Sub-Accounts for Settlement and Invoice Reporting Purposes

NRG

Budget and Priorities Working Group

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- Current NYISO accounting and settlement processes do not allow a market participant to partition billing components by the source or type of commercial activity as to how they segregate responsible P&L attribution.

- This creates certain difficulties for any company with a diverse portfolio of businesses and/or market transactions.

- For example, under the current system, a company may have separate market participants for activity in generation, trading, TCC activities, and to differentiate settlements for Residential Load versus Business Load.

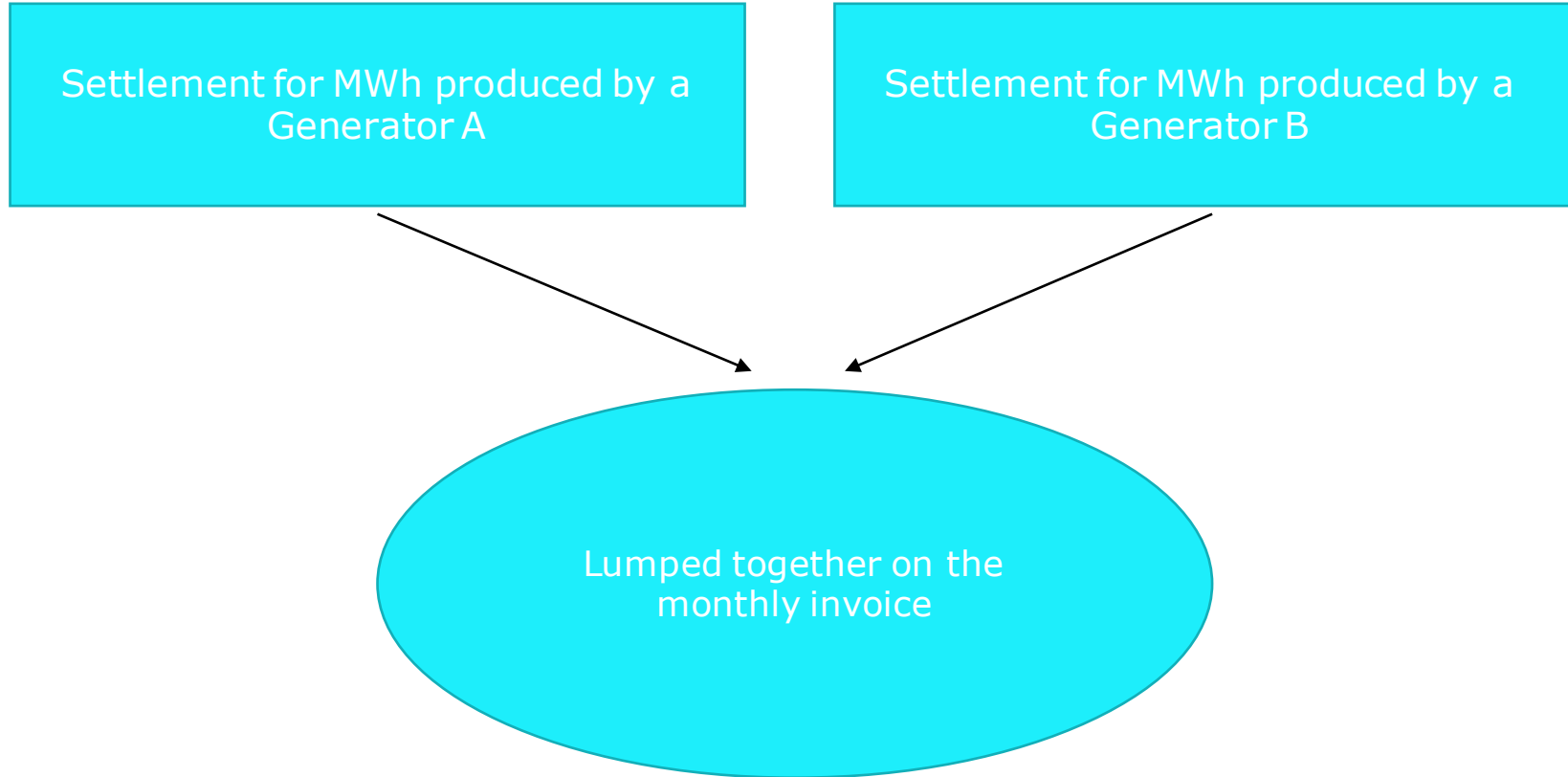# Example of how consolidated invoice works now (1)

Settlement for MWh produced by a Generator

Settlement for MWh purchased for Load

Lumped together on the monthly invoice, and although certain settlements are available in DSS, additional breakdown may be needed to maintain trade book

Settlement for MWh produced by a Generator A

Settlement for MWh produced by a Generator B

Lumped together on the monthly invoice

- Modification of the NYISO's settlement and invoicing systems:

  - to allow the utilization of sub-accounts nested under a larger account to sub-divide or group all transactions for reporting purposes as best seen fit by the market participant

  - Sub-accounts may separate under a single market participant generation, virtual transaction, or load, and/or may separate by PTID (e.g., generator or load)

- This project will identify tariff, software, and procedural modifications needed to bring about these changes

- Sub-account will increase market participant flexibility:
  - Market participants may establish sub-accounts to separate market transactions on the invoice to compartmentalize larger accounts for better tracking of various market transactions including associated fees

- Sub-accounts allow more detailed invoicing while keeping the overall settlement under the primary account

- Sub-accounts will reduce costs to market participants by reducing the need to maintain multiple market participants

- Other ISOs and RTOs have successfully implemented the utilization of sub-accounts to the benefit of their market participants (*e.g.*, PJM and ISO-NE)

Questions?