

IIPTF Participants:

At the last meeting of the IIPTF I was asked to provide some data on the simplified Inadvertent Pricing proposal that I made. Attached is a file that contains the same WECC data as that used by Robert Blohm. The only difference is that I did not include a 17th Control Area.

When I spoke with a WECC rep I was informed that WECC preferred to use only the 16 control areas and show that the Inadvertent numbers did NOT always balance.

Taking that warning, what I show in this file is:

- Non-Payment margin of + / - 0.15 mHz (i.e. the frequency deviation where no one pays)
- A payment based on the highest Market Price available (I got the numbers from one of WECC's control areas that posted rates - in this case they post 10 minute rates and I used the first 10 minute rate of each hour - for simplicity)
- The control areas that caused the frequency deviation are charged for their Inadvertent at the hourly rate
- The control areas that help correct frequency receive payments on a pro rata basis (i.e. the sum of the payments from the bad guys are allocated to the good guys in a fashion that ensures all of the dollars are allocated)
- I only used the first three days of data that Robert used

I believe this is a good starting point for discussion. I am sure there may be 'reliability' concerns but as I noted at the meeting NAESB should let NERC worry about those issues. Since I have not fully examined the consequences of this approach (just not enough time) I those focused on incorporating reliability concerns will have some comments. But at least we have a starting point. I will examine this information further as time permits but at least you have an idea of what can be done.

Again I note that the real issue is that the Inadvertent Interchange numbers are not billing quality numbers and that the Price value must be transparent before this process is implemented.

Your comments and questions are requested.

Regards,
Al DiCaprio