




California ISO

Market Simulation Structured Scenarios

Local Market Power Mitigation Enhancements (LMPME)

1.0

May 17, 2019

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Location of Document

[Link](#)

Revision History

Date	Version	Description	Author
05/01/19	Draft	Initial Draft	Christopher McIntosh
05/08/19	Draft	Scenario Details Updated	Greg Ford/Christopher McIntosh
5/15/19	Draft	Settlements Analysis with anticipated CCs	Tyler DuBeshter
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1. Introduction

The objective of this document is to provide the information needed to ISO Market Participants to participate in the Local Market Power Mitigation Enhancements (LMPME) simulation scenarios. For the scope of this implementation and this initiative, please refer to the Reliability Services - External Business Requirements Specification – ([link](#))

2. Structured Scenarios Approach

2.1 High Level Overview


This identified scenarios will be executed during the structured scenario portion of the LMPME market simulation.

2.2 Structured Scenarios Conditions and Setup

The following additional setup will be used by the ISO during the scenario execution.

MP's will need to register their request with the ISO to participate in this simulation via the MarketSim@caiso.com mailbox.


1. Please identify one resource you would like to validate the creation of a new default energy bid for hydro resources with storage capability (Hydro DEB) functionality.
2. Please identify up to two resources to validate the mitigation framework enhancements introduce
 - a. Optional rule for EIM BAAs to limit transfer quantities or avoid cases of economic displacement.
 - b. Modifying the mitigation framework to eliminate the balance of the Fifteen Minute Market (FMM) and balance of the hour mitigation, with reexamination and application of the competitive LMP at every interval.

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2.3 Structured Scenario


Scenario Number	TD's - TBD	
1	Description	Mitigation will be performed on an interval by interval basis.
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs.
	EIM Market Participant Actions	EIM Participants should high energy bids relative to their DEB's for resources they registered to participate.
	ISO Market Participant Actions	ISO Market Participants should high energy bids relative to their DEB's for resources they registered to participate.
	Expected Outcome	Participants should be able to see alternating intervals where mitigation occurs and does not occur within the hour. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids in the Default Energy Bid Curve report in CMRI Mitigation report. In OASIS validate the Market Power Mitigation Status Report and the MPM DA Locational Marginal Prices, MPM RT Locational Marginal Prices Reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780, CC 6460, CC 6470, CC 6620, CC 6678

Settlements	
	Scenario 1 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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Scenario Number	TD's - TBD	
2	Description	Market Participants may see a small impact to their mitigated bid due to the tolerance added to the Competitive LMP
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs.
	EIM Market Participant Actions	EIM Participants should high energy bids relative to their DEB's for resources they registered to participate.
	ISO Market Participant Actions	ISO Market Participants should high energy bids relative to their DEB's for resources they registered to participate.
	Expected Outcome	Participants should be able to see alternating intervals where mitigation occurs and does not occur within the hour. The competitive LMP may be adjusted by as much as \$0.10. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids in the Default Energy Bid Curve report in CMRI Mitigation report. In OASIS validate the Market Power Mitigation Status Report and the MPM DA Locational Marginal Prices, MPM RT Locational Marginal Prices Reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780, CC 6460, CC 6470, CC 6620, CC 6678

Settlements	
	Scenario 2 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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Scenario Number	TD's - TBD	
3	Description	Multiple EIM BAA mitigation with export between BAA's
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs in both BAAs. ISO may need to adjust EIM participant bids to create the right conditions.
	EIM Market Participant Actions	EIM Participants should submit high energy bids relative to their DEB's for resources they registered to participate.
	ISO Market Participant Actions	N/A
	Expected Outcome	Mitigation occurs for both BAAs, in addition resource dispatches are such an EIM participant will not see an unnecessary dispatch of their resources. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids in the Default Energy Bid Curve report in CMRI Mitigation report. In OASIS validate the Market Power Mitigation Status Report and the MPM DA Locational Marginal Prices, MPM RT Locational Marginal Prices Reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780

Settlements	
	Scenario 3 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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3. ISO Market Simulation Contact

Please contact MarketSim@caiso.com if you have any questions or concerns regarding these scenarios.