Convergence Bidding

David Withrow – Lead Market and Product Economist
DWithrow@caiso.com
916-608-7134

California ISO
Your Link to Power

Market Surveillance Committee
General Session
August 10, 2007
Granularity of Convergence Bidding

Previous discussions on LAP-level vs. nodal virtual bidding

Purpose of today’s discussion:

- Clearly understand pros, cons and business needs for LAP-level vs. nodal virtual bidding.
- Discuss whether position limits on nodal virtual bids can meet business needs.

Today’s presentations and relevant documents are posted:
http://www.caiso.com/1807/1807996f7020.html

- “Options for the Conceptual Design for Convergence Bidding” paper
  - Summarizes the options for LAP-level vs. Nodal with Position Limits vs. Full Nodal
  - Appendix: consolidates previous discussions on other elements of CB design
Today’s Convergence Bidding Discussion

CAISO’s Department of Market Monitoring
- Comments and Recommendations (45 minutes)

Stakeholder Discussion (one hour)
- Jeffrey Nelson, SCE
- Brian Theaker, WPTF

MSC Discussion (45 minutes)
- summarizing options, pros and cons of granularity
- explanation of position limits for nodal virtual bids
Next Steps for Convergence Bidding
Stakeholder Engagement

August 24 - Stakeholder comments due
  - Template for comment can be downloaded from: http://www.caiso.com/1807/1807996f7020.html

  - CAISO requests any further comments, especially on:
    - Position limits for virtual bids
  - Comments requested by August 24 also for ranking issues within Market Initiatives Roadmap

📅 September 12 (tentative) – Stakeholder meeting
  - Scarcity Pricing (morning)
  - Convergence Bidding (afternoon)