



California ISO

Market Settlement Timeline

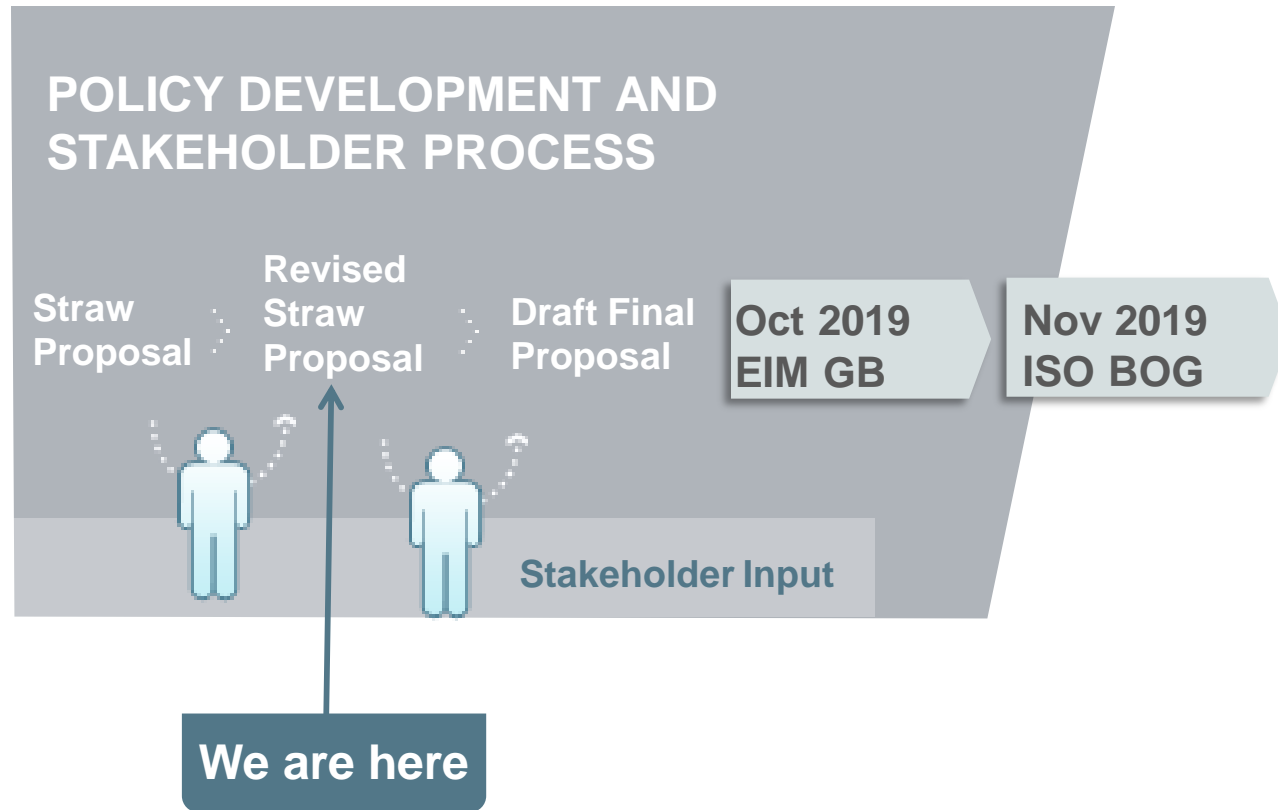
Stakeholder Conference Call
August 22, 2019

James Lynn – Senior Advisor

Agenda

Time	Topic	Presenter
10:00	Welcome / Policy Process	Kristina Osborne
10:15	Review Issue Paper and Straw Proposal	James Lynn
11:50	Next Steps	Kristina Osborne

ISO Policy Initiative Stakeholder Process



Initiative objective and scope

- Reduce market participant financial exposure by increasing initial settlement statement quality and timeliness
- Allow sufficient time to resolve disputes and provide more accurate statements in an overall shorter time horizon
- Reduce CAISO and market participant administrative costs associated with low-value re-calculation efforts

Stakeholder feedback

- Concerned that meter data submittal timeframe is too compressed to allow for quality data
 - The CAISO adjusted the timeline
- Requested a sample payment calendar
 - The CAISO provided a sample payment calendar
- Requested a longer dispute period for the initial statement
 - The CAISO adjusted the timeline to allow a longer dispute period
- Concerned that the elapsed time between required and optional statements is not justified
 - The CAISO provided further rationale for why the timeline is reasonable

Stakeholder feedback

- Requested an estimate of aggregate liability
 - The CAISO is analyzing and will provide more information in the draft final proposal
- Requested the CAISO to provide an advisory statement to allow participants to review their financial exposure
 - Rates and pricing information is already available to the public
- Concerned that the dispute threshold is not justified
 - The dispute threshold is reasonable based
 - Materiality of total dollars
 - Placeholder dispute clarification, dispute resolution timelines
 - Cost savings
- Requested additional implementation details
 - The CAISO added a discussion about the implementation dates

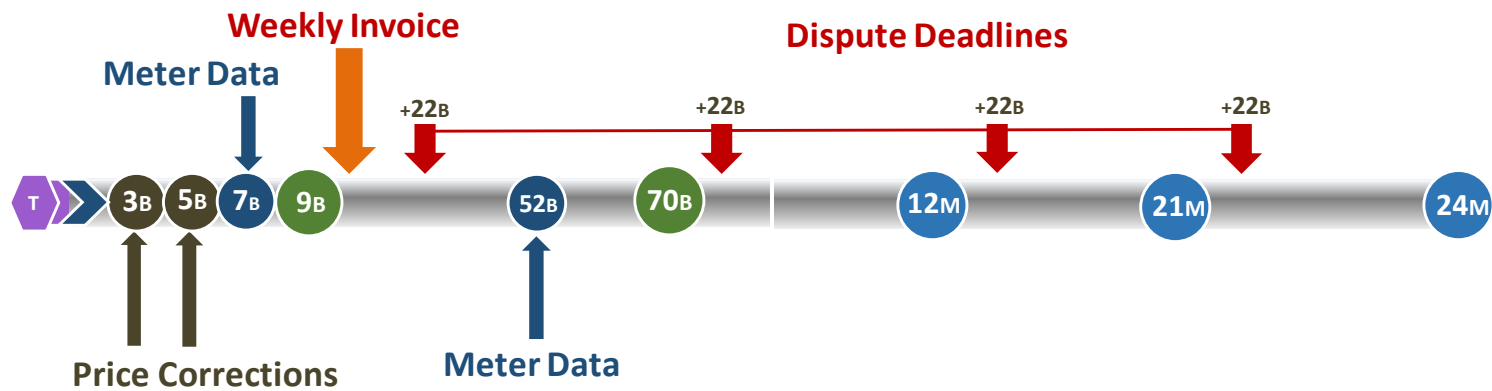
Proposal Overview

- Modify settlement timeline
- Extend flexibility in publishing settlement statements and weekly invoices
- Establish a revenue/charge threshold for submitting disputes

Modify settlement timeline

Required Statements

Optional Statements



Extend flexibility in publishing settlement statements and weekly invoices

- Clarify tariff provisions for flexibility in publishing settlement statements and weekly invoices
- 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.

Establish a revenue/charge threshold for submitting disputes

- The cost of processing a dispute adjustments for small dollar amounts is greater than the actual re-settlement received
- Approved, non-placeholder disputes with a value of less than \$100 make up only .02% of all dispute dollars allocated since 2014

In summary

- Modify settlement timeline
- Extend flexibility in publishing settlement statements and weekly invoices
- Establish a revenue/charge threshold for submitting disputes

Benefits

- Receive a more accurate initial statement
 - Initial statement will include:
 - Polled meter data and SC submitted meter data (including ATF tags)
 - DA and RT price corrections
 - ATF corrections such as exceptional dispatch
 - Participants can settle with 3rd party sooner
- The first recalculation statement will be more accurate because the ISO will have more time to resolve disputes
 - Provide an extra two weeks to resolve disputes

Benefits

- Improves certainty of participants' financial position
- Save processing costs and data storage by reducing re-settlement frequency
- Minimize re-settlement and reduce administrative costs through dispute threshold

Energy Imbalance Market Governing Body classification

- Propose advisory role
 - Generally applicable to entire real-time market (and day-ahead market)
 - Not driven primarily by Energy Imbalance Market

Proposed Initiative Schedule

Date	Milestone
August 15, 2019	Revised Straw Proposal
August 22, 2019	Stakeholder Call
September 6, 2019	Stakeholder Comments due
September 19, 2019	Draft Final Proposal
September 26, 2019	Stakeholder conference call
October 10, 2019	Stakeholder Comments due
October 30, 2019	Energy Imbalance Market Governing Body
November 13-14, 2019	CAISO Board of Governors

Submit comments to initiativecomments@caiso.com