

Comments on Revised Draft Tariff Language – Price Formation Enhancements

Department of Market Monitoring

May 27, 2024

The Department of Market Monitoring (DMM) appreciates the opportunity to comment on the Revised Draft Tariff Language for the Price Formation Enhancements Final Proposal on Rules for Bidding above the Soft Offer Cap. DMM has comments on the following tariff section describing the modified bid cap that will apply to energy storage resources.

30.7.12.6 Energy Storage Bids

For energy storage resources using the Non-Generator Resource model, the CAISO will allow Energy Bids that exceed the Soft Energy Bid Cap subject to the Bid price screens described here. This Section 30.7.12.6 does not apply to Hybrid Resources. Notwithstanding any other provision, the CAISO will reject Energy Bids that exceed the Hard Energy Bid Cap. In the Real-Time Market, the CAISO will accept Energy Bids from Scheduling Coordinators for storage resources using the Non-Generator Resource model up to the higher of (a) the fourth-highest calculated hourly value of the Maximum Import Bid Price for that Trading Day in the applicable CAISO Market Process; (b) the highest-priced Energy Bid from a resource subject to a Default Energy Bid that the CAISO has accepted for the applicable Trading Hour pursuant to Section 30.7.12.2, excluding without limitation Virtual Bids, Export Bids, Demand Bids, and Bids for Non-Resource-Specific System Resources; and (c) the resource's Default Energy Bid if it uses the Variable Cost Option, LMP Option, or the Negotiated Rate Option. The CAISO will reduce Bids for storage resources that exceed (a), (b), and (c) to the maximum permissible value. In the Day-Ahead Market, the CAISO will accept Energy Bids from Scheduling Coordinators for storage resources using the Non-Generator Resource model up to the resource's Default Energy Bid if it uses the Variable Cost Option, LMP Option, or the Negotiated Rate Option.