

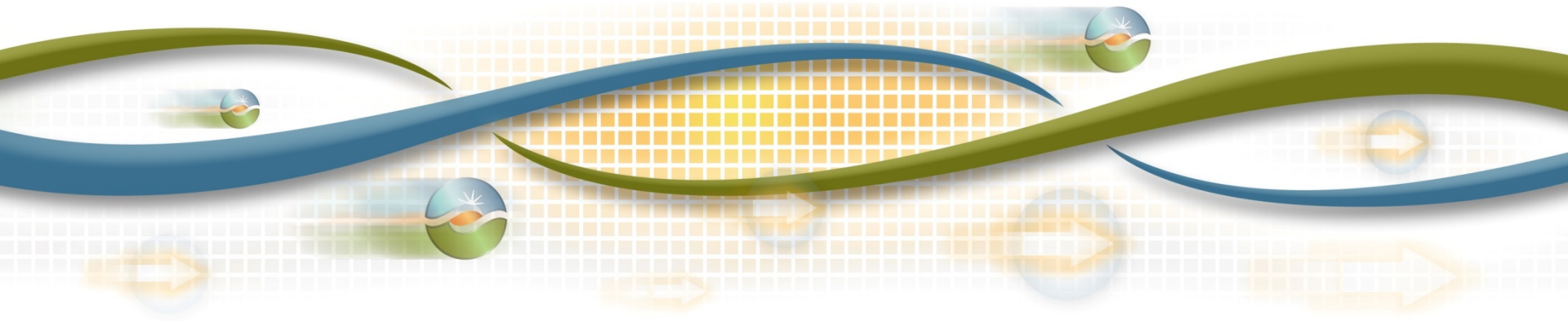
# Local Market Power Mitigation Enhancements Results from Study of Impacts

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Stakeholder Call

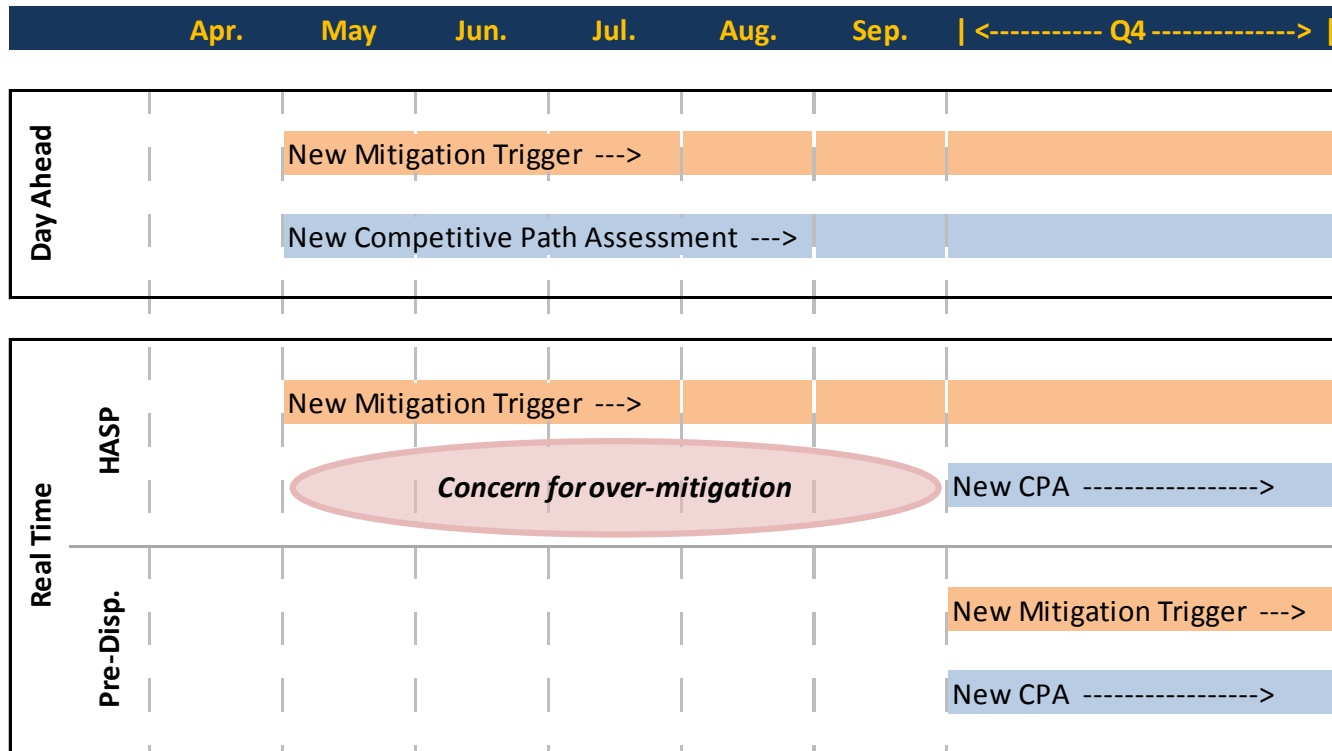
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# Proposed enhancements reflect significant change to competitive path identification and mitigation.

- Identification of competitive paths performed in market software.
  - Use more current market and system information, and better reflect available supply.
- Mitigation trigger will be applied only to units that have local market power ~ eliminates unintended mitigation.
  - Existing mitigation trigger is susceptible to unintended mitigation.

# Some functionality in real time will be implemented in the fall of 2012.



# Mitigation will be more accurate in the Day Ahead Market

- The dynamic competitive path assessment greatly improves the accuracy of path designations.
  - Accuracy improves up to 70%.
  - Less frequent uncompetitive designations → less mitigation.
- The proposed mitigation trigger reduces mitigation frequency by 13 percent.
  - Eliminates all unintended mitigation.
  - Increased intended mitigation.

# Accuracy of mitigation improves with implementation of only the new mitigation trigger in HASP in Phase 1

- Real time market will have the proposed mitigation trigger with static path assessment.
  - Concern: without proposed path assessment, new mitigation trigger may over-mitigate.
- New mitigation trigger alone resulted in a 48 percent decrease in the frequency of mitigation.
  - Reduction attributed to elimination of the high degree of unintended mitigation.

# Full implementation in the Real Time Market greatly improves accuracy of mitigation

- The second implementation phase will introduce additional features in real time market.
- Additional process in pre-dispatch improved accuracy of competitive path identification by 40%.
- Proposed mitigation trigger expected to perform similarly to hour-ahead dispatch.