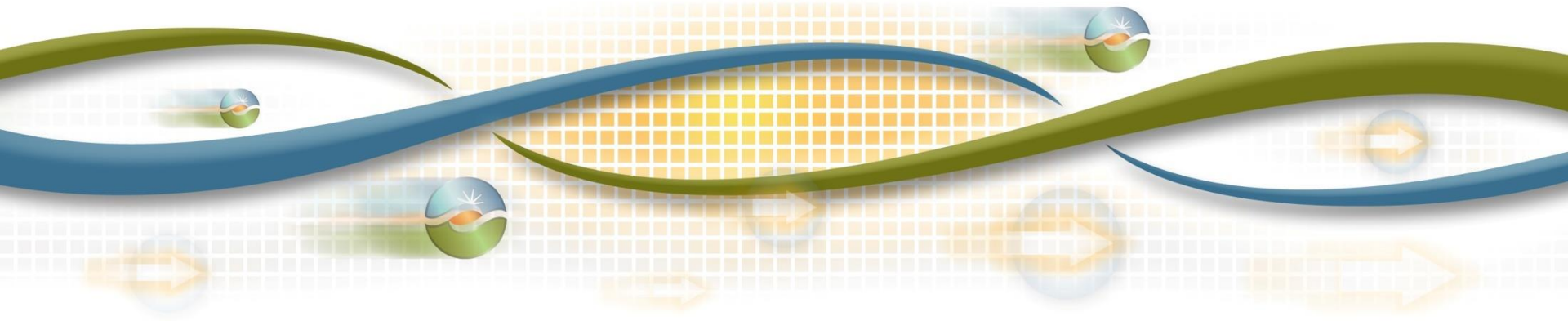# California ISO

Decision on local market power mitigation enhancements proposal

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Current real-time market local market power mitigation provisions work in a predictive manner.

- Congestion and competitiveness in the 15-minute market are predicted based on data from an earlier advisory run of the ISO's optimization and dispatch systems.

    – Advisory and binding market runs can be different due to load and renewable energy output forecast differences
    – Different results in advisory and binding run can result in under or over mitigation

- Bids mitigated in the 15-minute market are carried over to the 5-minute market

California ISO

Management proposes enhancements to improve the accuracy of the ISO's real-time local market power mitigation

- Apply the local market power mitigation process to the financially binding interval in the 15-minute market
  - Will significantly increase mitigation accuracy by eliminating load and renewable generation forecast errors
  - Can be done under current tariff authority

- Apply the local market power mitigation process to the 5-minute market
  - Not currently done today, mitigated bids from 15-minute market are carried over to the 5-minute market
  - Due to short time lag between intervals, apply mitigation on advisory interval
  - Requires Board approval and FERC filing

Stakeholders support proposed changes to improve the accuracy of ISO's real-time local market power mitigation

- Some stakeholders expressed concern about how new approach could impact market run times and lead to increased instances of failed market solutions.

  - Proposed changes will be thoroughly tested and only implemented when ISO is confident in the performance of the markets systems with the new design.

Management requests the Board approve the proposed enhancements to the real-time local market power mitigation process

- Proposed changes will increase market efficiency by more accurately applying real-time local market power mitigation provisions.
  - Virtually eliminate over or under predicted congestion in the 15-minute market
  - Applying mitigation to the 5-minute market will reduce over and under mitigation caused by limitations of current approach