

Dispute Submittal Guide: Miscellaneous Neutrality Adjustments**Miscellaneous Neutrality Adjustments**

Charge Types 1401, 1487 and 4999

Description

This section of the Dispute Submittal Guide describes the information pertinent to the various Neutrality charge types. Specifically, charge types 1401, 1487 and 4999.

The ISO must maintain revenue neutrality due to the fact that it was established as a public benefit, non-profit corporation. The Miscellaneous Neutrality adjustments are required when there is a neutrality mismatch associated with the Settlement of certain charge types.

CT 1401 – Imbalance Energy Offset

Charge Type 1401 is the Imbalance Energy Offset that is used to offset balances related to the settlement of the following Charge Types:

- 4401 Instructed Energy
- 4406 UFE Settlement
- 4407 Uninstructed Energy
- 4410 Unscheduled RMR Energy

CT 1401 is allocated to Control Area Metered Demand (Metered Loads plus real-time Exports)

Charge Type 1487 – Energy Exchange Program Neutrality

Charge Type 1487 is the Energy Exchange Program Neutrality Adjustment. In the Energy Exchange Program, the ISO obtains energy in one time period and returns the energy in another time period. Over time this creates a revenue mismatch that is not cash neutral for the ISO. CT 1487 is the mechanism by which the ISO allocates the revenue mismatch caused by the Energy Exchange Program in order to maintain revenue neutrality. CT 1487 is allocated to SC's with negative Uninstructed Energy during the intervals with incoming Energy Exchange Schedules. However, the adjustment will appear on the last Settlement Statement for the trade month that the Energy Exchange account is closed.

Charge Type 4999 – Neutrality

Charge Type 4999 is the neutrality adjustment allocation by which the ISO credits SC's any excess revenue and charges SC's for under collected costs. CT 4999 is the mechanism by which the ISO maintains revenue neutrality for Invoice Rounding, Penalties, Rounding Adjustment, Regulation Energy Payment Allocations (not currently being used), and Good Faith Negotiations (GFN) and Alternative Dispute Resolutions

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(ADR) that the ISO is not able to allocate to or collect from the market in accordance with Section 13.5.3 of the Tariff. The total ISO neutrality balance is allocated to SC's based on Metered Demand (metered Load and real-time Exports) based on a pro-rata share of total volume for the Control Area.

The neutrality balance attributable to Rounding Adjustments for the months of January – June are posted to the Settlement Statements for the last trade day of October and the balances for July – December post to the Settlement Statement for the last trade day of April in the following year. All other neutrality allocations are settled as they arise.

1. Minimum Supplemental Information Required for Dispute Submittal

In order to support its claim when submitting a dispute, the SC must identify what specific component(s) of the calculation it disagrees with, and provide an explanation of why the SC believes the ISO data is incorrect or the SC's suggested correction is correct. The SC needs to be very specific, and describe exactly why the dispute is being submitted within the Detailed Description field of the SDS ticket. In addition to this standard information required for all disputes, as discussed in Section 3 of the Dispute Submittal Guide, disputes in this charge type category should also include the following additional data elements/information:

- Settlement Interval(s)
- Evidence in support of the SC's suggested correction

Discussion of Potential UDP Disputes:

Billable Quantity Disputes:

If a SC disagrees with its CT 1401 Billable Quantity, it will need to specify what it believes the total measured Load and Exports are and where the difference between its value and the ISO value exists, including both time specific and location specific information (Trade Interval, and Location_ID).

If an SC disagrees with its CT 1487 Billable Quantity, it will need to specify what it believes the Net Negative Uninstructed Energy for the interval is and where the difference between its value and the ISO value exists including both time specific and location specific information.

Price Disputes:

If a SC disagrees with the ISO calculation of the Price for CT 1401, CT 1487 or CT 4999, the SC will need to specify which of the two components it disagrees with.

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Since the prices are derived prices determined by the total dollars allocated and the total allocation base (i.e., Total Metered Demand for CT 1401 and 4999), price disputes in these categories are typically very hard for SCs to justify because these components are only available within the Settlement Statement and Detail Files.

2. Calculation Components

The below listed calculation components and the simplified equations provided in the next section are provided to aide SCs in understanding their Settlements charges. By determining the components identified below and plugging them into the simplified formulas in Section 3, a SC should be able to validate its charge, as well as identify where discrepancies exist between its data and the ISO data. If a SC is using a different value for a component, it should describe the difference in a dispute and demonstrate how the SC's value was derived. This explanation is necessary if the SC wishes to disprove the ISO data.

For CT 1401 the components of the calculation are as follows

Price Components:

- Total Deficit or Surplus
- Total Metered Load (for Control Area)
- Total Real-Time Exports (for Control Area)

BQ Components:

- SC Metered Load
- SC Real-Time Exports

For CT 1487 the components of the calculation are as follows

Price Components:

- ISO Accrued Cost
- Total Net Negative Uninstructed Energy (all SCs)

BQ Components:

- SC Net Negative Uninstructed Energy (during intervals in which Energy was imported for the Energy Exchange Program)

For CT 4999 the components of the calculation are as follows

Price Components:

- ISO Monthly Neutrality Balance
- Total Metered Load (for Control Area) (for Trade Month)
- Total Real-Time Exports (for Control Area) (for Trade Month)

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BQ Components:

- SC Metered Load
- SC Real-Time Exports

3. Explanation of Charge Type Calculations

The below equations are simplified to aid the reader in understanding the various concepts, and are not intended to capture every potential scenario or nuance of each Charge Type algorithm. For the actual detailed calculations, refer to the ISO Settlement Charge Matrix and/or the Settlements Guide documents posted on the ISO Website.

Charge Type 1401

Total Charge = Price * Billable Quantity, where:

Price = Total Deficit or Surplus / (Total Metered Load + Total Real-Time Exports)

Billable Quantity = (SC Metered Load + SC Real-Time Exports)

Charge Type 1487

Total Charge = Price * Billable Quantity, where:

Price = ISO Accrued Cost / Total Net Negative Uninstructed Energy

Billable Quantity = SC Net Negative Uninstructed Energy

Charge Type 4999

Total Charge = Price * Billable Quantity, where:

Price = ISO Monthly Neutrality Balance / (Total Metered Load + Total Real-Time Exports)

Billable Quantity = \sum (SC Metered Load + SC Real-Time Exports)

where: SC Metered Load + SC Real-Time Exports are summed for the trade month

For this charge type it is important to note that the ISO's Monthly Allocation Base (Total Metered Load + Total Real-Time Exports) is provided in the comment filed of the

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manual line record. The ISO Monthly Neutrality Balance is provided in a separate Market Notice.

4. Validation Sources

Charge Type 1401 Validation Components

CT Component	How/Where to Verify
SC Total Load and Real-Time Exports	Settlement Statement File - Settlement Detail Record Imbalance Energy/No Pay Settlement Detail File - Imbalance and Uninstructed Imbalance Energy Detail Records
Total Amount to be Collected or Refunded	Settlement Statement File - Settlement Detail Record
Total ISO Metered Load & Real-Time Exports	Settlement Statement File - Settlement Detail Record

Charge Type 1487 Validation Components

CT Component	How/Where to Verify
SC's Net Negative Uninstructed Energy	Imbalance Energy/No Pay Settlement Detail File - Imbalance and Uninstructed Imbalance Energy Detail Records
ISO Accrued Cost	Comment field of manual line record in the Manual adjustment file
Total Net Negative Uninstructed Energy	Comment field of manual line record in the Manual adjustment file

Charge Type 4999 Validation Components

CT Component	How/Where to Verify
ISO Monthly Neutrality Balance	Market Notice
Total ISO Metered Load & Real-Time Exports	Settlement Statement File - Settlement Detail Record
Monthly Metered Loads and Adjusted Export	Settlement Statement File - Settlement Detail Record



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