Bid cost recovery mitigation measures

Market Surveillance Committee meeting
October 19, 2012

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The ISO proposes a simplified persistent deviation metric which will flag intervals with deviations

- The default bid basis for real-time bid cost recovery calculations will be the resource’s economic bid
- Only if the persistent deviation metric is triggered will the bid basis be adjusted
- This proposal will apply both to optimal energy and residual imbalance energy

The persistent deviation metric is based on the real-time performance metric and applies to over-delivery

$$Persistant\ Deviation\ Metric = \frac{Metered\ Energy - DA\ Energy - Regulation\ Energy}{Total\ Expected\ Energy - DA\ Energy}$$

- Applies to
  - Over-generation when a dec dispatch is given
  - Under-generation when an inc dispatch is given
- Flags intervals outside a threshold
- Evaluated for 10-min intervals in a 2-hr rolling window

The persistent deviation metric rules describe adjustments of real-time bid cost recovery bid basis

- Rule 1: < X intervals are flagged, then no change
- Rule 2: > X intervals but < X+Y intervals are flagged, then bid basis in flagged intervals is min{DEB, bid, LMP}
- Rule 3: > X+Y intervals are flagged, then bid basis for in all intervals in the 2-hr window is min{DEB, bid, LMP}
- Rule 4: For any interval in which rule 2 or rule 3 applies, bid basis will stay as min{DEB, bid, LMP} in later runs

This diagram shows an example of the rolling two-hour window and the flagging of ten-minute intervals