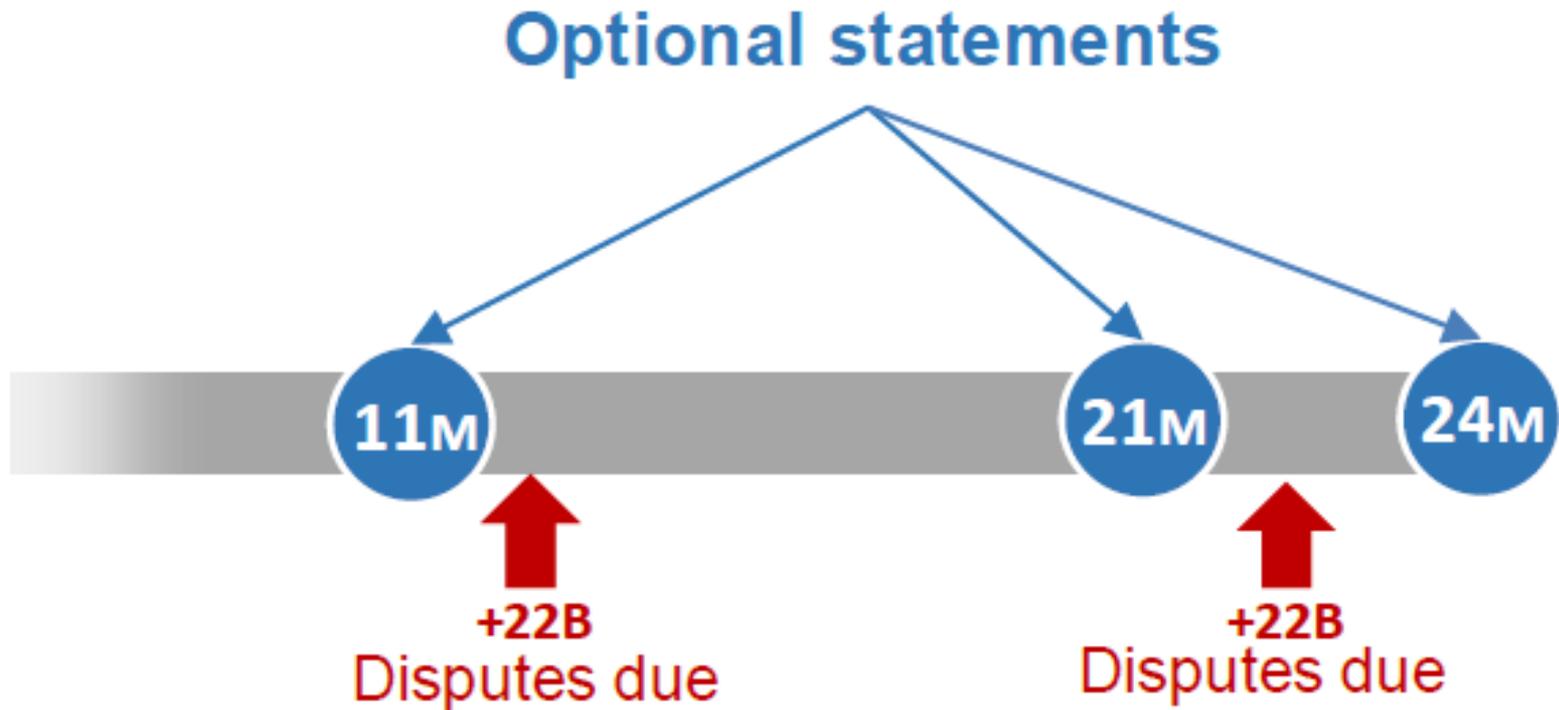
Allows CAISO to incorporate price corrections and SQMD into initial statement



Current Optional Settlements Timeline

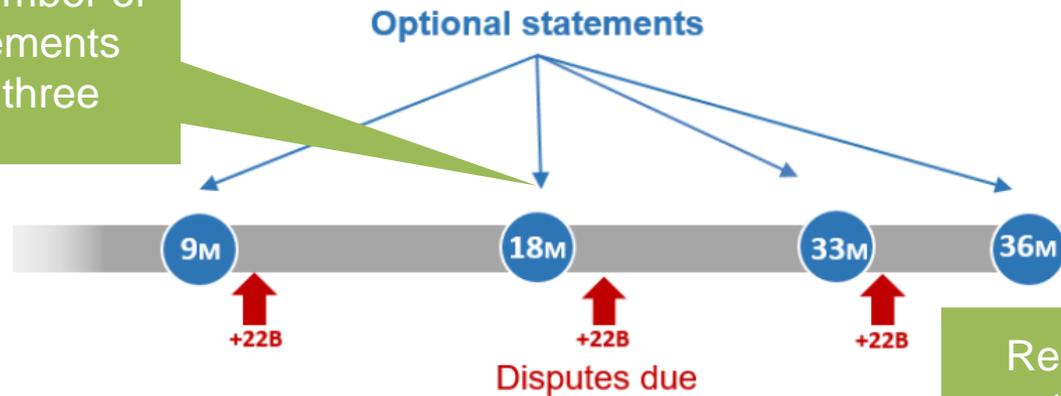


New Optional Settlements Timeline

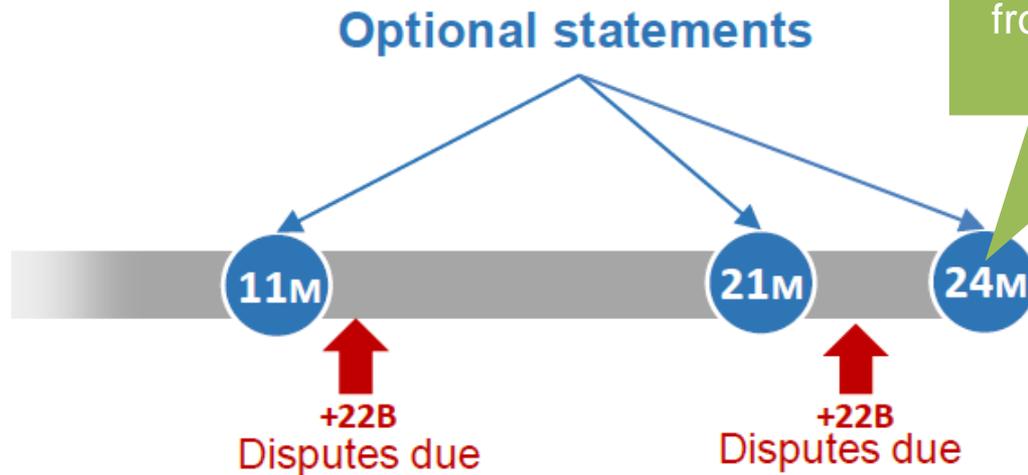


Optional Settlement Timeline Comparison

Reduce the number of optional statements from four to three



Reduce the normal settlement lifecycle from 36 months to 24 months



Other Optional Settlement Information

- There is no dollar threshold to trigger an optional statement
- The T+24M is not subject to dispute unless directed by CAISO Governing Board or FERC
- The CAISO will trigger optional re-calculations using the same criteria it uses today:

Settlement adjustments based on complex software defect resolutions

Participant dispute resolutions identified on prior recalculation statements,

Good faith negotiations

FERC mandated adjustments

Not Included in Project

- This initiative does not propose to change the timelines established for invoicing charges from
 - Federal Energy Regulatory Commission (FERC)
 - North American Electric Reliability Corporation (NERC)
 - Western Electricity Coordinating Council (WECC)
 - reliability coordinator services
 - charges for transferred frequency response
 - generator interconnection process (GIP) forfeited deposit
 - reliability coordinator services including hosted advance network application (HANA) services
- The above items are invoiced separately and are not subject to re-calculation

Flexibility in Publishing Statements and Invoices

- Consistent with the current practice, invoices will be published on Wednesdays
 - Invoices will be considered timely if published by 5:00 a.m. Thursdays
- For weekly invoices published after 5:00 a.m. on Thursdays, the invoice due dates will be adjusted to be 4 business days from that invoice date
 - This provision will only be enacted as a result of a processing issue

Poll Question



In the new Market Settlements timeline, what will be the *first* settlement statement you'll receive?

- A. 3 business days after the trade date
- B. 7 business days after the trade date
- C. 9 business days after the trade date
- D. 12 business days after the trade date

Poll Question



In the new Market Settlements timeline, will you receive an optional statement 36 months after the trade date?

- A. You betcha, I will!
- B. Nope
- C. If I request it, sure
- D. I have no idea...help!

Market Settlements Timeline Transformation

RESOURCE CHANGES

Payment Calendar

- The ISO has created a [payment calendar](#) that has a timeline overlap between the existing and the new timelines.
 - updated recalculation log posted on the www.CAISO.com Settlements webpage



CAISO Payments Calendar
January 1, 2021 through December 31, 2021

Calendar Date	Day	Publish Initial Statement Publish Day-Ahead Price Closures T+3	Publish Real-Time Price Closures T+3	Receive End-of-the-Meter Data, Manual Submission of non-PTO Valuing Data T+18 at 10:00am	Publish Initial Statement T+8	End of SC Review Period T+18	Receive End-of-the-Meter Data, Manual Submission of non-PTO Valuing Data T+8	Publish Recalculation Statement T+18	End of SC Review Period T+28	Receive End-of-the-Meter Data by its Include non-PTO loop T+8	Publish Recalculation Statement T+28	End of SC Review Period T+778	Meter Data Recalculation Deadline (to include non-PTO loop) T+8 (as T+1778-T+1918), optional subject to Rule of Contract	Publish Recalculation Statement T+98 (as T+318), optional	End of SC Review Period for Incremental Changes T+198, if applicable	Publish Recalculation Statement T+198 (as T+318), optional	End of SC Review Period for Incremental Changes T+198 (as T+318), optional	
1-Jan-21	Friday																	
2-Jan-21	Saturday																	
3-Jan-21	Sunday																	
4-Jan-21	Monday	15550000	15543277000		15510000	15510000	15530000	15530000	15530000	15510000	15510000	15510000	15510000	15510000	15510000	15510000	15510000	15510000
5-Jan-21	Tuesday	15550000	15550000		15550000	15550000	15540000	15540000	15540000	15540000	15540000	15540000	15540000	15540000	15540000	15540000	15540000	15540000
6-Jan-21	Wednesday	1201-01030001, Dec 2020 Monthly	12000000		12030000	121770000	1105-11260000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000
7-Jan-21	Thursday	01540001	01530000		1204-12070000	1218-12090000	11300000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000
8-Jan-21	Friday	01550001	1201-01030001		12050000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000	12010000
9-Jan-21	Saturday				12060000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000
10-Jan-21	Monday	01560001	01540001		12060000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000	12020000
11-Jan-21	Tuesday	01570001	01550001	0154-01590001	12030000	12030000	12030000	1203-12030000	12030000	12030000	12030000	12030000	12030000	12030000	12030000	12030000	12030000	12030000
12-Jan-21	Wednesday	0158-01090001	01580001	01580001	12030000	1204-12070000	1204-12060000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000	12000000
13-Jan-21	Thursday	01110001	01550001	01550001	12040000	12070000	12070000	1105-12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000
14-Jan-21	Friday	01120001	0156-01130001	01560001	12050000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000
15-Jan-21	Saturday				12060000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000	12090000
16-Jan-21	Sunday				12070000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000	12100000
17-Jan-21	Monday	01130001	01110001	01110001	12080000	12110000	12110000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000	12080000
18-Jan-21	Tuesday	01140001	01120001	0112-01190001	12090000	12120000	12120000	1105-12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000	12050000
19-Jan-21	Wednesday	01150001	01130001	01130001	12100000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000	12130000
20-Jan-21	Thursday	01160001	01140001	01140001	12110000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000	12140000
21-Jan-21	Friday	01170001	01150001	01150001	12120000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000	12150000
22-Jan-21	Saturday				12130000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000	12160000
23-Jan-21	Sunday				12140000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000	12170000
24-Jan-21	Monday	01180001	01160001	01160001	12150000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000	12180000
25-Jan-21	Tuesday	01190001	01170001	01170001	12160000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000	12190000
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27-Jan-21	Thursday	01210001	01190001	0119-01190001	12180000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000	12210000
28-Jan-21	Friday	01220001	01200001	01200001	12190000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000	12220000
29-Jan-21	Saturday				12200000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000	12230000
30-Jan-21	Sunday				12210000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000	12240000
31-Jan-21	Monday	01230001	01210001	0121-01180001	12220000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000	12250000

Tariff Changes



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INITIATIVE: Market settlement timeline

This initiative will explore increasing settlement statement accuracy and timeliness, allowing sufficient time to resolve disputes and streamline the settlement cycle, and reduce administrative costs of processing disputes by identifying a dispute dollar threshold.

EIM | E2

Started: Jun 13, 2020

Leads

Perry Servedio

Activities

Web meeting 6/5/2020 10:00 am – 12:00 pm PT Details	Video - Market Settlement Timeline - Jun 05, 2020	View comments
	Presentation - Market Settlement Timeline Draft Tariff Language - Jun 5, 2020 06/05/2020	
	Explanation - Market Settlement Timeline - Draft Tariff Language 05/20/2020 Please read this explanation prior to reviewing draft tariff language documents	
	Draft Tariff Language - Market Settlement Timeline (Section 11) 05/20/2020	
	Draft Tariff Language - Market Settlement Timeline (Outside Section 11) 05/20/2020	
	Notice of Decisional Classification - Market Settlement Timeline 10/14/2019	

BPM Changes

BPM	Description of Impact(s)
Credit Management and Market Clearing	Yes based on timeline changes.
Definitions & Acronyms	Section 3 – Definitions <ul style="list-style-type: none"> • Add “Initial Settlement Statement: T+9B” • Add “Initial Settlement Statement: T+70B” • Add “Recalculation Settlement Statement T+11M” • Add “Recalculation Settlement Statement T+21M” • Add “Recalculation Settlement Statement T+24M” POC: Sidney Mannheim
Energy Imbalance Market (EIM)	Section 11.5 Section 11.5.1 needs updating reflect new trade date timeline: T+9B, T+52B, T+70B.
Market Instruments	Update BPM to show that the new Settlements Timeline will be used for the FERC 844 zonal and resource uplift reports.
Metering	Yes based on timeline changes.
Settlements & Billing	Section 2.3.2 – Schedule for Settlement Statement Publication Section 2.3.5.1.1 – Dispute Timing Section 2.3.6 – Billing & Payment Section 2.4 – Payment Calendars

Settlement Charge Code Impacts

Project	Charge Codes/Impacts
<p data-bbox="291 558 736 651">Market settlement timeline transformation (MSTT)</p> <p data-bbox="363 696 664 729">Effective date: 1/1/2021</p>	<p data-bbox="1261 468 1367 501">6474*</p> <p data-bbox="1251 515 1377 548">64740*</p> <p data-bbox="1054 565 1576 612">Real Time Energy Quantity PC*</p> <p data-bbox="832 615 1798 858">*These are design only. Configuration Guide change not expected for these charge codes but will be reflected have daily initial runs that include UFE (CC 6474, 64740), MSS Deviation Penalties (CC 1407, 2407), EIM Transfers and EIM Bid Cost recovery uplift allocation.</p>

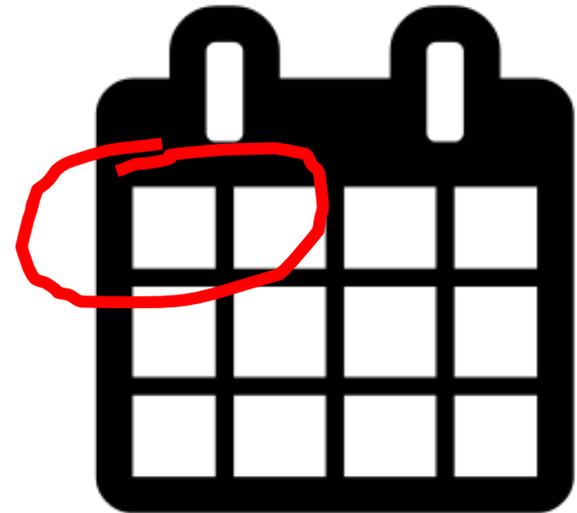
Note: for more information on Settlement impacts, attend the Settlements User Group bi-weekly meeting

Market Settlements Timeline Transformation

TIMELINE AND NEXT STEPS

Settlements Change Timeline Information

- New timeline effective trading day **January 1, 2021**
- Trading days through December 31, 2020 will be settled and billed on the current timeline
 - The final trade date for old timeline is the day before the production go-live date



What Happens with Trade Dates Before December 31, 2020?

- For any trade date prior to production go-live, the ISO shall continue to publish:
 - the initial statement at T+3B
 - the subsequent statement at T+12B
 - the last required statement at T+55B
- For any trade date prior to production go-live and when optionally needed, the ISO shall continue to publish:
 - the first optional statement at T+9M
 - the second optional statement at T+18M
 - the third optional statement at T+33M
 - the last optional statement at T+36M

MSTT Milestones

Date	Milestone
July 27 – September 4, 2020	Market Simulation
October 1, 2020	Deployment
January 1, 2021	Production Activation/ Effective Trade Date

Market Simulation Overview

- Market Participant pre-Market Simulation Actions
 - MP's will need to register their request with the ISO to participate in the Market Settlement Timeline Transformation project simulation via the MarketSim@caiso.com mailbox.
 - Identify at least two (2) existing resources that are certified to submit meter data or updated meter data. The ISO will utilize one of the resources to demonstrate the functionality.

Market Simulation participants should have submitted requests to participate and any additional information identified above by July 3, 2020.

Market Sim Scenarios

- **Scenario #1** – Publish Initial Statement and Invoice
- **Scenario #2** – Publish Recalculation Statement and Invoice
- **Scenario #3** – Validate Running Simultaneous Settlement Timelines

		Initial Statement		Recalculation Statement	
		Meter submission	Publish Statement	Meter submission	Publish Statement
Current timeline	Production		3B		12B
	Market Simulation	N/A	4B	4B	8B
MSTT timeline	Production		9B		70B
	Market Simulation	3B	6B	6B	9B

Market Settlements Timeline Transformation

RESOURCES

Resources – Stakeholder Initiatives

- Information for this initiative can be found under Stakeholder Initiatives located on the following CAISO with the following resources:
 - Draft Final Proposal
 - Presentations
 - Video of Presentations
 - Draft Tariff Language

Home>Stay Informed>Stakeholder Initiatives>Market settlement timeline
<https://stakeholdercenter-stg.oa.caiso.com/StakeholderInitiatives/Market-settlement-timeline>

Resources - Release Planning Page

- Information for this initiative can be found under Fall 2020 Releases located on the following CAISO webpage with the following resources:
 - Business Requirements (BRS)
 - Market Simulation Scenarios
 - Draft CAISO Payments Calendar 2021

Home>Stay Informed>Release Planning>Market settlement timeline transformation

<http://www.caiso.com/informed/Pages/ReleasePlanning/Default.aspx>

Poll Question



Now that you have attended this training, do you feel like you understand the new Market Settlement Timeline?

- A. Yup, I am good to go!
- B. I feel relatively confident, but I have some questions
- C. I think I want to wait for Market Sim to answer that
- D. Thanks for the training, but I am still confused. Eek!



Final Questions



For more detailed information on anything presented, please
visit our website at:

www.caiso.com

Or send an email to:
CustomerReadiness@caiso.com