
Economic Analysis and Rate Design

BWMQ's Alan Heintz worked with the Pricing Workgroup to identify and evaluate the various methods for determining the embedded and incremental costs of the transmission grid, congestion management methods, ancillary services, and cost recovery and revenue allocation mechanisms. The effort involved uniform calculations of the rates for the 25 members and the best method for phasing in the pricing to a single grid-wide rate. Also included were identification of possible cost shifts and customer impacts and sensitivity analyses of the shifts and impacts (including pre-existing agreements and losses) as well as congestion management and treatment of existing contracts.