



California ISO

# System Market Power Mitigation Discussion

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Market Surveillance Committee Meeting

General Session

November 13, 2020

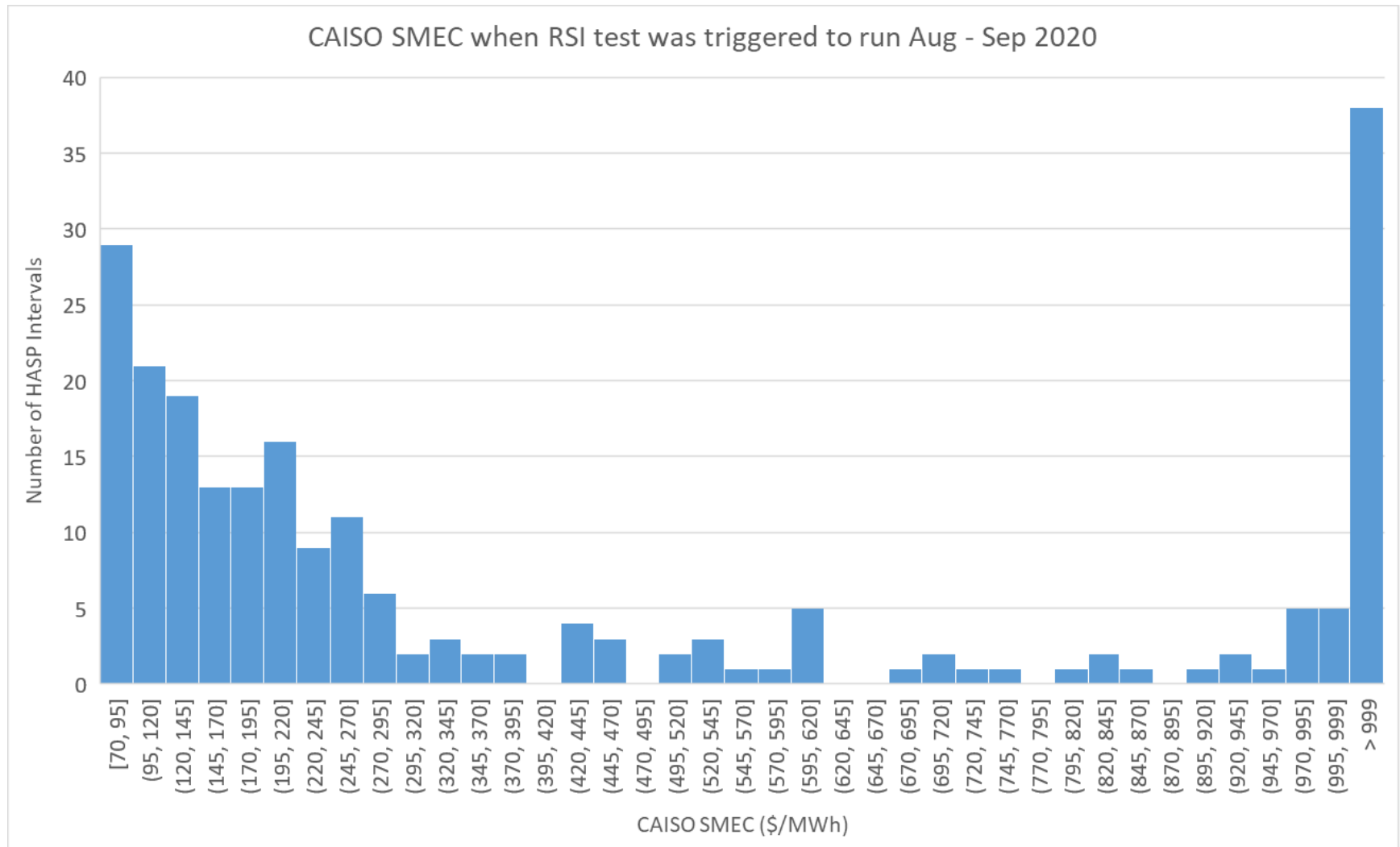
# Today's discussion

Review how the ISO's proposed system market power trigger and competitive LMP performed during tight supply conditions in August and September 2020

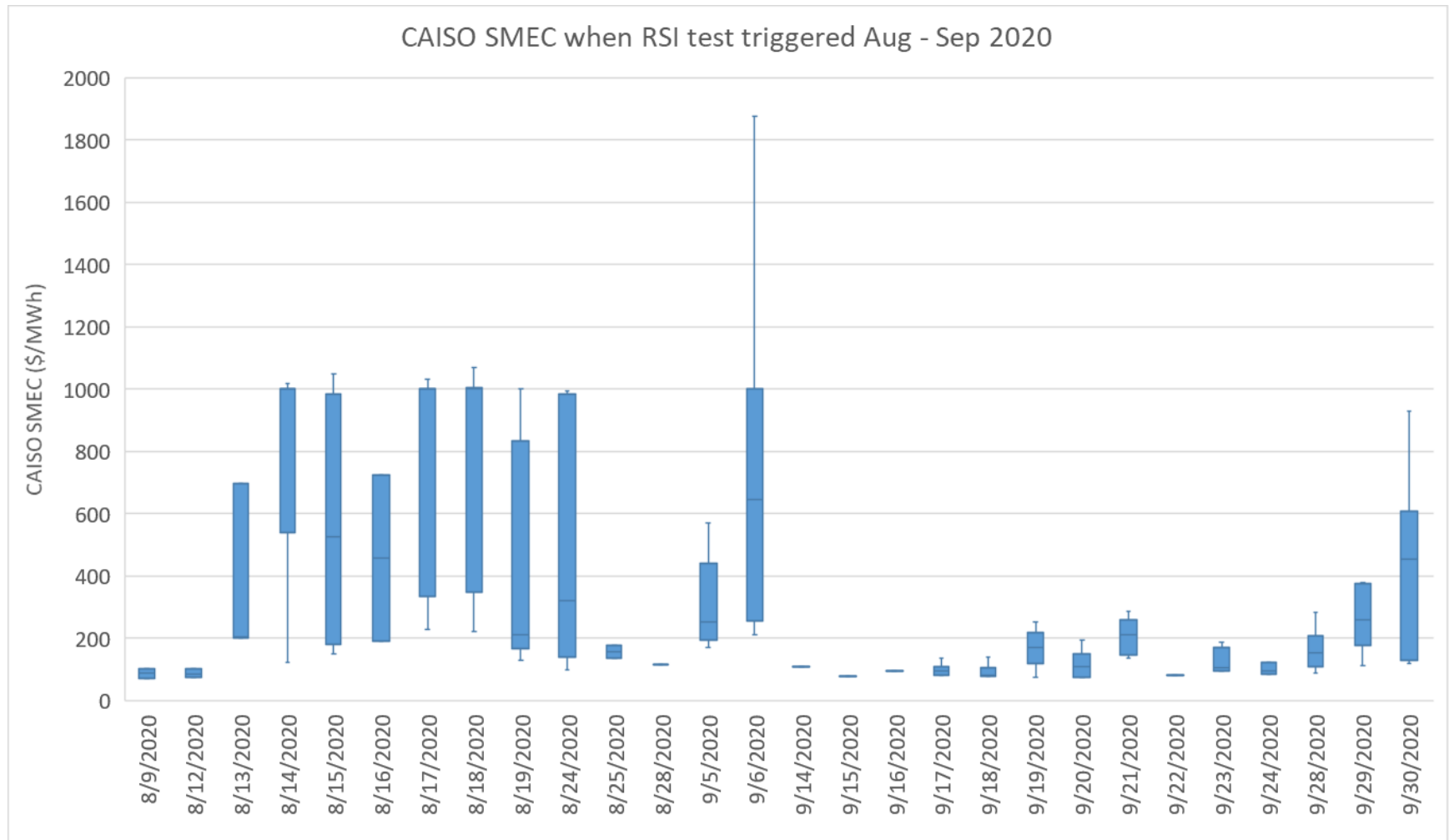
# ISO Revised Draft Final Proposal Trigger

- ISO is in the highest priced EIM region
- ISO prices are greater than proxy peaker price:
  - Internal proxy peaker
  - External proxy peaker + amortized startup costs
- Median price where trigger was met was \$224
- 226 15-minute intervals would have met the trigger over the two month period

# ISO Revised Draft Final Proposal Trigger (HASP)



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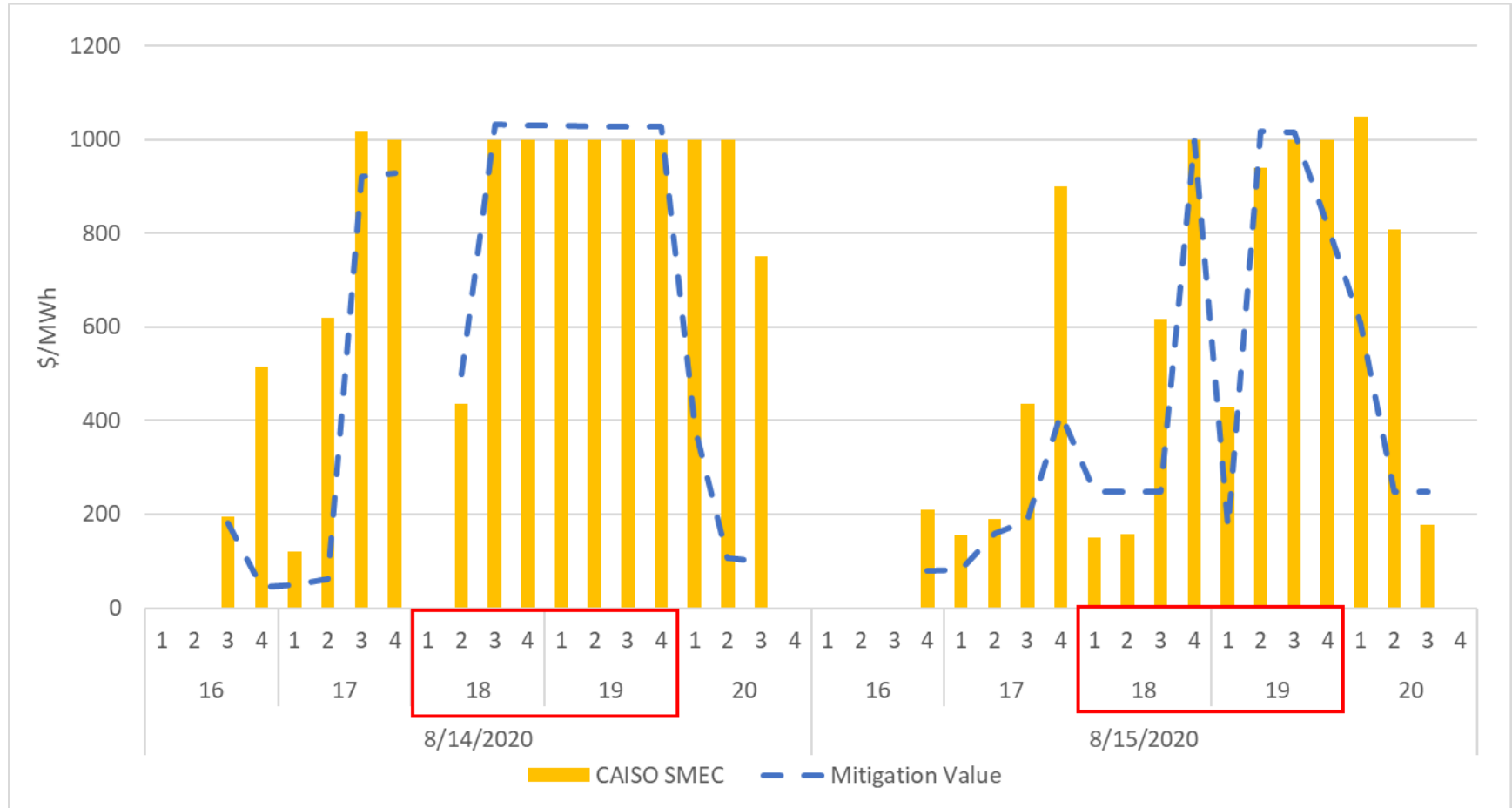
# Mitigated Values

ISO's intent is to ensure that prices are not mitigated below competitive external prices

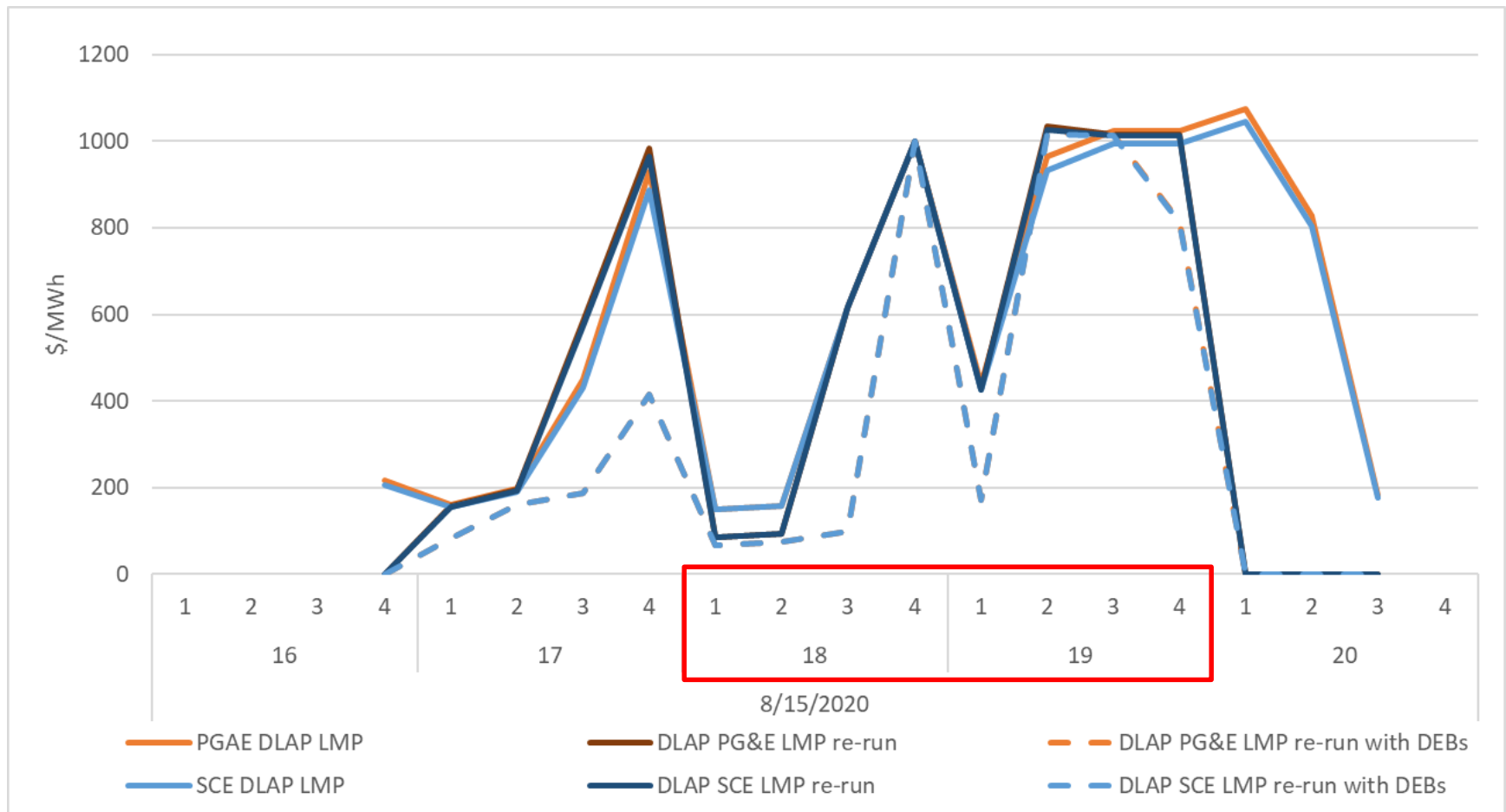
The revised draft final proposal proposes to mitigate to the greater of:

- Competitive LMP
- Default Energy Bid

# ISO SMEC and approximated mitigation value for triggered HASP intervals on 8/14/2020 and 8/15/2020



# DLAP market prices vs DLAP LMP re-run with competitive bids

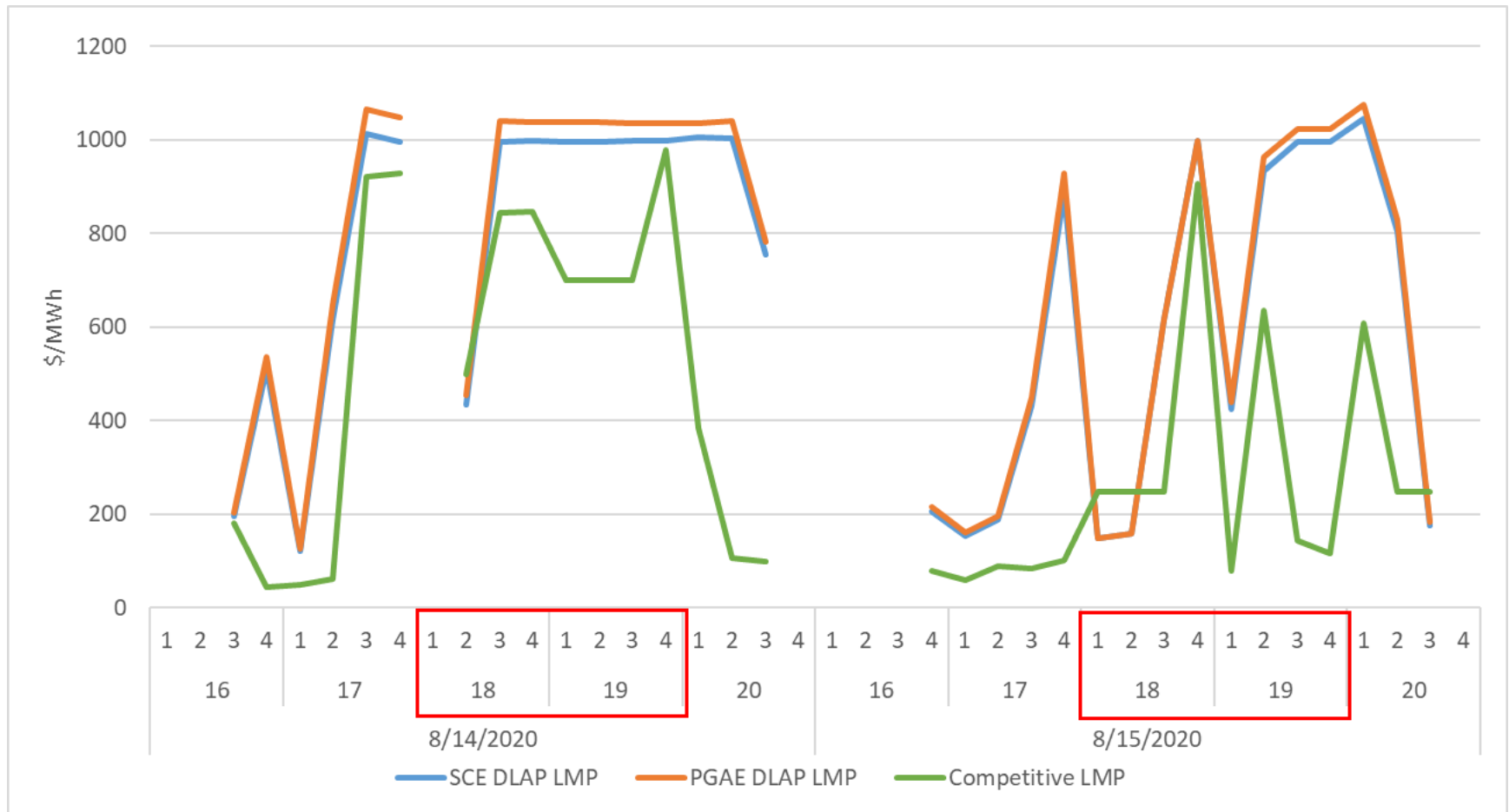




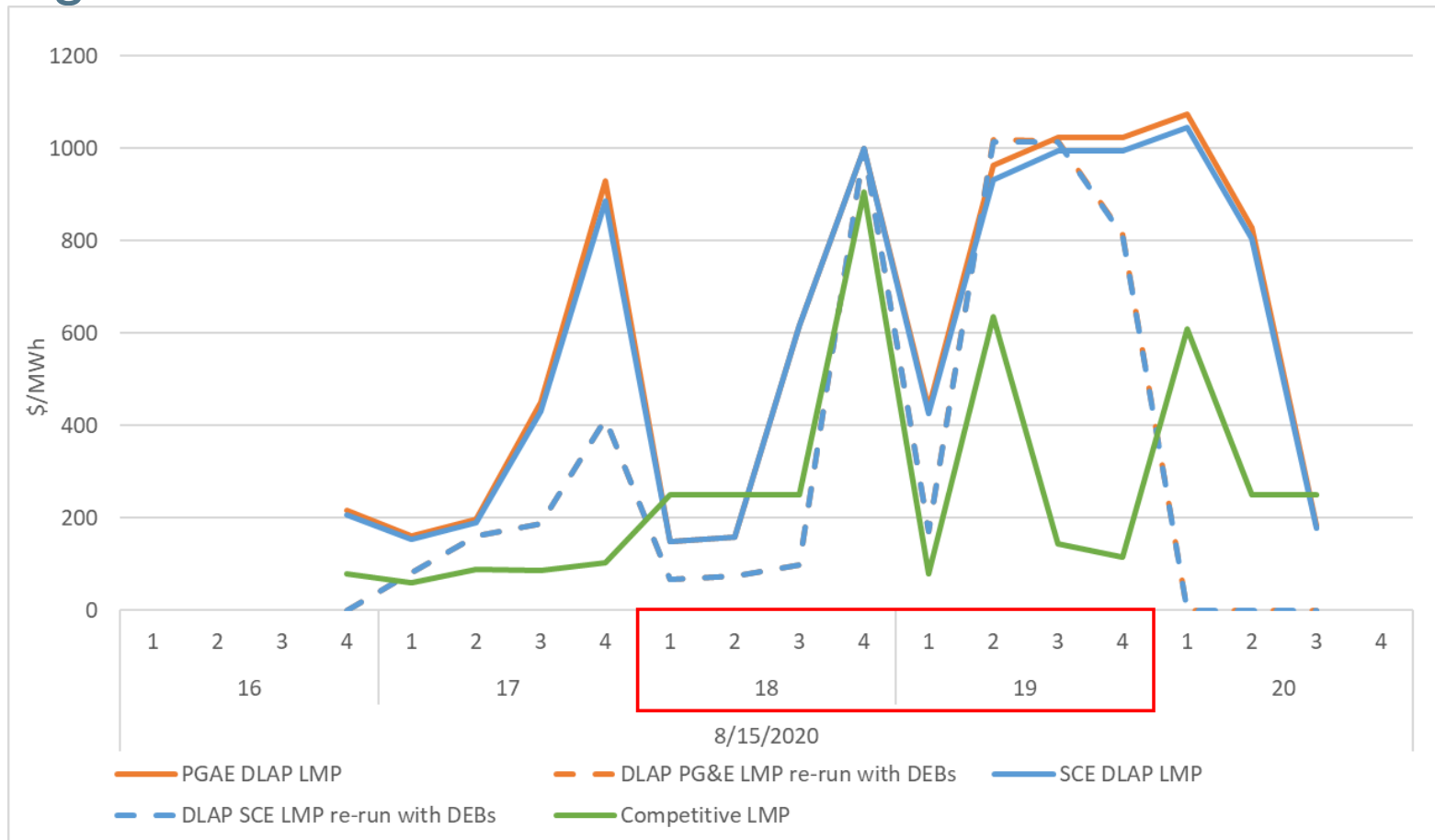
# Revised Competitive LMP

- Competitive LMP is the greater of
  - Second highest-priced EIM region's marginal energy cost
  - Highest-priced cleared import on a constrained intertie

# DLAP market prices vs. proposed competitive LMP used in mitigation



# DLAP market prices vs. DLAP LMP re-run with competitive bids vs. proposed competitive LMP used in mitigation



# DLAP market prices vs DLAP LMP re-run with competitive bids vs. competitive LMP used in mitigation for 9/5/2020

