

Table 1: Cost Allocation of Surpluses (Shortfalls) by Transmission Interfaces								
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Interface	TCCs et al Subject to Full-Funding (MW)	Avg TCC Price x TCCs et al Subject to Full-Funding (\$-MW)	Day-Ahead Interface Capability (MW)	Day-Ahead Capability in Excess of TCCs (MW)	Congestion Price = Sink LMP minus Source LMP (\$/MWh)	Computed "Nominal" Surplus (Shortfall) Allocation (\$)	Allocated Share of Mismatch (%)	Trued-Up Surplus (Shortfall) Allocation (\$)
W to X	2,000	\$8,000	2,100	100	\$5	\$500	12.5%	\$437
X to Y	2,000	\$22,000	2,000	(0)	\$10	(\$0)	34.4%	(\$172)
Y to Z	2,000	\$34,000	1,700	(300)	\$20	(\$6,000)	53.1%	(\$6,266)
Total						(\$5,500)	100.0%	(\$6,000)

Notes:

Surplus cost allocations are Positive; shortfall cost allocations are Negative.

The aggregate net shortfall for this one hour in the Day-Ahead Market (i.e., as computed by SCUC) is assumed to be \$6,000 (i.e., Gross Total Shortfall exceeds Gross Total Surplus by \$6,000) – this translates to an entry of minus \$6,000 for the Total of (Col. I).

Col. A = Inter-Zonal Interface.

Col. B = Total TCCs et al in effect as of the last six-month auction that are subject to Full-Funding.

Col. C = Col. B x Avg TCC Price for each interface where this avg price = \$4, \$11, and \$17 for W-X, X-Y and Y-Z respectively such that the sum total of Col. D = \$64,000

Col. D = Day-Ahead capability for the interface used in SCUC.

Col. E = (Col. D) – (Col. B)

Col. F = Zonal LMP in Sink Zone minus Zonal LMP in Source Zone.

Col. G = (Col. E) x (Col. F).

Mismatch between SCUC calculated and "Nominal" computed amount
= sum total of Col. I less sum total of Col. G = \$500 Mismatch In Shortfall

Col. H = (Col. C) / (Sum Total of Col. C).

Col. I = (Col. H) x (Mismatch in Surplus or Shortfall).

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