

Dispatchable Load CMSC Clawback

Dispatchable Load Working Group
December 12 2006



- **Introduction**
- Recap – DLWG presentation March 2005
- Proposed Business Rules
- Impact
- Proposed implementation dates

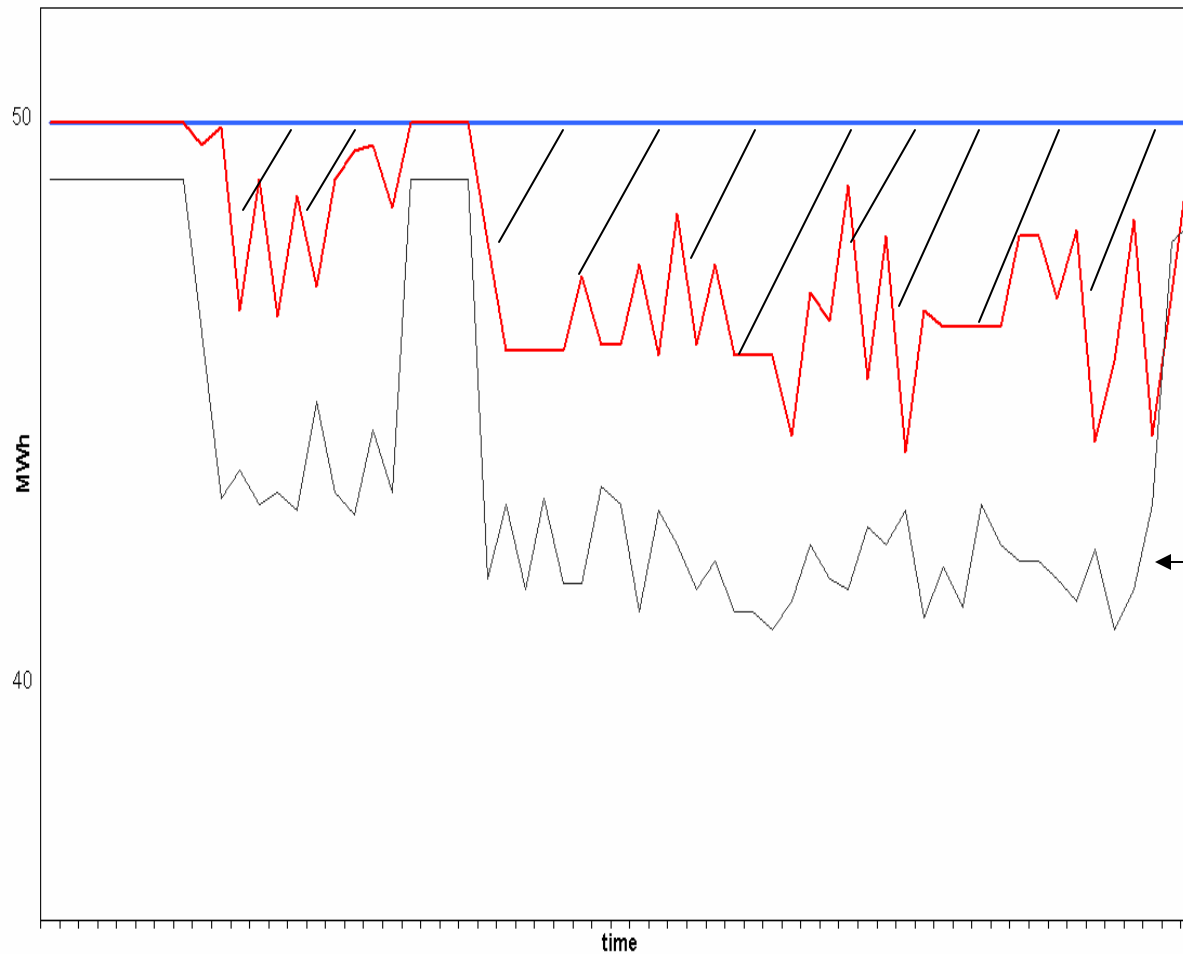
- Market Rule (MR) Ch 9 s3.5.1A – allows us to clawback CMSC paid to Dispatchable Loads:
 - for equipment or operational limitations
 - when not fully or accurately responding to dispatches
- Market Manual (MM) 5.5 s1.8.11
 - describes business rules and guidelines for executing clawback
 - clawback applied monthly via a manual process

- Discontinue manual activities to evaluate constrained-off events and clawback CMSC
- Replace with an automated approach that:
 - uses business rules that...
 - satisfy the Market Rules
 - are consistent with the manual approach
 - is applied to the daily Preliminary Settlement Statement

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
CMSC clawbacks – dispatch deviations

Example of small deviations



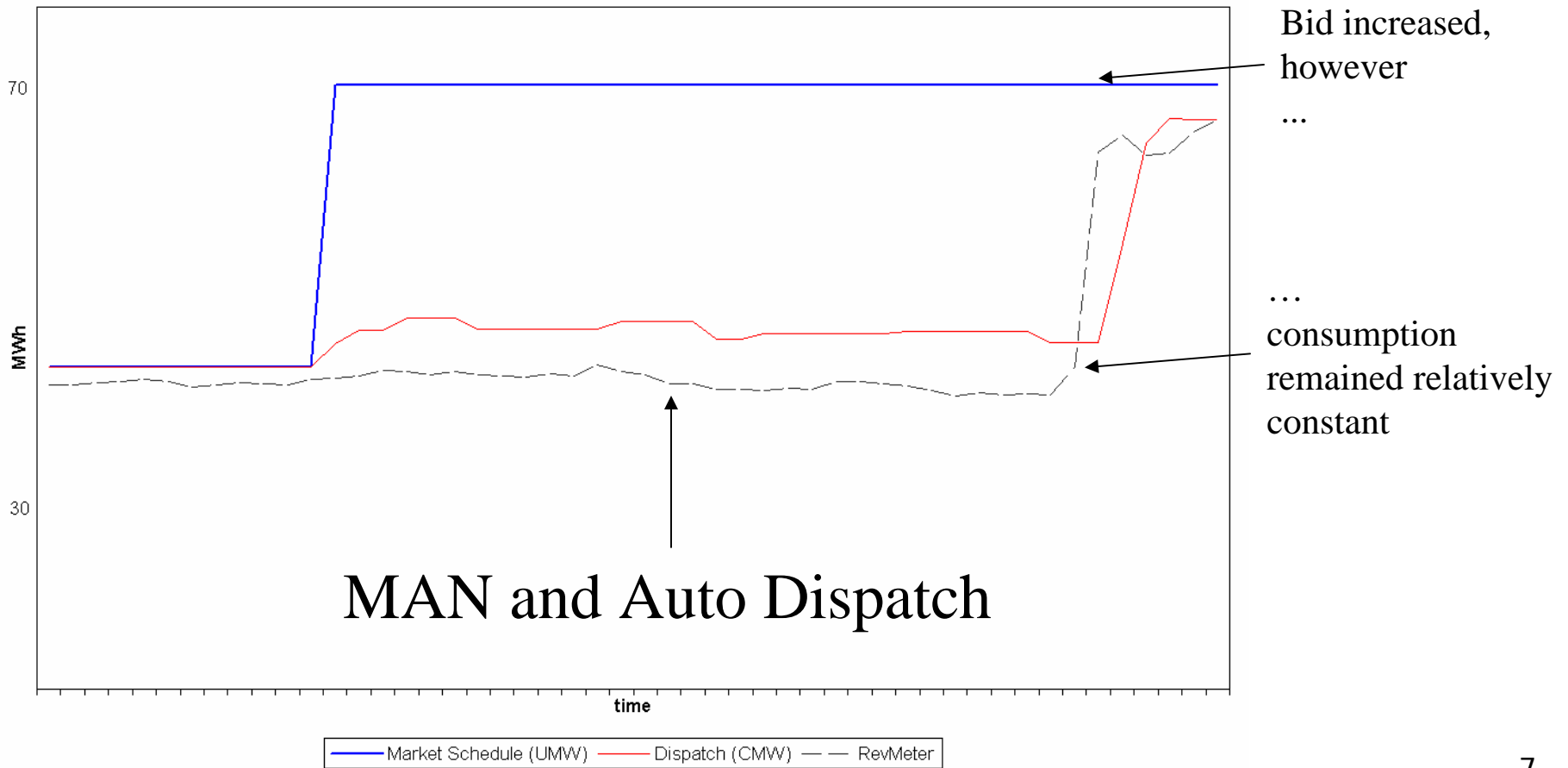
Bid does not change even though RevMeter is unable to meet that level of consumption

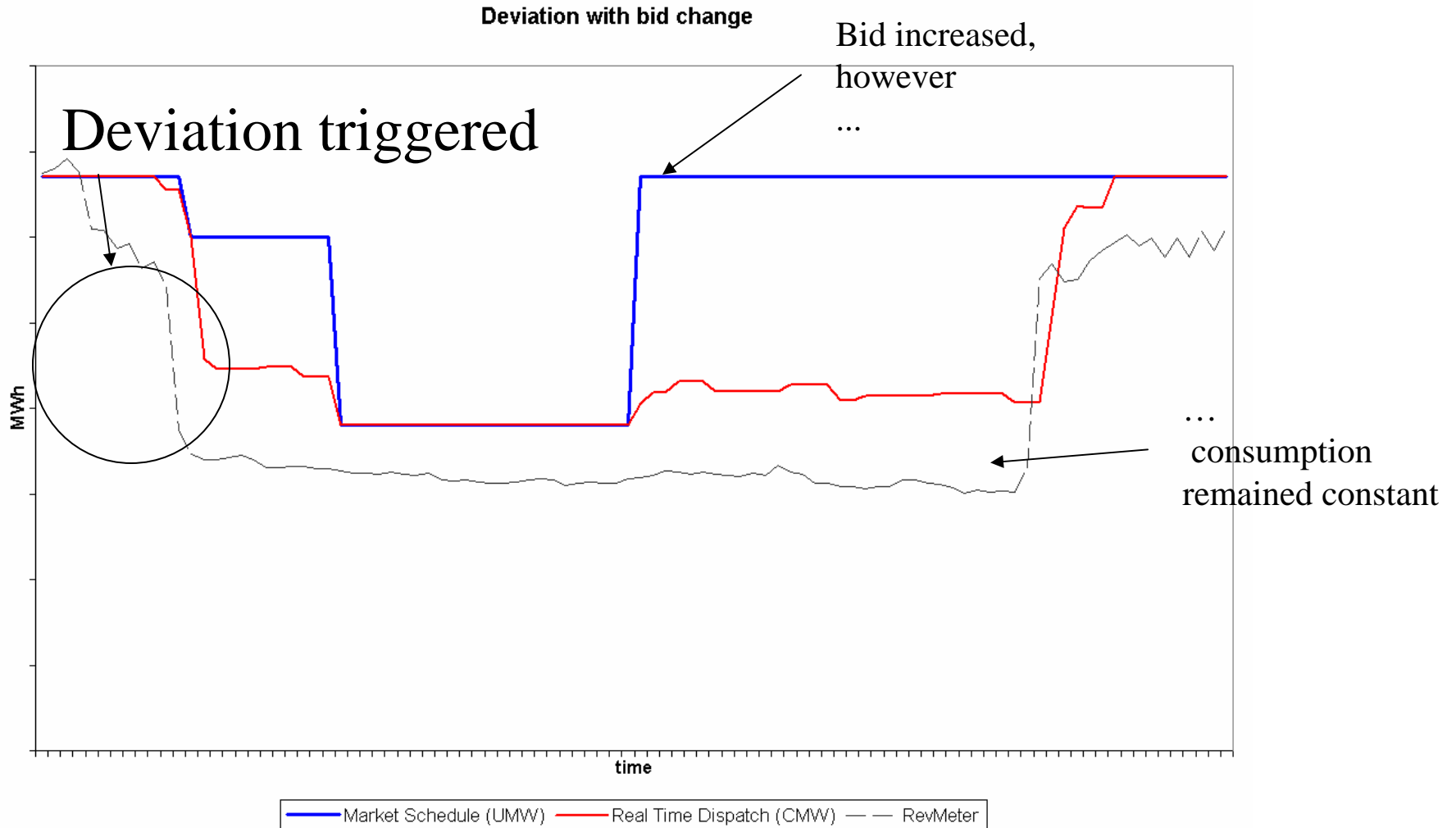
Decreasing RevMeter below UMW is causing dispatch CMW to keep decreasing

 Dispatchable Load receiving CMSC

— Market Schedule (UMW) — Dispatch (CMW) — RevMeter

Example of plant/process problems

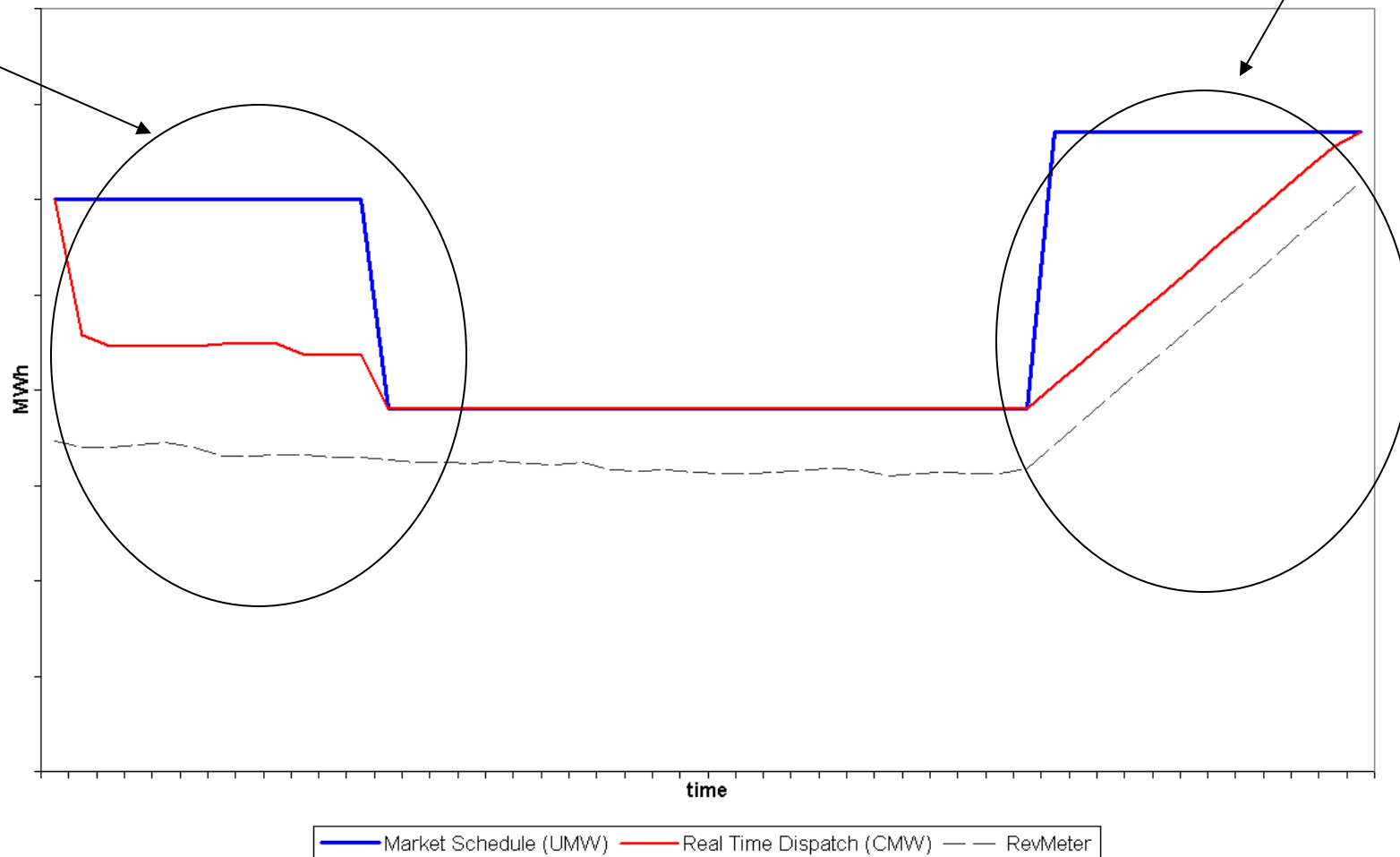




clawback

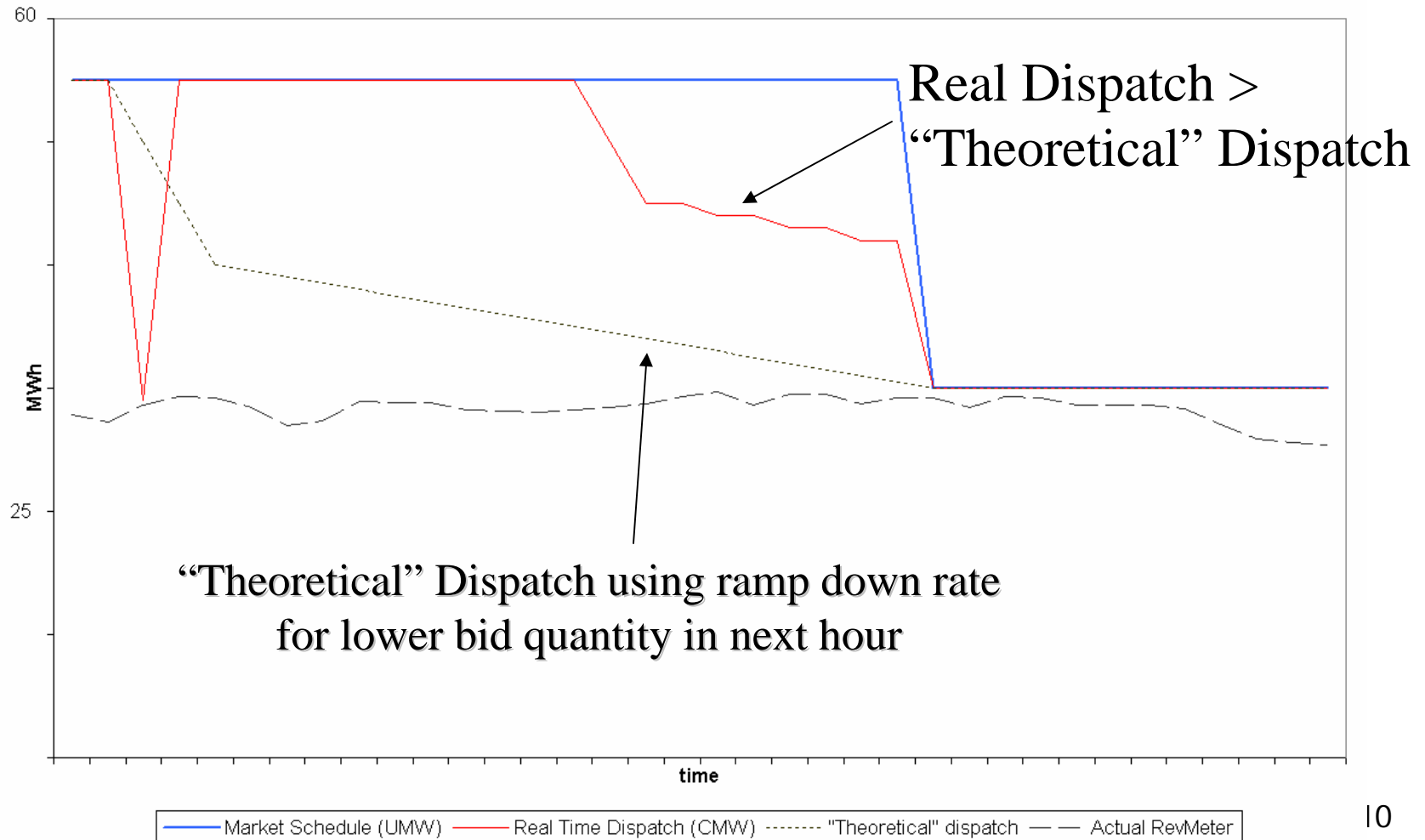
Deviation and 12x ramp rate with bid change

Non clawback



Non clawback

MIO Effect with Bid change



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- A constrained-off event comprises one or more consecutive intervals where
 - market schedule $>$ constrained schedule, and
 - market schedule $>$ AQEW

- A dispatchable load is considered to be ‘economically constrained-off’ in an interval if...
 - relevant nodal price \geq bid price
 - for either the current interval, the next interval or the previous interval
 - inequality applied to the last MW constrained off

- An interval is an 'ORA' interval if...
 - the constrained schedule is labeled with the reason code 'ORA', or
 - the interval is 1-3 intervals in advance of an interval with the 'ORA' code, or
 - the interval is 1-3 intervals after an interval with the 'ORA' code

- A dispatchable load is considered to be ‘ramping’ in an interval if...
 - it is one of the first 3 intervals of the second hour when ramping-up
 - it is one of the last 3 intervals of the first hour when ramping-down
- A unit is considered to be ramping-up or ramping-down when the unconstrained schedule differs between consecutive hours

- A dispatchable load is considered to be a ‘manually constrained-off for reliability’ if...
 - our Control Room logs indicate that we needed to constrain-off the load for system or local requirements

- Constrained-off CMSC **is** allowed if, for some interval during a constrained-off event:
 - total amount of CMSC paid for that trade day to that dispatchable load is $< \$4000$
 - daily total includes negative CMSC

- Constrained-off CMSC **is NOT** allowed if, for some interval during a constrained-off event:
 - CMSC is paid for portions of the dispatch where the load has bid +MMCP, indicating that it is non-dispatchable in that range
- UNLESS CMSC is allowed because...
- of materiality (BR1)

- Constrained-off CMSC **is NOT** allowed if, for some interval during a constrained-off event:
 - current 5-minute constrained schedule exceeds the actual value in the previous interval plus 2.5 minutes of ramping

UNLESS CMSC is allowed because...

- of materiality (BR1), or
- the load has been constrained-off economically (Definition 1), or
- Operating Reserve has been activated (Definition 2), or
- the load is ramping (Definition 3), or
- the load has been manually dispatched down for reliability (Definition 4)

- Constrained-off CMSC **is NOT** allowed if, for some interval during a constrained-off event:
 - constrained schedule is 0 MW and consumption is < 1 MW, or consumption is 0 MW
- UNLESS CMSC is allowed because...
- of materiality (BR1), or
 - the load has been constrained-off economically (Definition 1), or
 - Operating Reserve has been activated (Definition 2), or
 - the load has been manually dispatched down for reliability (Definition 4)

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- ACTUAL: April-November 2006
 - Total CMSC paid: \$12.9M
 - Actual CMSC clawed back: \$9.6M (74% of total paid)
- PROJECTED: Applying proposed Business Rules to historical data for the same period
 - Projected CMSC clawed back: \$8.8M (68% of total paid)

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- Trade dates: January 1-31 2007
 - Interim Market Document Change (IMDC) issued to document Business Rules; supersedes MM5.5 s1.8.11
 - Apply adjustments for each interval to the month-end Preliminary Settlement Statement (PSS) as manual settlement details
- Trade dates: February 1- May 31 2007
 - Apply adjustments for each interval to the daily PSS as manual settlement details
- Trade dates: June 1 2007 onward (to be confirmed)
 - Apply adjustments for each interval to the daily PSS as settlement details

- Questions??