

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

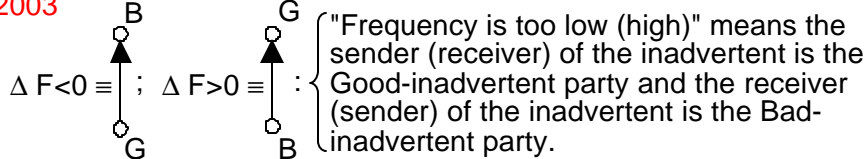
Settling energy component of transaction at "Own Market's Price" has fewest (has no) perverse outcomes.

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



"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 <span style="border: 1px solid red; padding: 2px;">B rewarded</span>	G rewarded B not rewarded	G not penalized B penalized	<span style="border: 1px solid red; padding: 2px;">G penalized</span> B not penalized
Sender's-Market's Price	G rewarded B not rewarded <span style="border: 1px solid red; padding: 2px;">Congestion not charged</span>	G not rewarded <span style="border: 1px solid red; padding: 2px;">B rewarded</span> <span style="border: 1px solid red; padding: 2px;">Congestion not charged</span>	<span style="border: 1px solid red; padding: 2px;">G penalized</span> B not penalized <span style="border: 1px solid red; padding: 2px;">Congestion not paid</span>	G not penalized B penalized <span style="border: 1px solid red; padding: 2px;">Congestion not paid</span>
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 <span style="border: 1px solid red; padding: 2px;">Congestion not charged</span>	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 <span style="border: 1px solid red; padding: 2px;">Congestion not paid</span>
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 <span style="border: 1px solid red; padding: 2px;">B rewarded</span>	2-1B,2-2 G not rewarded <span style="border: 1px solid red; padding: 2px;">B rewarded</span> <span style="border: 1px solid red; padding: 2px;">Congestion not charged</span>	2-3 G not penalized B penalized	2-1A,2-4B G not penalized B penalized <span style="border: 1px solid red; padding: 2px;">Congestion not paid</span>
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 .