

Examples of Tier 2 Remarketing

Condition 1

$$\text{HWM} = 1$$

$$\text{NetReq}_0 = 2$$

$$\text{T1 rate} = 30; \text{ amount} = 1$$

$$\text{T2 rate} = 60; \text{ amount} = 1$$

loads as expected:

$$\text{T1: } 1 \times 30 + \text{T2: } 1 \times 60$$

$$\text{cust pays} = \$30 + \$60 = \$90$$

$$\text{BPA gets} = \$30 + \$60 = \$90$$

load loss: $\text{NetReq}_1 = 1$

market = 80

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 60 + \text{mkt: } 1 \times 80$$

$$\text{cust pays} = \$0 + \$60 = \$60$$

$$\text{BPA gets} = \$0 + \$60 + \$80 = \$140$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 1 \times 60 - \text{mkt: } 1 \times 80$$

$$\text{cust pays} = \$30 + \$60 - \$80 = \$10$$

$$\text{BPA gets} = \$30 + \$60 = \$90$$

market = 60

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 60 + \text{mkt: } 1 \times 60$$

$$\text{cust pays} = \$0 + \$60 = \$60$$

$$\text{BPA gets} = \$0 + \$60 + \$60 = \$120$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 1 \times 60 - \text{mkt: } 1 \times 60$$

$$\text{cust pays} = \$30 + \$60 - \$60 = \$30$$

$$\text{BPA gets} = \$30 + \$60 = \$90$$

market = 40

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 60 + \text{mkt: } 1 \times 40$$

$$\text{cust pays} = \$0 + \$60 = \$60$$

$$\text{BPA gets} = \$0 + \$60 + \$40 = \$100$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 0 \times 60 - \text{mkt: } 1 \times 40$$

$$\text{cust pays} = \$30 + \$60 - \$40 = \$50$$

$$\text{BPA gets} = \$30 + \$60 = \$90$$

market = 20

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 60 + \text{mkt: } 1 \times 20$$

$$\text{cust pays} = \$0 + \$60 = \$60$$

$$\text{BPA gets} = \$0 + \$60 + \$20 = \$80$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 1 \times 60 - \text{mkt: } 1 \times 20$$

$$\text{cust pays} = \$30 + \$60 - \$20 = \$70$$

$$\text{BPA gets} = \$30 + \$60 = \$90$$

Condition 2

$$\text{HWM} = 1$$

$$\text{NetReq}_0 = 2$$

$$\text{T1 rate} = 30; \text{ amount} = 1$$

$$\text{T2 rate} = 20; \text{ amount} = 1$$

loads as expected:

$$\text{T1: } 1 \times 30 + \text{T2: } 1 \times 20$$

$$\text{cust pays} = \$30 + \$20 = \$50$$

$$\text{BPA gets} = \$30 + \$20 = \$50$$

load loss: NetReq₁ = 1

market = 40

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 20 + \text{mkt: } 1 \times 40$$

$$\text{cust pays} = \$0 + \$20 = \$20$$

$$\text{BPA gets} = \$0 + \$20 + \$40 = \$60$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 1 \times 20 - \text{mkt: } 1 \times 40$$

$$\text{cust pays} = \$30 + \$20 - \$40 = \$10$$

$$\text{BPA gets} = \$30 + \$20 = \$50$$

market = 10

$$\text{w/o remkt: T1: } 0 \times 30 + \text{T2: } 1 \times 20 + \text{mkt: } 1 \times 10$$

$$\text{cust pays} = \$0 + \$20 = \$20$$

$$\text{BPA gets} = \$0 + \$20 + \$10 = \$30$$

$$\text{w/ remkt: T1: } 1 \times 30 + \text{T2: } 1 \times 20 - \text{mkt: } 1 \times 10$$

$$\text{cust pays} = \$30 + \$20 - \$10 = \$40$$

$$\text{BPA gets} = \$30 + \$20 = \$50$$