



Provisional CSO Bilateral Training

Customer Training Web Conference

Jeff Mislak

ASSOCIATE MARKET OPERATIONS ANALYST
MARKET & RESOURCE ADMINISTRATION

Kevin Coopey

ASSOCIATE MARKET OPERATIONS ANALYST
MARKET & RESOURCE ADMINISTRATION

Disclaimer for Customer Training

ISO New England (ISO) provides training to enhance participant and stakeholder understanding.

Because not all issues and requirements are addressed by the training, participants and other stakeholders should not rely solely on this training for information but should consult the effective [Transmission, Markets and Services Tariff](#) (“Tariff”) and the relevant [Market Manuals](#), [Operating Procedures](#) and [Planning Procedures](#) (“Procedures”).

In case of a discrepancy between training provided by ISO and the Tariff or Procedures, the meaning of the Tariff and Procedures shall govern.

Before We Begin

- Presentation available on the ISO New England (ISO) website:
[Support > Training > Training Materials > Forward Capacity Market](#)
 - WebEx recording of this session will be posted to the location above within five business days.

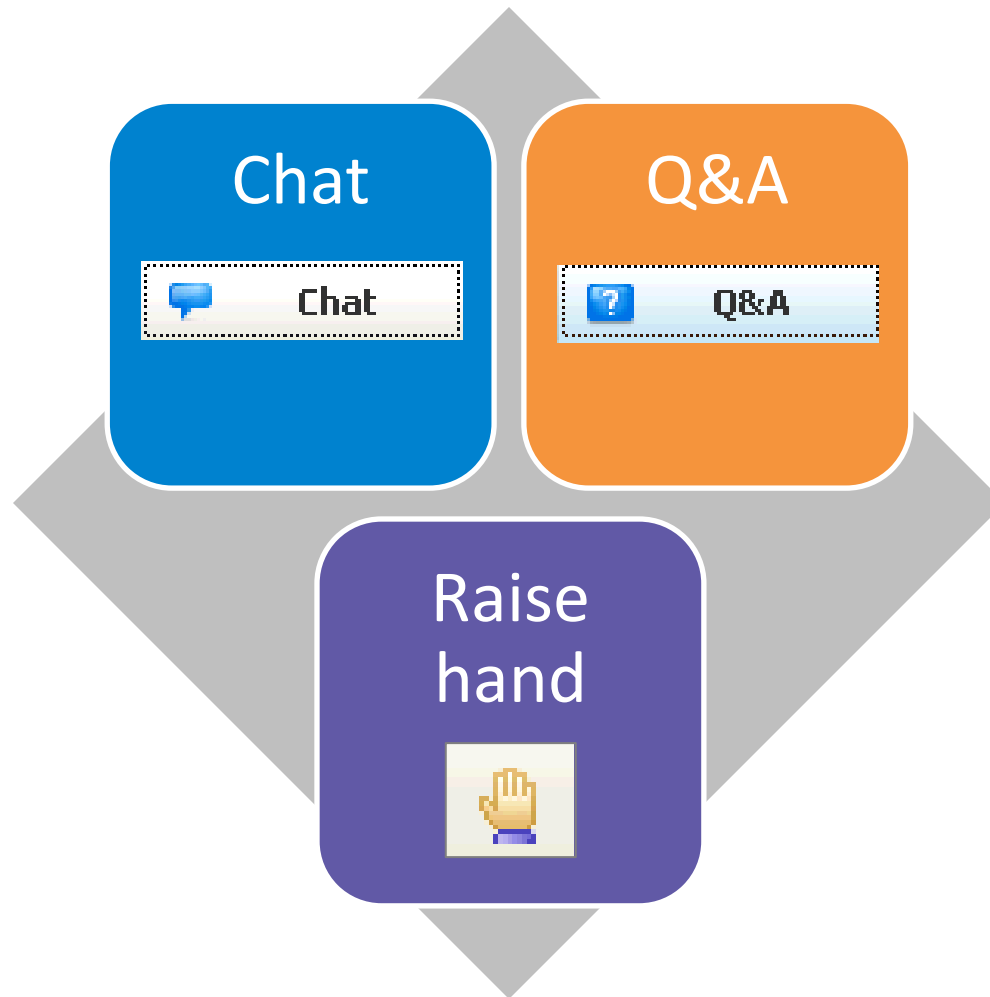
- Questions & Answers



- Evaluation



General WebEx Usage



Using Chat and Q&A



A screenshot of a 'Chat' window. The title bar says 'Chat'. The main area is yellow and contains the text 'Technical-related Issues' in red, with a red arrow pointing down to the input area. The input area has a 'Send to:' dropdown menu set to 'Host'. Below the dropdown is a text box with the placeholder 'Enter technical issues (i.e., audio & visual) here.' and a 'Send' button. A red arrow points to the text box.

A screenshot of a 'Q&A' window. The title bar says 'Q&A'. The main area is white and contains the text 'Content-related Questions' in red, with a red arrow pointing down to the input area. The input area has an 'Ask:' dropdown menu set to 'All Panelists'. Below the dropdown is a text box with the placeholder 'Enter questions regarding content here.' and a 'Send' button. A red arrow points to the text box.

PROVISIONAL CSO BILATERAL TRAINING

*Jeff Mislak, Associate Market Operations Analyst
Market & Resource Administration*

*Kevin Coopey, Associate Market Operations Analyst
Market & Resource Administration*

Objectives

- At the completion of the course the attendees will be able to:
 - State key concepts of provisional Capacity Supply Obligations (CSO) Bilaterals.
 - Enter and submit provisional CSO Bilaterals using the enhanced CSO Bilateral Contracts application.
 - Understand the provisional CSO Bilateral validation and conversion process.



Topics

- Key concepts of provisional CSO Bilaterals
- Submit and confirm provisional CSO Bilaterals using FCM CSO Bilateral Contract Management application.
- Provisional CSO Bilateral Contract validation and conversion

KEY CONCEPTS OF PROVISIONAL CSO BILATERALS



Provisional CSO Bilaterals – Key Concepts

- Provisional CSO Bilaterals allow market participants to enter and confirm CSO Bilateral contracts *prior* to the CSO Bilateral submission window.
 - It's a “parking lot” where contracts can be parked until the submission window opens.
 - When a submission window opens, provisional CSO Bilaterals that pass max transfer / max acquire limit validation are converted to CSO Bilaterals.
- Provisional CSO Bilaterals do not change the ordinary CSO Bilateral submission and ISO-New England review process.
 - Converted provisional CSO Bilaterals are subject to Financial Assurance requirements.
 - Converted provisional CSO Bilaterals must pass ISO-NE's Reliability Review.
- The existing FCM events calendar is not changing.

Provisional CSO Bilaterals – Key Concepts

- ISO-NE implemented provisional CSO Bilaterals in response to participants' requests for increased submission flexibility.
 - Currently CSO Bilateral submission windows are 4.5 / 1.5 business days for annual / monthly periods; this will not change.
 - Both parties in a CSO Bilateral need to sign in and confirm contracts during these windows.
 - Contracts can only be entered for the “prompt” period.
- Provisional CSO Bilaterals allow contracts to be entered and provisionally confirmed well in advance of these short submission windows.
 - Contracts can be entered in all forward CSO Bilateral Periods for which the primary Forward Capacity Auction is complete.
- Provisional CSO Bilateral functionality will be available after December 17, 2013.

SUBMIT AND CONFIRM PROVISIONAL CSO BILATERALS USING FCM CSO BILATERAL CONTRACT MANAGEMENT

Provisional CSO Bilaterals – Submission

- Provisional CSO Bilaterals utilize the same SMD Application as CSO Bilaterals.
- Forward Capacity Market CSO Bilateral Contracts



Provisional CSO Bilaterals – Submission

- Provisional CSO Bilaterals may be submitted for any “Current” period or “Future” period.
 - *Excluding any “Current” period where the submission window has already opened*
- Each of the Commitment Period’s on the left navigation pane can be expanded to show all possible periods.

FCM CSO Bilateral Contract Management

No Period is currently open for entering CSO Bilateral Contracts.

“Future” Bilateral Periods are now available for provisional CSO Bilateral submission

Navigation Pane:

- Current Period
 - Future
 - CP 2013-14
 - February 2014
 - March 2014
 - April 2014
 - May 2014
 - CP 2014-15
 - CP 2015-16
 - CP 2016-17
 - ARA1 Bilateral Period 1
 - ARA2 Bilateral Period 1
 - ARA3 Bilateral Period 1
 - June 2016
 - July 2016
 - August 2016
 - September 2016
 - October 2016
 - November 2016
 - December 2016
 - January 2017
 - February 2017
 - March 2017
 - April 2017
 - May 2017
 - Prior

Provisional CSO Bilaterals – Submission

- Navigate to the desired period and click “Add Prov Contract” on the top right.



Provisional CSO Bilaterals – Submission

- Enter your provisional CSO Bilateral Contract details.
 - Note that unlike the CSO Bilateral Contract form, there is no limit to the MW that can be entered.

Provisional Bilateral Contract Addition Cancel

Commitment Period Bilateral Period

Type* ☒ Transferring MW ☐ Acquiring MW

Submitting Resource Name (ID)*

MW*

Price

Reference ID

Comments

Confirming Entity Information


Lead Participant (ID)*

Resource Name*

Submit

Provisional CSO Bilaterals – Confirmation

- After submitting the provisional CSO Bilateral, the contract status will be “Pending Confirmation.”
 - The confirming party must navigate to the relevant period, select “Provisional Summary,” and click the “Provisional Confirm” button for each contract.



The screenshot shows a web interface titled "Provisional Summary". In the top right corner, there is a button labeled "Add Prov Contract". Below this is a "Filter" button. The main part of the interface is a table with the following columns: Contract ID, Transferring Resource ID, Transferring Resource Name, Transferring Lead Participant (ID), Acquiring Resource ID, Acquiring Resource Name, Acquiring Lead Participant (ID), Price, MW, Status, and Action. The "Action" column contains two buttons: "Provisional Confirm" (which is highlighted with a red rectangle) and "Update". At the bottom of the table, there is an "Export to:" link followed by a CSV icon and the text "CSV".

Contract ID	Transferring Resource ID	Transferring Resource Name	Transferring Lead Participant (ID)	Acquiring Resource ID	Acquiring Resource Name	Acquiring Lead Participant (ID)	Price	MW	Status	Action
										Provisional Confirm Update

Export to: [CSV](#)

- If the transferring and acquiring resources have the same lead participant, the contract will automatically become “Provisional Confirmed.”
- Contracts with status “Pending Confirmation” that pass the validation will flow through to the bilateral submission window with status “Pending Confirmation.”

Provisional CSO Bilaterals – Withdraw / Update

- The submitting lead participant can withdraw a provisional CSO Bilateral contract at any time before the submission window opens.
 - If the transferring and acquiring resources have the same lead participant, the withdrawal will occur immediately.
 - If the submitting and confirming lead participant is different, the confirming lead participant will need to confirm the withdrawal.
- The “Update” functionality of provisional CSO Bilaterals is limited; only the Reference ID and comments can be edited.
- To change the quantity (MW) or price (\$/kW-Month), withdraw the incorrect contract and resubmit / confirm a new contract.

PROVISIONAL CSO BILATERAL CONTRACT VALIDATION AND CONVERSION

Provisional CSO Bilaterals – Validation

- The goal of the validation process is to replicate the conditions that exist during an open CSO Bilateral submission window.
 - The CSO Bilateral Contract User Interface does not allow entry of contracts that exceed the max transfer / max acquire limits of a resource.
- Provisional CSO Bilaterals must be validated against the max transfer / max acquire limits for each resource.
 - The applicable max transfer / max acquire limits for a CSO Bilateral period are not available until just prior to the submission window opening.

Provisional CSO Bilaterals – Successful Conversion

- Upon opening a submission window, provisional CSO Bilateral contracts for the Bilateral Period that have status “Provisional Confirmed” and pass validation will become “Confirmed” CSO Bilateral contracts.
- Provisional CSO Bilateral contracts for the Bilateral Period that have status “Pending Confirmation” and pass validation will become “Pending Confirmation” CSO Bilateral contracts.
- Provisional CSO Bilateral contracts for the Bilateral Period that have status “Pending Withdrawal” and pass validation will become “Pending Withdrawal” CSO Bilateral contracts.
- Once a provisional CSO Bilateral contract is successfully converted, the contract carries the same rights and obligations as any other CSO Bilateral contract.
 - Impacts participant's Financial Assurance requirements
 - CSO Bilateral contract is still subject to ISO-NE’s Reliability Review.

Provisional CSO Bilaterals – Failed Conversion

- Only provisional CSO Bilaterals with status “Provisional Confirmed,” “Pending Confirmation,” or “Pending Withdrawal” are eligible for conversion; all contracts with other statuses will not be converted.
- Any provisional CSO Bilateral Contracts that do not pass the max transfer / max acquire validation will not be converted.
 - Each contract will be evaluated on a pass / fail basis.
 - Provisional Contracts will be converted up to the applicable limit, based exclusively on the time of confirmation.
 - ISO-NE will not ration a provisional CSO Bilateral contract volume.
- If a resource is listed as an “Ineligible Resource” for a bilateral period, any provisional CSO Bilateral contracts that have the “Ineligible Resource” transferring CSO will not pass validation.

Provisional CSO Bilaterals – After Validation

- After the validation process is complete, provisional CSO Bilaterals that were successfully converted become ordinary CSO Bilateral contracts.
 - The contracts will have status “Confirmed,” “Pending Confirmation.” or “Pending Withdrawal.”
- Provisional CSO Bilaterals that failed validation will not be converted.
- Participants can use the “Provisional Summary” tab in the FCM CSO Bilateral Contract Management system to view the status of all provisional CSO Bilaterals.

Provisional CSO Bilaterals – Validation Example 1

- Resource ABC123 for CP 2017-18 ARA1 Bilateral Period
 - Qualified Capacity: 20 MW
 - Capacity Supply Obligation: 15 MW

- Max Transfer Limit
= CSO = 15 MW

- Max Acquire Limit
= QC - CSO = 5 MW

Contract ID	Contract Type	MW	Validation
1001	Transferring	10	OK
1002	Acquiring	5	OK
1003	Transferring	10	FAIL
1004	Transferring	2.5	FAIL

- Contract 1001 is OK; total transferring = 10 MW.
- Contract 1002 is OK; total acquiring = 5 MW.
- Contract 1003 fails validation; total transferring = 20 MW.
 - Note that transferring and acquiring CSO Bilateral contracts are not netted.
- Contract 1004 fails validation; total transferring = 22.5 MW.

Provisional CSO Bilaterals – Validation Example 2

- Resource ABC123 for CP 2017-18 ARA3 Bilateral Period
 - Qualified Capacity: 19 MW (*QC reduced due to a SCC test)
 - Capacity Supply Obligation: 10 MW

- Max Transfer Limit
= CSO = 10 MW
- Max Acquire Limit
= QC - CSO = 9 MW

Contract ID	Contract Type	MW	Validation
1050	Acquiring	5	OK
1051	Acquiring	5	FAIL
1052	Acquiring	10	FAIL
1053	Acquiring	2.5	FAIL

- Contract 1050 is OK; total acquiring = 5 MW.
- Contract 1051 fails validation; total acquiring = 10 MW.
- Contract 1052 fails validation; total acquiring = 20 MW.
- Contract 1053 fails validation; total acquiring = 22.5 MW.
 - Note that this contract was confirmed after contracts that caused a limit violation.

Provisional CSO Bilaterals – Validation Example 3

- Resource ABC123 for CP 2017-18; November 2017
 - Qualified Capacity: 0 MW (**Planned Outage)
 - Capacity Supply Obligation: 15 MW

- Max Transfer Limit
= CSO = 15 MW

- Max Acquire Limit
= QC - CSO = 0 MW

Contract ID	Contract Type	MW	Validation
1270	Acquiring	2	FAIL
1271	Transferring	10	OK
1272	Transferring	5	OK
1273	Transferring	2	FAIL

- Contract 1270 fails validation; total acquiring = 2 MW.
- Contract 1271 is OK; total transferring = 10 MW.
- Contract 1272 is OK; total transferring = 15 MW.
- Contract 1273 fails validation; total transferring = 17 MW.
 - Even without the planned outage reducing QC, this contract will fail validation.

Summary

- Provisional CSO Bilaterals allow market participants to enter and confirm CSO Bilateral contracts *prior* to the CSO Bilateral submission window.
 - It's a “parking lot.”
- Provisional CSO Bilaterals do not change the existing CSO Bilateral submission and ISO-NE review process.
 - The existing FCM events calendar and the submission window timing is not changing.
- Provisional CSO Bilaterals utilize the same system as ordinary CSO Bilaterals.
 - Provisional CSO Bilaterals must pass a max transfer / max acquire limit validation to be converted to CSO Bilaterals.

Customer Support



- [Ask ISO](#)
 - Self-service interface for submitting inquiries
 - Accessible through the SMD Applications Homepage
 - Requires a valid digital certificate with the role of Ask ISO/External User
 - Contact your Security Administrator for assistance.
- Phone: 413-540-4220
 - Monday through Friday, 7:30 A.M. to 5:30 P.M. Eastern Time
 - Recorded/monitored conversations
- Email: custserv@iso-ne.com

Questions



Evaluations

