

# System Market Power Mitigation Straw Proposal

Supplemental Comments by Department of Market Monitoring  
February 27, 2020

## Summary

In DMM's earlier comments on the *System Market Power Mitigation Straw Proposal*, DMM encouraged the ISO to assess whether access to a particular intertie is likely to be competitive before requiring that the associated import constraint bind to trigger CAISO BAA or system market power mitigation.<sup>1</sup> Analysis that may be indicative of the level of competition on a particular intertie could include a review of typical offer volume in relation to the import limit. Review of the concentration of participants offering imports on a particular intertie over some period may provide an additional indicator of competitive access.

In these supplemental comments, DMM submits data that may be useful in assessing the potential competitiveness of access to four major CAISO interties in peak hours of the real-time market in the summer and fall months of 2019.

## Data

The following data cover hours 17-20 for the period June 2019 – October 2019. The charts show the average real-time import offer quantities as a percent of the CAISO ITC import limit for four major CAISO interties. The charts also show the concentration of import offers among the top three net sellers by import offer volume that are not California utilities under jurisdiction of the CPUC, compared to import offers from all other participants at a given intertie. Available EIM transfers on a given intertie are approximated and not considered as potential supply from the top 3 net seller importers.<sup>2</sup>

The tables that follow the charts below show the monthly frequency with which there was not sufficient import offer volume during hours 17-20 at a given intertie in real-time to result in the import constraint binding. Among the hours in which there was import offer volume in excess of the ITC import limit, the tables consider scenarios with import supply excluded from the top 1, 2, and 3 net sellers by import offer volume at the intertie.

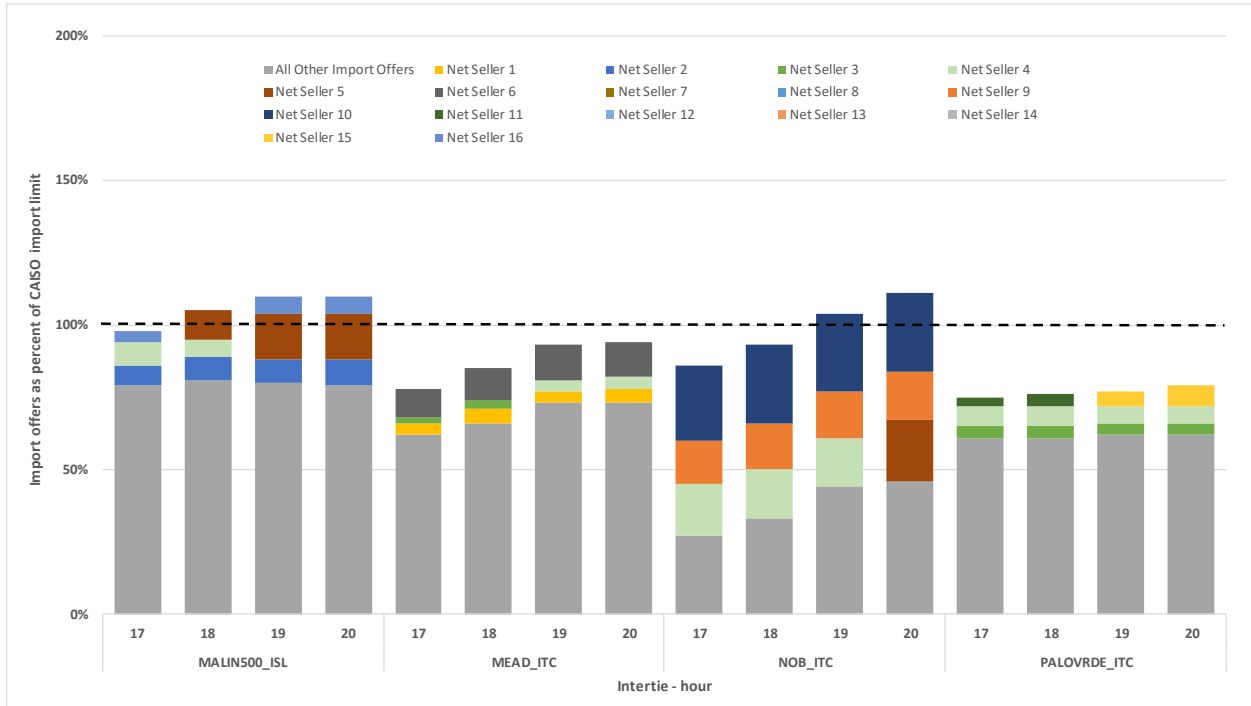
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<sup>1</sup> See *System Market Power Mitigation Straw Proposal – Comments by Department of Market Monitoring*, January 10, 2020, p. 7: <http://www.caiso.com/InitiativeDocuments/DMMComments-SystemMarketPowerMitigation-StrawProposal.pdf>

<sup>2</sup> The volume of EIM import transfers potentially available on an intertie is estimated by taking the cleared EIM transfers, plus the minimum of the remaining total ETSR CAISO import limits on the intertie or the hourly average rampable EIM participating capacity in the neighboring BAA to which the intertie is connected.

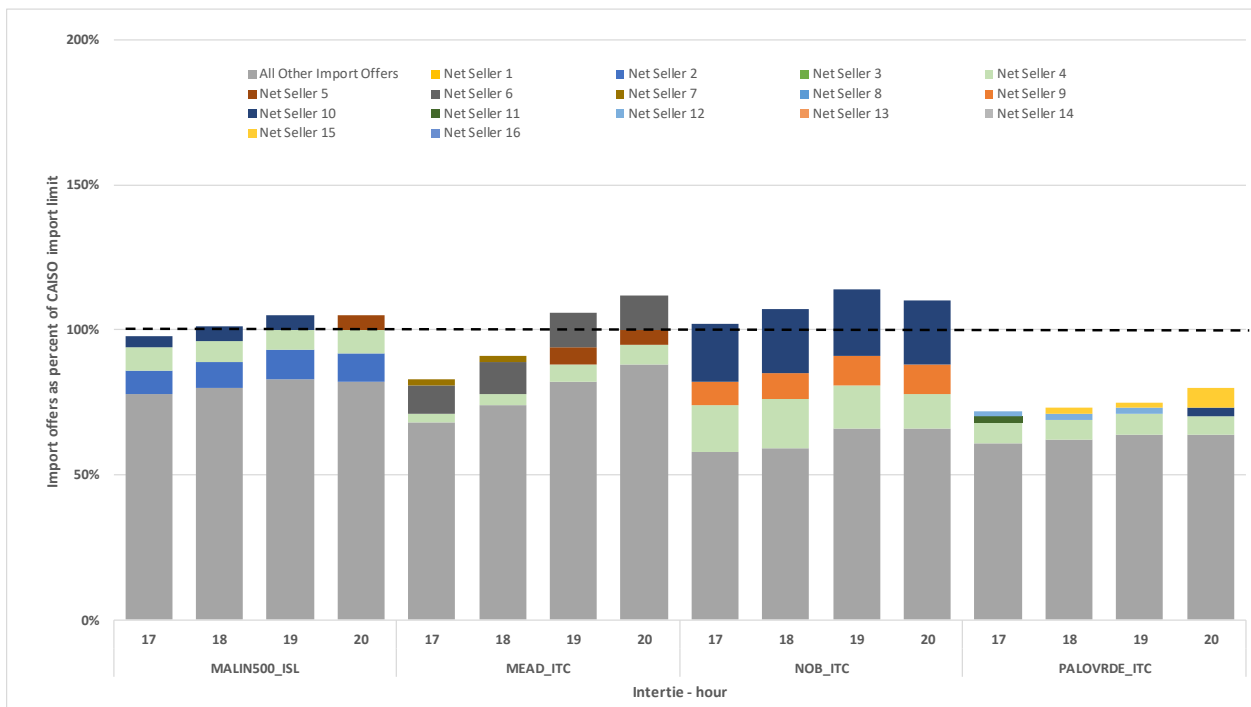
## Average supplier percent of import limit for hour – real-time market

**June 2019**

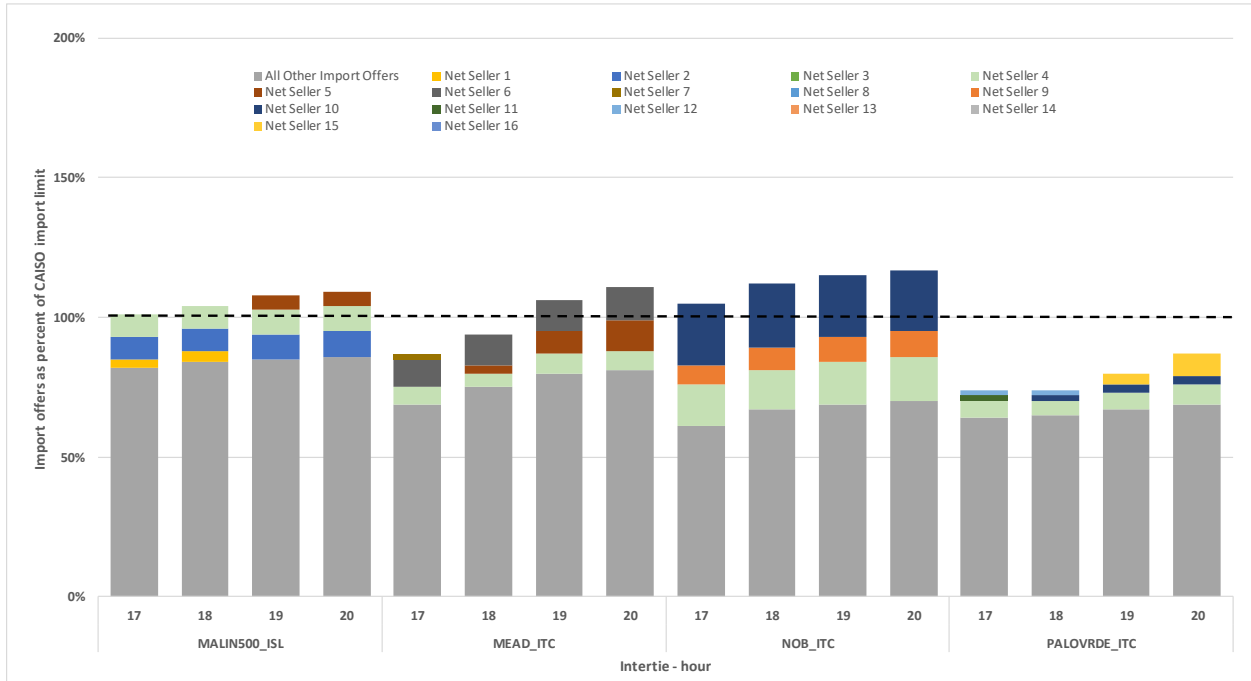


## Average supplier percent of import limit for hour – real-time market

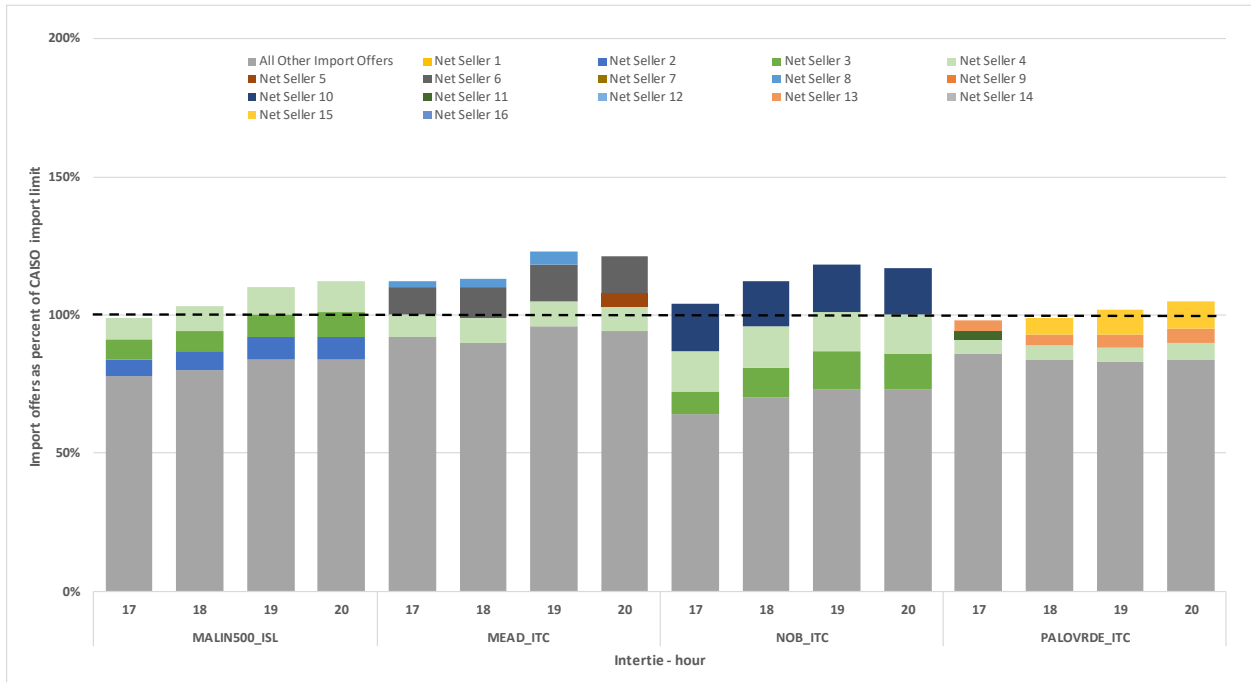
**July 2019**



**Average supplier percent of import limit for hour – real-time market**  
**August 2019**

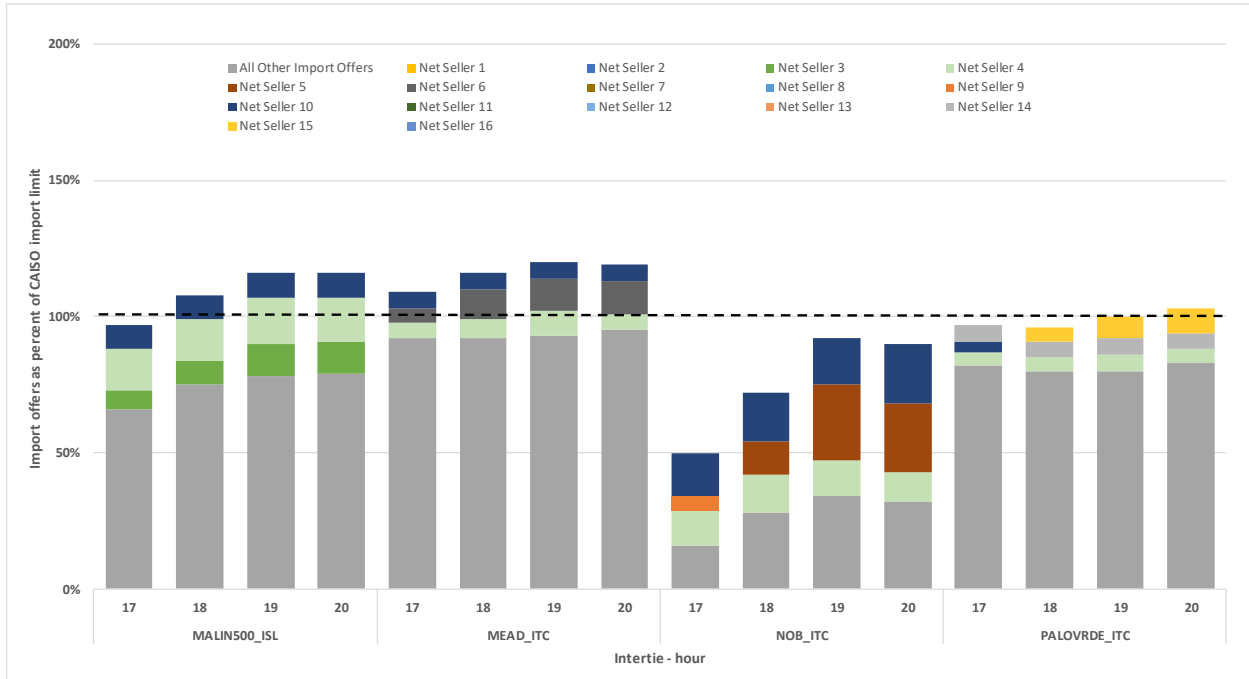


**Average supplier percent of import limit for hour – real-time market**  
**September 2019**



## Average supplier percent of import limit for hour – real-time market

October 2019<sup>3</sup>



## Percent of hours with import offer volume below CAISO import limit

Real-time market, hours 17 – 20

June – October 2019

	MALIN500_ISL	MEAD_ITC	NOB_ITC	PALOVRDE_ITC
Jun-19	25%	78%	43%	97%
Jul-19	37%	59%	23%	99%
Aug-19	29%	53%	14%	99%
Sep-19	43%	15%	15%	43%
Oct-19	36%	19%	68%	55%

<sup>3</sup> The Pacific DC Intertie (PDCI) was out of service for the majority of the month of October 2019. Data shown here for the NOB\_ITC only reflects times in October 2019 when the PDCI was in service.

**Among hours where import offer volume was greater than or equal to CAISO import limit:  
Percent of hours with import offers below import limit when excluding supply from top N net sellers**

**Real-time market, hours 17 – 20**

**June – October 2019**

<b>Top 1 net seller excluded</b>				
	MALIN500_ISL	MEAD_ITC	NOB_ITC	PALOVRDE_ITC
Jun-19	69%	73%	93%	100%
Jul-19	55%	46%	85%	100%
Aug-19	67%	61%	79%	100%
Sep-19	61%	31%	81%	75%
Oct-19	52%	36%	93%	75%

<b>Top 2 net sellers excluded</b>				
	MALIN500_ISL	MEAD_ITC	NOB_ITC	PALOVRDE_ITC
Jun-19	100%	88%	100%	100%
Jul-19	86%	65%	100%	100%
Aug-19	94%	84%	100%	100%
Sep-19	77%	56%	100%	93%
Oct-19	81%	68%	100%	98%

<b>Top 3 net sellers excluded</b>				
	MALIN500_ISL	MEAD_ITC	NOB_ITC	PALOVRDE_ITC
Jun-19	100%	88%	100%	100%
Jul-19	99%	76%	100%	100%
Aug-19	96%	95%	100%	100%
Sep-19	77%	79%	100%	97%
Oct-19	87%	86%	100%	98%