

Real-time Intertie Offer Guarantee Offset Process and EDAC

IJTSC Meeting
November 22, 2010



1. Review the Intertie Offer Guarantee (IOG) Offset Process in EDAC
2. Impact of EDAC changes on the Real-time (RT) IOG Offset Process

- The Day-Ahead Intertie Offer Guarantee (DA-IOG) and the IOG Offset will be settled daily with EDAC implementation
- This design was stakeholdered through the EDAC Settlements Design Working Group on May 13, 2009 and December 7, 2009
- Market Rules were approved by the Technical Panel in January and were approved by the IESO Board in February

- The current IOG Offset settlement reverses IOG payments to import transactions associated with “implied wheel-through” positions where no net power is provided to Ontario
- The IOG Offset process continues with EDAC and takes into account that exports can be scheduled day-ahead in EDAC

Day-ahead versus Real-time

- In day-ahead, there is only one type of schedule: constrained
- In real-time, there are two types of schedules: constrained and unconstrained
- All offsets will be carried out against constrained schedules, both Day Ahead and Real Time

- Stacking of DA imports against DA exports determines eligibility for DA IOG rate
- Settlement IOG rate determined based on this eligibility:
 - For an import offset day-ahead against a day-ahead export, Settlement IOG rate = RT IOG rate
 - For an import not offset day-ahead against a day-ahead export, Settlement IOG rate = $\max(\text{DA IOG rate}, \text{RT IOG rate})$
- IOG offset carried out and settled daily

How does the use of constrained MW affect RT IOG Offsets?

- Consider a RT import:
CS = 50, MS= 50, RTOffer = \$100, PDP = \$110, RTP = \$85 gets an IOG = \$750
- Now consider the following three RT export scenarios:

Scenario		CS	MS	Current Offset in DACP	New Offset in EDAC for RT	Notes
1	Equal	50	50	-\$750	-\$750	The result is the same for both the current and new Offset process.
2	Constrained On	50	0	\$0	-\$750	<ul style="list-style-type: none"> No exports in the MS, so in the current Offset process, there would be no MWs to offset. There are MWs in the CS, so in the new Offset process, there would MWs to offset.
3	Constrained Off	0	50	-\$750	\$0	<ul style="list-style-type: none"> There are exports in the MS, so in the current Offset process, there would be MWs to offset. No MWs in the CS, so in the New Offset process, there would be no MWs to offset.

- Treatment under the RT Offset process approved by the IESO Board for EDAC in February does differ under these two scenarios from current treatment