

RNCREQ - Engagement #1

« Fournir des extraits de l'ordonnance 890 de la FERC précisant la signification à accorder au mot « related » du principe numéro 1 » (Demandé par la Régie)

Plus précisément, l'engagement vise à répondre à la question de la formation à savoir si le mot « related » dans l'expression « related to the cost of correcting the imbalance » devait être interprété comme signifiant « égaux ».

Selon les extraits contenus aux présentes, l'expression « related to the cost of correcting the imbalance » doit être interprétée comme signifiant que les prix incrémentiels et décrémentationnels doivent refléter les coûts encourus pour fournir le service.

La citation la plus claire et concise est le paragraphe 309 de l'Ord. 890-A :

309. The Commission grants rehearing of the decision to calculate incremental costs for purposes of assessing imbalance charges based on the last 10 MW dispatched to supply the transmission provider's native load. Upon consideration of petitioners' arguments, we agree that it is more reasonable to base imbalance charges on the actual cost to correct the imbalance, which may be different than the cost of serving native load. As such, we will modify the definition to require transmission providers to use the cost of the last 10 MWs dispatched for any purpose, i.e., to serve native load, correct imbalances, or to make off-system sales. We believe this satisfies Southern's concerns and therefore decline to adopt its suggestion to separately define incremental and decremental cost for purposes of calculating imbalance charges by using the "next 10 MW of generation dispatched" in the incremental cost definition.

Nous incluons également d'autres citations d'intérêt. Afin que la Régie puisse en faire une lecture utile, nous avons choisi de les situer dans leur contexte.

La page suivante présente la structure des sections des Ordonnances 890, 890-A et 890-B qui traitent du sujet des prix incrémentiels et décrémentationnels.

Par la suite, les paragraphes pertinents sont placés dans leur contexte à l'intérieur de cette structure. Des soulignés et double-soulignés ont été ajoutés afin d'indiquer les passages les plus pertinents. Les notes de bas de page sont généralement omises.

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Order 890-A

III. REFORMS OF THE OATT

C. Transmission Pricing

1. Energy and Generation Imbalances (para. 265 à 333)

a. Tiered Approach to Imbalance Penalties in the OATT (para. 265 à 273)

b. Generator Imbalance Penalties (para. 274 à 295)

c. Intentional Deviations and Intra-Hour Netting (para. 296 à 298)

d. Definition of Incremental Cost (para. 299 à 313)

e. Inadvertent Energy Treatment (para. 314 à 318)

f. Netting of Energy and Generator Imbalances (para. 319 à 325)

g. Distribution of Penalty Revenues above Incremental Cost (para. 326 à 333)

Order 890-B

II. REFORMS OF THE OATT

B. Transmission Pricing

1. Energy and Generation Imbalances (para. 38 à 45)

a. Generator Imbalance Penalties (para. 38 à 42)

b. Definition of Incremental Cost (para. 43 à 45)

Order 890

III. NEED FOR REFORM OF ORDER NO. 888

E. Discriminatory Pricing of Imbalances (para. 70 à 73)

Comments

71. In general, transmission customers complain about the level and scope of energy and generator imbalance charges that are levied under the pro forma OATT and under individual interconnection agreements.⁶⁶ Customers complain that energy imbalance charges are excessive and not related to the actual costs incurred by transmission providers. They also argue that the inconsistency between these charges in different control areas is unnecessary, and that other means of compensating the transmission provider, such as return-in-kind, should be considered. Generators likewise complain that generator imbalance charges are excessive, that transmission providers refuse to credit generators with the revenues resulting from imbalance penalties that are collected, and that transmission providers prevent unaffiliated generators from purchasing or self-supplying generator imbalance services. In addition, owners of intermittent resources complain that generator imbalance charges, which are imposed to provide an incentive for generators to schedule accurately, are inappropriate given their lack of control and ability to cure deviations.

Commission Determination

72. The Commission agrees that imbalance charges should provide appropriate incentives to keep schedules accurate without being excessive. We also find that consistency in imbalance charges, both between and among energy and generator imbalances, is preferable to the wide variety of imbalance provisions in place today. All imbalances have the same net effect on the transmission system in that they require other generation to be ramped up or down to compensate for the imbalance. As such, the Commission adopts two pro forma OATT provisions (Schedule 4 for energy imbalances and Schedule 9 for generator imbalances) based on a tiered structure similar to the imbalance provision used by Bonneville, as described further below. Such an approach recognizes the link between escalating deviations and potential reliability impacts on the system while keeping imbalance charges closely related to incremental costs. The Commission finds, however, that intermittent resources should be exempt from the highest-tier deviation band. We also require transmission providers to credit to all nonoffending transmission customers the revenues they collect in excess of incremental costs.

V. REFORMS OF THE OATT

C. Transmission Pricing

2. Energy and Generation Imbalances (para. 627 à 728)

a. Tiered Approach to Imbalance Penalties in the OATT (para. 634 à 672)

Commission Determination

663. In order to increase consistency among transmission providers in the application of imbalance charges, and to ensure that the level of the charges provides appropriate incentives to keep schedules accurate without being excessive, the Commission adopts in the pro forma OATT imbalance provisions similar to those implemented by Bonneville. We agree with commenters that a graduated bandwidth approach recognizes the link between escalating deviations and potential reliability impacts on the system. Furthermore, we conclude that these provisions adhere to the three principles discussed in the NOPR, which we also adopt here: (1) the charges must be based on incremental cost or some multiple thereof; (2) the charges must provide an incentive for accurate scheduling, such as by increasing the percentage of the adder above (and below) incremental cost as the deviations become larger; and (3) the provisions must account for the special circumstances presented by intermittent generators and their limited ability to precisely forecast or control generation levels, such as waiving the more punitive adders associated with higher deviations.

664. Specifically, imbalances of less than or equal to 1.5 percent of the scheduled energy (or two megawatts, whichever is larger) will be netted on a monthly basis and settled financially at 100 percent of incremental or decremental cost at the end of each month. Imbalances between 1.5 and 7.5 percent of the scheduled amounts (or two to ten megawatts, whichever is larger) will be settled financially at 90 percent of the transmission provider's system decremental cost for overscheduling imbalances that require the transmission provider to decrease generation or 110 percent of the incremental cost for underscheduling imbalances that require increased generation in the control area. Imbalances greater than 7.5 percent of the scheduled amounts (or 10 megawatts, whichever is larger) will be settled at 75 percent of the system decremental cost for overscheduling imbalances or 125 percent of the incremental cost for underscheduling imbalances.

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668. Several commenters debate whether the imbalance provisions adopted here should be applied to energy imbalances, generation imbalances, or both. The Commission concludes that subjecting both energy and generation imbalances to the same charges is appropriate. Energy and generation imbalances have the same net effects on the transmission system in requiring other generation to be ramped up or down to make up for the imbalance. As such, the Commission will modify the current pro forma OATT Schedule 4 treatment of energy imbalances and adopt a new separate pro forma OATT Schedule 9 for the treatment of generator imbalances, each based on the tiered structure described above. To the extent a transmission provider wishes to deviate from these revised pro forma provisions, it may demonstrate in an FPA section 205 proceeding that the proposed changes are consistent with or superior to the pro forma OATT as modified by this Final Rule. However, we note that proposed alternative provisions must comply with the three imbalance charge principles addressed in the NOPR and adopted in this Final Rule and be consistent with or superior to the specific imbalance charges set forth in the pro forma OATT (and discussed above).

b. Intentional Deviations (para. 673 à 676)

676. The Commission recognizes the need to provide transmission customers with the appropriate incentives not to intentionally dump power on the system or lean on other generation. We do not believe, however, that separate penalties for intentional deviations need to be generically imposed in the pro forma OATT. The tiered imbalance penalties adopted in this Final Rule generally provide a sufficient incentive not to engage in such behavior. Proposals to assess additional penalties for intentional deviations will continue to be considered on a case-by-case basis, subject to a showing that they are necessary under the circumstances. We note that any such tariff provisions must include clearly defined processes for identifying intentional deviations and the associated penalties.

c. Calculation of Incremental Cost (para. 677 à 692)

677. With respect to the pricing of energy and generation imbalances, the Commission stated in the NOPR its belief that charges based on incremental costs or multiples of incremental costs would provide the proper incentive to keep schedules accurate without being excessive. The Commission proposed that incremental cost be defined to include both energy and commitment³⁹⁸ costs, to the extent additional commitments are needed.³⁹⁹ The Commission sought comment on how such charges should be calculated, as well as how they would be applied to transmission customers. The Commission sought further comment as to how additional demand and energy costs, if incurred in responding to imbalances, such as redispatch, commitment, or additional regulation reserves, should be appropriately reflected in the calculation of imbalance charges and which customers should be charged for such costs.

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687. The Commission concludes that it is appropriate to define incremental cost, for purposes of the tiered imbalance provisions adopted above, as the transmission provider's actual average hourly cost of the last 10 MW dispatched to supply the transmission provider's native load, based on the replacement cost of fuel, unit heat rates, start-up costs, incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

688. In deriving such charges, we note that the Commission proposed in paragraph 244 of the NOPR that incremental cost be defined to include both additional energy and commitment costs. The Commission also sought comment on how additional demand and energy costs, such as redispatch, commitment, or additional regulation reserves, would be appropriately recovered if incurred in responding to imbalances.

689. The Commission finds that it is appropriate, through the definition of incremental cost, to allow for recovery of both commitment and redispatch costs while excluding the cost recovery of additional regulation reserve costs. Commitment and redispatch costs

shall be accommodated as a part of the hourly cost of the last 10 MW dispatch and in the start up cost portion of the definition. The Commission concludes that excluding additional regulation costs as a general matter is appropriate since much of those costs would be demand costs.⁴⁰¹ [Note 401: To the extent a transmission provider wishes to recover costs of additional regulation reserves associated with providing imbalance service, it must do so via a separate FPA section 205 filing demonstrating that these costs were incurred correcting or accommodating a particular entity's imbalances.] We believe including charges for unit commitment costs (e.g., start-up and minimum load costs) and O&M costs is necessary to ensure that both energy and generation imbalance charges reflect the full incremental costs incurred by the transmission provider. We emphasize, however, that such costs should only be the additional costs incurred by the transmission provider due to the imbalance. If applicable, start-up costs should be allocated pro rata to the offending transmission customers based on cost causation principles.

690. If the transmission provider elects to have separate demand charges assigned to customers for the purpose of recovering the cost of holding additional reserves for meeting imbalances, the transmission provider should file a rate schedule and demonstrate that these charges do not allow for double recovery of such costs. To address Entergy's concern that the real-time regulation burden imposed by IPPs is similar to the real-time regulation burden imposed by loads, we will allow transmission providers to propose separate regulation charges for generation resources selling out of the control area and consider such proposals on a case-by-case basis. We believe that the other demand costs of providing imbalance service are already being provided under Schedule 3, 5, and 6 charges.

691. In responding to Allegheny's comments, we clarify that the definition of incremental cost is equally applicable to intermittent generator imbalance service as well as non-intermittent generator imbalance service.

692. We do not believe it appropriate to require transmission providers to use market proxy pricing to calculate incremental costs in the pro forma OATT. The feasibility of using market proxies must be considered on a case-by-case basis, given the characteristics of each market. If proposed, the proxy price must represent a valid alternative to the incremental cost calculation, reflecting competitive, transparent and liquid conditions similar to those that would exist in the seller's market.⁴⁰² [Note 402: See RockGen Energy, LLC, 100 FERC ¶ 61,261 (2002) (setting for hearing, inter alia, whether proposed market proxy price is reliable, verifiable, and also indicative of the prevailing price in liquid non-redispach markets in the region).]

d. Inadvertent Energy Treatment (para. 692 à 703)

e. Netting/Crediting of Energy and Generator Imbalances (para. 704 à 716)

f. Intra-Hour Netting (para. 717 à 722)

g. Distribution of Penalty Revenues above Incremental Cost (para. 723 à 728)

Order 890-A

III. REFORMS OF THE OATT

C. Transmission Pricing

1. Energy and Generation Imbalances (para. 265 à 333)

a. Tiered Approach to Imbalance Penalties in the OATT (para. 265 à 273)

b. Generator Imbalance Penalties (para. 274 à 295)

c. Intentional Deviations and Intra-Hour Netting (para. 296 à 298)

296. The Commission declined in Order No. 890 to impose generic penalties in the pro forma OATT for intentional deviations, concluding that the tiered imbalance penalties generally provide a sufficient incentive not to engage in such behavior. The Commission explained that proposals to assess additional penalties for intentional deviations would continue to be considered on a case-by-case basis, subject to a showing that they are necessary under the circumstances. Any such tariff provisions must include clearly defined processes for identifying intentional deviations and the associated penalties. ...

298. The Commission denies rehearing of the decision in Order No. 890 not to impose generic penalties for intentional deviations. We continue to believe that it is appropriate to maintain the status quo of aggregating net generation over the hour in the pro forma OATT. To the extent a transmission provider wishes to adopt additional penalties for intentional deviations, it may do so provided it can show they are necessary under the circumstances. As the Commission explained in Order No. 890, requests to adopt a shorter interval over which to calculate imbalances also will be considered on a case-by-case basis, provided that such proposals are consistent with relevant market structures.¹⁰⁶

d. Definition of Incremental Cost (para. 299 à 313)

299. In Order No. 890, the Commission defined incremental cost, for purposes of the tiered imbalance provisions, as the transmission provider's actual average hourly cost of the last 10 MW dispatched to supply the transmission provider's native load, based on the replacement cost of fuel, unit heat rates, start-up costs, incremental operation and maintenance costs, purchased and interchange power costs and taxes, as applicable. The Commission also concluded that it was appropriate, through the definition of incremental cost, to allow for recovery of both commitment and redispatch costs, but excluded on a generic basis the cost of additional regulation reserves. The Commission emphasized that allowable costs should only be those additional costs incurred by the transmission provider due to the imbalance and, if applicable, start-up costs should be allocated pro rata to the offending transmission customers based on cost causation principles.

300. If the transmission provider elects to have separate demand charges to recover the cost of holding additional regulation reserves for meeting imbalances, the Commission stated that the transmission provider should file a rate schedule and demonstrate that these charges do not allow for double recovery of such costs. With regard to the realtime regulation burden imposed by merchant generation, the Commission stated that

transmission providers could propose, on a case-by-case basis, separate regulation charges for generation resources selling out of the control area. The Commission concluded that the other demand costs of providing imbalance service are already provided under Schedule 3, 5, and 6 charges.

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Requests for Rehearing and Clarification

301. While generally supporting the Commission's definition of incremental costs, Williams requests that the Commission further identify how each component of the transmission provider's incremental cost is to be determined. In William's view, a specific calculation methodology should be imposed, otherwise the definition of the incremental cost will afford transmission providers undue discretion in the calculation of imbalance charges. To remove this discretion, Williams suggests that the Commission require transmission providers to use the same components and the same methodology for the calculation of incremental costs for imbalance charges as the transmission provider (or its affiliate) uses to calculate the incremental cost of each resource for dispatching generation resources. At a minimum, Williams asks that the Commission require transmission providers to post on their OASIS the method used to calculate incremental costs for purposes of imbalance charges, along with the method to obtain each component or variable in the calculation.

302. Several petitioners argue that the Commission's definition of incremental cost for purposes of calculating imbalance charges does not properly account for the costs actually incurred to provide imbalance energy. ¹⁰⁷ Ameren and Southern assert that failure to provide for recovery of opportunity costs will prevent utilities required to serve an imbalance from being made whole for forgone opportunities to sell excess energy to third parties. Ameren contends that the Commission has determined that not allowing the recovery of opportunity costs is inappropriate when the applicable rate is lower than the market clearing price.¹⁰⁸ Ameren argues that excluding opportunity costs unnecessarily harms the transmission provider's native load customers since the revenues that the utilities would have realized from selling their excess energy would have been credited back to those customers. Southern and E.ON U.S. ask that the Commission expressly provide that incremental costs include opportunity costs, as well as environmental costs, capacity charges, dispatch losses and other costs that the transmission provider must bear to provide the transmission customer with imbalance service.

303. Some petitioners argue that it is inappropriate to base the calculation of incremental cost on the last 10 MW dispatched to supply the transmission provider's native load.¹⁰⁹ EEI argues that, the definition of incremental and decremental cost should be determined based on the cost to provide the last 10 MW of energy to serve the transmission provider's native load and all other contractual or franchise obligations, including the imbalance service itself. Progress Energy and EEI contend that

the transmission provider almost always incurs incremental costs per kWh that are higher than the incremental costs of serving its native load because native load typically has first call on least-cost resources. As a result, EEI argues that the Commission's definition of incremental cost transfers to imbalance customers the value of the difference between the incremental cost per kWh to serve native load and the incremental cost per kWh to serve other contractual commitments, to the detriment of either the transmission provider or its native load customers.

304. MidAmerican argues that the Commission's definition of incremental cost could create an incentive to deliberately under-generate in order to receive the benefit of the transmission provider's least-cost dispatching. To provide appropriate incentives, Progress Energy asks that the Commission revise the definition to include the cost of providing the last 10 MW of energy to serve the transmission provider's native load plus third party sales, while MidAmerican argues that imbalances charges should be based on the incremental cost of the most expensive 10 MW of generation resources in service at the time the imbalance occurs. Southern contends that incremental cost should be defined based on the next (not the last) 10 MW dispatched. Southern asserts that this distinction is especially important in those instances where the cost of the next 10 MW will be significantly different than the last 10 MW, such as at the break point requiring deployment of a combustion turbine generator. Southern therefore asks that the Commission grant rehearing to establish separate definitions for incremental and decremental cost and revise the definition of incremental cost so that it is based on the next 10 MW dispatched.

305. EEI and Progress Energy also seek clarification of the definition of, and cost recovery for, decremental costs in particular. EEI contends that the definition adopted in Order No. 890 could result in the transmission provider crediting the customer an amount that exceeds the costs that the transmission provider actually avoided by accepting excess energy. EEI states, for example, that a transmission provider might decrease the output of a dispatchable unit in response to an imbalance even though it might also have a higher-cost power purchase contract with a fixed amount of energy to be delivered in that hour. EEI argues that the Commission's definition of decremental cost would require the transmission provider to pay the imbalance customer based on the higher-cost purchased power resource even though it has not avoided those costs as a result of accepting the customer's excess energy. In EEI's view, decremental cost should be defined to include costs that are avoided as a result of receiving imbalance energy.

306. Progress Energy asks that the definition of decremental cost be clarified to allow the recovery of start-up costs that are incurred in an hour different from the hour of excess imbalance. Progress Energy contends that requiring a transmission provider to accept excessive imbalance energy and could force it to cycle a unit off-line in order to accommodate the energy. Progress Energy argues that the later start-up cost for the shutdown unit should be passed along to the imbalance customer, rather than shifted to the native load.

307. Other entities assert the Commission's definition of incremental cost is inappropriate in light of their particular market structure. When a joint dispatch agreement exists between the transmission provider and other balancing authorities, MidAmerican argues that the joint dispatch incremental or decremental cost should be used in place of native load since there is no identification of the transmission provider's native load other than as part of an aggregated, jointly dispatched load. MidAmerican also argues that transmission providers may have little or no native load from which to price imbalance costs in retail choice states. NorthWestern agrees that the definition of incremental cost fails to consider the circumstances of transmission providers that have little or no generation on their system. NorthWestern argues that the Commission should have expressly provided additional flexibility for such transmission providers through the definition of incremental cost instead of requiring them to file under FPA section 205 for acceptance of previously-approved imbalance pricing based on purchased power costs.

308. Entergy challenges as too narrow the Commission's decision to consider on a case-by-case basis proposals to charge separate regulation charges for generation resources selling out of the control area. Entergy states that the generator imbalance provisions of its OATT contain both a generator imbalance charge and a generator regulation charge, each of which are calculated based on the internal and external schedules submitted by independent generators. Entergy argues that this is appropriate because, regardless of whether the load is within the control area or outside the control area, the generator has a schedule with the control area that is met by control area resources. Entergy contends that applying a generation regulation charge only to external transactions would be arbitrary. Entergy requests clarification that the generator regulation service charges contained in its pro forma Generator Imbalance Agreement, which Entergy states was negotiated with generators on its system, continues to be acceptable.

Commission Determination

309. The Commission grants rehearing of the decision to calculate incremental costs for purposes of assessing imbalance charges based on the last 10 MW dispatched to supply the transmission provider's native load. Upon consideration of petitioners' arguments, we agree that it is more reasonable to base imbalance charges on the actual cost to correct the imbalance, which may be different than the cost of serving native load. As such, we will modify the definition to require transmission providers to use the cost of the last 10 MWs dispatched for any purpose, i.e., to serve native load, correct imbalances, or to make off-system sales. We believe this satisfies Southern's concerns and therefore decline to adopt its suggestion to separately define incremental and decremental cost for purposes of calculating imbalance charges by using the "next 10 MW of generation dispatched" in the incremental cost definition.

310. We also agree with Williams that, in order to provide transparency and minimize opportunities for undue discrimination, each transmission provider must provide

language in its OATT clearly specifying the method by which it calculates incremental costs for purposes of imbalance charges, as well as the method it will use to obtain each component of the calculation. We direct transmission providers to include this proposed tariff language as part of the compliance filing ordered in section II.C.

311. Several entities complain that the Commission's definition of incremental cost does not properly allow for recovery of opportunity costs. The determination and calculation of opportunity costs associated with providing imbalance service will vary based on the circumstances of the transmission provider and, as such, we do not believe that it is appropriate to amend the definition of incremental cost in the pro forma OATT to address opportunity costs. We will therefore continue to consider proposals to include recovery of legitimate and verifiable opportunity costs on a case-by-case basis consistent with Commission precedent.¹¹⁰ Such proposals must clearly explain how opportunity costs would be determined and demonstrate that the recovery of opportunity costs would not lead to over-recovery of costs. Similarly, transmission providers participating in joint dispatch agreements or otherwise procuring imbalance energy from other generators may need to have alternative definitions of incremental cost. Proposals to adopt a modified definition of incremental cost to reflect the transmission provider's particular circumstances also will be considered on a case-by-case basis.

312. With regard to the definition of incremental cost in particular, we clarify that transmission providers can include in the calculation of incremental cost start-up costs that are incurred in an hour different from the hour of excess imbalance, provided that the costs are in fact associated with providing imbalance service. We disagree with EEI with respect to its description of incremental costs. The fixed amount power purchase contract in EEI's example should not be used in calculating incremental costs because it would not be included in the last 10 MW of generation dispatched by the transmission provider. In the case that a transmission provider is ramping down generation in an hour, the additional costs of the last 10 MW dispatched by the transmission provider should be used in calculating incremental costs for the purpose of financially settling imbalances.

313. In response to Entergy, we clarify that transmission providers may propose to assess regulation charges to generators selling in the control area, as well as generators selling outside the control area, and that the Commission will consider such proposals on a case-by-case basis, as we have in the case of Entergy's pro forma Generator Imbalance Agreement. In accordance with the procedures established in Order No. 890, Entergy sought continued approval of its generator imbalance provisions, including the assessment of generator regulation charges. The Commission accepted this variation as consistent with or superior to the pro forma OATT, based on the particular circumstances presented by Entergy.¹¹¹ We will continue to consider requests to assess regulation charges on generators on a case-by-case basis upon consideration of the facts and circumstances presented.

- e. Inadvertent Energy Treatment (para. 314 à 318)
- f. Netting of Energy and Generator Imbalances (para. 319 à 325)
- g. Distribution of Penalty Revenues above Incremental Cost (para. 326 à 333)

Order 890-B

II. REFORMS OF THE OATT

B. Transmission Pricing

1. Energy and Generation Imbalances (para. 38 à 45)

a. Generator Imbalance Penalties (para. 38 à 42)

b. Definition of Incremental Cost (para. 43 à 45)

43. In Order No. 890-A, the Commission granted rehearing of its decision to calculate incremental costs for the purpose of assessing imbalance charges based on the last 10 MW dispatched to supply the transmission provider's native load. The Commission determined that it is more reasonable to base imbalance charges on the actual cost to correct the imbalance, which may be different than the cost of serving native load. Accordingly, the Commission modified the definition to require transmission providers to use the cost of the last 10 MWs dispatched for any purpose, i.e., to serve native load, correct imbalances, or to make an off-system sale.

Requests for Rehearing and Clarification

44. EEI and Southern argue that the Commission mistakenly used "i.e." instead of "e.g." when referring to the costs to be included in the calculation of charges for energy imbalance service and generator imbalance service. EEI contends that the specified purposes exclude costs to serve other customers, such as on-system customers who take partial requirements service from the transmission provider. EEI asks the Commission to clarify that it meant to use "e.g." to indicate that the list of examples provided were nonexclusive. Southern similarly requests that Schedules 4 and 9 of the pro forma OATT be revised to use "e.g." instead of "i.e."

Commission Determination

45. The Commission grants rehearing of the definition of incremental cost as described in the preamble of Order No. 890-A and in Schedules 4 and 9 of the pro forma OATT. Those schedules define incremental cost and decremental cost as "the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose."²⁶ We agree that use of the term "e.g." instead of "i.e." when referring to the types of energy to be included in the incremental cost calculation better reflects the Commission's intent to include within that calculation the last 10 MW dispatched for any purpose. We revise the pro forma OATT accordingly.²⁷