



Memorandum

To: Energy Imbalance Market Governing Body

From: Eric Schmitt, Vice President, Operations

Date: November 23, 2016

Re: Update on Settlement Disputes for the Energy Imbalance Market

This memorandum does not require EIM Governing Body action.

EXECUTIVE SUMMARY

There are currently four participating entities in the ISO Energy Imbalance Market: PacifiCorp, Nevada Energy, Puget Sound Energy, and Arizona Public Service Company. Each EIM Entity and Participating Resource has selected a Scheduling Coordinator to facilitate the EIM market on their behalf. The ISO settles with these Scheduling Coordinators who, in turn, allocate payments and charges back to the entities that take service on their systems.

From November 2014 to November 2016, the ISO has payed approximately \$958,886,432 in settlements to the EIM participants.

EIM participants who are not in agreement with the ISO's published settlements statements can submit disputes into the ISO's dispute resolution process. Once received, disputes are evaluated by the ISO to determine whether each dispute is valid or invalid.

To date, EIM participants' disputes are about 1.37% of the total EIM settlements. This compares to 0.23% for the same period for the market as a whole. This difference is attributed to the fact that in implementing the EIM, the ISO and participants adopted major changes to settlement charges and software systems. When such significant enhancements are made it is expected that the ISO and participants experience issues that are ultimately resolved through the dispute processes based on their analysis of each settlement statement.

EIM Entities receive ISO settlements and reassign the payments and charges to their customers. It is the EIM Entities' responsibility to ensure all ISO charges and payments made to them are covered by their Tariff and contracts.

The ISO encourages all EIM participants to review statements and submit disputes on the T+12B statement. Disputes submitted on the T+12B statement will yield results for EIM participants on the T+55B ISO statement, where disputes submitted on the T+55B ISO statement will yield results on the T+9M statement.

Submitted Disputes November 2014 - November 2016

	T+12B Recalc Statement	T+55B Recalc Statement	T+9M Rerun Statement	Grand Total
Totals	186	226	7	419

The ISO’s goal is to resolve all valid disputes before the next available settlement calculation for the Trade Date disputed. An ISO internal working group monitors and tracks EIM specific disputes to ensure issues are identified and resolved in a timely manner. This is especially important for EIM disputes, because EIM participants have their own payment timeline, which may or may not align with the ISO settlement cycle.

The ISO tracks all disputes and provides estimated dates for resolution to participants through the web-based ISO dispute tracking tool.

The table below lists the status summary of all disputes. The ISO has approved disputes labeled “Pending Recalculation” and is waiting for the next available settlement calculation to process those disputes through the settlements process. The ISO has either completed the resettlement of those disputes labeled as “Closed” disputes or found them to be not valid. The ISO is currently evaluating the remainder of the disputes.

Dispute Status November 2014 - November 2016

	In Progress	Pending Recalc	Closed	Grand Total
Totals	\$ 1,310,136	\$ 586,197	\$ 11,279,236	\$ 13,175,568

In summary, 0.14% of the EIM settlement total dollars, since November 2014, remain open. The ISO expects to have these mostly closed by Q1 2017.