

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.

Settlements Forum

2023 Q3



Presentation updated on 9/12/2023;
impacted slide is 9

Jin Thian & Mark Wing
Market Analysis & Settlements



forum

Topics



Upcoming Markets and Settlement Changes

- Inventoried Energy Program



Informational Items

- Mystic Cost of Service Annual True-up Process and Reporting Overview
- Forward Reserve Internal Bilateral Transactions Submission
- 2023 Settlements Forum dates

Upcoming Markets/Settlement Changes

- *Inventoried Energy Program*



Inventoried Energy Program

Effective December 1, 2023



Objective

An interim program to address winter energy security challenges in New England



For further reference:

- Read [IEP related filings and FERC orders](#)
- Review the [IEP Participant Readiness Project Outlook](#) web page
- Complete the [Inventoried Energy Program self-paced training](#)*
- View [IEP knowledge articles on AskISO](#)

** Additional lessons will be added as IEP milestones are completed*

ISO-NE FERC Filing

[ER19-1428-000](#)

[ER23-1588-000](#)

Link to FERC filing active in .pdf version.

Inventoried Energy Program

Effective December 1, 2023



Inventoried Energy Project (IEP)

Voluntary program to provide compensation to participants with assets that maintain inventoried energy during extreme cold periods when winter energy security is most stressed

MIS Report

- **SD_INVENERGYDETAIL**
Inventoried Energy Settlement Detail Report
- **SD_INVENERGYSUMMARY**
Inventoried Energy Settlement Summary Report
- **SD_INVENERGYDETAILSUB**
Inventoried Energy Settlement Subaccount Detail Report
- **SD_INVENERGYSUMMARYSUB**
Inventoried Energy Settlement Subaccount Summary Report

Billable line item

- **Inventoried Energy Program**

Inventoried Energy Program

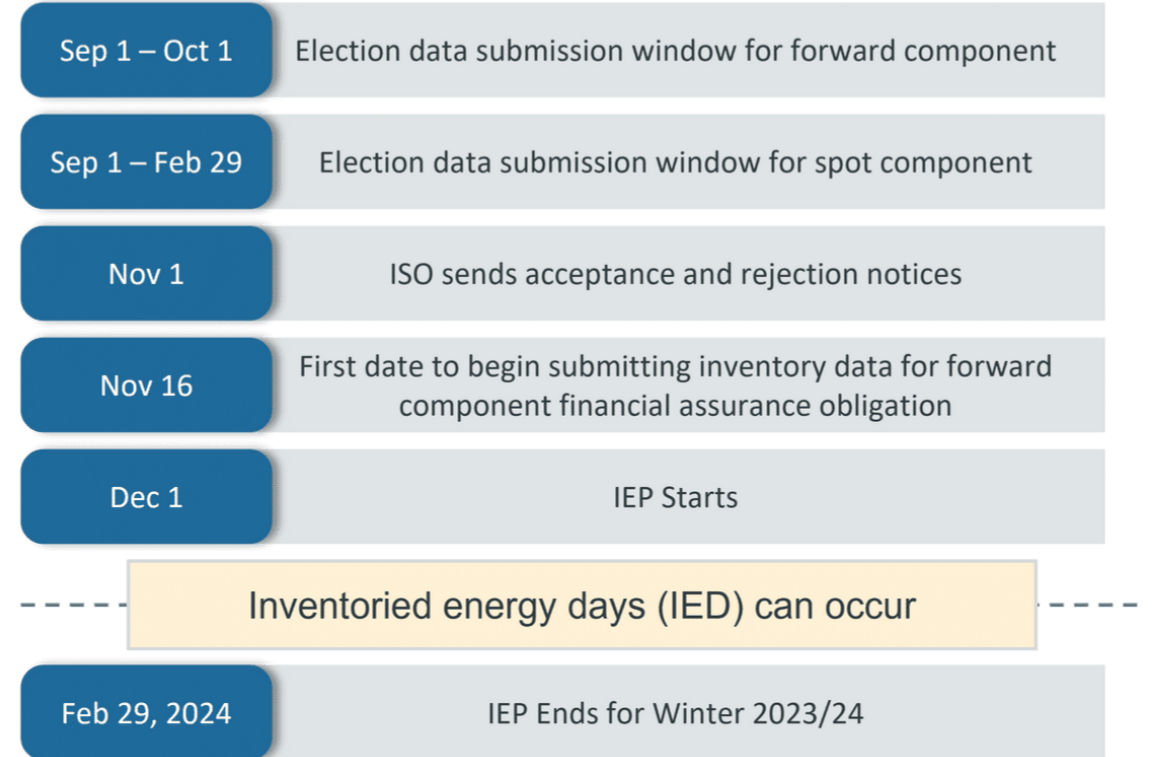
Market Details

Forward market

- Settled daily during winter season
- Credits based on Forward Energy Inventory Election

Spot market

- An Inventoried Energy Day (IED) occurs during winter season when average of high and low temperature at Bradley International Airport is 17 degrees Fahrenheit or less
- Credits or charges based on difference between Forward Energy Inventory Election and measured inventory



Inventoried Energy Program

Critical details for submitting Inventoried Energy Day data

Submit your affidavit with inventory to ISO by 1:00 p.m. on the second business day following the IED

- Submissions will not be accepted after deadline
- Affidavits with missing signatures will be rejected
- Assets missing from an affidavit or with incomplete inventory levels will be set to 0

Inventoried Energy Day (Event)

IED	Inventoried energy day
2:00 a.m. on IED +1 day	ISO publishes notice
7:00 a.m. - 8:00 a.m. on IED +1 day	Participants measure real-time inventory
1:00 p.m. on IED +2 business days	Deadline to submit inventory data and affidavit

Inventoried Energy Program

Compensation and Charges Timing Overview

- Settlement follows same timeline as Ancillary Services*
 - Reports issued on 4th business day after operating day
 - Included in twice-weekly bill following 4th business day after operating day
- New bill item
 - Includes credits and/or charges from forward and spot markets
 - Includes charges from program costs
 - Allocated to Real-Time Load Obligation



* See the [Twice Weekly Settlement Timeline for Operating Day](#) to review the Ancillary Services settlement schedule

Inventoried Energy Program

Questions and Answers Q&A

IEP-related Questions	Answers
Does battery energy storage qualify for applying to this program?	Yes. Under the FERC-approved program, oil, natural gas, refuse, and electric storage resources are eligible to participate in the IEP.
Do spot-only participants need to report after every IED, or can they opt-in to only reporting at their discretion?	According to Appendix K of the market rules, participants “must” measure and submit their Real-Time inventory for Inventoried Energy Days prior to the submission deadline. If they fail to meet this requirement, their Real-Time inventory will be set to zero. The ISO would prefer assets comply with this requirement.
When will IEP credits appear on the participants’ invoices?	The Inventoried Energy Program will be billed on the same schedule as ancillary services. MIS reports will usually be issued on the fourth business day following the operating day. Looking at the upcoming season, December 1 st is a Friday. Reports for that day will be issued on the following Thursday. It will be billed on Monday, December 11 th as part of the non-hourly bill.
What constitutes a “Senior Officer”?	Senior Officers are officers in a company that have typically have the word “chief” in their title. For example, “chief executive officer” or “chief financial officers.” These positions are often referred to as “c-level” officers.
Can you estimate the costs associated with IEP?	In the 2023 testimony provided by the ISO, we estimated the cost of the IEP to be \$137 million based on an estimated payment rate of \$97.18 per MWh. We can update this value to be \$130 million because we know the payment rate for the upcoming season is \$92.51. However, we do not yet know the level of participation in the IEP. If there is higher or lower participation than estimated, we could have a higher or lower final cost. Participation level will be known by November.


Informational Items

- *Mystic Cost of Service Annual True-up Process and Reporting Overview*
- *Forward Reserve Internal Bilateral Transactions Submission*
- *2023 Settlements Forum dates*
- *Questions*



Mystic Cost of Service Annual True-up Process

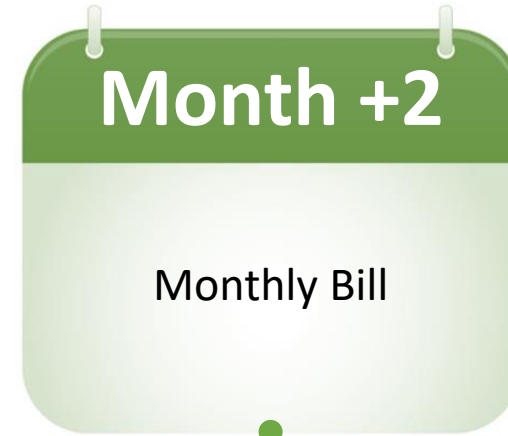
Brief Compensation and Charges Timing Overview



Billed over 12-month period (June 2023 to May 2024)



Month
 $\frac{1}{12}$ of 2022 True-up Cost



Month +2
Monthly Bill



Example: 2022 True-up Cost* (Jun-Dec)

June

August

** There is no data reconciliation process for Mystic Cost of Service annual true-up process*

See [2023 Informational Posting](#)

Mystic Cost of Service Annual True-up Process

Sample SS_COSTUALLOC MIS Report explained



BL_INVOICE Sample

Line Items						
Description	Bill From	Bill To	Document Ref	Quantity	Unit of Measure	Net Amount
String	Timestamp	Timestamp	String	Number	String	\$
Mystic COS True-Up	6/1/23 12:00 AM	7/1/23 12:00 AM				5100.00

Total true-up amount

SS_COSTUALLOC (Mystic Cost of Service True-up Allocation Standard Settlement Report)

Trading Date	Allocation Description	Customer Dollars	Comments	Subaccount ID	Subaccount Name
Date	String			String	String
6/1/2023	Mystic COS RTLO			Default	Default
6/1/2023	Mystic COS			12345	ABCD
	Customer Dollars		Comments		
	\$		String		
	5000.00		JUN: 740.00 JUL: 700.00 AUG: 699.00 SEP: 735.00 OCT: 711.00 NOV: 708.00 DEC: 707.00		
	100.00		JUN: 45.00 JUL: 40.00 AUG: 15.00		

Each value reflects the monthly true-up amount plus interest

Internal Bilateral Transactions (IBT) Submission Changes Reminder

Forward Reserve



2023-2024 Winter Forward Reserve runs from October to May (8 months)

- User interface will allow IBT for full contract length of 8 months



No longer need to break into two separate contracts

Internal Bilateral Transactions Submission Changes
Q4 2022

Modification to Internal Bilateral Transactions (IBT) duration

- Day-Ahead Energy, Real-Time Energy and Real-Time Load
 - Current: maximum 6 months duration
 - Future: up to two years

The maximum duration of Forward IBT is changing from 6 months to two years.

6m max Current → **2y max Future**

IMPLEMENTED DECEMBER 2022

View [Submitting Internal Bilateral Transactions Using SMS](#)

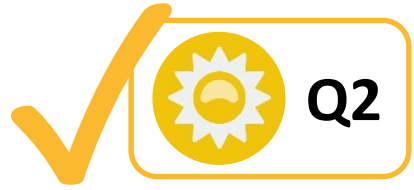
See Settlements Forum Q3 2022
([presentation or recording](#))

2023 Settlements Forum Dates



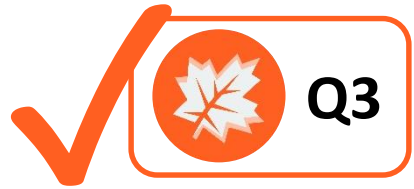
Q1

Thursday, March 2 at 10:00 AM



Q2

Thursday, June 1 at 10:00 AM



Q3

Thursday, September 7 at 10:00 AM



Q4

Thursday, December 7 at 10:00 AM

Questions

Contact Participant Support and Solutions



Submit a request via Ask ISO *(preferred)*
<https://askiso.iso-ne.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](#)