

EDAC Settlements Design WG

Web Conference – December 7, 2009



- Introductions
- Review changes to Detailed Design v.02 as posted to portal on November 30, 2009
- Review impact of proposed IOG Offset process on RT Offset process
- Update on PSU design and path forward

- Changes originating with the Settlements Design Working Group review include:
 - Incorporation of changes from the September 17 Design Working Group meeting
 - Resolutions of the issues as noted in the meeting minutes for the September 17 Design Working Group meeting
- Changes originating from additional review (ie Technical Panel and implementation review processes):
 - Revisions to the area under the curve equations (XDA_BE, XPD_BE, XBE, etc.) through the adding of terms to set the lower boundary in the PQ pair matrix to the correct value
 - A revised Intertie Offer Guarantee settlement based on a single IOG payment for an import transaction net of any offset
 - A negative one (“-1”) has been added in front the Operating Profit (OP) function for the Day-Export Failure Charge
- Design changes to the Day-Ahead Production Cost Guarantee:
 - For each interval, Components 1 through 4 will be calculated only when the generator is injecting ($AQEI > 0$)
 - For Component 1 and Component 3 Clawback, the energy injected (AQEI) has been factored into the calculation for circumstances where the AQEI is less than the minimum loading point

Quick Review – IOG Offset process

- Stacking of DA imports against DA exports determines eligibility for DA IOG rate
- Settlement IOG rate determined based on this eligibility:
 - For an import offset day-ahead, Settlement IOG rate = RT IOG rate
 - For an import not offset day-ahead, Settlement IOG rate = max (DA IOG rate, RT IOG rate)
- IOG offset carried out and settled

Transaction	Day-Ahead						Real Time						Results	
	DA Import (Constrained MW)	DA IOG (\$)	Export (MW)	DA IOG Rate (\$/MW)	DA IOG Offset (MW)	DA Offset Flag	Import (Constrained MW)	RT IOG (\$)	Export (Constrained MW)	RT IOG Rate (\$/MW)	Settlement IOG Rate (\$/MW)	RT IOG Offset (MW)	IOG Offset (\$)	IOG Payment (\$)
A	100	\$ 200		\$ 2.00	51	Y	100	\$ 150		\$ 1.50	\$ 1.50	100	\$ 150	\$ -
B	100	\$ 300		\$ 3.00		N	100	\$ 400		\$ 4.00	\$ 4.00		\$ -	\$ 400
C	200	\$ 200		\$ 1.00	200	Y	200	\$ 700		\$ 3.50	\$ 3.50		\$ -	\$ 700
D	300	\$ 400		\$ 1.33	300	Y	300	\$ 600		\$ 2.00	\$ 2.00	300	\$ 600	\$ -
E	300	\$ 900		\$ 3.00		N	200	\$ 500		\$ 2.50	\$ 3.00	151	\$ 453	\$ 47
F							100	\$ 375		\$ 3.75	\$ 3.75		\$ -	\$ 375
G			551						551					
Total		\$ 2,000						\$ 2,725					\$ 1,203	\$ 1,522

- Consider a RT import:
CS = 50, MS= 50, RTOffer = \$110, RTP = \$85 gets an IOG = \$750
- Now consider the following three export scenarios:

Scenario		CS	MS	Current Offset in DACP	New Offset in EDAC for RT	Notes
1	Equal	50	50	-\$750	-\$750	The result is the same for both the current and new Offset process.
2	Constrained On	50	0	\$0	-\$750	<ul style="list-style-type: none"> • No exports in the MS, so in the current Offset process, there would be no MWs to offset. • There are MWs in the CS, so in the new Offset process, there would MWs to offset.
3	Constrained Off	0	50	-\$750	\$0	<ul style="list-style-type: none"> • There are exports in the MS, so in the current Offset process, there would be MWs to offset. • No MWs in the CS, so in the New Offset process, there would be no MWs to offset.

- Treatment under the RT Offset process does differ from current treatment, under these two scenarios
- IESO to consider appropriate rule changes, if needed, and bring forward in “true up” rules package
 - Stakeholdering will occur leading up to this effort
 - Need to consider unintended consequences prior to resolution