

Portland General Electric Comments
on Revised Straw Proposal for Market Settlement Timeline
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Portland General Electric Company (“PGE”) appreciates the opportunity to provide comments on the revised straw proposal for the Market Settlement Timeline. PGE looks forward to continuing to work with the ISO and fellow stakeholders on refining the Market Settlement Timeline in a way that allows for maximum efficiency in the CAISO markets. PGE has comments and suggestions below.

PGE appreciates the data-driven rationale that has been provided but would caution the CAISO in assigning characteristics such as “low” when quantifying financial risk and utilizing market-wide transactional percentages as a measure of justification for action. Each scheduling coordinator has different thresholds for such characterizations and using a broad brush to illustrate CAISO’s overall assessment of risk can mask an individual participant’s exposure.

As an example, in review of PGE’s statements, there is what PGE considers a significant amount of volatility in the EIM Entity statements. But that volatility is masked when assessing PGE’s settlements from the CAISO as a whole. The EIM Participating Resource and the Day-Ahead Intertie statements are relatively stable by T+12B. On average, this would indicate that PGE has minimal amounts of disputable events and “low” financial volatility through the CAISO settlement timeline. But a closer review indicates that the EIM Entity experiences a significant amount of volatility: over 30% of trade dates are adjusted by more than 10% of the T+55B total at T+9M. Further examination indicates that these adjustments are primarily occurring in the offset charge codes, and that these adjustments are predominately the result of additional corrections to meter data supplied to the CAISO. PGE’s detailed review indicates that the most effective approach to improving PGE’s financial forecasting with CAISO lies in improving metering timelines, and, specifically, improving metering / tie data provided by participants other than PGE. Unfortunately, the metering data timelines were not subjected to the same rigorous analysis provided in the CAISO’s revised proposal, and PGE is cautiously hopeful that the changes proposed herein will be effective in mitigating PGE’s exposure.

6.3.1 Proposal to re-align, consolidate, and extend the required settlement timeline within 70 business days after a trade date

PGE supports the elimination of the T+3B initial settlement on the basis that not having quality meter data has created unnecessary financial uncertainty for the CAISO, market participants, and any participants who are sub-allocating charges. In assessing the T+9B initial settlement timing, PGE asks that the CAISO share the current market performance for submission of SQMD by the current 8 business day due date. Specifically, PGE is curious whether the shortening of the meter data timeline is feasible or should remain at 8 days? Whether there is adequate metering data for “reasonable” Entity offset calculations in the EIM would drive when the initial statement should be set. An assessment of current SQMD at 8 days would be the first indicator of whether shortening the timeline would even be viable.

The CAISO appears to be proposing that a 2-business day interval is adequate to process meter data in order to issue an initial statement. If there are indications that a 7-day metering deadline is not feasible, PGE would support as an alternate, T+10B as an initial settlement date and to keep the current 8-day

metering deadline in place. Similarly, PGE supports the 61-day gap (T+70B) between the initial and the first recalculated statement if the CAISO believes the increased timeline will allow for further refinement and processing of changes in meter data and disputable events.

6.3.2 Proposal to re-align and shorten the optional settlement timeline beyond 70 business days after a trade date

PGE is concerned that there has only been 4 days added to the second meter data deadline. Because PGE has experienced significant changes in its T+9M billing due to changes in external party-submitted data, PGE questions whether four additional days is adequate to justify pushing the first optional statement (T+9M) out to twelve months. Because of the uncertainty in determining whether there would be adequate meter data quality for the T+70B statement, PGE does not support the first optional interval to be set at 12 months. The gap between the T+55B to T+9M should be preserved in the gap between the T+70B to the first optional statement. PGE proposes that this statement be set at no greater than T+10 months to maintain an equivalent periodicity.

PGE appreciates that the CAISO is working to address participant concerns, minimize financial risk and reduce operating burdens for all participants and looks forward to an improved settlement process.