Technical Bulletin: Pricing Logic for Scheduling Point-Tie Combination

March 9, 2015
Background

- With the implementation of the full network model expansion and the energy imbalance market, the data structure for intertie pricing changed.

- The new data structure could not be supported with the existing OASIS display.

- There are mainly three locations affected: MALIN, CRAG and MONA scheduling points.
Changes to the pricing structure

• After the data structure change, the LMP OASIS display for MALIN SP no longer shows the congestion from MALIN500 constraint.

• The ISO communicated this change through different forums, such as the market update calls and the market performance forum.

• On January 8, the ISO deployed a new OASIS display to show the SP-TIE prices. Prices were back filled by February 19.
The pricing for MALIN SP has not changed, the data structure has changed.

- The LMP and its components use to settle this location are
  \[ LMP = SMEC + MLC + (MCC_{\text{flow}} + \mu) \]

- CAISO Imports/Exports to settle at the LMP

- CRRs to settle at the \( MCC_{\text{flow}} + \mu \)

- Different views (OASIS and CMRI) may show different components
The pricing for MONA and CRAG has not changed, the data structure has changed.

- MONA and CRAG SP are located within PAC area but are also SP for CAISO transactions.

\[
LMP = SMEC + MLC + (MCC_{flow} + MCC_{ITC})
\]

- CAISO Imports/Exports to settle at the LMP
- CRRs to settle at the \((MCC_{flow} + MCC_{ITC})\)
- No EIM or MALIN500 congestion is considered.
- Different views (OASIS and CMRI) may show different
Existing issues

- Other scheduling points are expected to remain the same.

- There are several data issues that have impacted the MALIN, MONA and CRAG prices.

- Some issues were price corrected; some other publication and processing issues were cleaned up.

- The ISO is identifying all these issues and doing an impact assessment. The findings of this will be provided to the market in a subsequent bulletin.
Additional Questions

Please direct questions to Guillermo Bautista Alderete at gbalderete@caiso.com.