

## Market Update Call Meeting Minutes

June 8, 2017<sup>1</sup>

### Agenda

- 1) Meeting Minutes Review – [Jennie Sage](#)
- 2) Weekly Performance Report – [Jennie Sage](#)
- 3) Price Correction Reports – [Jennie Sage](#)
- 4) Actions Items from the previous week - [Jennie Sage](#)
- 5) General Questions/ Comments

### Meeting Minutes Review

The meeting minutes for the May 25<sup>th</sup> call have been posted.

### Weekly Market Performance Report

The weekly report covers the time period of May 17-30, 2017. The markets were generally quiet. The reasons for real-time price spikes is listed in the report.

### Questions on the Weekly Market Performance Report or General Questions

**Q:** Does the ISO have a follow-up on the high prices in RUC this year?

**A:** When RUC price is high, it is very likely the RUC tier 1 allocation price is also high. High RUC prices contributed significantly to RUC tier allocation price. This reflects supply/demand conditions observed in RUC. In short, RUC had tight conditions to meet demand in these hours, and that is why the RUC prices were so high.

There were additional hours, for instance, in which RUC could have relied on high cost supply. Looking at recent trends, the demand conditions that RUC had to meet after the IFM is cleared is basically composed by two parts, the capacity displaced by net virtual supply and the under-cleared demand from IFM. The RUC awards due to the net of these two reasons are fairly concentrated in the last hours of the day. These two reasons are primarily driven by the amount that physical demand clears in the IFM and also by virtual bidding activity

**Q:** What was the cause of the HE 16 real-time price spikes on May 31?

**A:** The high prices were caused by load changes and renewable deviation.

**Q:** Why is there a lower percentage of market needs served from Resource Adequacy RUC capacity when compared to the past?

**A:** For the time period May 17-30, 79% of the RUC requirements were met from RA units, however the majority of the non-RA RUC procured was from generators bidding \$0 for RUC capacity which make them similar to RA units.

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<sup>1</sup> The California ISO (CAISO) hosts this bi-weekly market update conference call, generally at 10:15AM PST bi-monthly on Thursdays. This call is an opportunity for market participants to ask general questions regarding the market. Please send any questions to [CIDI system](#), which includes questions that have proprietary information and that might be commercially sensitive. Only general market-related questions which are neither proprietary, nor non time-sensitive should be sent to [market\\_issues@caiso.com](mailto:market_issues@caiso.com).

**Q:** What are the factors causing the high negative congestion on the pnode NARROWS2\_7\_B1 in May? Is solar generation impacting the constraint? From May 9-12, there are no negative LMPs but there is significant congestion so is there an issue?

**A:** The pnode NARROWS2\_7\_B1 is impacted by congestion on 32212\_E.NICOLS\_115\_32214\_RIO OSO\_115\_BR\_1\_1 and there is an outage on a transmission element in the area for the month of May. There is a small amount of solar in the area but this is not causing the high congestion. For the IFM and FMM for May 9-12, the constraint is binding and the pnode shows negative congestion.

**Q:** What is causing the congestion on 30035\_TRACY\_500\_99006\_TAP737\_1\_500 and 30114\_DELEVAN\_230\_30450\_CORTINA\_230 from May 19-23?

**A:** These constraints were binding due to an outage modeling error and prices were corrected.

**Q:** Are the high prices on the 24702\_KRAMER\_115\_B2 nodal group constraint in the day-head market for May 11 valid?

**A:** No, this congestion was caused by a software defect and the prices are corrected.

**Q:** On May 22 in the real-time market the congestion on 30515\_WARNERVL\_230\_30800\_WILSON\_230\_BR\_1\_1 is strange and the flows appear to be reversed?

**A:** There was a data input error impacting the limit of this constraint from HE 14-17 on May 22 and the prices were corrected.

**Q:** Why are prices lower from HE 1-5 on June 5 compared to other days?

**A:** There were economic offers during this time that resulted in the low prices.

**Q:** What type of forecasting is using for intermittent resources: a point estimate or average? Is there a difference between the IFM and RTM forecasting methodology?

**A:** The IFM market is cleared based on the self-schedule and economic bids submitted by intermittent resources. The RUC market and RTM use an average forecasting methodology for intermittent resources.

### Price Correction Reports

During the week of May 22-26, 2017, the ISO processed 232 price corrections due to software defects and data input errors. During the week of May 30 – June 2, 2017, the ISO processed 144 price corrections due to data input errors.

### Questions on Price Correction Report

None

### General Reminders

- **NOTE:** The current best practice, and preferred method, of asking questions is to route through the **Customer Inquiry, Dispute and Information** system, “CIDI”.
- Please submit your questions ahead of the call; there are occasions when we have to gather information: submission ahead of time allows us more preparation time to reply.
- To add general comments/questions/requests to the **action item list or meeting agenda**, market participants should also open corresponding CIDI tickets with both the Functional Environment as “Market Performance” and SCID as “XPUB” by close of business (COB) on Mondays.