Local Market Power Mitigation Enhancements

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Potential Benefits

New approach:

- Will account for virtual supply, virtual demand and price capped load bids without allowing virtual supply offers to be used to circumvent the local market power mitigation process

- Should eliminate spurious congestion arising from the current two pass approach ("all constraints" pass will be based on actual offer prices)

- Preserves the "competitive constraints" pass price floor on mitigation

Potential Benefits

- Reduces the number of passes in the local market power mitigation process;

- Eliminates the potential for inflated offers to go unmitigated if there is a high cost alternative.

Limitations

New Approach:

- Will not prevent virtual demand bids from raising the clearing price on the default energy bid supply curve;

- Will not operate as intended if the reference bus prices used for mitigation is impacted by congestion on non-competitive constraints.

- HASP run may not identify all binding non-competitive constraints