

Unscheduled Demand Penalty

The ISO Tariff sections 2.2.13.2.3.1 - 2.2.13.2.3.3 orders this Penalty on Unscheduled Demand. It is effective beginning trade date 01/01/2001. The penalty portion of this charge will appear on settlement statements as charge type (CT) 480 and the allocation will be under CT1480. These will be calculated by SC, by control area, by hour, and will begin as manual line item entries. Software to automate this procedure will be developed in the near future.

Conceptually, this penalty is assessed on SCs whose hour ahead scheduled demand is less than their metered demand by more than 5%. Note that the metered demand quantity for this calculation will exclude the instructed deviations.

Specifically, the penalty will be assessed on SCs negative Uninstructed Deviations for load and export (including operational adjustments initiated by the SCs) from final Hour ahead load and export schedules, if the magnitude of the SC's negative Uninstructed Deviations are over 5% of the sum of their final hour ahead schedules and their Uninstructed Deviations.

Example: If a SC schedules 920 MWh of load and export and the SCs total Uninstructed Deviation for load and export is -80 MWh (indicating an over consumption), then the SC will be charged a penalty on the -80 MWh since the magnitude of the Uninstructed deviation is greater than 5% ($80 / 1000 = 8\%$).

If a SC schedules 970 MWh of demand and the SC's total Uninstructed Demand Deviation is -30 MWh, the SC will not be charged a penalty ($30/1000 = 3\%$).

An exception to this is if a SC's metered Demand is less than 200 MWh. In these instances, the penalty will be assessed if the magnitude of the SC's Uninstructed Demand Deviation is greater than 10 MWh.

The penalty price will be the lesser of a) two times the weighted average Price of Imbalance Energy in the control area or b) \$100/MWh.

The weighted average price of imbalance energy purchases in the control area will be calculated by dividing CT 401 total settlement dollars by the total billable quantity in CT 401. This price will be calculated by ISO and will be provided in the Price field of CT 480 manual line item entry.

The CT 1480 is used to allocate the revenues received by the ISO through CT 480. Such revenues will be allocated to the SCs with a positive Uninstructed Demand Deviation and to those with a negative Uninstructed Demand Deviation with a magnitude less than or equal to 5% of the metered Demand. These SCs will receive revenues based on the ratio of each SC's metered demand to the sum of all such SCs metered demand in the control area.