Disclaimer for Customer Training: ISO New England (ISO) provides training to enhance participant and stakeholder understanding. Not all issues and requirements are addressed by the training. Consult the effective Transmission, Markets and Services Tariff and the relevant Market Manuals, Operating Procedures and Planning Procedures for detailed information. In case of a discrepancy between training provided by ISO and the Tariff or Procedures, the meaning of the Tariff and Procedures shall govern.

Divisional Accounting

Phase 9

External Transactions – Assignment to Subaccounts
Objectives

After reading this divisional accounting presentation, you will be able to:

• Recognize the structure of the divisional accounting option for ISO New England market settlements

• Understand option for assigning external transactions to subaccounts, effective October 23, 2019

• Find reference material for using divisional accounting
Topics

• Divisional Accounting Overview
• Phase 9 Update
• 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.

- ISO’s settlement system provides one account for each Market Participant.
- Market Participants requested a divisional accounting option to create subaccounts that make sense for their business.
- ISO New England is using a multi-year, phased rollout of software enhancements to fulfill this request:
  - Provide subaccount level reporting in settlement Market Information Server (MIS) reports.
  - Enhance MIS reports to report activity by subaccount.

* Bills and Financial Assurance determination remain unchanged
Subaccounts on MIS Reports

Subaccount credits and charges appear on **MIS reports** when subaccount reporting is enabled.

- **Subaccount 1**
  - Asset A Credits/Charges
  - Asset B Credits/Charges

- **Subaccount 2**
  - Asset C Credits/Charges
  - Activity 1* Credits/Charges

Summary information reported at the participant and subaccount levels.

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

**Billing and financial assurance** DO NOT change.
## Updated Divisional Accounting Implementation Plan

<table>
<thead>
<tr>
<th>Phase</th>
<th>Completion Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Q1 2014</td>
<td>CAMS* Subaccount Management available</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Q2 2014</td>
<td>Asset assignment to subaccounts in CAMS reflected in settlement reporting for most Hourly Markets and Black Start</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Q4 2014</td>
<td>Asset assignment to subaccounts in CAMS reflected in NCPC settlement reporting</td>
</tr>
<tr>
<td>Phase 4</td>
<td>Q1 2015</td>
<td>Asset assignment to subaccounts in CAMS reflected in Regulation Market settlement reporting</td>
</tr>
<tr>
<td>Phase 5</td>
<td>Q3 2015</td>
<td>Most activity entry point assignments to subaccounts reflected in settlement reporting</td>
</tr>
<tr>
<td>Phase 6</td>
<td>Q3 2015</td>
<td>Subaccounts reflected in FCM settlement reporting</td>
</tr>
<tr>
<td>Phase 7</td>
<td>Q2 2016</td>
<td>Subaccounts reflected in OATT and ISO Self-Funding Tariff settlement reporting</td>
</tr>
<tr>
<td>Phase 8</td>
<td>Q2 2016</td>
<td>Informational reporting on billing amounts by subaccount</td>
</tr>
<tr>
<td>Phase 8a</td>
<td>Q2 2019</td>
<td>Informational reporting on billing amounts by subaccount in individual files</td>
</tr>
<tr>
<td>Phase 9</td>
<td>Q4 2019</td>
<td>External transaction assignments to subaccounts reflected in settlement reporting</td>
</tr>
<tr>
<td>Phase 10 (TBD)</td>
<td></td>
<td>Financial Transmission Rights/Auction Revenue Rights reflected in subaccounts</td>
</tr>
</tbody>
</table>

* 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)
   • New England External Transaction Tool (NEXTT)
5. Enable subaccount reporting in CAMS
Phase 9 Update:
Assign External Transactions to Subaccounts

Phase 9
Q4 2019

External transaction assignments to subaccounts reflected in settlement reporting
Phase 9 Effective Date

Phase 9

NEXTT Go-live: October 23, 2019

NEXTT implementation information is available on ISO website
Phase 9 Overview

**External Transactions can be assigned to subaccounts**

**New England External Transaction Tool (NEXTT) provides the option to assign external transactions to subaccounts**

- Subaccounts registered in CAMS will appear in dropdown list

@NEXTT User Guide is available on ISO website
Phase 9 Overview

*External Transactions can be assigned to subaccounts*

**Methods available for assigning external transactions to subaccounts in NEXTT:**

1. Manual selection of subaccount from NEXTT User Interface dropdown box
2. Include subaccount assignment in XML file describing the transaction
   - XML file can be uploaded through NEXTT
   - XML file can be submitted via webservice

**Subaccount assignment is available for external transactions submitted via NEXTT**

- Coordinated External Transactions (CETs) submitted via NYISO JESS are always assigned to the default subaccount

@NEXTT User Guide is available on ISO website
Phase 9 Overview

External Transactions can be assigned to subaccounts

MIS Reports are formatted for external transactions in subaccounts

• Report formatting is already set up to include external transactions in subaccounts
• Prior to October 23, 2019, external transactions automatically assigned to default subaccount

Reports that will reflect, as applicable, external transaction subaccount assignments with Phase 9:

- SD_DATTRANSACT
- SD_RTTRANSACT
- SR_DALOCSUM
- SR_RTLOCSUM
- SR_RTLOCSUM5MIN
- SD_VARCCCHG
- SD_VARVCCHG
- SR_VARSTL
- TR_SCH2DT
- TR_SCH2TP
- TR_SCH3P2
- TR_ISOSCH1TOUT
- TR_OATTSCH1TOUT
- TR_OATTSCH8TOUT
Divisional Accounting References and Resources
Divisional Accounting References

Participants choosing to use the divisional accounting option will define their subaccounts in accordance with their business needs

- See ISO New England - Divisional Accounting Project
- See Divisional Accounting Overview
- See Quick Start Guide for Divisional Accounting
Ask ISO (preferred)

- Self-service interface for submitting inquiries
- Recommended browsers are Google Chrome and Mozilla Firefox
- For more information, see the Ask ISO User Guide

<table>
<thead>
<tr>
<th>Other Methods of Contacting Customer Support</th>
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<tbody>
<tr>
<td>Method</td>
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<tr>
<td>---</td>
</tr>
<tr>
<td>Email</td>
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<tr>
<td>Phone*</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Pager (emergency inquiries)</td>
</tr>
</tbody>
</table>

*Recorded/monitored conversations