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December 10, 2015

WebEx Broadcast

Settlements Issues Forum

Q4 2015 Meeting

Rachel Likover
Market Analysis & Settlements



Settlements Topics and Issues



Upcoming Settlement/Market Changes

- Coordinated Transaction Scheduling (CTS)
- Winter Reliability Program
- Net Commitment Period Compensation (NCPC) Revisions
- Do Not Exceed Dispatch (DNE)



Divisional Accounting Update



Informational Items

- Next meeting date

Upcoming Settlement/ Market Changes

- *Coordinated Transaction Scheduling (CTS)*
- *Winter Reliability Program*
- *Net Commitment Period Compensation (NCPC) Revisions*
- *Do Not Exceed Dispatch (DNE)*



Coordinated Transaction Scheduling (CTS)

December 15, 2015



Joint ISO-NE/NEPOOL FERC Filings

- Joint effort with NYISO to improve the market efficiency of external transactions between the two regions
- Will be implemented for the NY Northern AC interface (Roseton*)
- New platform for transactions, hosted at NYISO
 - Joint Energy Scheduling System (JESS)
- Coordinated External Transactions (CET)

Joint ISO-NE/NEPOOL FERC Filing

[CTS - ER12-1155-000](#)

* Note: Roseton interface location ID is 4011

Coordinated Transaction Scheduling (CTS)

High Level Overview of Settlement Changes



Q4 2015

- Settlement Reporting Changes
 - Hourly Markets MIS report changes were issued Nov 3
 - Energy, NCPC, Regulation markets
 - Include new info and some existing field description updates
 - Monthly Markets MIS report changes were issued Dec 1
 - No new data fields; existing field description updates only
- More information on CTS project:
 - [Q3 Settlements Forum](#)
 - [CTS Webinar – Presentation](#)
 - [CTS Webinar - Recording](#)



Winter Reliability Program

December 2015 – February 2016



Joint ISO-NE/NEPOOL FERC Filing

- Objective is to maintain reliability during the cold weather months
- Filing contains two proposals; ISO and NEPOOL
- FERC order selected NEPOOL proposal
- This winter program will be in effect for three seasons
 - 2015/16
 - 2016/17
 - 2017/18
- Program ends with Forward Capacity Market Pay for Performance (FCM PFP) implementation in June 2018

**Joint ISO-NE/NEPOOL FERC Filing
Winter 2014/15 Program**

[ER15-2208-000](#)

[FERC Order - ER15-2208-000](#)

Winter Reliability Program

Program Details



- Offset carrying cost of unused firm fuel purchased by generators for winter period
 - Compensation for unused oil inventory
 - Compensation for unused LNG contract volume
- Demand Response program

Set Rates for 2015/16 Payments Market Rule 1, Appendix K Calculation Posting *

Oil: \$12.90/BBL

LNG: \$2.15/MMBTU

DR: \$1.29/kW-month

* [Visit the Winter Program Payment Rate webpage for further details.](#)

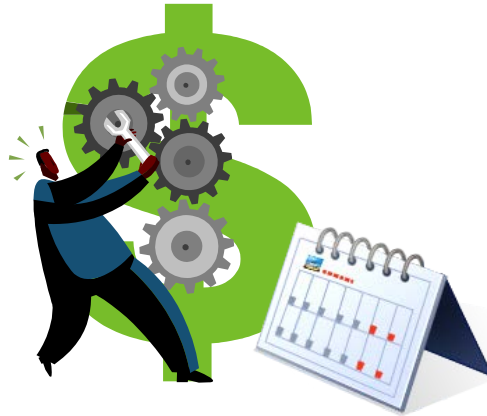


Winter Reliability Program

Updated Settlement and Billing Process Details



- Program charges for three months (December – February)
- Charges will be allocated pro-rata on Real Time Load Obligation (RTLO)*
- Estimated charges will be billed out monthly for three months, and then a true-up reflecting final actual unused inventories will be calculated and billed



* *Excluding RTLO associated with Dispatchable Asset Related Demand pumping load and Coordinated External Transactions (CETs). (CET exclusion pending FERC approval.)*

Winter Reliability Program

Updated Settlement and Billing Process Details



- Charge estimates based on 75% of eligible inventory on Dec 1st

Estimate of Dec 1 Eligible Inventory	
Oil:	\$38.25 Million
Gas:	\$2.75 Million
DR:	\$132 Thousand
Total	\$41.1 Million

75% of Total Inventory: \$30.8 Million

Charge Estimates for December – February:
~ \$10.3 Million per Month

- Payment to generators for unused fuel inventory will take place in one bill, issued on May 16, 2016

Winter Reliability Program

Program Settlement Calendar



CHARGES BILLING TIMELINE - OFFSET FOR UNUSED FUEL

Program Month	Program Charge Estimate Billing Month	Program Final Charge True-Up Billing Month
Dec 2015	Jan 2016	Apr 2016
Jan 2016	Feb 2016	Apr 2016
Feb 2016	Mar 2016	Apr 2016

CREDITS BILLING TIMELINE - OFFSET FOR UNUSED FUEL

Program Month	Program Credits Billing Month
Mar 2016	May 2016

CHARGES AND CREDITS BILLING TIMELINE - DEMAND RESPONSE

Program Month	Program Charges Billing Month	Program Credits Billing Month
Dec 2015	Jan 2016	Feb 2016
Jan 2016	Feb 2016	Mar 2016
Feb 2016	Mar 2016	Apr 2016

Winter Reliability Program

Settlement and Billing Reference Guide



MIS File Name	MIS Report Name	Invoice Line Item
SS_WRGENUIMC	Winter Reliability - Gen Unused Inventory Monthly Charges	Winter Gen Unused Inv Chrg
SS_WRGENUIP	Winter Reliability - Gen Unused Inventory Payment	Winter Gen Unused Inv Pymt
SS_WRDRMP	Winter Reliability - DR Monthly Payments	Winter DR Monthly Pymt
SS_WRDRMC	Winter Reliability - DR Monthly Charges	Winter DR Monthly Chrg
SS_WRDREP	Winter Reliability - DR Energy Payments	Winter DR Energy Pymt
SS_WRDREC	Winter Reliability - DR Energy Charges	Winter DR Energy Chrg
SS_WRGENCECC	<i>Winter Reliability - Commissioning Excess of Cap Charges</i>	<i>Winter Comm Exc Cap Chrg</i>
SS_WRGENCECR	<i>Winter Reliability - Commissioning Excess of Cap Refund</i>	<i>Winter Comm Exc Cap Refund</i>
SS_WRGENFMOC	<i>Winter Reliability - Commissioning Failure to Meet Obligation Charges</i>	<i>Winter Comm Obl Failure Chrg</i>
SS_WRGENFMOR	<i>Winter Reliability - Commissioning Failure to Meet Obligation Refund</i>	<i>Winter Comm Obl Failure Refund</i>

- Invoice Line Items will be detailed in the Bill Job Aids for the monthly bills (Dec – Feb)
- Participants receive MIS reports as applicable, e.g.:
 - Gen Unused Inventory Monthly Charges issued to Participants with RTLO during the month
 - Gen Payments report will be issued to program Participants with unused inventory

Indicates MIS Report related to Dual Fuel Commissioning; Issuance triggered by exception case.

Net Commitment Period Compensation Revisions

February 1, 2016



Joint ISO-NE/NEPOOL FERC Filings

- Eliminate NCPC payment to cover commitment costs in Real-Time for generator committed in Day-Ahead Market (DAM)
- Eliminate potential to pay DA NCPC to Self Scheduled generator if LMP < -\$150
- Minor MIS report revisions will be released by early January

Joint ISO-NE/NEPOOL FERC Filing

[NCPC - ER16-250-000](#)

Do Not Exceed (DNE) Dispatch

April, 2016



Joint ISO-NE/NEPOOL FERC Filings

- Improve dispatch of intermittent wind and hydro resources
 - Modified electronic dispatch method
 - DNE dispatch point; resource can operate between zero and DNE
 - Minimize manual curtailment
- Better price formation in local areas with limited transmission and high penetration of renewable resources
- Some Settlement MIS report revisions
 - Most changes will be updates to current data descriptions

Joint ISO-NE/NEPOOL FERC Filing

[DNE - ER15-1509-000](#)

Questions



Divisional Accounting

Project Update



Divisional Accounting

Quick Overview of Divisional Accounting Project



ISO's current settlement system provides one account for each Market Participant



Market Participants requested a Divisional Accounting option



ISO New England is phasing in software enhancements to fulfill this request

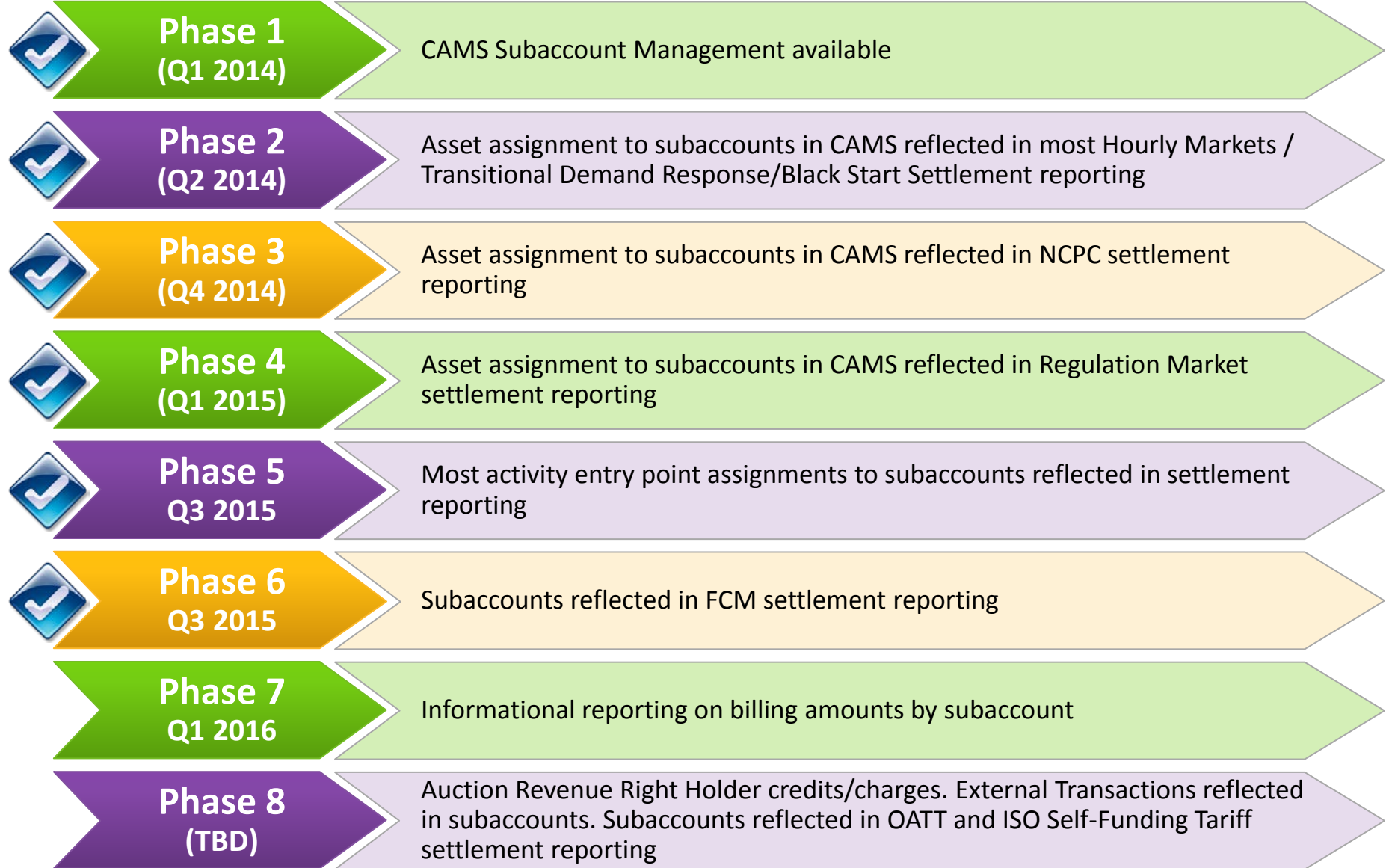
- Settlement MIS reports augmented to show activity in Participant defined subaccounts
- Subaccount activities "roll up" and total to the same values published in the current settlement reports



For more information, download materials from the

[September 2012 \(Q3\) Settlement Issues Forum](#)
[September 2015 \(Q3\) Settlement Issues Forum](#)

Implementation Plan - Projected Schedule



This schedule may be modified to accommodate competing priorities.

Questions



Additional Information

- *Settlement Issues Forum Dates for 2016*
- *Questions & Discussion*



Settlements Issues Forum Dates 2016



Q1 Thursday, March 10 at 10:00 AM

Q2 Thursday, June 9 at 10:00 AM

Q3 Thursday, September 8 at 10:00 AM

Q4 Thursday, December 8 at 10:00 AM

