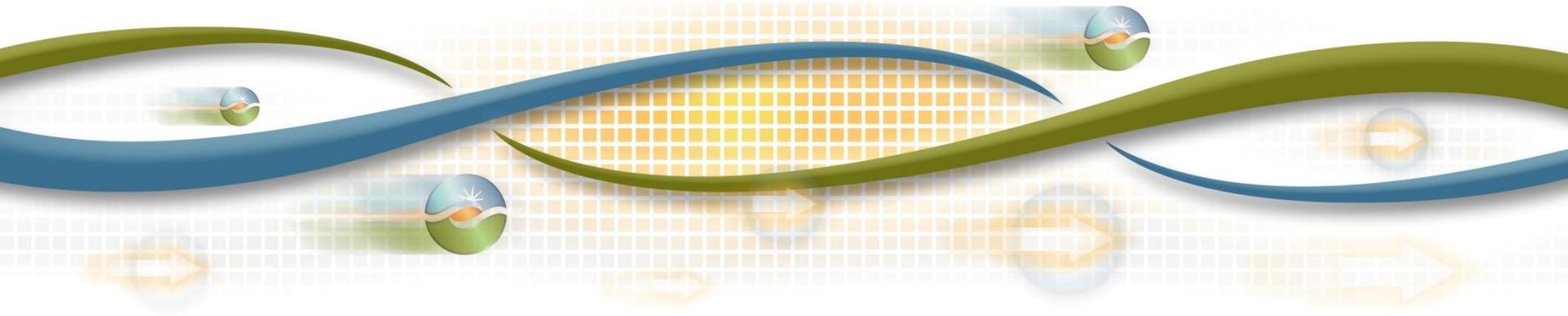


# Bid cost recovery mitigation measures

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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

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

- 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  $\min\{\text{DEB}, \text{bid}, \text{LMP}\}$
- Rule 3:  $> X+Y$  intervals are flagged, then bid basis for in all intervals in the 2-hr window is  $\min\{\text{DEB}, \text{bid}, \text{LMP}\}$
- Rule 4: For any interval in which rule 2 or rule 3 applies, bid basis will stay as  $\min\{\text{DEB}, \text{bid}, \text{LMP}\}$  in later runs

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

