

Real Time Transaction Failure Settlement Charge -Bias Adjustment

Posting for Comments



Proposed - Real time Transaction Failure Settlement Charge

Import Formula:

Min[Max[0, (RT Ont MCP – PD Zonal MCP) * Mwh deviation], RT Ont MCP * MWh import deviation]

Export Formula:

Min[Max[0, (PD zonal MCP - RT Ont MCP) * MWh export deviation] , PD zonal MCP* MWh export deviation]

Above formulas limit the maximum charge such that the charge does not become excessively large in the case where one of the prices is negative.

The bias adjustment will be applied to the Import charge and to the Export charge

The bias adjustment shall compensate for the persistent tendency for the real time Ontario price to drop relative to the pre-dispatch Ontario price due to the use of the peak Ontario demand to establish pre-dispatch Ontario price versus the average of twelve 5 minute intervals of Ontario demand to establish the real time Ontario price.

Adjustment Factor represented as a constant:

Import Charge:

$\text{Min}[\text{Max}[0, ((\text{RT Ont MCP} + \text{Adjustment factor}) - \text{PD Zonal MCP}) * \text{MWh deviation}], \text{RT Ont MCP} * \text{MWh}]$

Outcome:

- **When the adjusted price (RT Ont MCP + Adjustment factor) is positive, a charge will apply. This can result in a charge even though the real time price has fallen relative to the zonal price, by less than the magnitude of the adjustment factor.**
- **Example: $\text{Min}[\text{Max}[0, ((47 + 5) - 50) * 100 \text{ Mwh deviation}], 47 * 100 \text{ MWh}]$**

= \$200

Calculation, application, and publication of Adjustment Factor

- **Calculation of the Adjustment Factors will be done yearly**
- **Four seasonal Adjustment Factors will be calculated for Spring, Summer, Fall, and Winter.**
- **Newly calculated Adjustment Factors will be published in advance of their effective dates and will apply to the next calendar year.**