

# Summary of NYISO Procedures Regarding Customer Settlement Challenges

This document summarizes the procedures to be used by the NYISO and its customers to resolve questions and challenges regarding the accuracy of NYISO-issued settlement invoices.

## I. Definitions

For purposes of this document, the following terms have the following meanings:

- A. **Billing Inquiry.** An inquiry about a daily advisory settlement statement or a settlement invoice submitted by a NYISO customer to the NYISO Customer Relations Department (CRD) Help Desk.
- B. **Bill Challenge.** A formal, written challenge contesting the accuracy of specific components of a NYISO-issued settlement invoice submitted by a NYISO customer to the NYISO CRD Help Desk. A Bill Challenge must contain the information specified in Attachment A to this document.
- C. **Review and Correction Process.** The NYISO process for investigating and resolving Bill Challenges prior to issuing Close-Out Settlements.

## II. Overview of NYISO Market Settlement Process

The NYISO market settlement process consists of eight steps described below.

**Step 1: Daily Advisory Settlement Statements.** The NYISO posts daily advisory settlement statements on the second day following the operating day.

**Step 2: Initial Invoice.** The NYISO issues settlement invoices within five business days of the month's end for that month's settlements.

**Step 3: 4-month True-Up Invoice.** Four months after the issuance of the initial invoice, the NYISO issues a true-up invoice for that month that has been adjusted to replace estimated metering data with actual data; to correct any known settlement data errors; to reflect changes to settlement business rules that took effect prior to the date of service in the initial invoice; and to implement the resolution of early-filed Bill Challenges.

**Step 4: 12-month True-Up Invoice.** Twelve months after the issuance of the initial invoice, the NYISO issues a true-up invoice for that month that has been further adjusted, as necessary, as described above in Step 3.

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**Step 5: 4-month Challenge Period.** Following the 12-month true-up invoice, customers are afforded a final 4-month period to review corrected invoices and present any Bill Challenges that have not already been submitted.

**Step 6: 2-month Correction Period.** Following the 4-month Challenge Period, the NYISO has a period of two months<sup>1</sup> within which to finalize its evaluation of timely Bill Challenges and make any necessary corrections or adjustments to customer settlement invoices. Customers may not submit new Bill Challenges during this period.

**Step 7: 25-day Customer Review and Comment Period.** At the end of the 2-month correction period, the NYISO will issue a draft Close-Out Settlement for a 25-day review and comment period to enable customers to confirm that the draft Close-Out Settlement correctly reflects adjustments necessary to address valid Bill Challenges. If necessary, the NYISO will address any implementation errors identified in the draft Close-Out Settlement and then issue a revised draft Close-Out Settlement for a final 25-day review and comment period.

**Step 8: Close-Out Settlement.** Following the Customer Review and Comment Period described in Step 7, the NYISO will issue a Close-Out Settlement for the service month. A Close-Out Settlement may be further adjusted only by order of FERC or a court of competent jurisdiction.

### III. Overview of the Bill Challenge and the Review and Correction Processes

A customer may challenge the correctness of settlement information at any time beginning with the issuance of the daily advisory settlement statement (Step 1 above) and ending with the conclusion of the 4-month challenge period (Step 5 above). Customers are encouraged to submit Billing Inquiries and Bill Challenges as early in this process as possible.

Customers submit both Billing Inquiries and Bill Challenges to the NYISO CRD Help Desk. Every Inquiry and Challenge will be entered into the NYISO's defect tracking database (CritAR) and assigned a unique tracking number to track the issue through resolution. If the customer is satisfied with the outcome of the Billing Inquiry, no further action is necessary. If not, the customer may submit a Bill Challenge.

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<sup>1</sup> In the event extraordinary measures require a longer evaluation period before challenges can be resolved, the NYISO will notify customers and may take as many as six months before issuing corrected, adjusted final invoices. Extraordinary circumstances can include a request for Dispute Resolution under NYISO's Tariffs.

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To be accepted by the NYISO, a Bill Challenge must be submitted to the CRD Help Desk, clearly labeled as such and must include supporting information, as described in Attachment A to this document. Customer Relations representatives will provide reasonable assistance in identifying and compiling the required support for a Bill Challenge; however, it is the customer's responsibility to ensure that a Bill Challenge satisfies the applicable requirements.

The NYISO will designate a Bill Challenge as "supported" or "unsupported" as soon as possible within 10 business days of receipt by the NYISO. A customer will receive notification that it has submitted a supported Bill Challenge. An unsupported Bill Challenge will be rejected, with appropriate notice provided to the customer. The NYISO will not take further action with regard to an unsupported Bill Challenge unless and until it receives the requisite level of supporting documentation within the required timeframe.

As soon as possible within 20 business days after notification of a supported Bill Challenge, the NYISO will notify the customer that:

1. the Bill Challenge is valid, necessitating a settlement adjustment;
2. the Bill Challenge is not valid, and is therefore dismissed; or
3. the NYISO requires additional time to evaluate the Bill Challenge.

The NYISO will substantiate its findings with supporting detail and documents, as necessary and appropriate.

Bill Challenges not resolved within the 20 business day review period may be discussed as appropriate in regularly scheduled Billing & Accounting Working Group meetings. These outstanding Bill Challenges will remain posted on the NYISO's public website until resolved.

### **IV. Third-Party Dispute Resolution Process**

The NYISO and its MPs are developing a Third-Party Dispute Resolution Process which will allow a customer who is not satisfied with the NYISO's determination regarding a Bill Challenge to present the issue to a third-party neutral.

Once approved and incorporated into the NYISO tariff and procedures, this mechanism will be available to address disputes concerning the accuracy of settlements only after a final substantive resolution of the Bill Challenge has been reached through the review and correction process described in this document. The third-party neutral will be charged with providing a written,

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confidential, non-binding recommendation to resolve the dispute within a brief specified time period. The disputing parties will then have an additional brief specified time period to make a good faith attempt to resolve the issue. If that effort is not successful, the Third-Party Dispute Resolution Process will be deemed closed and the parties may elect to request FERC action.

It is the intent of the NYISO and its MPs to continue to define this third-party procedure through the governance process and, when appropriate, to seek FERC approval of the procedure for inclusion in the NYISO tariffs.

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## Attachment A: Settlement Dispute Support Requirements

A Bill Challenge must be submitted by email to the CRD Help Desk at [market\\_services@nyiso.com](mailto:market_services@nyiso.com) with a subject line that reads “Bill Challenge.” The email, which may include attachments, must contain the information indicated in this Attachment A. A Bill Challenge that does not meet these requirements will be rejected.

Customer Relations Representatives will provide Market Participants with reasonable assistance in identifying and compiling the requisite supporting information; however, it is the Customer’s responsibility to ensure that a Bill Challenge meets the requirements established here.

A Bill Challenge must include a narrative which clearly states the basis for the Customer’s challenge. Where applicable, the Customer should cite specific provision(s) of the NYISO tariffs, manuals, or other supporting documents and should indicate how the Customer believes a settlement rule has been misapplied. In addition, the Customer should indicate the settlement data that it believes to be affected by the alleged settlement error using the Corporate Reports function of the Decision Support System (DSS), referenced below, and highlighting the challenged data in spreadsheet format.

<b>Load Serving Entity Settlement Disputes</b>	<b>Support Required</b>
NYCA Load Serving Entity DAM Energy	DSS Report: Settlement Details – Load Serving Entity - Day Ahead Market Energy
NYCA Load Serving Balancing Energy	DSS Report: Settlement Details – Load Serving Entity - Balancing Energy
Non-NYCA Load Serving DAM Energy	DSS Report: Settlement Details – Transaction Customer - Day Ahead Market LBMP Energy
Non-NYCA Load Serving Balancing Energy	DSS Report: Settlement Details – Transaction Customer - Balancing Market LBMP Energy
DAM Price Responsive Load - Reduction	DSS Report: Settlement Details – Demand Response Program Customer - Reduction
DAM Price Responsive Load – Load Balance	DSS Report: Settlement Details – Demand Response Program Customer – Load balance
DAM Price Responsive Load – DRP Penalty	DSS Report: Settlement Details – Demand Response Program Customer – Penalty For DRPs
DAM Price Responsive Load – LSE Penalty	DSS Report: Settlement Details – Demand Response Program Customer – Penalty For LSEs
DAM Price Responsive Load - Incentive	DSS Report: Settlement Details – Demand Response Program Customer – Incentive
DAM Price Responsive Load - Bid Production Cost Guarantee	DSS Report: Settlement Details – Demand Response Program Customer – Bid Cost Guarantee
OATT Schedule 1: Scheduling, System Control, & Dispatch Charges	DSS Report: Settlement Details – Load Serving Entity – Ancillary Services
OATT Schedule 1: DAM Bid Production Cost Guarantee Uplift Charge	DSS Report: Settlement Details – Load Serving Entity – PS Uplift Allocations
OATT Schedule 1: Real-time Bid Production Cost Guarantee Uplift Charge	DSS Report: Settlement Details – Load Serving Entity – PS Uplift Allocations
OATT Schedule 1: DAM Energy Residuals Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 1: Balancing Energy Residuals Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 1: DAM Losses Residuals Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 1: Balancing Losses Residuals Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 1: Balancing Congestion Residuals Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 1: DAM Margin Preservation Uplift Charge	DSS Report: Settlement Details – Load Serving Entity – Residuals
OATT Schedule 2: Voltage Support Service Charges	DSS Report: Settlement Details – Load Serving Entity – Ancillary Services
OATT Schedule 3: Regulation Service Charges	DSS Report: Settlement Details – Load Serving Entity – Ancillary Services
OATT Schedule 5: Reserves Service Charges	DSS Report: Settlement Details – Load Serving Entity – Ancillary Services
OATT Schedule 5: Quick Start Reserves Service Charges	Consolidated Invoice Adjustment Details with disputed QSR Adjustments highlighted
OATT Schedule 6: Black Start Service Charges	DSS Report: Settlement Details – Load Serving Entity – Ancillary Services
OATT Schedule 7, 8, or 9: NYPA Transmission Adjustment Charge	DSS Report: Settlement Details – Load Serving Entity – NTAC

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Supplier Settlement Disputes	Support Required
NYCA Supplier DAM Energy	DSS Report: Settlement Details – Power Supplier- Day Ahead Market Energy
NYCA Supplier Balancing Energy	DSS Report: Settlement Details – Power Supplier - Balancing Energy
Non-NYCA Supplier DAM Energy	DSS Report: Settlement Details – Transaction Customer - Day Ahead Market LBMP Energy
Non-NYCA Supplier Balancing Energy	DSS Report: Settlement Details – Transaction Customer - Balancing Market LBMP Energy
NYCA Supplier DAM Bid Production Cost Guarantee – Start-up Costs	DSS Report: Settlement Details – Power Supplier – Day Ahead Market Bid Production Cost Guarantee
NYCA Supplier DAM Bid Production Cost Guarantee – Minimum Generation Costs	DSS Report: Settlement Details – Power Supplier – Day Ahead Market Bid Production Cost Guarantee
NYCA Supplier DAM Bid Production Cost Guarantee – Incremental Energy Costs	DSS Report: Settlement Details – Power Supplier – Day Ahead Market Bid Production Cost Guarantee
NYCA Supplier Real-time Bid Production Cost Guarantee – Start-up Costs	DSS Report: Settlement Details – Power Supplier – RT BPCG (Bids); DSS Report: Settlement Details – Power Supplier – RT BPCG (Trans Schedules); DSS Report: Settlement Details – Power Supplier – RT BPCG (Start Up); DSS Report: Settlement Details – Power Supplier – RT BPCG (Summary);
NYCA Supplier Real-time Bid Production Cost Guarantee – Minimum Generation Costs	DSS Report: Settlement Details – Power Supplier – RT BPCG (Bids); DSS Report: Settlement Details – Power Supplier – RT BPCG (Trans Schedules); DSS Report: Settlement Details – Power Supplier – RT BPCG (Net Energy Cost); DSS Report: Settlement Details – Power Supplier – RT BPCG (Net AS Revenue); DSS Report: Settlement Details – Power Supplier – RT BPCG (Summary);
NYCA Supplier Real-time Bid Production Cost Guarantee – Incremental Energy Costs	DSS Report: Settlement Details – Power Supplier – RT BPCG (Bids); DSS Report: Settlement Details – Power Supplier – RT BPCG (Net Energy Cost); DSS Report: Settlement Details – Power Supplier – RT BPCG (Net AS Revenue); DSS Report: Settlement Details – Power Supplier – RT BPCG (Trans Schedules); DSS Report: Settlement Details – Power Supplier – RT BPCG (Summary);
Non-NYCA Supplier DAM Bid Production Cost Guarantee	DSS Report: Settlement Details – Transaction Customer – Day Ahead Market Bid Production Cost Guarantee
Non-NYCA Supplier Real-time Bid Production Cost Guarantee	DSS Report: Settlement Details – Transaction Customer – Real-time Market Bid Production Cost Guarantee
DAM Margin Preservation	DSS Report: Settlement Details – Power Supplier – DAM Margin Assurance (Adjusted Schedules); DSS Report: Settlement Details – Power Supplier – DAM Margin Assurance (Bids); DSS Report: Settlement Details – Power Supplier – DAM Margin Assurance (Results); DSS Report: Settlement Details – Power Supplier – ELR DAM Margin Assurance;
OATT Schedule 1: Scheduling, System Control, & Dispatch Charges	DSS Report: Settlement Details – Power Supplier – Schedule 1 and Miscellaneous Charges
MST Schedule 2: Voltage Support Service Availability	DSS Report: Settlement Details – Power Supplier – Voltage Support Service Credit; Consolidated Invoice Adjustment Details with disputed VSS Adjustments highlighted
MST Schedule 2: Voltage Support Service Lost Opportunity Cost Payment	DSS Report: Settlement Details – Power Supplier – Voltage Support Service LOC; Consolidated Invoice Adjustment Details with disputed VSS Adjustments highlighted
MST Schedule 3: DAM Regulation Service Availability	DSS Report: Settlement Details – Power Supplier – DAM Regulation Availability
MST Schedule 3: Balancing Regulation Service Availability	DSS Report: Settlement Details – Power Supplier – Balancing Market Regulation Availability
MST Schedule 3: Regulation Penalty Charge	DSS Report: Settlement Details – Power Supplier – Regulation Penalty
MST Schedule 3: Regulation Revenue Adjustment	DSS Report: Settlement Details – Power Supplier – Regulation Revenue Adjustment
MST Schedule 4: DAM Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – DAM 10-minute Sync Reserve Availability
MST Schedule 4: DAM 10-Minute Non-Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – DAM 10-minute Non-Sync Reserve Availability
MST Schedule 4: DAM 30-Minute Non-Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – DAM 30-minute Operating Reserve Availability
MST Schedule 4: Balancing Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – Balancing Market 10-minute Sync Reserve Availability
MST Schedule 4: Balancing 10-Minute Non-Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – Balancing Market 10-minute Non-Sync Reserve Availability
MST Schedule 4: Balancing 30-Minute Non-Synchronous Reserves Service	DSS Report: Settlement Details – Power Supplier – Balancing Market 30-minute Operating Reserve Availability
MST Schedule 4: 10-minute Synchronous Reserve Reduction	DSS Report: Settlement Details – Power Supplier – 10-minute Sync Reserve Reduction
MST Schedule 4: 10-Minute Non-Synchronous Reserve Reduction	DSS Report: Settlement Details – Power Supplier – 10-minute Non-Sync Reserve Reduction
MST Schedule 4: 30-Minute Operating Reserve Reduction	DSS Report: Settlement Details – Power Supplier – 30-minute Operating Reserve Reduction
MST Schedule 4: Reserves Penalty Charge	DSS Report: Settlement Details – Power Supplier – 10-minute Reserve Shortfall Penalty
MST Schedule 4: Quick-Start Reserves Service	Consolidated Invoice Adjustment Details with disputed QSR Adjustments highlighted
MST Schedule 5: Black Start Service	DSS Report: Settlement Details – Power Supplier – Black Start

## Transmission Customer Settlement Disputes

## Support Required

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Transmission Customer Settlement Disputes	Support Required
OATT Schedule 7, 8, or 9: DAM Transmission Usage Charge	DSS Report: Settlement Details – Transaction Customer – Day Ahead Market Transmission Usage Charges
OATT Schedule 7, 8, or 9: Balancing Transmission Usage Charge	DSS Report: Settlement Details – Transaction Customer – Balancing Market Energy Transmission Usage Charges
DAM Replacement Energy Charge For Curtailed Imports	DSS Report: Settlement Details – Transaction Customer – Day Ahead Market Replacement Energy
Balancing Replacement Energy Charge For Curtailed Imports	DSS Report: Settlement Details – Transaction Customer – Balancing Market Replacement Energy
OATT Schedule 1: Scheduling, System Control, & Dispatch Charges	DSS Report: Settlement Details – Transaction Customer – Ancillary Services
OATT Schedule 1: DAM Bid Production Cost Guarantee Uplift Charge	DSS Report: Settlement Details – Transaction Customer – PS Uplift Allocations
OATT Schedule 1: Real-time Bid Production Cost Guarantee Uplift Charge	DSS Report: Settlement Details – Transaction Customer – PS Uplift Allocations
OATT Schedule 1: DAM Energy Residuals Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 1: Balancing Energy Residuals Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 1: DAM Losses Residuals Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 1: Balancing Losses Residuals Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 1: Balancing Congestion Residuals Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 1: DAM Margin Preservation Uplift Charge	DSS Report: Settlement Details – Transaction Customer - Residuals
OATT Schedule 2: Voltage Support Service Charges	DSS Report: Settlement Details – Transaction Customer – Ancillary Services
OATT Schedule 5: Reserves Service Charges	DSS Report: Settlement Details – Transaction Customer – Ancillary Services
OATT Schedule 7, 8, or 9: NYPA Transmission Adjustment Charge	DSS Report: Settlement Details – Transaction Customer – NTAC

Virtual Market Settlement Disputes	Support Required
Virtual Load [DAM]	DSS Report: Settlement Details – Virtual Market Customers – Virtual Load; DSS Report: Settlement Results Report (Financial Summary VB)
Virtual Load [Balancing]	DSS Report: Settlement Details – Virtual Market Customers – Virtual Load; DSS Report: Settlement Results Report (Financial Summary VB)
Virtual Supply [DAM]	DSS Report: Settlement Details – Virtual Market Customers – Virtual Supply; DSS Report: Settlement Results Report (Financial Summary VB)
Virtual Supply [Balancing]	DSS Report: Settlement Details – Virtual Market Customers – Virtual Supply; DSS Report: Settlement Results Report (Financial Summary VB)
Virtual Supply Bid Production Cost Guarantee Payment	DSS Report: Settlement Details – Virtual Market Customers – Virtual Supply; DSS Report: Settlement Results Report (Financial Summary VB)

TCC Rent Settlement Disputes	Support Required
Transmission Congestion Contract Holder Rent	DSS Report: Settlement Details – Transmission Congestion Contract Customer – TCC Rent; DSS Report: Settlement Results Report (TCC)
Transmission Owner DAM Congestion Balancing	DSS Report: Settlement Details – Transmission Owners – DAM Congestion Residual

Consolidated Invoice Component Disputes	Support Required
Invoice-level Adjustments	Consolidated Invoice references
Interest	Consolidated Invoice references
Station Power	Consolidated Invoice references
Working Capital Balance	Consolidated Invoice references

Metering/Performance Tracking Data Disputes	Support Required
Tie-line Flows	Web-based Megawatthour Reconciliation references
Generator Output – Hourly Billing Quality	Web-based Megawatthour Reconciliation references
Generator Output – Dispatch Interval	DSS Report: Settlement Details – Power Supplier - Balancing Energy
Load Serving Entity – Hourly Billing Quality Withdrawals	Web-based Megawatthour Reconciliation references
Load Serving Entity – Dispatch Interval Withdrawals	DSS Report: Settlement Details – Load Serving Entity - Balancing Energy