

Market Update Call Meeting Minutes

November 8, 2018¹

Agenda

- 1) GHG Costs Inputs and Fallback Tariff Clarification
- 2) Updates and Meeting Minutes Review – Jennie Sage
- 3) Weekly Performance Report – Jennie Sage
- 4) Price Correction Reports – Jennie Sage
- 5) General Questions/ Comments

GHG Cost Inputs and Fallback Tariff Clarification

The ISO would like to make clarifications to Section 39.7.1.1.14 that would average two GHG vendor prices and use the most recent available prices from the vendors if the publications are not available.

Meeting Minutes Review and Updates

The October 25th meeting minutes have been posted.

Weekly Market Performance Report

For October 17-30, 2018, the day-ahead market continues to see price spikes above \$80 in HE 19-20 due to solar ramping and peak load interplay. The price excursions for the real-time market are listed in the report.

Questions on the Weekly Market Performance Report

Q: The response to the price spike issue for HE 19-20 still doesn't make sense since the solar ramp occurs in HE 18?

A: The day-ahead market is not just optimizing hour-by-hour, it is optimizing for the entire 24 hour period so HE 18 cannot be isolated. There are many dynamics in the system including the solar ramp, the load peak and intertemporal constraints and the dispatch has to position resources to meet requirements across the 24 -hour horizon.

Q: What caused the reduction of net imports in the RTD price spike in HE 9 on October 30, 2018?

A: The price spike occurred in interval 1 of HE 9 so the reduction in net imports was due to a change in net imports between HE 8-9. Net import is ramped over 20 minutes at the end and top of the hour.

Q: Regarding the HE 18-20 issue in the day-ahead market and the need for fast-ramping resources, does this mean the ISO skips over cheaper, less flexible resources?

A: These hours where solar is ramping off and the load is peaking that results in a large net load that typically needs to be met with conventional gas-fired generation. The market can lose up to 3000 MW of solar in an hour and we need resources that can ramp up at this same pace. Therefore, the market cannot ignore resources characteristics in meeting the requirements as it is not just meeting demand with supply but finding an optimal combination of resources that meet the dynamics of the system.

¹ 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](mailto:CIDI@caiso.com), 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.

Q: Regarding the HE 18-20 issue in the day-ahead market, the large jump in price from HE 18-19 implies a large jump in heat rate and implies that the CTs with the highest heat rate are dispatched but this does not appear to be the case?

A: Market participants can submit generation, imports and virtual supply bids up to \$1000 so the price in HE 19-20 cannot be explicitly linked to a gas-fired generator and heat rates.

Review of the Price Correction Report

During the week of October 15-19, 2018, the ISO processed 2685 price corrections due to software defects. During the week of October 22-26, 2018, the ISO processed 2607 price corrections due to software defects and data input errors.

Questions on Price Correction Report

None

General Questions

Q: In an October 31 market notice, the ISO stated it would stop publishing ATC on Path 15 and Path 26 but this is important information for market participants so can the ISO consider re-instating this publication?

A: As explained in the last MPPF, the ISO no longer enforces the Path 15 and Path 26 nomograms but now this is managed through a series of more sophisticated nomograms so the information the ISO was publishing on Path 15/26 was not accurate. The ISO discussed this topic at length on November 15, 2018 teleconference for the **“TTC and ATC for Path 15 and Path 26 No Longer Available”**

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.