

Training Disclaimer: 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.

March 3, 2022
WebEx Broadcast

Settlements Forum

2022 Q1



Presentation updated on 3/3/2022;
impacted slide is 4

Jin Thian

Market Analysis & Settlements



forum

Topics



Upcoming Markets/Settlement Changes

- Forward Capacity Market failure to cover charge rate change
- Forward Capacity Market bill acceleration
- Forward Capacity Market cost allocation changes
- FCM Forfeited Financial Assurance MIS report changes
- Divisional Accounting update
- Mystic Cost of Service Agreement



Informational Items

- Peak Contribution User Interface Enhancement
- Open Access Transmission Tariff regional rates informational update
- 2022 Meeting Dates

Upcoming Markets/Settlement Changes

- *Forward Capacity Market failure to cover charge rate change*
- *Forward Capacity Market bill acceleration*
- *Forward Capacity Market cost allocation changes*
- *FCM Forfeited Financial Assurance MIS report changes*
- *Divisional Accounting update*
- *Mystic Cost of Service Agreement*



Forward Capacity Market Failure to Cover Charge Rate change

Effective June 1, 2022



Failure to Cover Charge is an adjustment to the Forward Capacity Market (FCM) credit when a resource's maximum demonstrated output level is less than its Capacity Supply Obligation (CSO) MWs

Current charge rate

- Highest clearing prices from any annual Forward Capacity Market auction for a given Capacity Commitment Period
- Current rate is \$4.631/kW-month

New charge rate

- Based on a second run of Annual Reconfiguration Auction 3*

** New rate expected to be published around late March (See Tariff Section III.13.3.4(b))*

ISO-NE FERC Filing

[ER19-169-000](#)

See Settlements Forum:

- Q4 2018 [presentation or recording](#)

Forward Capacity Market Bill Acceleration

Effective date June 1, 2022 if approved.



Changes

- Convert the monthly settlement of credits and charges related to a CSO in FCM to a daily settlement
 - Majority of FCM settlement will be billed on same schedule as Ancillary Services

FCM Billable Line Items

- Daily (New)
 - FCM Daily Credit
 - FCM Daily Charge
- Monthly (Existing)
 - Forward Capacity Market Credit
 - Forward Capacity Market Charge
 - FCM Reliability Credit
 - FCM Reliability Charge

ISO-NE FERC Filing

[ER22-1167-000](#)

Link to FERC filing active in .pdf version.

See Settlements Forum:

- Q3 2021 [presentation or recording](#)
- Q4 2021 [presentation or recording](#)



Forward Capacity Market Cost Allocation Changes

Effective June 1, 2022



FCM Cost Allocation is a methodology to distribute charges in the capacity market (replaces the current Net Regional Clearing Price methodology)

Settlements changes:

- Month Ahead settlements
- Daily settlements
- Month End settlements

ISO-NE FERC Filing

[ER18-2125-000](#)

Link to FERC filing active in .pdf version.



FCM Cost Allocation

Cost allocation training is coming in April 2022

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Forward Capacity Market Cost Allocation MIS Report Changes



New Reports

- **SD_FCMPRELIMCLO** – FCM Preliminary Capacity Load Obligation
- **SD_FCMCLODTL** – FCM Capacity Load Obligation
- **SR_FCMSUPPLYCREDITSUM** – FCM Supply Credit Summary Report
- **SD_FCMCHARGES** – FCM Charges Detail Report
- **SR_FCMDLYSTLSUM** – FCM Daily Settlement Summary Report
- **SD_FCMDLYCHRGSTLDTL** – FCM Daily Charge Settlement Detail Report
- **SD_FCMSCADJDTL** – FCM Supply Credit Adjustment Detail Report
- **SR_FCMSTLSUM2** – FCM Settlement Summary Report
- **SD_FCMCLOSTLDTL2** – FCM Forward Capacity Market Capacity Load Obligation Settlement Detail Report
- **SD_FCMFTCDTL2** – FCM Failure to Cover Detail Report
- **SD_FCMRELIABILITYDTL2** – FCM Reliability Detail

Retired Reports

- **SR_FCMSTLSUM** – FCM Settlement Summary Report
- **SD_FCMCLOSTLDTL** – FCM Capacity Load Obligation Settlement Detail Report
- **SD_FCMFTCDTL** – FCM Failure to Cover Detail Report
- **SD_FCMRELIABILITYDTL** – FCM Reliability Detail
- **SD_FCMPRECAPREQ** – FCM Preliminary Capacity Requirement
- **SD_FCMRESSTDTL** – FCM Resource Settlement Details Report
- **SD_FCMNSCDTL2** – FCM Net Supply Credit Detail Report
- **SR_FCMNRCPSUM** – FCM Net Regional Clearing Price Summary Report

Existing Reports (no changes)

- **SD_FCMDARDNCBA** – FCM DARD Non-Conforming Bid Adjustment
- **SD_FCMPFPSPBT** – FCM Pay For Performance Capacity Performance Score Bilateral Transaction Report
- **SD_FCMPFPSCOREPRELIM** – FCM Pay For Performance Capacity Performance Score Preliminary Report
- **SD_FCMPFPACPPRELIM** – FCM Pay For Performance Actual Capacity Provided Preliminary Report
- **SD_FCMPFPACP** – FCM Pay For Performance Actual Capacity Provided Report
- **SD_FCMPFPSCORE** – FCM Pay For Performance Capacity Performance Score Report
- **SD_FCMPFPRESPYMT** – FCM Pay for Performance Resource Payments Report



FCM Forfeited Financial Assurance MIS report changes

Effective June 1, 2022



Forfeited financial assurance is the distribution of financial assurance funds associated with terminated non-commercial capacity supply obligation

- Funds are allocated to Zonal Capacity Obligation (ZCO)

New MIS Report (SD_FORFEITEDFA)

- Forward Capacity Market Forfeited Financial Assurance Allocation Report

No changes to existing billable line item

- Forfeited Financial Assurance



Divisional Accounting Implementation Plan

Phase 10 Status



Completed

Phase	Date	Description
1	Q1 2014	Customer Asset Management System (CAMS) subaccount management available
2	Q2 2014	Asset assignment to subaccounts in CAMS reflected in settlement reporting for most hourly markets and blackstart
3	Q4 2014	Asset assignment to subaccounts in CAMS reflected in Net Commitment-Period Compensation (NCPC) settlement reporting
4	Q1 2015	Asset assignment to subaccounts in CAMS reflected in regulation market settlement reporting
5	Q3 2015	Most activity entry point assignments to subaccounts reflected in settlement reporting
6	Q3 2015	Subaccounts reflected in Forward Capacity Market (FCM) settlement reporting
7	Q2 2016	Subaccounts reflected in Open Access Transmission Tariff (OATT) and ISO self-funding tariff settlement reporting
8	Q2 2016	Informational reporting on billing amounts by subaccount
8a	Q2 2019	Informational reporting on billing amounts by subaccount in individual files
9	Q4 2019	External transaction assignments to subaccounts reflected in settlement reporting
10	2020 - 2021	Informational reporting on ISO settlement by subaccount in individual files (<i>Releases 1 - 3</i>)
11	Q3 2021	Financial Transmission Rights (FTRs)/Auction Revenue Rights (ARRs) reflected in subaccounts

Current



Phase	Date	Description
10	Q2 2022	Informational reporting on ISO settlement by subaccount in individual files – <i>4th release</i>



Divisional Accounting Update

Phase 10 - June 1, 2022



Informational reporting on ISO Settlement by subaccount in individual files

- Subaccount MIS reports for FCM settlements available in June 1, 2022
- Separate MIS settlement reports created for each subaccount

For more information

View the [Divisional Accounting Phases 10 & 11 presentation](#) for more details on this Divisional Accounting enhancement

View additional Divisional Accounting [training materials](#) on the ISO website



These additional MIS reports are only issued to customers using Divisional Accounting option

Mystic Cost of Service Agreement

Effective June 1, 2022



The Mystic Cost of Service Agreement provides monthly supplemental capacity payments to the Mystic resources in the 2022/23 and 2023/24 capacity commitment periods


- Credits: Active Lead Market Participant of Generators subject to the agreement
- Charges: Participants with Real Time Load Obligation

New Billable Line Items

- Mystic Cost of Service Credit or Charge

New MIS Reports

Including:

- SR_COSCHARGE
- SR_COSCHARGESUB 

Mystic Cost of Service Agreement

[ER18-1639-000](#)



For further reference:

[Mystic Cost of Service Agreement worksheet](#)

[Settlements Forum Q3 2020 materials](#)

Informational Items

- *Peak Contribution User Interface Enhancement*
- *Open Access Transmission Tariff regional rates informational update*
- *Settlements Forum Dates*
- *Questions*



Peak Contribution User Interface Enhancement

Effective June 1, 2022



New Feature

- Available with Capacity Commitment Period 2022/23 and forward
- Ability to submit peak contribution values (aka “daily tags”) into the future
 - Submit the value for a date range

File Upload

Resp. Party: Meter Reader A

Begin Date: 06/01/2022

End Date: 06/01/2022

Category: All

Retrieve

Load Facilities		
Id	Asset Name	Ref. Date
101	Load Asset Y	06/01/2022
102	Load Asset Z	06/01/2022

Asset Id: 101
Asset Name: Load Asset Y
Tag Date: 06/01/2022

Capacity Commitment Period	Peak Date	Peak Contribution (MWh)
06/01/2022 - 05/31/2023		-40

Submit for period:

Begin Date: 06/01/2022

End Date: 12/31/2022

Reset Submit

Please see the [User Guide for Submitting Peak Contribution Values using the Submit Peak Contribution User Interface](#) for more information *

* Will be updated and ready before the release of UI enhancement

Open Access Transmission Tariff Regional Rates Informational Update

Implemented as of January 1, 2022



Introduced new MIS report

- Replaced with TR_OATTSCH9RNS2
 - Single OATT Schedule 9 RNS rate
 - Eliminated pre-97 and post-96 RNS rates
- First release expected no sooner than March 1, 2022

No changes to existing billable line item

- OATT Schedule 9 RNS



For further reference:

New England Transmission Owners
(NETO) FERC Filing [ER20-2054-001](#)

[RNS Rates Effective June 1, 2021
and January 1, 2022](#)

*Presentation by the PTO AC Rates
Working Group*

See Settlements Forum:

- Q3 2021 [presentation or recording](#)



Settlements Forum Dates 2022



Q1

Thursday, March 3 at 10:00 AM



Q2

Thursday, June 2 at 10:00 AM



Q3

Thursday, September 8 at 10:00 AM



Q4

Thursday, December 1 at 10:00 AM

Contact Participant Support and Solutions



Submit a request via Ask ISO *(preferred)*
<https://askiso.force.com/>

Email AskISO@iso-ne.com

Phone

(413) 540-4220 (call center)

(833) 248-4220

Pager *(for emergency inquiries outside of business hours)*

(877) 226-4814

**Business hours and
additional contact details
are available from the
Participant Support page**

[Visit the Participant Support page](#)



Questions

Q&A Questions

Please note: The order of the questions have been changed to aid in the understanding of the specific subjects. Some of the questions have been edited and modified for clarity.

Q1: Is “Mystic” in slide 11 a company name or generator name?

Mystic is a generator name, referring to the Mystic Generating Station.

Q2: Will the Mystic COS be included on the monthly or weekly bill?

The Mystic Cost of Service Supplemental Capacity Payment Credit and Charges are dependent on a full month of energy and ancillary service settlements as well a number of the monthly settlements. For this reason, the Mystic Cost of Service Agreement will appear on the monthly non-hourly bill schedule which is distributed on the first Monday after the 9th of the month.

Q3: For the Mystic Cost of Service, how much money will you be billing out to Real Time Load Obligation each month?

The Cost of Service is tied to the Fixed Revenue Requirement in the agreement with Mystic. The Revenue Requirement minus the FCM payments to Mystic is about \$9 Million a month. Then, that \$9 Million is further reduced by other actual monthly revenue and possibly by performance penalties. We won't know the final number until the close of each month. Please refer to these figures in the estimation tool on the website (<https://www.iso-ne.com/static-assets/documents/2020/07/mystic-cost-of-service-estimation-worksheet.xlsx>). There are also links to these materials in the PDF version of today's presentation.

Q4: What is the daily FCM settlements and billing schedule?

Generally, Real Time energy markets are settled 3 business days after the operating day, while the ancillary services are typically 4 business days after the operating day. The FCM daily settlements is expected to follow the same settlement schedule as the ancillary services. The completed daily FCM settlement will then be included in the next upcoming weekly bill, either on Monday or Wednesday. The ISO provides a forecast of the weekly bill which gives the participants an estimation of the days to be included in the upcoming bill. The Forecasted Billing Schedule can be located on the ISO New England website at <https://www.iso-ne.com/markets-operations/settlements/understand-bill>. It can also be located by following the steps: ISO-NE Home → Markets and Operations → Settlements → Understanding the Bill. The Forecasted Billing Schedule can be found under “Documents”, in the Billing Information Material section.

Q5: Can you please clarify the forecasted billing schedule and the frequency of its publication?

The forecasted billing schedule is published two business days prior to each Monday or Wednesday weekly bill located at <https://www.iso-ne.com/markets-operations/settlements/understand-bill>. For example, the Monday Mar 7, 2022 Forecasted Billing Schedule was published two business days prior, on Thursday March 3, 2022.

Q6: Which of the FCM settlements are included in the daily settlements, and which remains at monthly settlements?

The FCM payments associated with CSO transactions from forward capacity auctions, annual and monthly reconfiguration auctions, and monthly CSO Bilaterals will be settled on a daily basis. Charges for those transactions will be allocated daily, along with charges for the following FCM-related items: HQ Interconnection Capability Credits, self-supply adjustments, Intermittent Power Resource capacity adjustments, multi-year rate election adjustments, CTR transmission upgrade charges and CTR Pool-Planned Unit charges.

A small number of FCM settlement payments and charges will continue to be billed on a monthly basis. These include settlements related to the following: resources retained for reliability, failure to cover charges, certain export capacity transactions, Capacity Performance Payments. Settlements for these charges generally occur infrequently, or data required for the settlement is not available until after the end of the Obligation Month.

Q7: Is the FCM billing on Monday and Wednesdays, while the monthly bill be only a true up? Or will the monthly bill shows what was billed for the entire month?

The monthly bill is not a true up of the weekly FCM billing; it contains remaining FCM cost components that have not been included in the weekly FCM bills.

Q8: Will all the new FCM Cost Allocation Reports be addressed in the April training?

The FCM Cost Allocation reports will not be addressed in the April training, however, the detailed report descriptions, sample files and templates will be available to customers by the end of March.

Q9: SD_FCMRESSTLDTL and SD_FCMNSCDTL are being retired with the FCM Bi-Weekly upgrade. Which reports will be replacing these?

The retired reports FCMRESSTLDTL and the FCMNSCDTL will be replaced in the Month Ahead settlement with the customer SR_FCMSUPPLYCREDITSUM which is expected to be distributed within the first couple of days of the settlement month.

Q10: Will the new daily FCM charges/credits be included in the BL Daily Position MIS reports?

Yes, the new daily FCM charges and credits will be included in the BL Daily Position MIS report.

Q11: As part of Divisional Accounting project, can you please confirm if subaccount reports will be available in addition to the existing parent report where subaccount information is published along with market participant level data?

For this Divisional Accounting project release, individual subaccount reports are published for the newly created FCM reports. The following subaccount reports will be available in addition to the existing parent reports:

Month-Ahead reports

- SD_FCMCLODTLSUB – Forward Capacity Market Capacity Load Obligation Detail Subaccount Report
- SR_FCMSUPPLYCREDITSUMSUB – Forward Capacity Market Supply Credit Summary Subaccount Report

Daily reports

- SR_FCMDLYSTLSUMSUB – Forward Capacity Market Daily Settlement Summary Subaccount Report
- SD_FCMDLYCHRGSTLDTLSUB – Forward Capacity Market Daily Charge Settlement Detail Subaccount Report

Month End reports

- SR_FCMSTLSUMSUB – Forward Capacity Market Settlement Summary Subaccount Report
- SD_FCMCLOSTLDTLSUB – Forward Capacity Market Capacity Load Obligation Settlement Detail Subaccount Report
- SD_FCMSCADJDTLSUB – Forward Capacity Supply Credit Adjustment Detail Subaccount Report

Q12: When can we expect the OATT Schedule 9 Settlement calculation reference (on Understanding the Bill) to be updated with the removal of the Pre and Post rate inputs?

The OATT Schedule 9 Regional Net Service's overview and calculation summaries in the Understanding the Bill section have been updated to include a pre-1/1/2022 section and a post-1/1/2022 section that reflects the appropriate credits and charges for a settlement period.

Please refer to: <https://www.iso-ne.com/markets-operations/settlements/understand-bill/item-descriptions/oatt-schedule9-rns>