

Dispute Submittal Guide: Uninstructed Deviation Penalty**Uninstructed Deviation Penalty**
Charge Types 4470, and 4480**Description**

This section of the Dispute Submittal Guide describes the information pertinent to charges for Uninstructed Deviation Penalties, specifically Charges Types 4470 and 4480. Uninstructed Deviation Penalty (UDP) is a new program for MRTU Phase 1b, as implemented on October 1, 2004. UDP is assessed on excessive Uninstructed Imbalance Energy (UIE), which is determined by the application of a Tolerance Band for uninstructed deviations around the resource's expected energy. The tolerance band is defined as the greater of 5MW or 3% of a unit's P-Max.

CT 4470

Charge Type 4470 is used to charge Negative UDP when a resource has operated below the lower limit of its tolerance band. The penalty price is 50% of the Settlement Interval Zonal Ex Post Price.

CT 4480

Charge Type 4480 is used to charge for Positive UDP when a resource has operated above the upper limit of its tolerance band. The penalty price is 100% of the Settlement Interval Zonal Ex Post Price.

CT 1470 and 1471

The revenue collected for UDP is allocated to the market in two buckets. First through CT 1471, which will reduce the 2nd tier of the Excess Cost Allocation pro-rata based on SC's Metered Demand. Second, any remaining UDP amount is credited to a surplus account through CT 1470. These two charge types will not be detailed in this guide. For more information on the allocation charge types, please refer to the ISO Settlement Charge Matrix provided on the ISO Website.

UDP applies to the following Resources:

- Generating Units (excluding RMR Condition 2, exempt QF's on a Utility's PGA, Participating Intermittent Resources, and Regulatory Must Run)
- System Units (MSS) where Load Following is Not selected
- System Resources (inerties) – Pre Dispatched and Dynamic System Resources

UDP does not apply to:

- Deviations within Regulation Limits, during a Scheduled Test, or that result from a reported Forced Outage or de-rate
- Positive UDP during a Staged System Emergency
- ETC adjustments for Final HA Schedules
- When the Zonal Ex Post Price is Negative or zero

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For purposes of UDP application, generator outages and derates must be reported within 30 minutes. If the outage or derate occurred prior to 30 minutes of reporting it to the ISO, the resource is subject to UDP for that time period.

A SC can submit a request for UDP aggregation and the ISO will treat the UDP aggregation as a single resource for UDP purposes only. There are two different kinds, Basic UDP Aggregations and Custom UDP aggregations. This section of the settlement guide describes the application of UDP when there is no UDP aggregation. For information on settlement of UDP aggregations please see the Uninstructed Deviation Penalty Presentation materials posted on the ISO Website.

1. Minimum Supplemental Information Required for Dispute Submittal

In order to support its claim when submitting a dispute, the SC must identify what specific component(s) of the calculation it disagrees with, and provide an explanation of why the SC believes the ISO data is incorrect or the SC's suggested correction is correct. The SC needs to be very specific, and describe exactly why the dispute is being submitted within the Detailed Description field of the SDS ticket. In addition to this standard information required for all disputes, as discussed in Section 3 of the Dispute Submittal Guide, disputes in this charge type category should also include the following additional data elements/information:

- Settlement Interval(s)
- Evidence in support of the SC's suggested correction, such as:
 - SLIC log numbers
 - Time outage/derate was reported to the ISO (either by phone or through SLIC)
 - E-mail confirmation of P-Max Change

Discussion of Potential UDP Disputes:

Billable Quantity Disputes:

If an SC disagrees with its CT 4470 or CT4480 Billable Quantity, it will need to specify which of the BQ components it believes is in error (see Section 2 of this document for the list of components).

- Does the SC disagree with its Adjusted Expected Energy? If so, the SC should indicate what outages or de-rates it had reported to the ISO and at what time, provide an outage number if available, and describe/demonstrate how it arrived at its value for Adjusted Expected Energy.
- If the SC believes its P-Max is in error, it should indicate what it believes the correct P-Max is, and when that P-Max was updated to the ISO.

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- If either the Expected Energy or Meter Data components are at issue, the disputes should not typically be submitted under the UDP Charge Types. Rather, if the SC is actually disagreeing with the Expected Energy component, the dispute should be submitted under charge type 4401, where the Expected Energy was derived (see Instructed Imbalance Energy section of this guide). If the SC is disagreeing with its meter data, the SC should typically submit the dispute under charge type 4407, as that equation determined the delivered energy based on the meter data. In these instances, the SC should indicate that the UDP charge was also impacted within Detailed Description field of the SDS ticket.

Price Disputes:

If an SC disagrees with the penalty price, it needs to identify what price it used in its calculations (i.e., OASIS). What % did the SC apply to the price (50% for Negative UDP, and 100% for Positive UDP).

2. Calculation Components

The below listed calculation components and the simplified equations provided in the next section are provided to aide SCs in understanding their Settlements charges. By determining the components identified below and plugging them into the simplified formulas in Section 3, a SC should be able to validate its charge, as well as identify where discrepancies exist between its data and the ISO data. If a SC is using a different value for a component, it should describe the difference in a dispute and demonstrate how the SC's value was derived. This explanation is necessary if the SC wishes to disprove the ISO data.

For CT 4470 and CT 4480 the components of the calculation are as follows:

Price Component:

- Zonal Ex-Post Price

BQ Components:

- P-Max
- Expected Energy
- Meter Data

3. Explanation of Charge Type Calculations

The below equations are simplified to aid the reader in understanding the various concepts, and are not intended to capture every potential scenario or nuance of each Charge Type algorithm. For the actual detailed calculations, refer to the ISO Settlement Charge Matrix and/or the Settlements Guide documents posted on the ISO Website.

**Dispute Submittal Guide: Uninstructed Deviation Penalty**CT 4470:**Total Charge = Price * Billable Quantity**, *where:***Price** = Zonal Ex Post Price * 50%**Billable Quantity** = If DOPD < 0, Negative UDP BQ = min (0, DOPD + Tolerance Band)*Where;*

DOPD =

If Meter <= Adjusted Expected Energy, DOPD = min (0, Meter – Adjusted Expected Energy)

Adjusted Expected Energy = Expected Energy Or Derated P-Max

*If Derated P-Max < Expected Energy, then Adjusted Expected Energy = Derated P-Max**If Derated P-Max ≥ Expected Energy, then Adjusted Expected Energy = Expected Energy*

Tolerance Band [MWh] = max (3% *P-Max, 5 MW)

CT 4480:**Total Charge = Price * Billable Quantity**, *where:***Price** = Zonal Ex Post Price * 100%**Billable Quantity** = If DOPD > 0, Positive UDP BQ = max (0, DOPD – Tolerance Band)*Where;*

DOPD =

If Meter > Adjusted Expected Energy, DOPD = max (0, Meter – Adjusted Expected Energy)

Adjusted Expected Energy = Expected Energy, *unless**If Derated P-Max < Expected Energy, then Adjusted Expected Energy = Derated P-Max**If Rerated P-Min > Expected Energy, then Adjusted Expected Energy = Rerated P-Min*

Tolerance Band [MWh] = max (3% *P-Max, 5 MW)

4. Validation Sources



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Charge Type 4480 and 4470 Validation Components

CT Component	How/Where to Verify
P-Max	Any communication from/to the ISO regarding certified Master File P-Max, or changes to the P-Max.
Expected Energy	<ul style="list-style-type: none"> • ADS – dispatches, ISO calculated trajectory (expected energy) • SI Workspace - “After the Fact” Energy Accounting, ISO calculated trajectory (expected energy) • Settlement Statement files - Imbalance Energy
Reported Outages or De-rates	SLIC – reported outages, de-rates/re-rates
Meter Data	OMAR – Meter Data
Zonal Ex-Post Price	<ul style="list-style-type: none"> • OASIS and/or PMI – 10 minute interval zonal ex-post prices • Settlement Statement files - Ex Post Price Records