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Divisional Accounting

Phases 7 & 8

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Objectives

At the completion of this divisional accounting webinar, you will be able to:

- Plan ahead for creating and using subaccounts
- Recognize your key completion dates based on when you plan to begin using subaccounts
- Perform the steps to begin using divisional accounting
 - Define business units (subaccounts)
 - Add asset-based and activity-based subaccounts
 - Add non-asset based activities to subaccounts
- Recognize the settlement summary reports (with subaccounts) you will utilize
- Read your settlement reports which use subaccounts
- Find references for divisional accounting



Topics

- Divisional Accounting Overview
- Phases 7 & 8: Reporting Updates
- Getting Started with Divisional Accounting
 - DA Quick Start Guide
 - Customer Example
- References & Resources



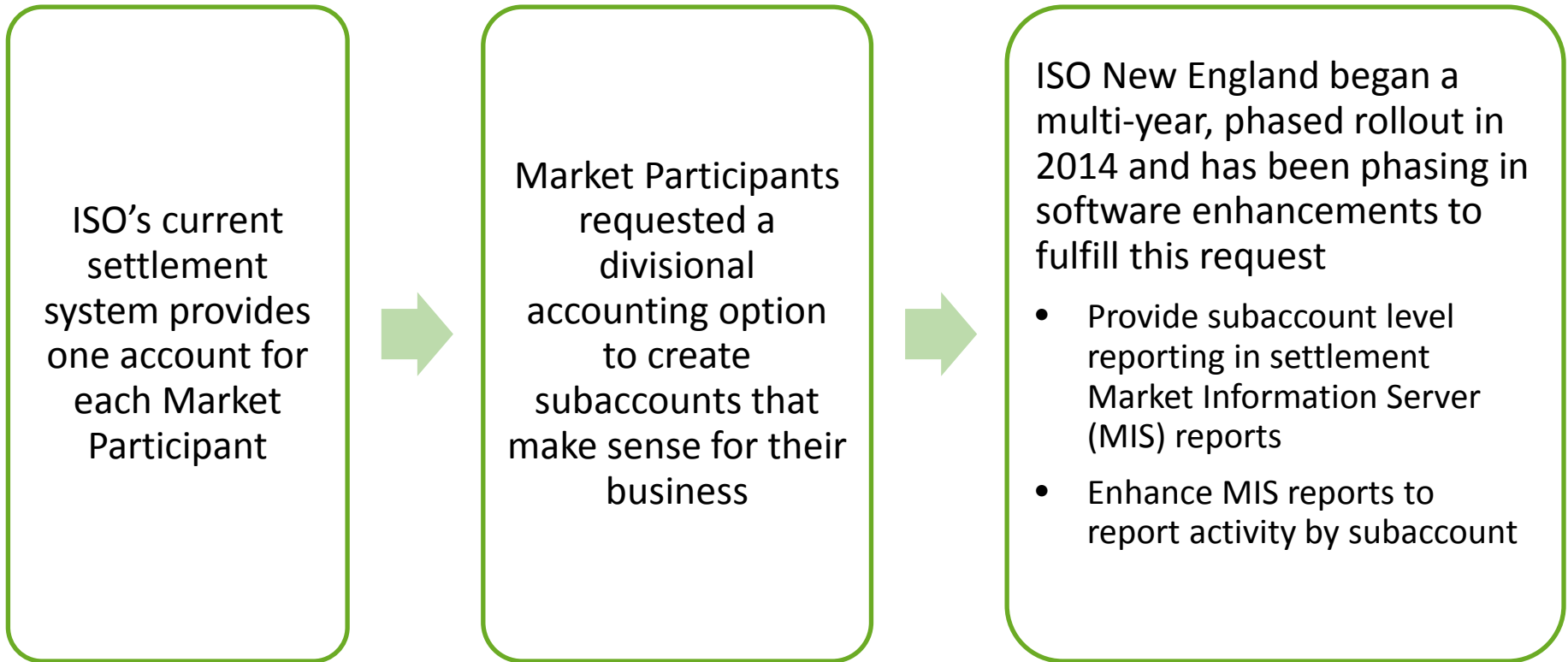


Divisional Accounting Overview

Overview of Divisional Accounting Project



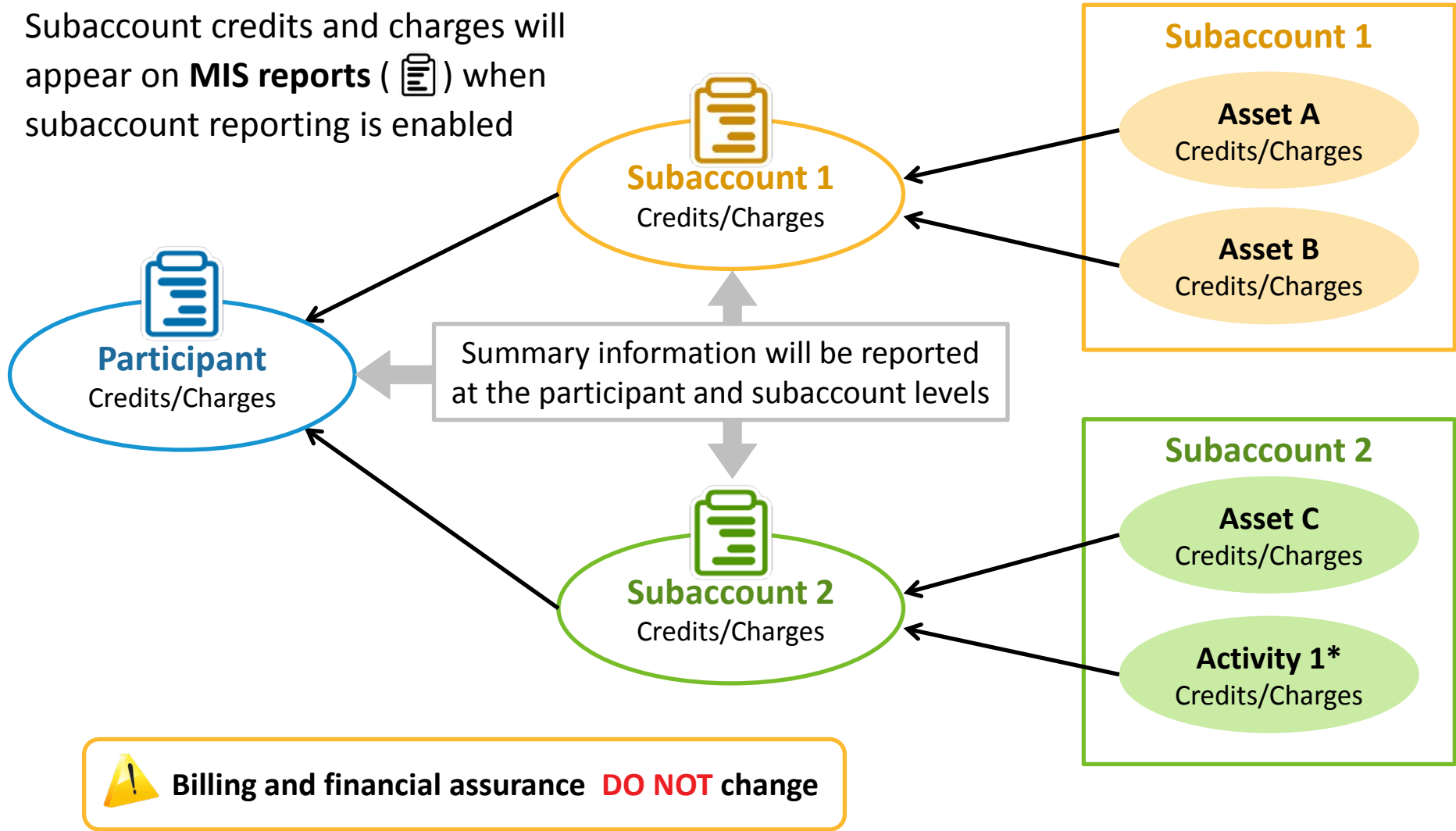
Divisional accounting is an optional feature that allows customers to assign market activity to a **subaccount** or division for settlement reporting.



** Bills and Financial Assurance determination remain unchanged*

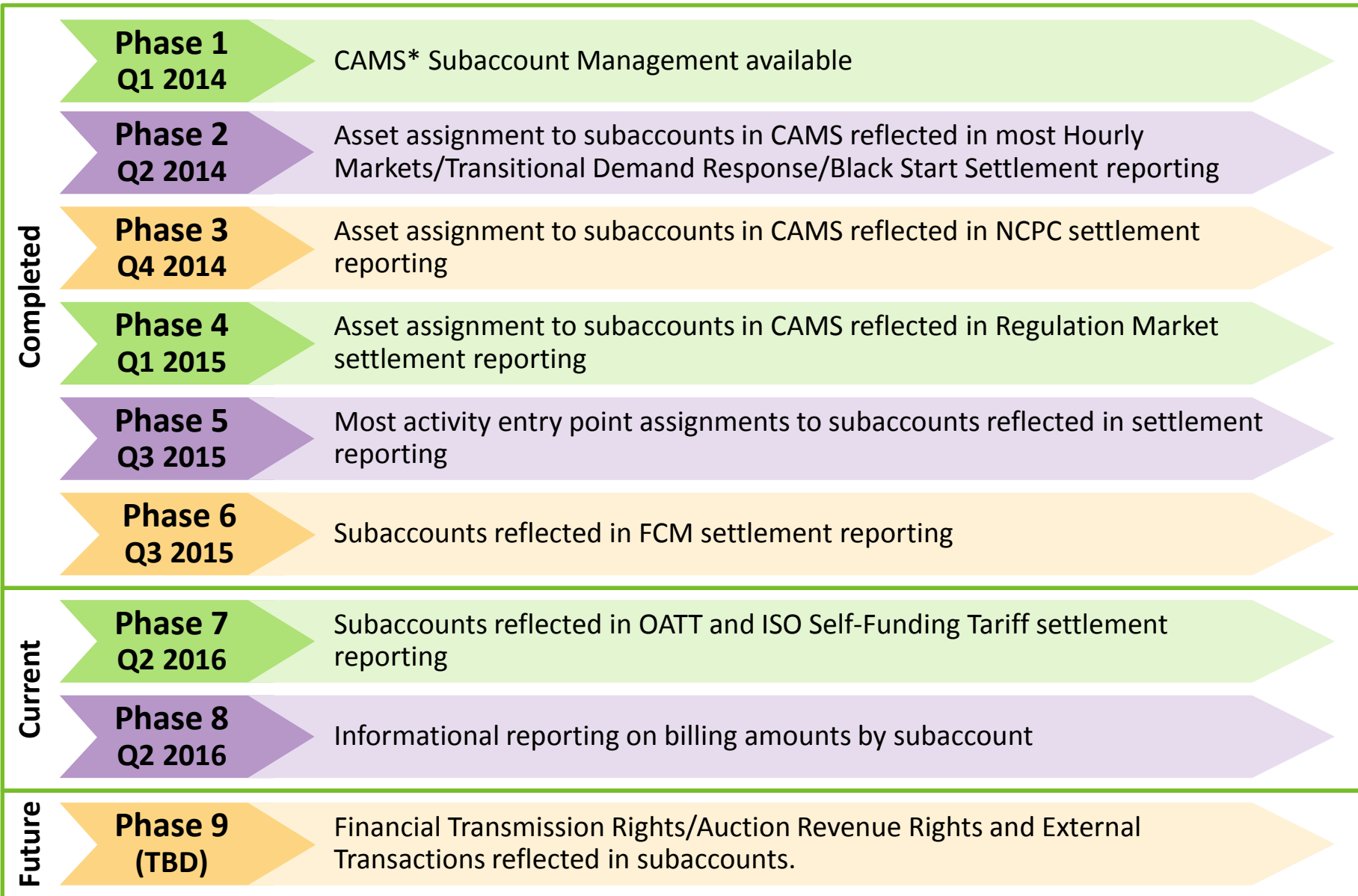
Subaccounts on MIS Reports

Subaccount credits and charges will appear on **MIS reports** (📄) when subaccount reporting is enabled



* **Activity 1** could be demand bidding, virtual transactions, or internal bilateral transactions

Updated Divisional Accounting Implementation Plan

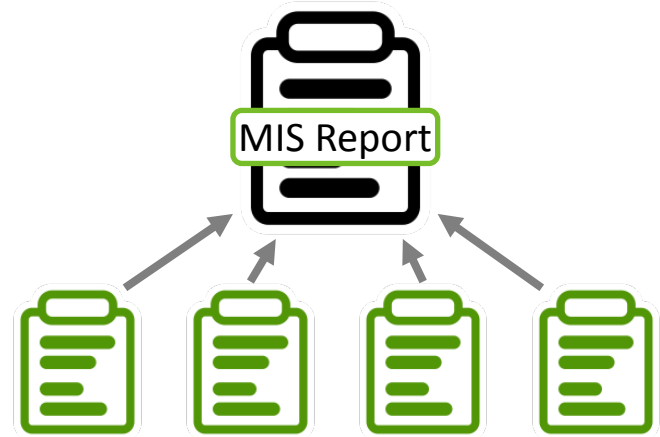


* Customer & Asset Management System

Setting Up Subaccounts

High Level Overview

1. Plan your subaccounts
2. Create subaccounts in CAMS
3. Map assets to subaccounts in CAMS
4. Test subaccounts communications in Sandbox
 - eMarket
 - Internal Bilateral Transaction User Interface (IBT UI)
5. Enable subaccount reporting in CAMS



Questions?



Phase 7 Updates: New Subaccounts in Settlement Reporting

Phase 7 Release Date

Phase 7

Reports release:

June 1, 2016

June

1

Phase 7 Overview

Phase 7
Q2 2016

Subaccounts reflected in OATT and ISO Self-Funding Tariff settlement reporting

New subaccounts are now reflected in settlement reporting*:

- ISO Self-Funding Tariff (SFT) settlement reporting
 - ISO Schedule 1
 - ISO Schedule 2
 - ISO Schedule 3
 - ISO Schedule 5
- Open Access Transmission Tariff (OATT) settlement reporting
 - OATT Schedule 1 for RNS/TOUT
 - OATT Schedule 2 VAR
 - OATT Schedule 8 TOUT
 - OATT Schedule 9 RNS

Read the following Notices for more details:

- [Notice #1](#): Revision to the Market Information Server (MIS) report descriptions, templates and sample files - Divisional Accounting
- [Notice #2](#): Revision to the Market Information Server (MIS) report descriptions, templates and sample files - Divisional Accounting

* Any activities associated with external transactions will be reported in the Default subaccount.

ISO SFT Schedule 2

Allocating Tiered Rates to Subaccounts

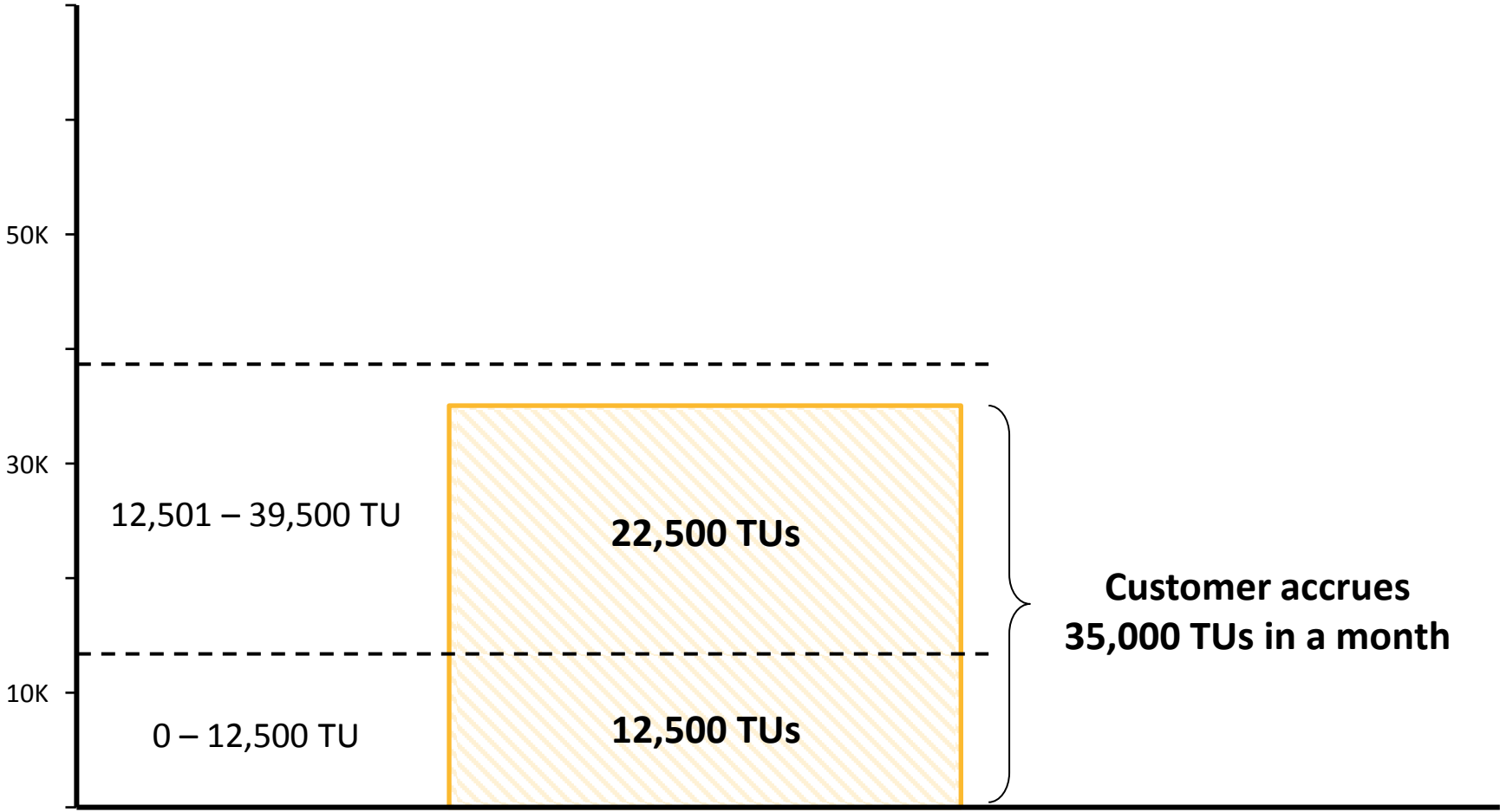
- Costs with tiered rates will be allocated among subaccounts
- The ISO SFT Transaction Units (TUs) and Volumetric Measures (VM) have 3-tier rates

SFT TU Tiers	
Tier	Rate Applies to
1	0 – 12,500 TU
2	12,501 – 39,500 TU
3	> 39,500 TU

SFT VM Tiers	
Tier	Rate Applies to
1	0 – 250,000 VM
2	250,001 – 1,500,000 VM
3	> 1,500,000 VM

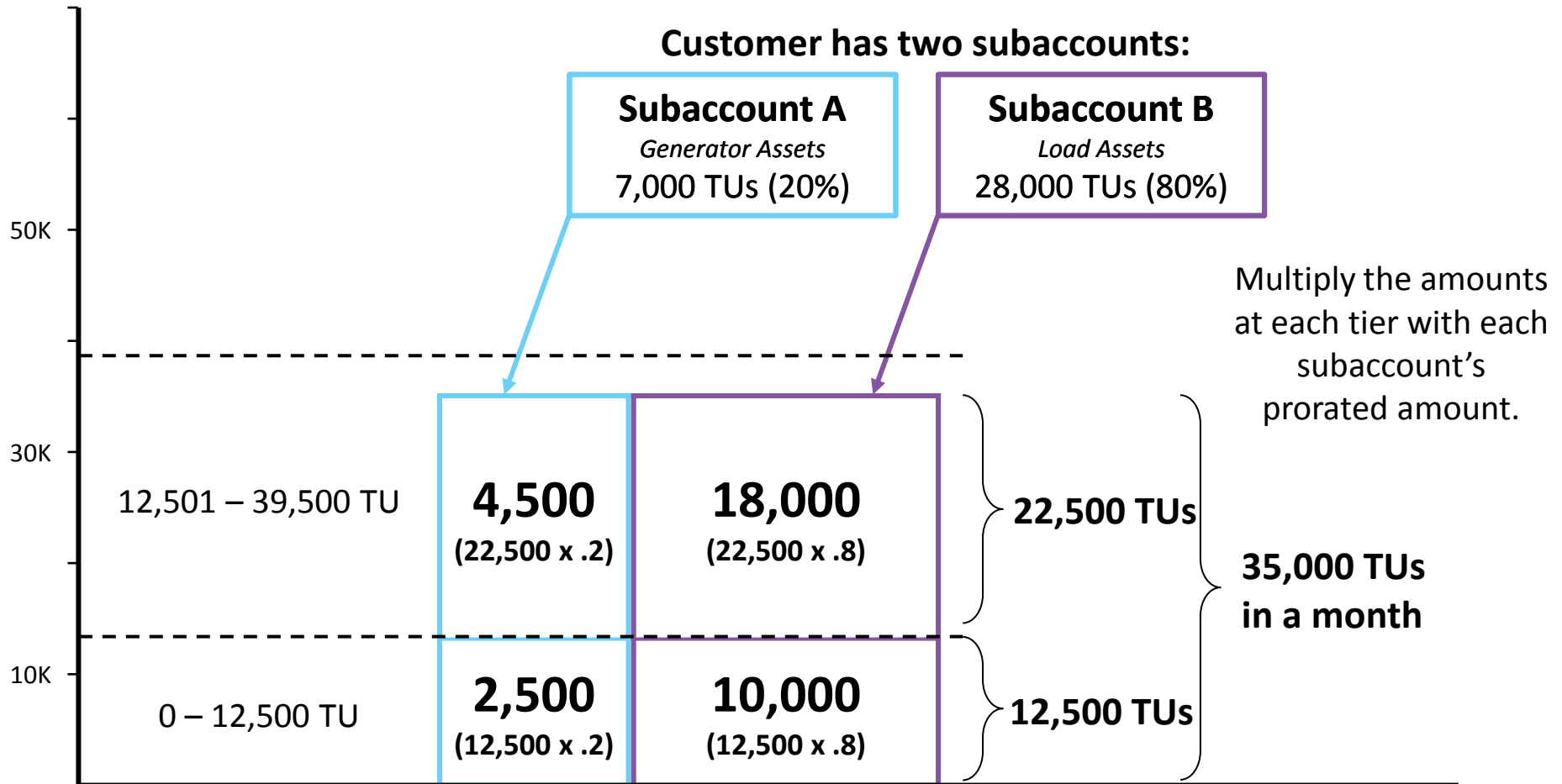
Example: Charging Tiered Rates

*How the tiered rate is applied to customers with **no** subaccounts*



Example: Charging Tiered Rates

How the tiered rate applies to subaccounts



Example: Charging Tiered Rates

How is the tiered rate applied to customers with *no* subaccounts?

Participant	TUs	Tier I	Tier II
Customer with no subaccounts	35,000	12,500	22,500

Participant	TUs	Tier I	Tier II
Customer with two subaccounts			
Subaccount A (20% of total TUs)	7,000	2,500	4,500
Subaccount B (80% of total TUs))	28,000	10,000	18,000
Totals	35,000	12,500	22,500

These did not change



Total cost is **not** affected by divisional accounting

* Volumetric Measure (VMs) are charged in a similar way.

Transactional Units and Adjusted Net Interchange

Example: Subaccount impact when non-zero RT ANI at customer level

Transactional Units (TUs) are split among subaccounts with a non-zero real time adjusted net interchange (ANI).

Example:

Subaccount ID	Mapping	RT ANI	TU
Subaccount_A	Load Asset A	-10	1/3
Subaccount_B	Load Asset B	-5	1/3
Subaccount_C	Network Load	0	0
Subaccount_D	Gen Assets	5	1/3
Total		-10	1

Three of the subaccounts have a non-zero real time ANI

Subaccounts will allow fractional TUs, so the subaccount TUs roll-up properly to the total.

Phase 8 Updates: New Subaccounts in Settlement Reporting

Phase 8 Reports Release

Phase 8

Reports release:

May 25, 2016

May

25

Phase 8 Overview

Divisional Accounting Informational Billing Reports

Phase 8
Q2 2016

Informational reporting on billing amounts by subaccount

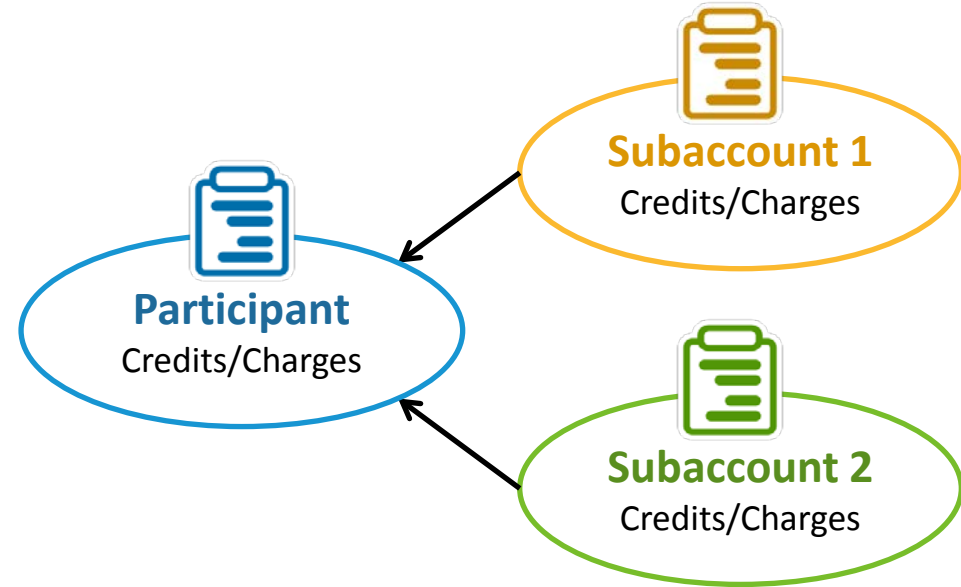
- Original BL_INVOICE report is unchanged; it is the ISO NE Invoice/Remittance Advice
- New Informational MIS reports will be issued to Divisional Accounting users
 - Informational reporting on bill amounts by subaccount
 - Bill line items rolled up from subaccount settlement reports
 - Include Subaccount ID and Subaccount Name info for every line item
 - Total of all line items will match the total in the BL_INVOICE report
- New MIS report set:
 - BL_SUBINVOICE (subaccount version of MIS report BL_INVOICE)
 - BL_SUBDETAILS (subaccount version of MIS report BL_DETAILS)

Divisional Accounting Informational Billing Reports

Phase 8

Customers that have divisional accounting enabled

- New MIS reports are for information only!
- Reports contain rolled-up billing amounts from each of the settlements configured for subaccounts
- Reporting will now disaggregate the ISO NE bill into subaccount level credits/charges
- [Report descriptions](#) are available on the ISO website



Billing process DOES NOT change

Divisional Accounting Invoice Report

BL_SUBINVOICE (Subaccount version of MIS report BL_INVOICE)

BL_INVOICE

Customers will continue to be billed (or paid) based on the **BL_INVOICE** report

Line Items							
Line	Description	Bill From	Bill To	Document Ref	Quantity	Unit of Measure	Net Amount
Number	String	Timestamp	Timestamp	String	Number	String	\$
1	Day-Ahead Energy	1/25/16 12:00 AM	1/31/16 12:00 AM				60,000.00

BL_SUBINVOICE

Net totals do not change

Subaccount		Line Items							
Subaccount ID	Subaccount Name	Line	Description	Bill From	Bill To	Document Ref	Quantity	Unit of Measure	Net Amount
String	String	Number	String	Timestamp	Timestamp	String	Number	String	\$
Default	Default	1	Day-Ahead Energy	1/25/16 12:00 AM	1/31/16 12:00 AM				10,000.00
CT_Gen1	ABC Gen.	2	Day-Ahead Energy	1/25/16 12:00 AM	1/31/16 12:00 AM				20,000.00
NH_Gen1	XYZ Gen.	3	Day-Ahead Energy	1/25/16 12:00 AM	1/31/16 12:00 AM				30,000.00

 Billing process **DOES NOT** change

Questions?





Getting Started with Divisional Accounting

Divisional Accounting Usage Overview

- Participants choosing to use the divisional accounting option will define their subaccounts in accordance with their business needs
- When Divisional Accounting is enabled, a Default subaccount is automatically assigned to the portfolio
 - Any assets, activities, or billing line items that are not associated with a user defined subaccount will be reported in the Default*

If you do **not** choose to use divisional accounting, no CAMS subaccount management is required

If you choose to use divisional accounting, use CAMS to define subaccounts and map assets to them per business needs



Remember to use the [Quick Start Guide for Divisional Accounting](#)

** Includes participant expenses and other miscellaneous charges*

Divisional Accounting Usage Overview

ABC Company is currently a customer of the ISO, and they would like to begin using subaccounts.

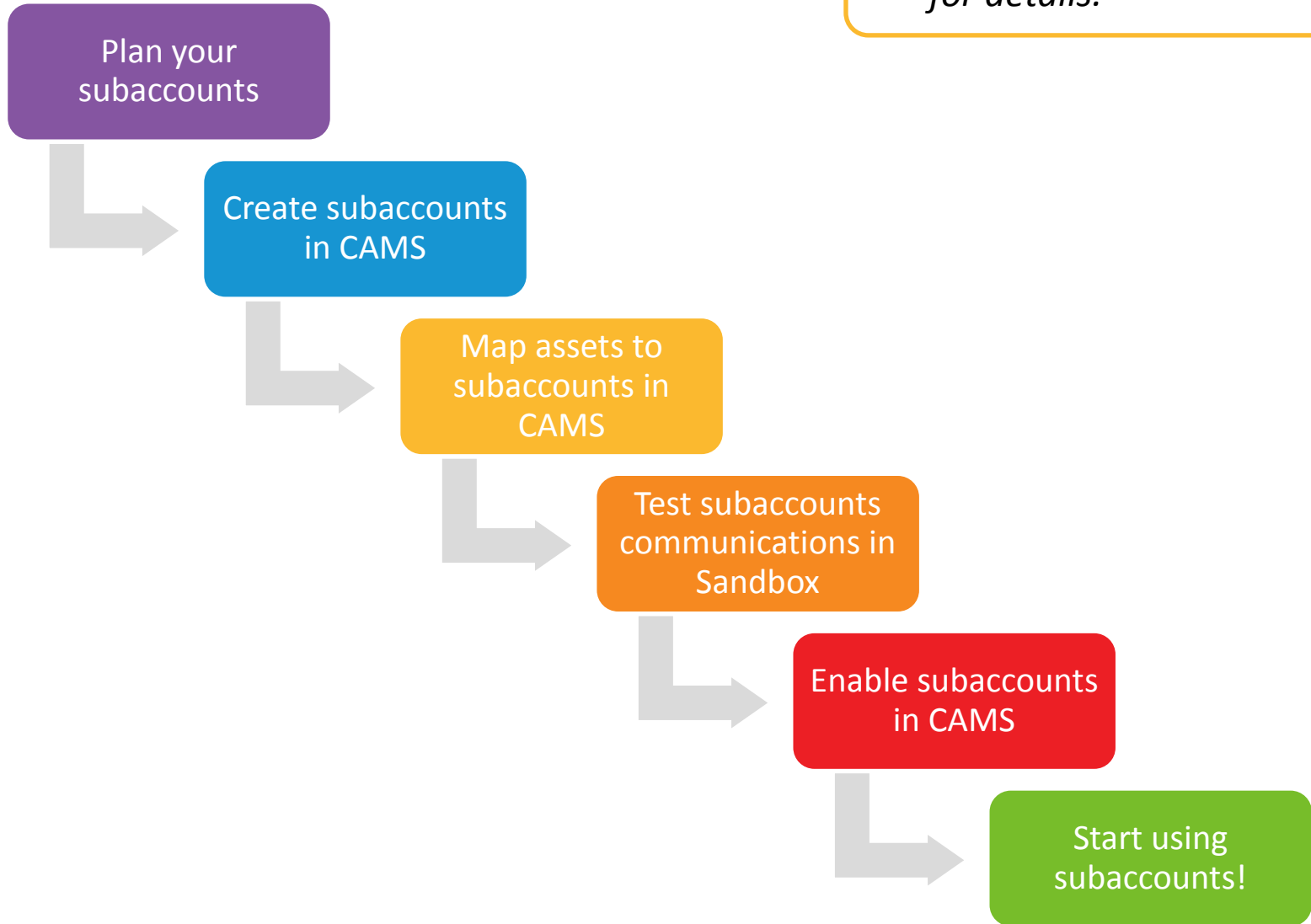
- Using the [Quick Start Guide](#), ABC will be able to get started quickly and efficiently.
- ABC knows that ISO Customer Support is a call away if they need help!



Setting Up Subaccounts



See the [Quick Start Guide](#) for details.



Plan Your Subaccounts

What is your business objective?

Business Objective	One-time Actions	Recurring* Actions for Activities (daily/as performed by your business)
Settle and report assets in a predefined subaccount	Define subaccount and determine which of your assets belong to it.	No activity assignment to this subaccount.
Settle and report activities that are not related to specific assets in a predefined subaccount	Define subaccount. You will not perform the entity mapping step available in CAMS.	Assign activities to subaccount during daily business process.
Settle and report assets and activities in a predefined subaccount	Define subaccount and determine which of your assets belong to it.	Assign your daily activities accordingly.
Settle and report assets and activities that have NOT been assigned to a subaccount	System-defined Default subaccount. All assets not assigned to a subaccount defined by you will belong to this subaccount.	Any activities not assigned to a subaccount will be reported in the Default subaccount.

** Recurring activities include demand bidding, virtual transaction submittal, internal bilateral transactions, and Forward Capacity Market self-supply. Additional activities that are currently only reportable in the default account include Financial Transaction Rights and External Transactions.*

Plan your subaccounts

Plan Your Subaccounts

Tips for getting started



See the [Quick Start Guide](#) for details.

Use the worksheet from the Quick Start Guide to organize your subaccount plan.

Asset ID	Asset Name	Asset Type	Category*	Subaccount ID (Used in eMarket & IBT UI) <ul style="list-style-type: none">• Cannot change***• Must be unique• 20 character max• Can contain letters, numbers, hyphens, and/or underscores	Subaccount Name** (Used on reports) <ul style="list-style-type: none">• Must be unique• 50 character max	Effective Date <ul style="list-style-type: none">• Must respect monthly boundaries• No limits on future dates• Ensure enough time for sandbox testing• Testing date Actual date

Create Your Subaccounts

Tips



See the [Quick Start Guide](#)
for details.

- Use the [Customer and Asset Management System \(CAMS\) User Guide for Company and Affiliate Maintenance](#) for creating subaccounts in your portfolio
 - Use the completed worksheet from the Quick Start Guide for the subaccount names and IDs



Map Your Subaccounts



See the [Quick Start Guide](#)
for details.

- Use the [Customer and Asset Management System \(CAMS\) User Guide for Company and Affiliate Maintenance](#) for mapping your assets to subaccounts
 - Use the completed worksheet from the Quick Start Guide to map your assets in CAMS to the subaccounts you created.
 - You can map the following types of assets to your subaccounts: generators, load assets, asset-related demand, demand response assets, FCM resources, and regional network load.



Generator offer inputs are not assigned to subaccounts through eMarket. Once the generator asset is mapped to a subaccount, all settlement information related to that asset will flow automatically to the subaccount.

Test Your Subaccount Activities

Use the Appropriate Sandbox

Activities that are not directly related to assets/entities get assigned to subaccounts at their respective data entry point

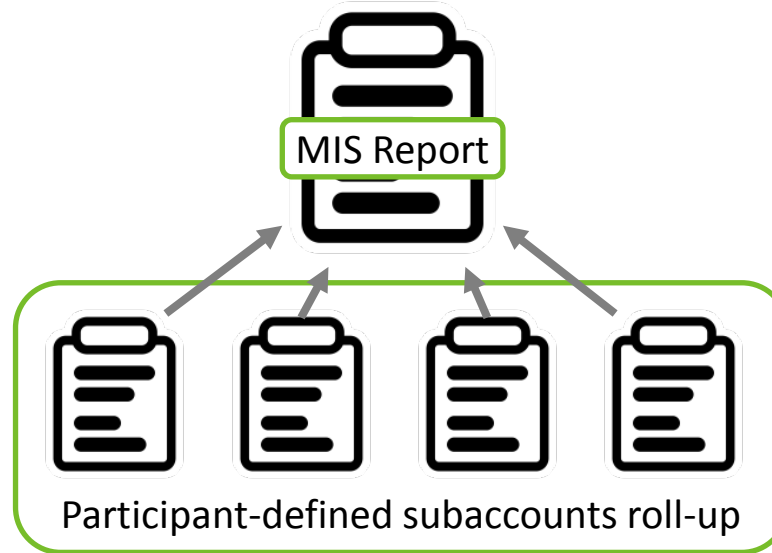
	IBT UI	eMarket
What do I test?	<ul style="list-style-type: none">• Internal transactions<ul style="list-style-type: none">○ .XML and/or .CSV communication	<ul style="list-style-type: none">• Demand bidding• Virtual transactions<ul style="list-style-type: none">○ .XML communication
How is my sandbox created?	Occurs automatically	Contact ISO Customer Support after you build your subaccounts in CAMS
How long does it take to set up my sandbox?	Active 1 day after creating subaccount in CAMS	Approximately 3 business days after contacting ISO



See the [Quick Start Guide](#) for important tips regarding the effective dating of your subaccounts.

Enable Your Subaccount Reporting in CAMS

- Follow the Actions in the [Quick Start Guide](#) to enable subaccount
- Use the [Customer and Asset Management System \(CAMS\) User Guide for Company and Affiliate Maintenance](#) to enable subaccount settlement reporting
- Perform this step when your business processes are ready for subaccount reports



See the [Quick Start Guide](#) for details.

Use Your Subaccounts!

eMarket Subaccount Assignment Types

You can choose to report demand bids which are not asset based in the same subaccount as a specific load asset(s).

Assignment Type	Example	Video Example*
Structure your demand and virtual transactions in the exact same manner as of today, and assign those activities to subaccounts	A participant serving load can now assign its load zone demand bid to a subaccount with the load assets (mapped in CAMS) related to that demand bid.	<ul style="list-style-type: none"> • Example 1 (DA & RT Load)
Structure your demand bids and/or virtual transactions in a new manner, where multiple “like” activities can be submitted a one pricing location	A participant serving load in one load zone can submit multiple fixed demand bids at that zone and assign each one to a subaccount with the related load assets.	<ul style="list-style-type: none"> • Example 2 (Virtual Transactions) • Example 3 (Multiple “Like” Activities in one location)
Continue having some or all activities reported in the Default subaccount instead of assigning them to a CAMS subaccount	<ul style="list-style-type: none"> • A participant may want to make the subaccount determinations for these activities in the future • Depending business needs, a participant may prefer the Default account for certain activities 	<ul style="list-style-type: none"> • Example 4 (Default Account)

* Use link to log into ISO-TEN and view these video examples.

Use Your Subaccounts!

IBT UI Subaccount Assignment

You can choose to assign the following IBT types to subaccounts in the IBT UI:

- Energy
 - Day-ahead energy
 - Real-time only energy
 - Internal bilateral for load
- Capacity
 - Capacity load obligation

Assignment Timeframes	Video Example
1. At IBT creation	Example 5 (Assigning IBTs to Subaccounts)
2. At IBT confirmation	
3. At a later date, prior to settlement or resettlement	
4. An IBT can be assigned to different subaccounts over time	

Contract	Subaccounts	
ExampleIBT (12345)	AAA	BBB
Jan 1 to Mar 31	X	
Apr 1 to June 30		X

* Use link to log into ISO-TEN and view these video examples.

Questions?



Resources



Customer Support Information



Ask ISO (preferred)

- Self-service interface for submitting inquiries
- Accessible through the SMD Applications Homepage
- Requires a valid digital certificate with the role of Ask ISO/External User (Contact your security administrator for assistance)

Other Methods of Contacting Customer Support

Method	Contact Information	Availability
Email	custserv@iso-ne.com	Anytime
Phone*	(413) 540-4220	Monday through Friday 8:00 a.m. to 5:00 p.m. (EST)
Pager (emergency inquiries)	(877) 226-4814	Outside of regular business hours

* Recorded/monitored conversations