

Settlement Principles for Embedded Facilities

Revenue Metering Standing Committee

October 28, 2010



Settlement Principles

Market Manual 3.7 – Totalization Table Registration, Appendix D – Metering, Settlement Principles

- Appendix details the application of principles used in settling the IESO administered market:
 - SSLA transformation
 - SSLA radial line
 - Station Service
 - Apportionment of losses/station services
 - TLF's
 - Energy Market Settlement and Transmission Tariff Settlement
 - Directly connected and embedded facilities
 - Express and non-express feeders
- This does not reflect any commercial arrangements or agreements between participants or third parties

Settlement Principles

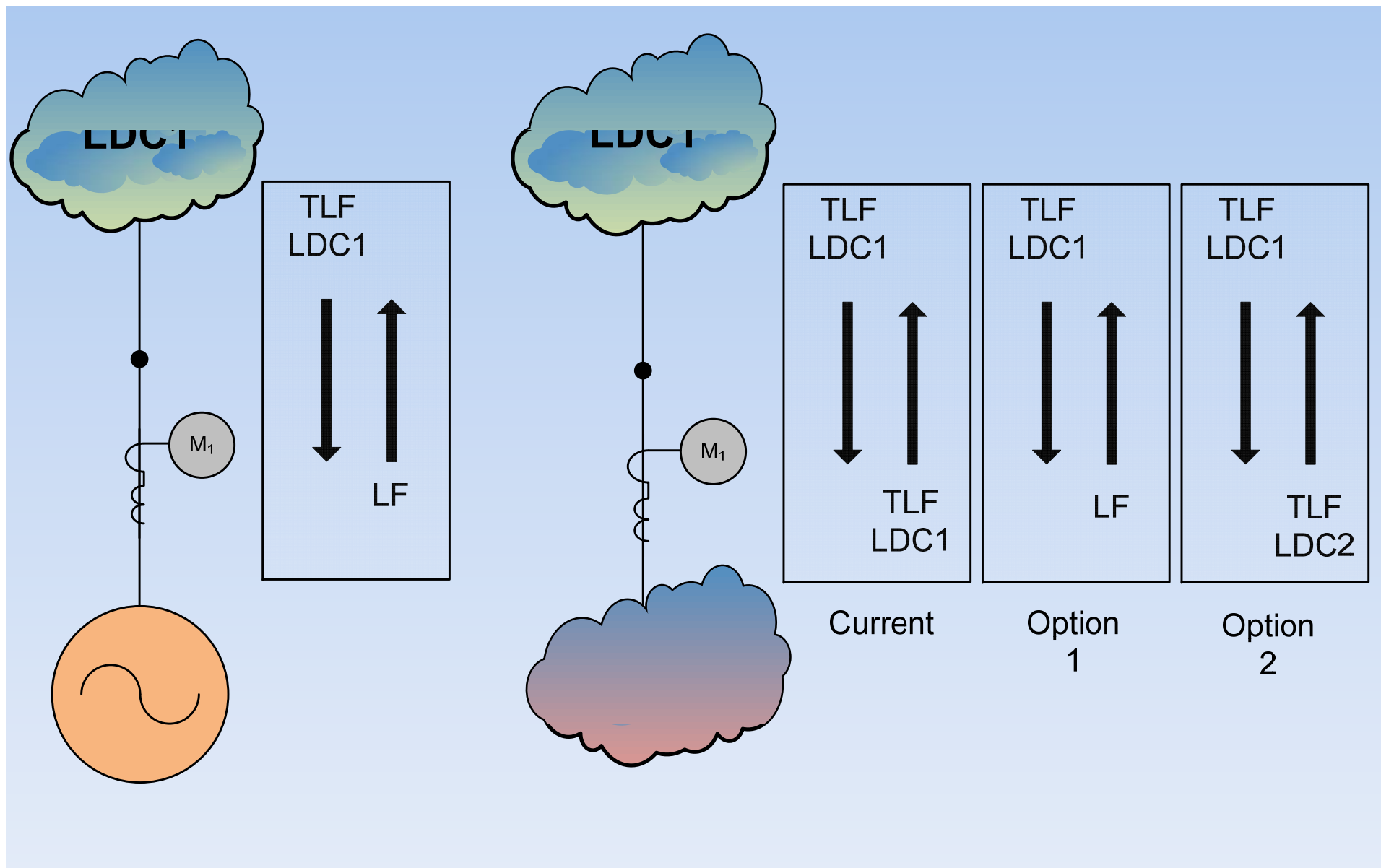
- Market Manual 3.7 – Totalization Table Registration, Appendix D – Metering, Settlement Principles was first introduced June 1, 2005, in Baseline 9.0
- Revisions were made in Baseline 11, Sept. 2006 to address specific principles related to embedded generation and application of TLF's (result of 2006 OEB Rate Order):
 - Address issue of TLF pancaking
 - Application of LF to 'Received' or 'Injected' meter channel for embedded generator
- Applicable sections (related to TLF and LF) have been reviewed and accepted by OEB
- This Appendix is widely used to support meter registration and settlement processes (both wholesale and retail)

Issues related to reverse power flow



- Reverse power flow for an embedded metering installation (feeder metering) is becoming more common. This is primarily due to distributed generation coming on-line.
- Current application of TLF's (based on Settlement Principles) introduces inequities in settlement.
- Now is the time to revisit the 'Settlement Principles' to address these concerns

Issues related to reverse power flow



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- IESO will be working with Hydro One to look at current 'principles' and propose recommendations.
- Any proposed changes will need to be reviewed and accepted by the OEB.
- RMSC will be updated on this initiative as progress is made.