Tan 45 versus Free Flowing Equivalent for Establishing Statewide IRM

RAITF

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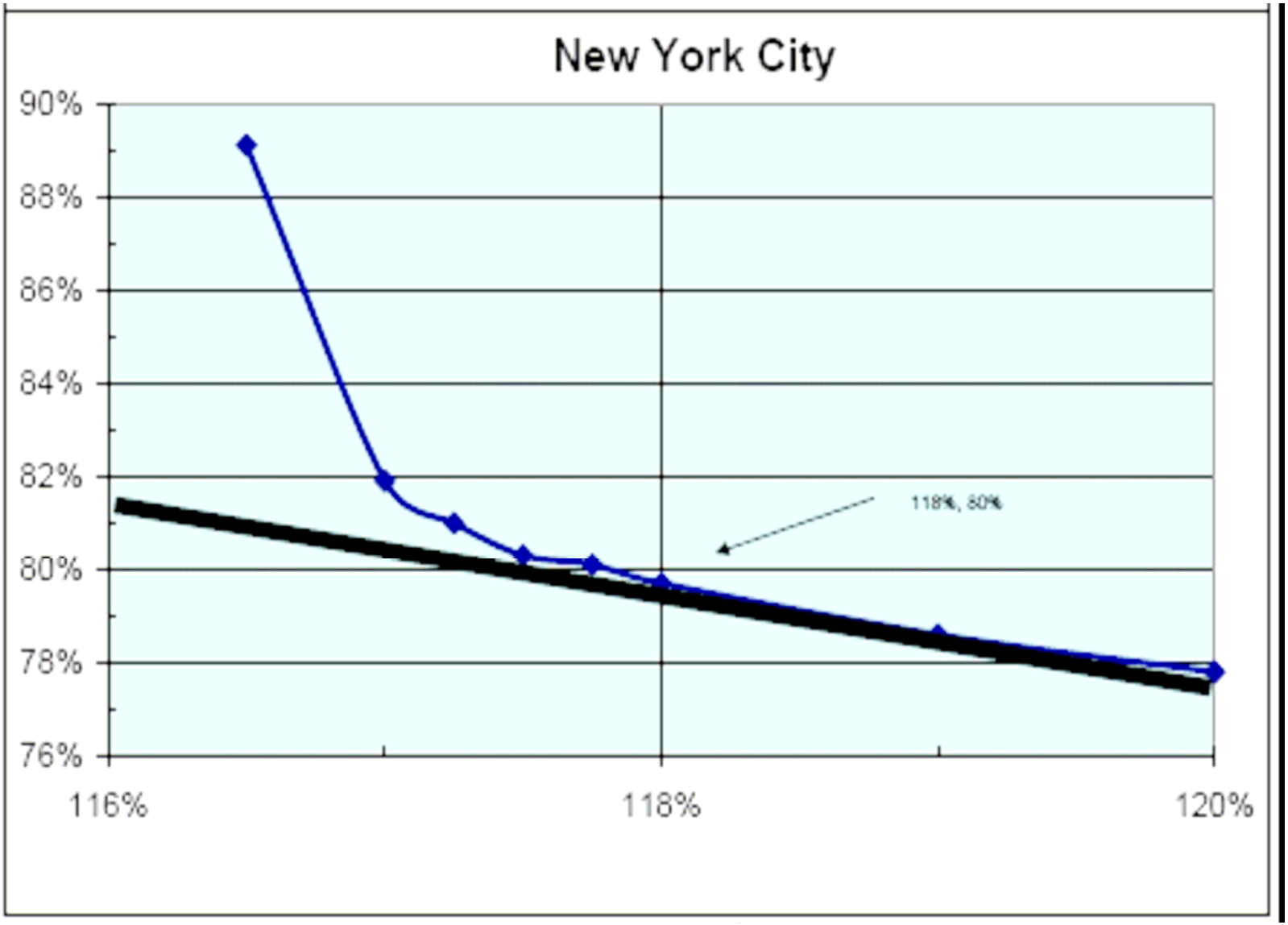
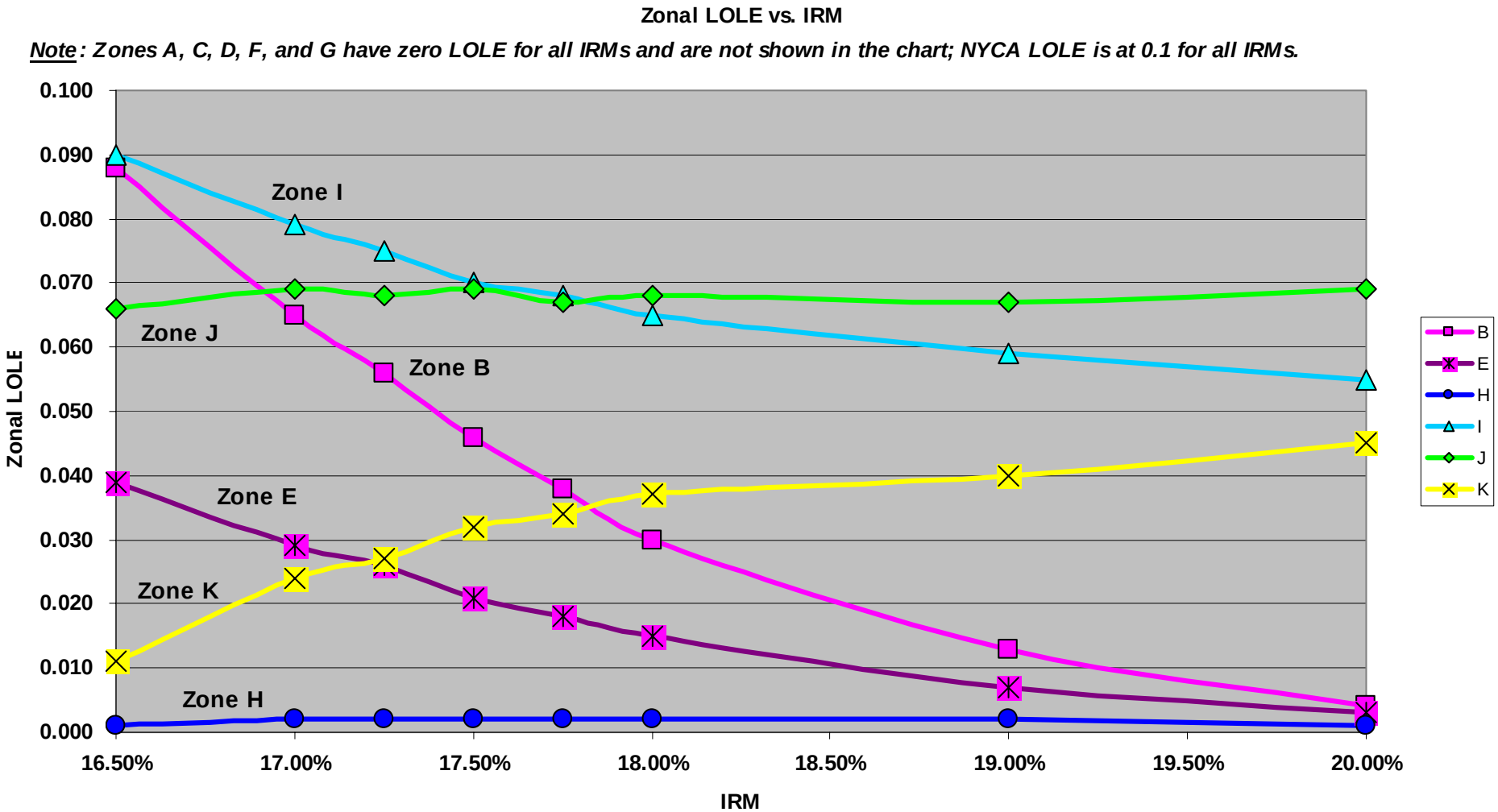
IRM / LCR Curve from 2006 IRM Study

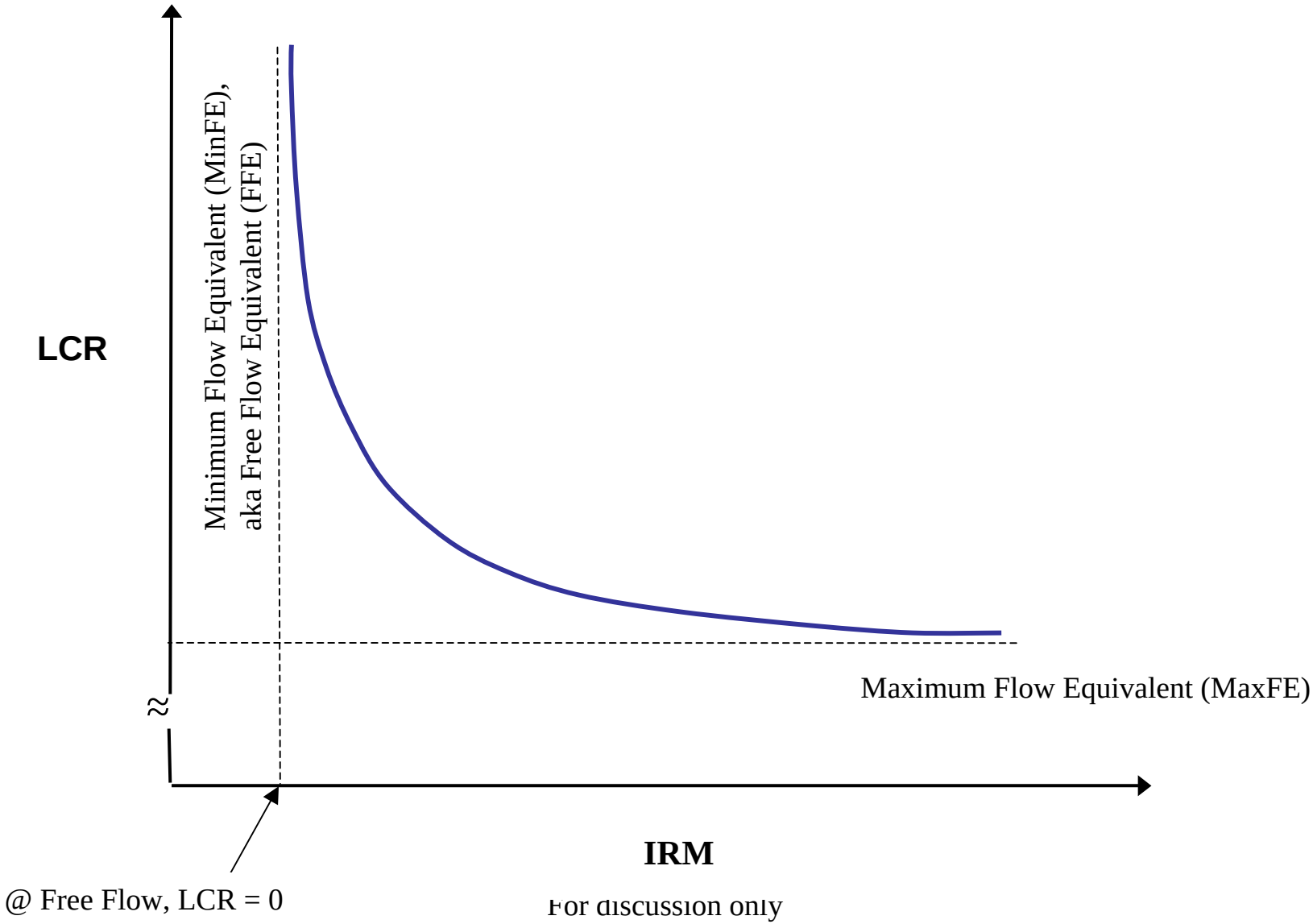


Zonal LOLEs vs. IRM



For discussion only

IRM / LCR Curve



Comparison of Tan 45 versus Free Flow Equivalent Anchoring Methods For Establishing Statewide IRM Requirements

Item	Technical/Reliability Attributes of an Anchoring Method	Free-Flow Equivalent	Tan 45
1	Meet an LOLE of 0.1	Yes	Yes
2	Balanced use of resources within and outside constrained areas (conservative)	No, over-relies on resources within constrained areas	Yes, not biased either way
3	Stability of IRM/LCRs	Highly unstable at the resulting extreme point by use of the FF/E in that assumption uncertainties that have a small effect on the IRM would have a large effect on the LCRs	Highly stable since the Tan 45 by definition is the point at which uncertainties affect both parameters by the same magnitude
4	Feasibility of Results	High probability that the resulting LCRs exceed the available locational capacity	Low probability that the resulting LCRs exceed the available locational capacity
5	At the minimum requirements, zonal LOLEs in constrained zones must be higher than in unconstrained zones	Some zones in rest of state have LOLEs that are higher than in constrained areas but have no locational requirements	Zones in constrained areas have a higher LOLE than in rest of state zones
6	The impact of load growth throughout the state should not be borne primarily by constrained areas. If the only change from one year to the next is load growth evenly distributed throughout the state, then there should be a minimum impact on the resulting IRM/LCRs.	Since method maximizes use of resources within constrained areas, it tends to account for load growth by requiring more resources in constrained areas. This will happen even when load growth is evenly distributed throughout the state or is exclusively outside the constrained areas.	Since method balances the use of resources within and outside constrained areas, it accounts for load growth by requiring resources within and outside constrained areas. If load growth is evenly distributed throughout the state, the impact on resulting IRM/LCRs is minimized.