

# GT Penalty Forgiveness

Business Issues Committee

July 21, 2004

## GT Under-generation Penalty Assessment

- Penalties for GT Under-generation
  - ▶ *Penalties have been incurred by GT owners due to the inability of many units to derate when environmental conditions limit unit performance below bid UOL*
  - ▶ *Applicable penalties are those incurred from June 2003 through present*
  - ▶ *Penalties will continue until software changes are made to adjust UOL to actual or provide web-based user interface to allow MP adjustment.*

# ISO Recommendations

- Forgive GT under-generation penalties for on-line GT units
  - ▶ *Forgive penalties incurred from GT dragging fix (June 2003) to present*
  - ▶ *Suspend penalties for GT under-generation pending SMD addition of web based derate function*
  - ▶ *Total GT penalties through Mid April <\$600,000*
- Reviewed at S&P on July 14<sup>th</sup> for review; seek BIC approval for such a resolution for presentation to the July MC meeting.
  - ▶ *A more accurate financial estimate and tariff language will accompany BIC and MC recommendation.*

# Recommendations – SMD2

## ➤ *GT Dragging*

- *There are a couple of options available to address GT derates in SMD, either in MIS or in the dispatch software.*
- *Neither option can make the code freeze date, but are relatively minor projects that could be incorporated post SMD2 deployment.*
- *Incorporate as a project and prioritize.*