

**Additional Compensation under Administrative Pricing
to Market Participants where a Registered Facility
has received and followed Dispatch Instructions from the IMO**

Market Not Suspended		Market Suspended
< 48 Intervals	> 48 Intervals	
Basis for Additional Compensation	Basis for Additional Compensation	Basis for Additional Compensation
<p>(a) Settlement Amount Adjustment if market participant is assessed negative hourly CMSC that is not offset by IOG;</p> <p>(b) Settlement Amount Adjustment if market participant overcharged or underpaid hourly net energy market settlement credit that is not offset by CMSC or IOG.</p> <p><u>Materiality Threshold:</u> \$50/delivery point; and</p> <p>Total must exceed \$400/ each administrative pricing event request.</p>	<p>(a) Fuel and variable operating and maintenance costs incurred in complying w/ dispatch instructions;</p> <p>(b) + 10% of the above;</p> <p>less the amount of the administrative price paid or payable to the market participant;</p> <p>or</p> <p>(c) Variable operating and maintenance costs and opportunity cost of fuel/water consumed in lieu of fuel costs if facility is energy limited (+10% may not be payable).</p> <p><u>Materiality Threshold:</u> \$1000/trade day and registered facility; and</p> <p>\$200/trade day and registered facility and equivalent of \$2/MWh.</p>	<p>(a) Fuel and variable operating and maintenance costs incurred in complying w/ dispatch instructions;</p> <p>(b) + 10% of the above;</p> <p>less the amount of the administrative price paid or payable to the market participant;</p> <p>or</p> <p>(c) Variable operating and maintenance costs and opportunity cost of fuel/water consumed in lieu of fuel costs if facility is energy limited (+10% may not be payable).</p> <p><u>Materiality Threshold:</u> \$1000/trade day and registered facility; and</p> <p>\$200/trade day and registered facility and equivalent of \$2/MWh.</p>

Selected References:

- i. IMO Market Rules, Chapter 7, s.8.4A
- ii. Market Manual 4, Part 4.3, s.1.10 and Appendix B
- iii. Market Manual 4, Part 4.5, s.1.3.2 and Appendix B
- iv. Market Manual 5, Part 5.5, s.1.8.8
- v. IMO Guidelines for Additional Compensation during Administrative Pricing

Eligibility for Additional Compensation under Administrative Pricing

	Market Not Suspended		Market Suspended
	< 48 Intervals	> 48 Intervals	
Dispatchable Generator	Yes	Yes	Yes
Non-Dispatchable Generator	No	No	No
Self-Scheduling Generator	No	No	No
Dispatchable Load	Yes	Yes*	Yes**
Non-Dispatchable Load	No	No	No
Export Transaction	Yes	No	No
Import Transaction	Yes	No***	No***

* If required to run generation equipment connected to the dispatchable load.

** As noted in the IMO Guideline document (IMO_GDL_0025) on additional compensation during administrative pricing, “during the suspension of *market operations* and use of *administrative pricing* in August 2003, additional compensation would have been considered had load been dispatched to run generation, or dispatched to consume at higher levels in order to balance generation and load levels as the system was being restored. However, such conditions did not apply”. (page 4)

*** Ibid. “*Emergency* import transactions are compensated according to the *emergency* agreements with the relevant *control areas* and such import transactions are not eligible for additional compensation. Imports *scheduled* through normal market processes would not be eligible for compensation since the IOG payment would ensure total payments are at least equal to their offer price”.