

Convergence Bidding



David Withrow – Lead Market and Product Economist
DWithrow@caiso.com 916-608-7134



California ISO
Your Link to Power

Market Surveillance Committee
General Session
August 10, 2007

Granularity of Convergence Bidding

- Previous discussions on LAP-level vs. nodal virtual bidding
- Purpose of today's discussion:
 - Clearly understand pros, cons and business needs for LAP-level vs. nodal virtual bidding.
 - Discuss whether position limits on nodal virtual bids can meet business needs.
- Today's presentations and relevant documents are posted:
 - <http://www.caiso.com/1807/1807996f7020.html>
 - "Options for the Conceptual Design for Convergence Bidding" paper
 - Summarizes the options for LAP-level vs. Nodal with Position Limits vs. Full Nodal
 - Appendix: consolidates previous discussions on other elements of CB design

Today's Convergence Bidding Discussion

- 🌐 **CAISO's Department of Market Monitoring**
 - Comments and Recommendations (45 minutes)
- 🌐 **Stakeholder Discussion** (one hour)
 - Jeffrey Nelson, SCE
 - Brian Theaker, WPTF
- 🌐 **MSC Discussion** (45 minutes)
 - summarizing options, pros and cons of granularity
 - explanation of position limits for nodal virtual bids

Next Steps for Convergence Bidding Stakeholder Engagement

August 24 - Stakeholder comments due

- Template for comment can be downloaded from:
<http://www.caiso.com/1807/1807996f7020.html>

- CAISO requests any further comments, especially on:
 - Position limits for virtual bids
- Comments requested by August 24 also for ranking issues within Market Initiatives Roadmap

 September 12 (tentative) – Stakeholder meeting

- Scarcity Pricing (morning)
- Convergence Bidding (afternoon)