

**Comments of Powerex Corp. on
Market Settlement Timeline
Issue Paper & Straw Proposal**

Submitted by	Company	Date Submitted
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Powerex appreciates the opportunity to comment on the June 11, 2019 Market Settlement Timeline Issue Paper and Straw Proposal (“Straw Proposal”).

In this stakeholder process, CAISO proposes changes to the market settlement timeline, including shortening the overall settlement life cycle from 36 months to 24 months and reducing the number of required and optional settlements statements.

Whereas currently the CAISO issues required settlement statements at T+3 business days, T+12 business days and T+55 business days, under the Straw Proposal, the CAISO will reduce the number of required settlement statements from three to two and issue these statements at T+7 business days and T+60 business days. Furthermore, the CAISO proposes to reduce the number of optional settlement statements, currently issued at T+9 months, T+18 months, T+33 month and T+36 months, from four to three, and proposes to issues these optional settlement statements at T+12 months, T+21 months and T+24 months.

With respect to meter data, CAISO proposes to consume available settlement quality meter data at T+4 business days, so that this meter data will be included in the first required settlement statement at T+7 business days. CAISO will accept final meter data at T+52 business days so that this data will be included in the second required settlement statement at T+60 business days.

Pursuant to the Straw Proposal, disputes related to the T+7 business day settlement statement must be made within 14 business days and the T+60 business day and subsequent settlement statements, other than the final T+24 month settlement statement, is 22 business days. Finally, disputes valued at less than \$100 will no longer be disputable unless the dispute relates to a systemic issue, in which case market participants still maintain the right to dispute the values under a *place holder* dispute.

Powerex is supportive of the proposed changes. Powerex agrees that the proposed modifications to settlement timelines will result in initial settlement statements that are more complete and will reduce the potential for large and/or unpredictable changes in settlement outcomes between the initial statement and subsequent recalculation statements. Powerex also agrees that the proposal is likely to reduce the administrative burden on both CAISO and its market participants by reducing the number of settlement statements for a given trade date.

Powerex further supports the CAISO's proposal to establish a *de minimis* threshold of \$100 for initiating a settlement dispute, provided that stakeholders maintain the right to submit *place-holder* disputes to address recurring issues that may result in a financial impact that exceeds the \$100 threshold over a longer time-horizon. Powerex is optimistic that such a threshold will reduce the administrative efforts required of CAISO staff to review and respond to relatively low value disputes and allow CAISO staff to focus efforts on providing timely and thorough responses to disputes that exceed the threshold.

In the next round of the stakeholder process, Powerex requests further details on the following issues:

- The date when CAISO expects to implement the changes to the settlement timeline;
- How the CAISO intends to operate the settlement timelines during the transitional process as the CAISO moves from the current settlement timelines to the fully implemented proposal, as well as including an example of a settlement calendar for both the proposed interim transitional period and the fully implemented proposal;
- CAISO clarify in its next proposal that both the T+7 business day statement and the T+60 business day statement will be fully disputable, consistent with the treatment of the existing T+12 business day and T+55 business day settlement statements; and
- CAISO credit department to clarify the impact, if any, on the calculation of Estimated Aggregate Liability and any associated credit requirements (such as the Aggregate Credit Limit and collateral requirements).