

Minutes of the July 26th Conference Call of the Commercial Reconciliation Sub-Committee July 26, 2004, 1:30 p.m. – 3:00 p.m Meeting Chair: Victor Wong

Attendees:

IMO

Victor Wong	Meeting Chair
Lisa Lam	
Edward Arlitt	
Rayhan Malik	
Mitch Moore	

External:

Kevin Myers	Veridian
Mark Skoczylas	Dofasco
Naveed Ather	OPGI
Phil Walker	OPGI
Bunli Yang	E4
Ravinder Gupta	Hydro One
Graham Henderson	Hydro One

Purpose

Follow-up to the July 12 CRSC meeting where the IMO presented a proposed settlement timeline for the Day Ahead Market (DAM).

Agenda

- Overview and Breakdown of three Key Issues (Edward Arlitt)
 - Issue One: Discussion of Timeline for first settlement period
 - Issue Two: Discussion of Content to be provided in the first settlement process
 - Issue Three: Discussion on the Timing of the second settlement process
- Transition Settlement Statements to XML Format
- Next CRSC Meeting

Overview and Breakdown of three Key Issues (Edward Arlitt)

1. Timeline for first settlement period

The design proposal for the settlement timeline identified that the first settlement process would run four business days after the real-time market trade date. Six business days after the first settlement process, the IMO would issue the Preliminary Settlement Statements in the second settlement process. The second settlement process would be consistent with the timeframe currently implemented in the Market.

Rationale and dependencies to consider for the first settlement process:

- i. Speed vs. quality - Ensure that the IMO has adequate time to provide meaningful results
- ii. Data dependencies with PBCs - Give Market Participants at least a couple of business days after the RTM to submit data to the IMO
- iii. Prudential Process - Did not want to wait too long before we provide first exposure calculations.

2. Content to be provided in the first settlement process

We need to determine if there is any business value to providing information for first settlement process given that it is mostly FYI and that the information is repeated in the second settlement process.

3. Timing of the second settlement process

The original proposal was to leave the second settlement process as is. Some MPs concerned with amount of time for submitting NODs due to more settlement data coming out from the DAM. The resulting proposal may be to move the NOD window and correspondingly move out the Final Settlement Statement window. The trade-offs are that there will be a slower settlement process and invoices will be more inaccurate due to more preliminary data on the invoice.

Reference: Written submission to above 3 key issues on CRSC web page under feedback area for CRSC meeting on July 12, 2004.

Issue One: Discussion of Timeline for first settlement period

Naveed Ather (OPGI)

- Likes the idea of combining reconciliation for DAM and RTM.
- Leans towards the middle option of some sort of info on DAM after 4 business days.

Ravinder Gupta and Graham Henderson (Hydro One)

- Timing of output of first settlement process of four business days is ok
- Would like to see some similar details of the DAM position that is being integrated in the PSS
- Reason – if they get the DAM info in advance, then they feel they can reconcile at an earlier time and when the PSS is issued then they can focus on the RTM

Other members on the conference call did not have any further concerns on this first issue at this time.

Summary

- The 4 business day turnaround time for the first settlement of DAM information was satisfactory with everyone

Issue Two: Discussion of Content to be provided in the first settlement process

Mark Skoczylas (Dofasco)

- Not much need for details on the first settlement statement as long as the price and quantities committed to are known

Naveed Ather (OPGI)

- Would like to see more of a summary with information by resource with a further breakdown of different charge codes that are contributing towards that resources dollar amount. The remainder that is not available by resource could show up as summary by individual charge codes.

Ravinder Gupta/Graham Henderson (Hydro One)

- Less details will reduce work for the IMO to process all data and detailed calculation by the fourth business days after RTM that gets duplicated in the second settlement process

Bunli Yang (E4)

- Feels that virtual participants have no need for details

Other members on the conference call did not have any further concerns on this second issue at this time.

Summary

- The Input on the level of detail for the first settlement period ranged from no data, to summary data to summary data with full details (i.e. full details at a resource level for interval charge codes and hourly summary data for uplift charges). Further discussions will be needed to determine the level of detail and how the information is to be presented.

Issue Three: Discussion on the Timing of the second settlement process

Naveed Ather (OPGI)

- DAM will introduce larger volume of data that will need to be reconciled and more complexities.
- Four business days for NOD may be too short.
- Ok with trade-off of having fewer FSS for invoices.
- Suggestion that an invoice could be all preliminary and the next month introduce true ups with an invoice that is all final.

Phil Walker (OPGI)

- Suggested NOD timeline change from 4 to 14 days. All the final settlement statements go next month.

Ravinder Gupta/Graham Henderson (Hydro One)

- Would like expanded NOD window to 6 business days and 12 business days for FSS.
- Invoice would be issued at the same time. More preliminary's in it than finals.

Other members on the conference call did not have any further concerns on this third issue at this time.

Victor Wong (IMO)

- Considering increasing the number of days in the timeline similar to how it was before market opening until IMO and Market Participant systems are ready and then consider restoring timelines as they exist today.
- Unsure of the impact of extending the settlement timelines on the finance and prudential areas.
- [ACTION ITEM FOR ALL MEMBERS > Solicit your finance experts in your organization to see if they have any concerns of temporarily increasing the settlement timelines when DAM is first implemented.](#)

Summary

- The general consensus from OPG and Hydro One is that the current settlement timeline may be too tight for submitting NoDs and issuing Final Settlement Statements. A suggestion made was to see if we could make the Market Rules more flexible such that the initial settlement timelines would be set to a minimum of 10 business days after the Real-Time trade day for Preliminary Settlement Statements (i.e. no change), 6 business days for the NoD window (i.e. an increase from current 4 to 6 BD) and 24 business days after the trade day for the Final Settlement Statements (i.e. increase from current 20 to 24 BD). This suggested timeline may need to be further adjusted after we gain experience during ODR/Market Trials. There may also be a provision in the MR to allow us to restore current timelines after several months once everyone's business process and tools settle down.

Transition of Settlement Statements to XML Format (ITSC Sponsored Initiative)

Mark Skoczylas (Dofasco)

- Format of settlement statements as they are now is working fine and he cannot rationalize the benefits and cost to changing at this time.
- Does not want to go through changing over the statements to XML and would prefer if the existing format and structure remained.

Ravinder Gupta/Graham Henderson (Hydro One)

- Would like to see XML development continue but not to mandate its use due to costs associated with changing over the systems.

Victor Wong (IMO)

- The transition of existing automated reports to XML is an ITSC sponsored initiative and has been discussed and presented at both the ITSC and MOSC.
- Since the conference call on July 26, 2004, a new web page for the Report Renewal Project has been created on IMO's website. It provides all the background information associated with this project along with the rationale, benefits and a proposed transition plan. Reference: Report Renewal Project web page:
http://www.theimo.com/imoweb/reportProject/rp_index.asp

- Since this Report Renewal Project is an initiative of the ITSC and will be addressing the transition of many of current reports to the new XML standard, it is recommend that any comment or questions associated with this project should be submitted to the Report Renewal Project team directly via the “Stakeholdering input” option on the web page.
- The proposal for the New MTR Update Report which was distributed to the CRSC, RMSC and MTR Working Group for stakeholder comment is a “new” report and is not considered to be part of the Report Renewal project. Any comments related to the new MTR update Report should be submitted in accordance with the request for comment notification. Reference: July 23, 2004: Retrieval of MTR Data via XML - http://www.theimo.com/imoweb/pubs/consult/comRec/crsc_MTR-Data-via-XML-2004July.pdf

Summary

- Any comments or concerns related to the transition of the settlements statements from its current format (piped delimited data files) to XML should be directed to the Report Renewal Project.
- Victor will arrange a member of the Report Renewal Project to a future CRSC meeting if required.
- The DAM project is currently in the detailed specification phase and has not yet defined the technical interface that will be used to convey settlement information to MPs, however, the current interface and the proposed transition to XML will influence on this decision.
- **ACTION ITEM FOR ALL MEMBERS > Convey any comments related to the transition of existing reports to XML to the Report Renewal project sponsored by ITSC.**

Next CRSC Meeting

- Middle of September followed by bi-weekly meetings to be scheduled to review the DAM detailed design for Settlements with an attempt to avoid Monday and Tuesdays and other MEP, TP, MOSC and MAC meetings where possible.
- It was suggested that a special technical session should be arranged in the later part of August to bring CRSC members up to speed on the intricate details of the DAM Uplift Allocation and CMSC calculation.

ACTION ITEM FOR MEMBERS TO REPLY BACK ON AVAILABILITY TO ATTEND THE FOLLOWING MEETING DATES ASAP>

Note: Every attempt was made where possible to avoid conflicts with other prescheduled meetings (e.g. TP, MOSC, MAAC, MPWG,).

- Tuesday, August 31, 2004 – Technical Session covering DAM Uplift Allocations and CMSC calculation.
- Wednesday, September 15, 2004 – Agenda to be announced
- Thursday, October 7, 2004 – Agenda to be announced
- Wednesday, October 27, 2004 – Agenda to be announced
- Friday, November 19, 2004 – Agenda to be announced
- Thursday, December 9, 2004 - Agenda to be announced

Please send an e-mail to Karla Vuksan (karla.vuksan@theIMO.com) on your availability to attend the above proposed meeting dates by August 11, 2004.