

Matrix of Outcomes for Different Ways of Settling the Energy Component of Inadvertent

Settling energy component of transaction at "Own Market's Price" has fewest (has no) perverse outcomes.

Chart Prepared by Robert Blohm, May 8, 2003; revised May 17, 2003

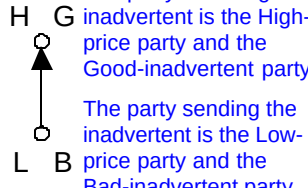
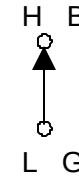
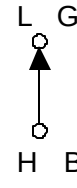
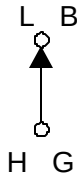
Legend: are perverse outcomes

▲ : o is receiver of the inadvertent ○ : o is sender of the inadvertent

H : o is the High-price party L : o is the Low-price party
G : o is the Good-inadvertent party B : o is the Bad-inadvertent party

$\Delta F < 0 \equiv$; $\Delta F > 0 \equiv$: "Frequency is too low (high)" means the sender (receiver) of the inadvertent is the Good-inadvertent party and the receiver (sender) of the inadvertent is the Bad-inadvertent party.

"rewarded" ("penalized") : pays less (more) than own-market's price; receives more (less) than own-market's price

4 Types of Inadvertent:					
Settlement Price of Transaction is:					
Receiver's-Market's Price					
	G not rewarded B rewarded	G rewarded B not rewarded	G not penalized B penalized	G penalized B not penalized	
	G rewarded B not rewarded Congestion not charged	G not rewarded B rewarded Congestion not charged	G penalized B not penalized Congestion not paid	G not penalized B penalized Congestion not paid	
	Group's original choice Good's Best Market-Price (the better price for Good, of either Good's- or Bad's-market's price)	Howard's examples 1-5,1-8 G rewarded B not rewarded Congestion not charged	1-2,1-3 G rewarded B not rewarded	1-6,1-7 G not penalized B penalized	1-1,1-4 G not penalized B penalized Congestion not paid
Howard's alternative Good's-Market's Price In Howard's alternative, each Bad's Good counterparty is the Interconnection at average price of the Goods	Howard's example 2-4A G not rewarded B rewarded	2-1B,2-2 G not rewarded B rewarded Congestion not charged	2-3 G not penalized B penalized	2-1A,2-4B G not penalized B penalized Congestion not paid	
	Own-Market's Price G not rewarded B not rewarded	G not rewarded B not rewarded	G not penalized B not penalized	G not penalized B not penalized	

Over- or under-collection to be kept in a redispatch fund managed by the Interconnection and periodically distributed to or assessed on all Balancing Agents on the basis of share of load or of generation .