



## North American Energy Standards Board

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**via email and posting**

**TO:** NAESB WEQ Inadvertent Interchange Payback Practice Task Force  
**FROM:** Todd Oncken, NAESB Deputy Director  
**RE:** IIPTF Substantive & Tabled Motions  
**DATE:** March 8, 2004

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**The following is a compilation of *successful substantive motions* passed at the IIPTF since September 2003.**

### September 15-16, 2003

A. Mr. Cox moved, seconded by Mr. Goins, as follows: The IIPTF recognizes the discovery phase is largely complete and will begin the drafting phase. Any new discovery material must be approved by this task force through a formal motion. After limited discussion the motion passed with Mr. Illian, Mr. Blohm and Mr. Lively abstaining.

### October 6, 2003

B. Moved by Mr. Terelmes and seconded by Mr. Goins. "The settlement of inadvertent as the IIPTF was tasked will be broken down into four components. 1) Inadvertent energy hourly measurement 2) Frequency hourly measurement 3) Hourly valuation for inadvertent energy 4) Valuation for contribution to frequency deviation. Valuations can be considered positive, negative or zero, and this does not preclude physical payback. The motion passed.

C. Moved by Mr. Terelmes and seconded by Mr. Illian. "The IIPTF task force recognizes that inadvertent energy and frequency deviation must be measured before it can be valued. However, the measurement of inadvertent energy and frequency deviation lies outside the scope of the IIPTF and will be a task reserved for NERC. The data received from NERC will be a sufficient measurement of inadvertent energy and frequency deviation. The motion passed.

D. Moved by Mr. Terelmes and seconded by Mr. Blohm. "NERC has agreed to provide inadvertent energy and frequency deviation measurements with hourly granularity. Although payback of inadvertent energy and contribution to frequency deviation shall be performed for each hour, reporting of such hourly information to be used for settlement purposes shall occur at such time intervals as deemed feasible by NERC. The IIPTF will accept the limitation of monthly measurement reporting frequency until such time that technology and NERC allow this data to be reported more frequently." The motion passed.

E. Moved by Mr. Terelmes and seconded by Mr. Oberski. "In an effort to arrive at a better method for the settlement of inadvertent, the IIPTF will consider only two basic methodologies. 1) Financial settlement for inadvertent 2) Physical settlement of inadvertent. The fact that inadvertent has at least two components, also allows for a combination of the above methodologies. The motion passed.

F. Moved by Mr. Blohm and seconded by Mr. Illian. "The IIPTF defines a Balancing Authority's Inadvertent Interchange as its Inadvertent Interchange 'with the interconnection.'" The motion passed.



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### December 11, 2003

- G. Mr. Illian moved, seconded by Mr. Reed, that “the IIPTF consider the settlement of reactive power to be out of scope with our charge and no longer be included as an issue in our discussion.” Mr. Lively stated this issue should be handled consistently with the handling of inadvertent interchange. Mr. Reed agreed that at some point reactive power should be addressed but at this time the group should move forward by focusing on inadvertent interchange. Upon a procedural vote the motion passed.
- H. Mr. Illian moved, seconded by Mr. Cox, “that the discussion of Time Error is consistent with the issue of Frequency.” Upon a procedural vote the motion passed absent objection.
- I. Mr. Illian moved, seconded by Mr. Blohm that “any methodology unable to represent negative energy prices is incompatible with a reasonable inadvertent settlement methodology, and therefore should be eliminated from discussion.” Upon a procedural vote the motion passed.
- J. Mr. Henry moved, seconded by Mr. Goins that “the IIPTF write a standard that may include an allowance for each interconnection to develop a method that settles inadvertent and corrects frequency error to operate in a manner to compensate for inadvertent in an interconnection’s selected time intervals.” Upon a procedural vote, the motion passed.

### January 22-23, 2004

- K. Mr. DiCaprio moved, seconded by Mr. Power, to define ‘Frequency Bandwidth’ as follows – a range of deviation around the interconnection scheduled frequency. Mr. Cox provided the following friendly amendment to the motion, which was adopted by Mr. DiCaprio and Mr. Power: define ‘Frequency Bandwidth’ as follows – a range of deviation around 60 Hz or the interconnection scheduled frequency. The amended motion passed with Mr. Henry opposed.
- L. Mr. Illian moved, seconded by Mr. DiCaprio that the task force commit to having a bandwidth that requires financial settlement outside and no settlement, physical settlement or financial settlement within the bandwidth and work towards a resolution of the internal settlement. Mr. Illian and Mr. DiCaprio amended the motion to read as follows: Settlement outside a frequency bandwidth would be financial. After discussion on the motion, the motion passed with 5 in favor, 2 opposed (Mr. DiCaprio and Mr. Henry) and the rest abstaining.

### February 26-27, 2004

- M. Mr. Lively substituted Mr. Power’s tabled motion for his motion 5, as follows: the financial settlement outside a bandwidth would be limited to inadvertent energy and not include a frequency control component. Mr. Goins seconded the motion. On Mr. Terelmes’s request, the motion was amended to read as follows: The financial settlement outside a bandwidth would be limited to inadvertent energy and not include a frequency control component, except that direction of frequency could be used to indicate the good or bad nature of the Inadvertent. The motion passed on a balanced vote.

*Procedural Note: This motion was made and tabled at the January 22-23, 2004 meeting.*



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- N. Mr. Lively moved, seconded by Mr. Oberski that the cash out of inadvertent shall be the quantity of inadvertent interchange times a pricing mechanism yet to be determined applicable to that time interval.

*Procedural note: The original version of this motion was made and tabled at the December 11, 2003 meeting. The motion was revised at this meeting.*

**The following is a compilation of tabled motions passed at the IIPTF since September 2003.**

November 3, 2003

- A. Mr. Goins moved, seconded by Mr. Terelmes that the point at which inadvertent interchange ceases to be return-in-kind and becomes a financial settlement be no more stringent than the reliability guidelines established by NERC.

*This motion was reviewed by the IIPTF on February 26-27 and it was determined to table the motion until such time that the specifics of the frequency bandwidth have been determined.*