

Scheduling Coordinator Aggregate Liability Estimation (SCALE)

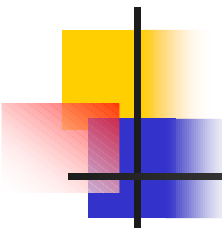
SC Settlement Contacts Web Conference

February 27, 2004

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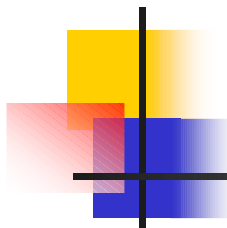
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Agenda for Web Conference

11:00 – 11:05	Overview of SCALE process
11:05 – 11:15	SCALE methodology
11:15 – 12:00	Questions and Answers

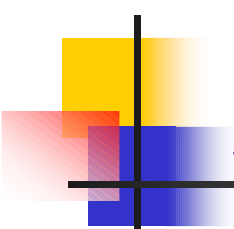




SCALE Process

- SCs without Approved Credit Rating must maintain security
- ISO calculates weekly as market administrator
- Issue of “blind spot”
 - Since startup, estimation based on historic data
 - ISO working to develop market data-based tool
- SCALE uses market data to estimate blind spot





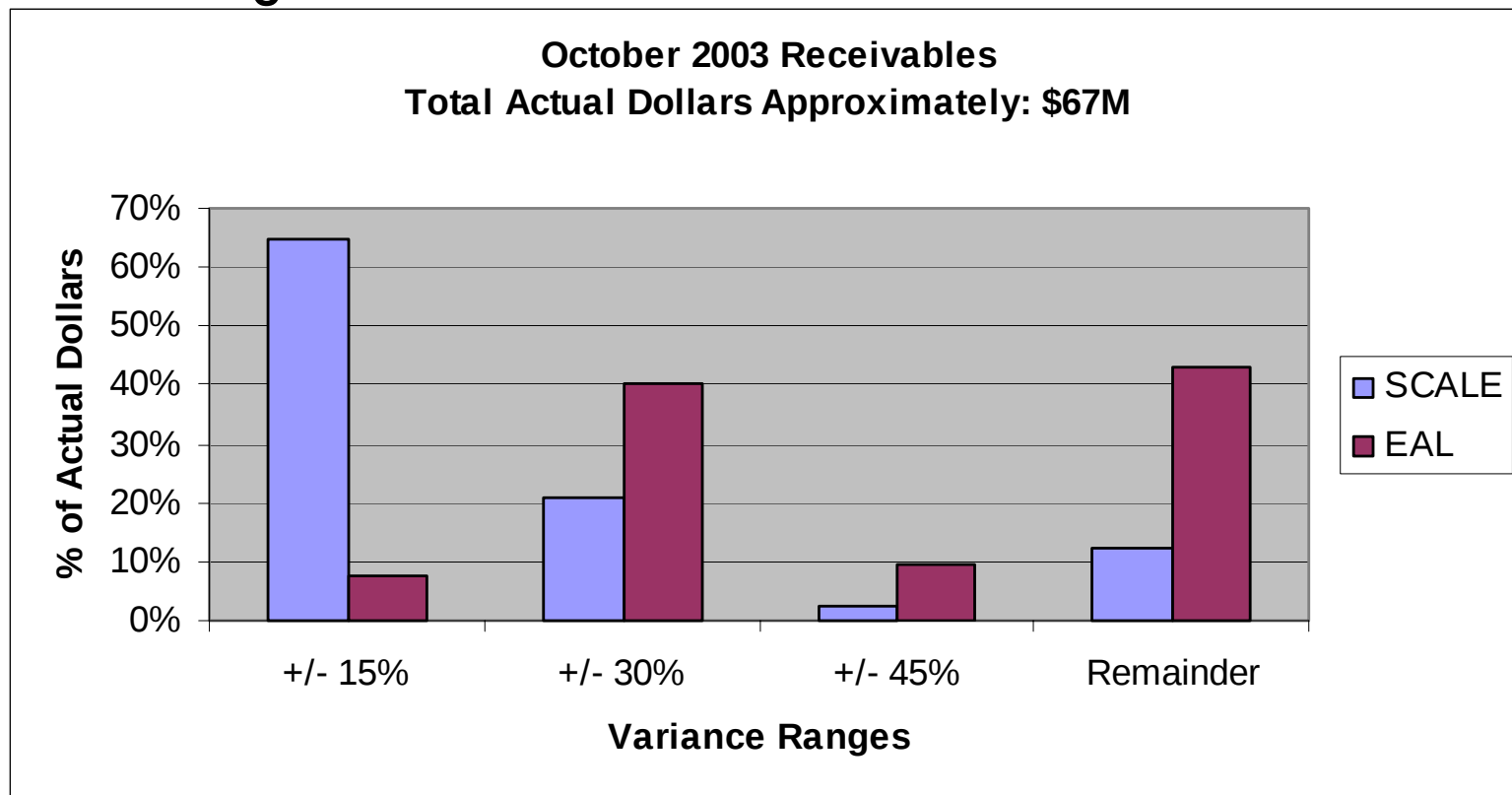
SCALE Process (cont.)

- Basis for SCALE
 - Copy of the Settlement System
 - Utilization of all Market Operations data available at T+7
 - Development of the meter data measurement file
 - Generation MWWhs (MDAS, EMS, RT Dispatches, Schedules)
 - Intertie / Intratie MWWhs (MDAS, EMS, Load Estimates)
 - Load MWWhs (EMS UDC MWWhs * Load Profiles)



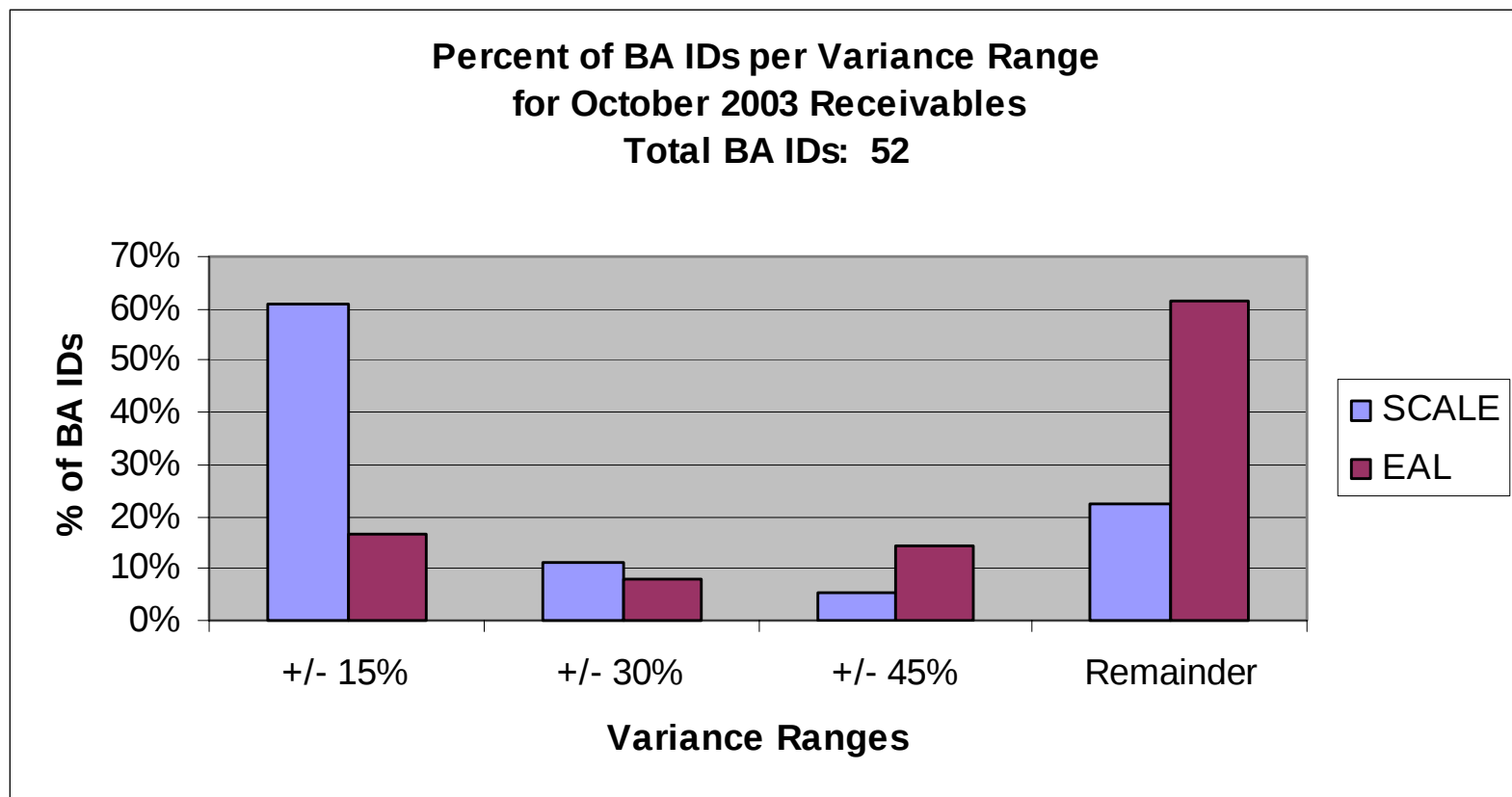
SCALE Process (cont.)

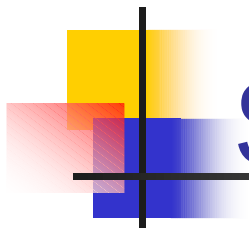
- SCALE accuracy - $\pm 30\%$ for 65-70% of all SC market charges



SCALE Process (cont.)

- SCALE accuracy - $\pm 30\%$ for 65-70% of all SC IDs

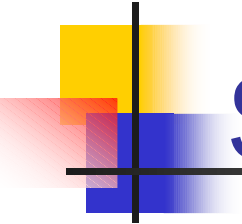




SCALE Methodology

- Service Types Calculated
 - Ancillary Services
 - Emissions / Startup (Daily)
 - FERC Fees (Daily)
 - Grid Management (Daily)
 - Imbalance Energy
 - Interzonal Congestion
 - Minimum Load Cost Compensation
 - Reliability Must Run
 - Transmission Access (Daily)
 - Wheeling



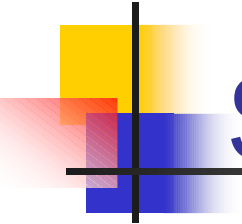


SCALE Methodology

- Service Type Issues

- Grid Management – Inaccurate Market Operation charges due to inaccurate load allocations.
- Imbalance Energy – Inaccurate CT407 charges due to inaccurate load allocations.
- Minimum Load Cost Compensation – Inaccurate charges due to inaccurate load allocations.
- Other charges based on load allocations are subject to inaccuracies.

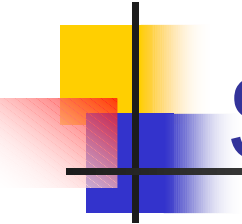




SCALE Methodology

- Load Allocation Process
 - Load profiles based on historical performance / recent scheduling activities.
 - Adjustment percentages for the meter vs. schedule applied.
 - Participant verification of load profiles encouraged.
 - UFE mitigated by allocating generation to load deviations to specifically identified SCs.

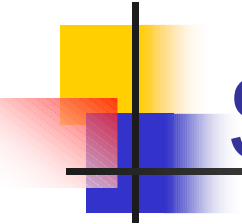




SCALE Methodology

- Payables Analysis
 - More accurate than receivables calculations
 - Data is more readily available
- Implementation timeframe – Week of March 1 or Week of March 8

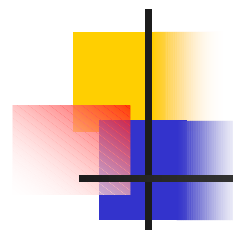




SCALE Methodology

- What to expect
 - For those SCs required to post or able to receive refunded security –
 - A service type and load profile analysis will be conducted immediately.
 - For those SCs that the above does not pertain to, but the tool has proven inaccurate, the same analysis will be conducted in the near future.
- Main goal is to improve the accuracy of load allocations.





Questions?



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