

Information Document

Power Pool Settlement Guide

ID # 2011-002 (R)



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1 Purpose

This information document supports ISO rules 103.4, *Power Pool Financial Settlement* which can be located on the AESO website at

[Rules and Standards\ISO Rules\Proposes ISO Rules & OPP Changes](#)

The purpose of this information document is to provide pool participants with information on:

- Section 2 - Power Pool Settlement Process
- Section 3 - Power pool Statement and Settlement Dates
- Section 4 - Location of power pool statements on the AESO website
- Section 5 – On-going Reporting to Pool Participants
- Section 6 - Components of the a Power Pool Statement
- Section 7 - How to Verify the Power Pool Statement
- Section 8 – AESO Fees and Charges
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- Section 10 – Discrepancies on Preliminary Power Pool Statements
- Section 11 – Discrepancies on Final Power Pool Statements
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- Section 14 – Agent Information
- Section 15 – Contact Information

2 Power Pool Settlement Process

[Click here](#) to view the diagram illustrating the key process steps.

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3 Power Pool Statement and Settlement Dates

The power pool settlement dates are described below.

Preliminary Power Pool Statement

The preliminary power pool statement is available on the AESO's website on the 5th business day after the end of each settlement period. The preliminary statement provides pool participants the opportunity to review settlement information and contact the AESO if there is a discrepancy prior to the Final Power Pool Statement being issued. This is not the statement that is paid.

Final Power Pool Statement

The final power pool statement is available on the AESO's website on the 15th business day after the end of each settlement period. This statement includes updated information and corrections if required. Payments to the AESO must be made based on this statement.

Power Pool Settlement Date and Payment

All financial settlements of the final power pool Statements occur on the settlement date which generally is the 20th business day following the end of each production period, unless the due date has been accelerated under subsection 103.4(20) due to any prior late payments. Pool participants must arrange for payment of amounts owing as stated on the final power pool statement, to be wire-transferred into the specified AESO bank account. All amounts owed to pool participants by the AESO will be paid or accounted for on the 20th business day.

What time of day are the statements available on the website?

The statements are available by the end of business on the 5th and 15th business day. All pool participants will receive a message on the AESO's Energy Trading System (ETS) mail system on the website when the statements are available for retrieval from the AESO website.

What are the exact settlement dates for 2011?

A schedule of power pool settlement dates is available on the AESO's Website at:

[Market/Settlement/2011/2012 Settlement Dates](#)

4 Location of Power Pool Statements on the AESO Website

The power pool statements are located in the secure ETS area on the AESO website. To access power pool statements, log into the Energy Trading System section on the AESO website. Pool participants must log in using a digital certificate to retrieve a power pool statement. To request a digital certificate contact the AESO's Digital Certificate Administrator at (403) 539-2500 or cert.admin@ISO.ca.

5 On-Going Reporting to Pool Participants

How often should the settlement reports be reviewed?

It is recommended that pool participants check the settlement reports posted by the AESO periodically throughout the month. By checking the reports frequently it is easier to catch potential discrepancies and

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resolve them early. Ideally, import and export interchange transactions should be reconciled daily. If there are any discrepancies, contact the Settlement Coordinator at (403) 539-2549 as soon as possible.

How often is the metering information updated on the Website?

Generally, metered volume reports are updated five business days after production. For scheduled energy on the transfer paths, the information is generally updated the next business day.

Where are the settlement reports located?

These reports are located in the secure section ETS area on the AESO website and contain pool participant specific data. Pool participants must log in to the secure ETS area using their digital certificate.

Metering: Go to: Reports/Historical/Metering (Specific)

Settlement: Go to: Reports/Historical/Daily Detail, Daily Summary, or Monthly Summary specifically for production or consumption.

Net Settlement Instructions: Go to: Reports/Historical/Reports/NSI and Meter Volume Breakdown OR NSI Detail Report

Power Pool Statement: Go to: Reports/Historical/Pool Statement.

Prior Period: Go to: Reports/Historical/Settlement Changes specifically'
Reports: Production or Consumption.

Energy Market Trading Charges: Go to: Reports/Historical/Trading Charge specifically for Production or Consumption.

PFAM Summary: Go to: Reports/Historical/PFAM Summary.

DDS Payments And Charges: Go to: Reports/Historical/ DDS Payment Summary; DDS Charge Summary or DDS Payment Detail. Hourly DDS Payments and Charges are also included in the Daily Detail Production Report.

Uplift Payments And Charges: Go to: Reports/Historical/ Uplift Payments Summary; Uplift Charges Summary or Detail Uplift Payment. Hourly Uplift Payment and Charge information can also be found in the Daily Detail Production and Daily Detail Consumption Reports respectively.

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6 Components of the Power Pool Statement

The following information explains the line items that appear routinely on a power pool preliminary and final statement for a settlement month. A power pool statement for a given pool participant may not include ALL of the items listed below. Also refer to the illustration of a statement by clicking on [Market/Settlement/Settlement Process Guides/Energy Market/Sample Pool Statement](#).

Consumption:

Energy Charge – the amount of electric energy consumed or exported by a pool participant (purchaser), minus net settlement instructions.

Prior Period Energy Charge – charges resulting from the resettlement of prior period production, listed by month. Supporting documentation is available in the Energy Trading System (ETS) that shows the amount of the prior period change for each asset, by day, by hour

Go to: Reports/Historical/Settlement Changes - Consumption.

Energy Market Trading Charge – In 2011, the trading charge is 31.9 cents per megawatt hour traded through the power pool. The energy market trading charge was 29.8 cents per megawatt hour in 2010. Refer to the section titled “Energy Market Trading Charge Calculation” for a detailed explanation of the trading charge.

Prior Period Trading Charge – charges resulting from the resettlement of prior period production, listed by month.

Uplift (Payments to Suppliers on the Margin) Charge – total uplift charges for the current production month. This charge is calculated based on a pool participant’s consumption within a settlement interval.

Prior Period Uplift Charge – charges resulting from resettlement of prior period production and recalculation of uplift charges, listed by month.

Production:

Energy Payment – the amount of electric energy supplied or imported by a pool participant (supplier), minus net settlement instructions.

Prior Period Energy Payment – payments resulting from the resettlement of prior period production, listed by month. Supporting documentation is available in the Energy Trading System (ETS) that shows the amount of the prior period change for each asset, by day, by hour

Go to: Reports/Historical/Settlement Changes -Production.

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Energy Market Trading Charge – In 2011, the trading charge is 31.9 cents per megawatt hour traded through the power pool. The energy market trading charge was 29.8 cents per megawatt hour in 2010. Refer to the section titled “Trading Charge Calculation” for a detailed explanation of the trading charge.

Prior Period Trading Charge – charges resulting from the resettlement of prior period production, listed by month.

Uplift (Payments to Suppliers on the Margin) Payment – total monthly uplift payment based on the difference between participant’s offer price and the pool price for volumes produced from offer blocks dispatched above the pool price.

Prior Period Uplift Payment – payments resulting from resettlement of prior period production and recalculation of uplift payments, listed by month.

Dispatch Down Service (DDS) Payment – total monthly payment to generators who offered in the DDS Merit Order and were dispatched down in a settlement interval.

Prior Period Dispatch Down Service (DDS) Payment – DDS payments resulting from resettlement of prior period production, and recalculation of DDS payments.

Dispatch Down Service (DDS) Charge – total monthly charges collected from all source assets active in a settlement interval when a generator was dispatched down. Generators receiving a DDS payment must also pay a portion of the DDS charge.

Prior Period Dispatch Down Service (DDS) Charge – charges resulting from resettlement of prior production period and recalculation of dispatch down service charges.

Special Transactions and Adjustments:

Pool Participant Fee – an annual fee under ISO rules 103.6, *Fees and Charges*, that all pool participants pay to maintain participant status with the AESO. This charge appears on the December power pool statement.

Digital Certificate – a fee under ISO rules 103.6, *Fees and Charges*, paid by pool participants for a digital certificate required to log in to the Energy Trading System (ETS). Digital certificates must be renewed annually.

Interest and Penalties – any amounts charged under ISO rules 103.7, *Financial Default and Remedies*, for a late payment related to settlement. Refer to “Other Settlement Information” for further information.

Cash on Deposit – funds held by the AESO and applied on the current power pool statement as prepayments.

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Retailer Specific Adjustment (RSA) – an adjustment to a retailer’s statement amount related to updated load settlement data for a specific retailer’s consumption. This adjustment is made after final load settlement has occurred and may be positive or negative. This is one type of Post-Final Adjustment Mechanism (PFAM) adjustment. For further information, refer to Compliance/Load Settlement/PFAM PFEC/Resources on the AESO’s website.

Retailer Adjustment to Market (RAM) – a PFAM adjustment made to all retailers in a settlement zone (as defined in Commission Rule 021, Settlement System Code) for the collection/payment required to offset the RSA described above. This adjustment may be positive or negative. For further information, refer to Compliance/Load Settlement/PFAM PFEC/Resources on the AESO’s website.

Transmission Administrator Adjustment (TAA) – a PFAM adjustment for system level meter errors. The AESO makes necessary adjustments in billings to the transmission line losses. These adjustments may be positive or negative. For further information, refer to Compliance/Load Settlement/PFAM PFEC/Resources on the AESO’s website.

7 How to Verify the Power Pool Statement

There are various reports available in the secure section of ETS that can be used to verify the statement. Go to: Reports/Historical and choose to view a monthly summary, a daily summary, a daily detail report, an energy market trading charge report, the PFAM summary, Dispatch Down Service, Uplift or a settlement changes (Production or Consumption) report to check the information. The production (generation) and consumption (load) assets will show on these reports. The reports are available in two formats, html and csv. The html format is a static web report while the csv (comma separated value) format allows the conversion of reports into an Excel spreadsheet.

8 AESO Fees and Charges

In accordance with the Electric Utilities Act, Section 21, the AESO is required to charge fees to market participants:

- (1) to pay for the costs and expenses of the Independent System Operator, except costs and expenses recovered under the ISO tariff or through the load settlement charge.
- (2) to pay for the aggregate expenditures, costs and expenses shown in the approved budget of the Market Surveillance Administrator and any approved amendment to the budget

Incorporated into (1) above is the Commission fee established under the Commission *Rule 025 – Administration Fee* specific to wholesale electric market. All fees and charges allocable to a pool participant can be found in ISO rules 103.6, *Fees and Charges*.

9 Fees and Charges Calculations

Energy Market Trading Charge Calculation

The megawatt amount to which the trading charge is applied is shown as a line item on the energy market trading charge line on a power pool statement. For pool participants with no net settlement instructions, this is also the metered volume megawatt amount.

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The energy market trading charge, 31.9 cents per MWh for energy traded in 2011 (29.8 cents per MWh in 2010), is calculated on an asset-by-asset basis for each hour. It is applied to the greater of the metered volume or the net settlement instructions for each asset for each hour. For example:

Load Asset #1:	
Metered Volume	100MW
Net Settlement Instruction	<u>(45 MW)</u>
Net Settlement Load	55 MW
Energy Market Trading Charge Calculation:	
Greater of Metered Volume or	100MW
Net Settlement Instruction	<u>(45 MW)</u>
$100 \text{ MW} \times 31.9\text{¢} = \31.90	

What kind of assets do pool participants have, to which an energy marketing trading charge might apply?

There are four possible asset types:

1. Metered physical generation asset
2. Metered physical load asset
3. Unmetered sell asset
4. Unmetered buy asset

How are metered assets identified?

The AESO assigns all metered physical generation assets an Asset ID when they are initially set up in the system. All metered physical load assets are assigned an Asset ID that will identify the pool participant, load settlement zone and Wire Service Provider.

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The following table provides the potential load asset IDs for Company AB in different load settlement zones.

Asset ID	Asset ID Components		
	Zones	WSP ID	WSP
AB1A	1	A	ATCO
AB1X	1	X	Enmax
AB1E to AB7E	1 to 7	E	EPCOR
AB1U	1	U	Fortis
AB1C	1	C	Cardston
AB1W	1	W	Crowsnest Pass
AB1L	1	L	Lethbridge
AB1R	1	R	Red Deer
AB1F	1	F	Fort MacLeod
AB1P	1	P	Ponoka

Please note that some exceptions may apply.

How are unmetered assets identified?

An unmetered asset has a + or – sign included in the Asset ID. For example, ABC+ is an unmetered buy asset and ABC- is an unmetered sell asset.

Some pool participants have unmetered assets for trading purposes. These assets allow pool participants to trade physical energy without associating it directly to a metered asset at the time of trade and facilitate the registration of net settlement instructions. The unmetered assets also assist pool participants who prefer to have a separate reporting unit for their net settlement instructions.

How do unmetered assets affect the trading charge?

When the energy market trading charge is calculated on an asset by asset basis, the assignment of a net settlement instruction to an unmetered asset will impact the amount of trading charge that a pool participant pays.

Detailed energy market trading charge calculation

Assume the following example is the settlement data for one hour for a pool participant with a metered load asset and an unmetered buy asset.

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Load Asset #1: Metered Load	
Metered Volume	100MW
Net Settlement Instruction	<u>(15 MW)</u>
Net Settlement Load	85 MW
Trading Charge Calculation:	
Greater of Metered Volume or	100MW
Net Settlement Instruction	<u>15 MW</u>
$100 \text{ MW} \times 31.9\text{¢} = \31.90	
Load Asset #2: Unmetered Buy	
Metered Volume	0MW
Net Settlement Instruction	<u>(45 MW)</u>
Net Settlement Load	(45 MW)
Trading Charge Calculation:	
Greater of Metered Volume or	0MW
Net Settlement Instruction	<u>45 MW</u>
$45 \text{ MW} \times 31.9\text{¢} = \14.35	

Dispatch Down Service Calculations

Dispatch Down Service (DDS) is part of the Market Policy Implementation initiative. More information on the Market Policy Implementation can be found on the AESO website under the “Markets” section.

DDS charges are allocated to all source assets that have generated or imported energy into Alberta during a settlement interval where a generator has triggered a DDS payment.

The Dispatch Down Service (DDS) payment calculation is set out in ISO rules 103.4, *Power Pool Financial Settlement*. For convenience this calculation is replicated below:

dispatch down service price;

multiplied by

dispatch down service quantity;

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multiplied by

dispatch down service time;

divided by

sixty (60) minutes;

where:

“dispatch down service price” is the system marginal price plus the offer price for the dispatch down service, the sum of which must be greater than or equal to zero for the settlement interval;

“dispatch down service quantity” is the amount of energy in MW included in the dispatch to the pool participant for dispatch down service in the settlement interval; and

“dispatch down service time” is the number of minutes set out in the dispatch for the source asset for dispatch down service in the settlement interval.

The Dispatch Down Service (DDS) charge calculation is set out in ISO rules 103.4, *Power Pool Financial Settlement*. For convenience this calculation is replicated below:

energy production;

multiplied by

the sum of all dispatch down service payments;

divided by

the sum of all energy production;

where:

“dispatch down service payments” are the payments calculated and paid under subsection 7; and

“energy production” is denoted in MWh for a settlement interval and is the metered energy value for the output from the source asset.

Uplift (Payments to Suppliers on the Margin) Calculation

Uplift (Payments to Suppliers on the Margin) is part of the Market Policy Implementation initiative. More information on the Market Policy Implementation can be found on the AESO website under the “Markets” section.

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When a pool participant's asset has been dispatched for a portion of the settlement interval where their offer price is greater than pool price for that settlement interval, the pool participant may qualify for an energy production uplift payment. The pool participant will receive the difference between their offer price and the pool price for MWh produced from offer blocks dispatched above pool price. The specific requirements regarding the uplift payment are set out in ISO rules 103.4, *Power Pool Financial Settlement*.

Settlement charges for payments to suppliers on the margin will be applied to all load based on their proportion of total load within a settlement interval where a generator is eligible to receive an Uplift payment. The specific requirements regarding the uplift charge are set out in ISO rules 103.4, *Power Pool Financial Settlement*.

10 Discrepancies on Preliminary Power Pool Statements

Generation/Production

If a pool participant believes there is a discrepancy in the amount of production on the statement the pool participant must contact the Meter Service Provider to confirm that all current generation has been submitted to the AESO.

Interchange Transaction Importer or Exporter

Contact the AESO Settlement Coordinator at (403) 539-2549 to resolve any discrepancies related to import/export settlement for interchange transactions. The following information will be required for each hour in question: day, hour ending, Asset ID, E-Tag number, E-Tag status and megawatt hours according to a pool participant's records. All discrepancies must be reported and resolved by the 7th business day of the month following production so that corrections can be incorporated into the Final Pool Statements. The import/export settlement data is posted to the AESO's website on the business day following the production date.

Import/export data can be checked on a regular basis throughout the month and any discrepancies reported immediately.

Load/Consumption

If the consumption on the preliminary power pool statement does not reconcile to the information provided by a pool participant's Load Settlement Agent (LSA), the pool participant should confirm the data with the AESO. The metering information used to prepare the preliminary pool statement is the initial settlement data provided by the LSA and it will be adjusted for monthly settlement appearing on the final power pool statement. Any adjustment to interim or final data is provided to the AESO in accordance with Commission *Rule 021 Settlement System Code*, and the adjustments appear as a prior period energy charge on the power pool statement.

Settlement Timelines

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Under the current settlement timeline, after a month has been settled for the 'initial' time in the month following production, any adjustments to the data will be reflected four months later at interim settlement, and then seven months later at final settlement. After July 1, 2011 the re-settlement timelines will be brought forward to one, two and four months after production to align with the recent Commission rules amendment. Details regarding the settlement timings can be found on the AESO's website under Market/Settlement/Settlement Dates.

Example under current timeline: For the January 2011 production period, the process would be as follows:

Feb 22/11	January 2011 Initial Monthly Settlement on January 2011 Pool Statement.
May 20/11	April 2011 Pool Statements include interim resettlement of the January 2011 settlement data.
Sept 22/11	August 2011 Pool Statements include final resettlement of the January 2011 settlement data.

The new settlement timeline takes effect July 1, 2011. An example of the shorter settlement timeline is as follows for August 2011 production period:

Sep 22/11	August 2011 Initial Monthly Settlement on August 2011 Pool Statement.
Nov 22/11	October 2011 Pool Statements include interim resettlement of the August 2011 settlement data.
Jan 23/12	December 2011 Pool Statements include the final resettlement of the August 2011 settlement data.

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Net Settlement Instructions (NSIs):

Please review the pool participant specific report for all NSIs accepted for settlement purposes in NSI and Meter Volume Breakdown Report.

To see which NSIs were in effect for a specific time period, view the NSI Detail Report.

For additional information on NSI requirements please refer to ISO rules 103.5, *Net Settlement Instructions*.

11 Discrepancies on Final Power Pool Statements

What is the process if there is a discrepancy in the information on the Final Pool Statement?

As mentioned above, each production month is settled three times as part of the regular AESO settlement process cycle. The production month is settled one month (initial), four months (interim) and eight months (final) after the end of the production month to comply with Commission *Rule 021, Settlement System Code*. Any settlement data (generation or load) that is received by the AESO in advance of these timelines is included in the resettlement.

The dispute submission period is a period of twenty business days following the issue date of the final power pool statement that includes a final settlement.. If there is a disagreement with the settlement amounts on the final settlement statement, then a written dispute must be filed with the AESO within the dispute submission period. An exception to this process is load settlement data. This data is governed by a rule which include the Post-Final Adjustment Mechanism (PFAM) process.

Go to: Market/Settlement/Dispute Timelines on the AESO website for the [dispute timelines](#).

If there is a discrepancy with the statement, what should be paid to the AESO?

Even if a pool participant believes there is a discrepancy in the information on the statement, the final power pool statement amount must be paid in full by the 20th business day of the month. Any required corrections will be made on subsequent statements after the dispute resolution deadline date, or when updated load settlement data is provided to the AESO.

AESO's Formal Dispute Resolution Process

If the discrepancies are not resolved to the pool participant's satisfaction, the pool participant may initiate further action by using the AESO's formal dispute resolution process. The requirements regarding this process are set out in ISO rules 103.2, *Dispute Resolution*.

12 Other Settlement Information

What happens if the pool participant pays the power pool statement late?

If a pool participant is late paying the power pool statement the AESO will advance the settlement date to the 18th or 19th business day following the end of the settlement period, in accordance with ISO rules 103.4, *Power Pool Financial Settlement*.

How do pool participants receive amounts owed from the AESO?

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The AESO will only use wire transfers to make payments. The payment is deposited into a pool participant's wire transfer account on the due date. The transfer does not occur at a specific time of day. A wire transfer provides the AESO with additional tracking that is more appropriate for large transfer amounts. A wire transfer fee of approximately \$10 to \$15 will be charged to a pool participant by their bank for receiving a wire payment.

How should pool participants pay the AESO?

Payment for an amount owed also must be made through wire transfer directly into the AESO's bank account at the Bank of Montreal by the due date. The AESO facilitates the cash clearing of the market whereby suppliers to the market get paid and purchasers from the market must make payment on the same business day. To facilitate this function, amounts owed to the AESO must be received on the specified cash settlement day.

Please Note that the AESO does not accept cheques, counter deposits or bank drafts for payment of final power pool statements.

What are the AESO's banking instructions for energy market settlement?

Please submit inquiries regarding banking instructions to:

accounting@aeso.ca

Is it possible to set up an automatic withdrawal?

At the present time, the AESO does not have a process for automatic withdrawals from pool participant accounts to collect amounts owed to the AESO. Pool participants are expected to arrange for a wire transfer by the due date if they have an amount owing to the AESO.

Can deposits be made directly into the AESO's account at the bank?

The AESO does not accept cheques due to the potential of insufficient funds in the depositor's account when the cheque is cleared through the banking system. As a result of this, the AESO does not accept counter deposits at the bank or cheques sent directly to the AESO's office.

What happens if the payment is not paid by the due date?

If payment is past due and thus the pool participant is in payment default, they should contact the AESO Director, Accounting & Treasury at (403) 539-2504 immediately. While this will not avoid late payment and interest charges and potentially the temporary change of settlement dates, it may help avoid other consequences of the payment default.

The AESO contacts a pool participant that has not paid by the due date to understand the circumstances causing the default, and when the payment will be received by the AESO. If the AESO is not satisfied,

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the AESO may resort to other remedies including those referenced under ISO rules 103.7, *Financial Default and Remedies*, which may include realizing on the pool participant's financial security.

What happens if the time period between receiving the final power pool statement and the due date of payment is not sufficient to process the invoice and remit the amount owed to the AESO by the due date?

Each organization has different accounts payable processes and depending on those processes it may be difficult to have the power pool statement processed and the funds wired to the AESO by the due date. For example, the final power pool statement is issued on the 15th business day after the end of the settlement period and if a pool participant defaulted on previous payments then the due date may have been accelerated to the 18th business day. Knowing this, if the pool participant does not think it will be able to process the power pool statement in time to meet the due date, then in order to avoid late payment charges, to the extent possible, the AESO recommends that the pool participant estimate what the net energy charges would be on the final power pool statement and have that amount processed and remitted to the AESO by the due date. Pool participants should review the final power pool statement and compare the amount due with the amount remitted to the AESO. Any shortfalls should be remitted to the AESO immediately to reduce late payment charges as any difference will trigger late payment charges. .

The AESO also compares the amount due to the payment received. As stated above, late payment charges will be applied to any shortfalls. And, any excess funds received by the AESO will be returned to the pool participant upon request, less the applicable wire costs. If the pool participant requests that the excess funds should not to be returned, the excess funds will be treated as a prepayment for the next settlement period. There will be no interest paid to the pool participant related to this prepayment.

What are the interest rates and other charges applied to late payments?

ISO rules 103.7, *Financial Default and Remedies* sets out the interest and late payment charges for any late payment. For convenience these charges are summarized below.

- (1) The late payment charge is equal to two days interest on the outstanding amount owing. The interest will be calculated using the Bank of Montreal (BMO) prime rate plus 6%,
AND
- (2) The interest charge for the time period that the funds are outstanding is calculated using the BMO prime rate plus 6%.

If, due to prior late payments, the settlement date has been accelerated under ISO rules 103.4, *Power Pool Financial Settlement* to the 19th or 18th business day, then under ISO rules 103.7, *Financial Default and Remedies*, the late payment charges and interest are calculated at BMO prime rate plus 12%.

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A failure to pay also may lead to a suspension or termination of the defaulting pool participant's power pool registration, under ISO rules section 103.7, *Financial Default and Remedies*.

What is a settlement period?

A settlement period generally equates to a calendar month.

How is the settlement amount calculated?

The settlement amount is calculated on an hourly basis by multiplying the MWh by the Pool Price.

Where is the hourly Pool Price located?

The hourly pool price is located on the AESO Website at *Go to: Reports/Historical/Pool Price*.

Does the AESO issue a separate power pool statement related to transmission services?

Yes the AESO issues a Statement of Account for transmission services. Issuance of these Statement of Accounts follow the same timelines as the energy market settlement.

What if there is a discrepancy with the final power pool statement?

If a pool participant believes there is a discrepancy in the information on the final power pool statement, under subsection 103.4, *Financial Default and Remedies* it is required to submit a formal written request for resettlement to the AESO to initiate the resettlement process. Further information on the formal dispute submission periods and timelines can be found on the AESO Website under *Market/Settlement/Dispute Timelines*. Until the dispute is resolved, a pool participant is required to pay the amount under a final power pool statement on the settlement date. Any required corrections will be made on subsequent statements after the dispute resolution deadline.

13 Net Settlement Instructions

Where are the net settlement instructions on the power pool statements?

The net settlement instruction requirements are set out in ISO rules 103.5, *Net Settlement Instructions*. All net settlement instructions (NSIs) are net settled with the actual metered volume amounts. The settlement formulas take all of the electronically filed NSIs into consideration in the settlement process and all statement amounts appear net of these instructions.

How are NSIs registered with the AESO?

A NSI must be registered and acknowledged by both parties through the Energy Trading System (ETS) 20 minutes before the hour the instruction is to start. Please refer to ISO rules 103.5, *Net Settlement Instructions* to understand the requirements regarding net settlement instructions.

How are NSIs reported?

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NSIs are reported in settlement reports in the secure section of ETS. The Daily Detail, Daily Summary, Monthly Summary, NSI and Meter Volume Breakdown and NSI Detail Report reflect all NSIs accepted and considered for settlement.

Does the AESO settle NSIs for pool participants?

No the AESO does not settle NSIs for pool participants. The NSI volumes are electronically registered with the AESO and they are used in settlement to be netted with the actual metered volumes (or scheduled volumes for the interconnections) to determine the volumes financially settled through the AESO. The NSI settlement price is not communicated to the AESO, so the pool participants involved must settle these transactions outside of the AESO.

Potential Settlement Scenarios:

Impact of NSIs to sell energy, on an hourly basis:

Actual generation/import volumes are <u>less</u> than NSI amounts	The difference is considered a <u>purchase</u> from the spot market and it will be settled through the power pool.
Actual generation/import volumes are <u>more</u> than NSI amounts	The difference is considered a <u>sale</u> to the spot market and it will be settled through the power pool

Impact of NSIs to purchase energy, on an hourly basis:

Actual load/export volumes are <u>less</u> than NSI amounts.	The difference is considered a <u>sale</u> to the spot market and it will be settled through the power pool.
Actual load/export volumes are <u>more</u> than NSI amounts.	The difference is considered a <u>purchase</u> from the spot market and it will be settled through the power pool.

14 Agent Arrangements

How does an agent interact with the AESO for settlement purposes?

Under ISO rules 201.1, *Pool Participant Registration*, a pool participant can appoint an agent to act on their behalf on any or all matters in connection with the AESO. If there is specific information that the AESO requires about a participant and their agent is not authorized to release the information, or for some reason does not have the information, the AESO may contact a pool participant directly to obtain the information. Otherwise all information will be communicated to the agent first.

Who pays the power pool statement when there is an agent?

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Power Pool Settlement Guide

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While the pool participant ultimately remains bound and obligated to make all settlement payments, the AESO may agree that either the agent or the pool participant can pay the balance owing the AESO.

15 Contact Information

Please submit inquiries regarding power pool financial settlement to:

settlement@aeso.ca

For further assistance, please contact:

AESOfirstcall 1-888-588-AESO(2376), your one-stop information resource for doing business at the AESO -- 8 a.m. to 5 p.m. Monday to Friday.

Email: info@aeso.ca

Revision History

Version	Effective Date	Description of Changes
2.0	July 2011	Updated the information to align with AUC Rule 021 changes and ISO rules 103.4, <i>Power Pool Financial Settlement</i>
1.0	January 2010	General update to content