

Decision on Dropping the Dec Bidding Rule



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California ISO
Your Link to Power

Board of Governors Meeting
General Session
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Management's proposal addresses concerns regarding the MRTU bidding rule

Goal Today

- Board approval to make filing to amend MRTU tariff to eliminate Decremental Real-Time Energy bidding rule

This Proposal

- Addresses immediate concerns by eliminating bidding rule
- Recognizes that there will be further efforts to enhance volume and competitiveness of decremental Real-Time Energy bids

Rule was originally included in MRTU to prevent uncompetitive real-time bidding

Perceived Problem:

- Generators could exercise market power through knowledge of infeasible schedules resulting from transmission derates.

Solution:

- Real-Time Market decremental energy bids not allowed to be lower than bids that cleared the Day-Ahead Market.

LECG raised concerns in 2005 review of MRTU design

Concerns:

- Insufficient real-time decremental energy bids to operate the grid
- Easily subverted by withholding real-time decremental energy bids

Confirmed by:

- Stakeholders
- Market Surveillance Committee

Consensus gained through working with stakeholders

Posted Issue Paper	February 1
Joint Stakeholder/MSC Meeting	February 8
Stakeholder Written Comments	February 15
Posted Straw Proposal	March 7
Stakeholder Conference Call	March 17
Stakeholder Written Comments	March 25
Draft Final Proposal Posted	April 14
Stakeholder Written Comments	April 30
MSC Opinion Issued	May 7

Board Action

Today:

- 🌐 Approve elimination of rule for MRTU

July Board Meeting:

- 🌐 Proposal for enhanced bidding rules
 - Markets and Performance (MAP) software release