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# Inadvertent Interchange

Market Pricing Working Group  
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- What is inadvertent interchange?
- How is it accumulated?
- How is it reconciled?
- How is it paid back?

# What is Inadvertent Interchange?

- “The difference between a Control Area’s net actual interchange and net scheduled interchange.”
  - NPCC Glossary of Terms (A-07)
- Why do we monitor inadvertent interchange?
  - “... ensure that, over the long term, Balancing Authority Areas do not excessively depend on other Balancing Authority Areas in the Interconnection for meeting their demand or Interchange obligations.”
    - NERC Standard BAL-006-1 — Inadvertent Interchange

## How is it accumulated?

- Accumulates when there are differences between the scheduled intertie flow and actual intertie flow.
- The operational running totals of inadvertent accumulation are determined from operational and/or electronic hourly billing meter readings.
  - After the fact true-up (monthly) using revenue meters
- At times when persistent high or low frequency exists on the Interconnection, it is acceptable to allow the offsetting inadvertent to accumulate.
  - this is handled automatically by the DSO

- Inadvertent payback is the transfer of energy for the purpose of reducing the cumulative inadvertent energy balance.
- **Bilateral Payback**
  - Bilateral inadvertent payback is an arranged interchange schedule between two adjacent Balancing Areas. It is included in the Interchange Schedule.
- **Unilateral Payback**
  - Automatic, tool-driven unilateral payback is not included in the interchange schedule, but added to the final schedule setting and recorded hourly
    - Reflected in the market schedule and constrained schedule
  - Manual unilateral inadvertent payback shall only be used when the IESO on-peak or off-peak accumulated inadvertent balances exceeds +/- 20,000 MWh and under the direction of the IESO representative to the NPCC CO-1 group.
    - Reflected in the market schedule and constrained schedule

## How is it reconciled?

- Each Balancing Authority shall use the agreed-to daily and monthly accounting data to compile its monthly accumulated Inadvertent Interchange for the On-Peak and Off-Peak hours of the month.
- A Balancing Authority shall make after-the-fact corrections to the agreed-to daily and monthly accounting data only as needed to reflect actual operating conditions (e.g. a meter being used for control was sending bad data). Changes or corrections based on non-reliability considerations shall not be reflected in the Balancing Authority's Inadvertent Interchange.

- On average, between 5 and 10 MW of inadvertent interchange are accumulated each hour
- Total Inadvertent Interchange (as of Oct. 1, 2007)
  - On-peak: -141 MW
  - Off-peak: -52,937 MW

- Roughly 3-5 SAR events each month
  - Typically only 1 SAR assistance request from Ontario each month
- When receiving SAR assistance, SAR energy is reflected in the stack (constrained & unconstrained) in the same way that emergency energy used to be treated.
- Inadvertent interchange on average has a very minor impact on MCP while the SAR can create noticeable counter intuitive outcomes.
- This is a policy question not unlike that the stakeholders answered when considering the desired impact emergency energy should have on price.
- Given the inconsistencies and the rationale used for changing the EE treatment the IESO is leaning towards modifying the SAR treatment so that this action affects the market schedule in the same way. This recommendation will be supported with the appropriate data analysis.

- If the recommendation is approved, tools/procedures will need to be changed to align the treatment of inadvertent with that of emergency energy