

NAESB WEQ IPTF

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Strawman: Inadvertent Interchange Payback

1. **Inadvertent Interchange Payback.** Balancing Authorities and Scheduling Agents (e.g. ISOs) shall be diligent in reducing accumulated inadvertent balances. Inadvertent Interchange accumulations shall be paid back by one of the following methods:
 - 1.1. **Energy “in-kind” payback.** Inadvertent Interchange energy (MWh) accumulated during “on-peak” hours shall only be paid back in energy (MWh) during “on-peak” hours. Inadvertent Interchange energy (MWh) accumulated during “off-peak” hours shall only be paid back in energy (MWh) during “off-peak” hours.
 - 1.1.1. **Bilateral payback.** Inadvertent Interchange energy (MWh) accumulations may be paid back via an Interchange Schedule with another Balancing Authority or Scheduling Agent in accordance with NAESB Business Practices and NERC Standards.
 - 1.1.1.1. **Opposite balances.** The Source Balancing Authority or Scheduling Agent and the Sink Balancing Authority or Scheduling Agent must have Inadvertent Interchange energy (MWh) accumulations in the opposite direction.
 - 1.1.1.2. **Agreement on schedule.** The terms of the Inadvertent Interchange energy (MWh) payback schedule shall be agreed upon by all involved entities (e.g., Balancing Authorities, Scheduling Agents, Transmission Providers) in accordance with NAESB Business Practices and NERC Standards.
 - 1.1.2. **Unilateral payback.** Inadvertent Interchange energy (MWh) accumulations may be paid back unilaterally to the interconnection controlling to a target of non-zero Area Control Error (ACE) in accordance with NERC Standards. Controlling to a non-zero ACE ensures that the unilateral payback is accounted for in the CPS calculations. The unilateral payback control offset is limited to the Balancing Authority’s L₁₀ limit and shall not burden the Interconnection. Refer to NERC Standards for Area Control Error (ACE) and Control Performance Standard (CPS) L₁₀ limits.
 - 1.2. **Financial Settlement.** Inadvertent Interchange accumulations may be financially settled in accordance with NAESB Inadvertent Interchange Financial Settlement Business Practices.
 - 1.3. **Other Authorized Inadvertent Interchange Payback Methods.** NAESB may authorize other requested Inadvertent Interchange payback market solutions.
 - 1.3.1. **Inadvertent Interchange Payback Written Request.** Balancing Authorities and Scheduling Agents shall submit a written request to the NAESB Executive Committee requesting authorization to implement other methods of Inadvertent Interchange payback within specified interconnection(s).

1.3.2. NAESB Inadvertent Interchange Payback Authorization. Upon written authorization by the NAESB Executive Committee, the requesting Balancing Authorities and Scheduling Agents within the specified interconnection(s) may use the requested Inadvertent Interchange payback methods.