



California ISO

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## **Market Simulation Structured Scenarios**

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### **Price Formation Enhancement - Rules for Bidding above the Soft Offer Cap**

Version 1.0

**06/27/2024**


 <b>California ISO</b> <small>Shaping a Renewed Future</small>	<b>Market Simulation Templates</b> Program Office	Template Version:	1.1
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<b>ISO External Market Simulation Structured Scenarios</b>		Document Version:	0.1
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## Location of Document

[Release Planning](#)


## Revision History

Date	Version	Description	Author
06/27/2024	1.0	Document Created	Anshuman Vaidya

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# 1. Introduction

The objective of this document is to provide the information needed to ISO Market Participants to participate in the Price Formation Enhancement- Rules for Bidding above the Soft Offer Cap simulation scenarios.

For the scope of this implementation and this initiative, please refer to the Price Formation Enhancement- Rules for Bidding above the Soft Offer Cap Business Requirements Specification –

[Release Planning](#)

# 2. Structured Scenarios Approach

## 2.1 High Level Overview

The identified scenarios will be executed during the structured scenario portion of the Price Formation Enhancement- Rules for Bidding above the Soft Offer Cap readiness market simulation.

## 2.2 Structured Scenarios Conditions and Setup


The following additional setup will be used by the ISO during the scenario execution.

### Market Participant pre-Market Simulation Actions

Market participants will need to register their request with the ISO to participate in the Price Formation Enhancement- Rules for Bidding above the Soft Offer Cap project simulation via the MarketSim@caiso.com mailbox.


Market participants, submit your request and any additional information requested in this document by July 11<sup>th</sup>, 2024.

***Please submit your request and any additional information identified above by July 11, 2024.***

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## 2.3 Structured scenarios

<u>Scenario Number</u>	<u>Structured scenario</u>	
1	Description	Verify SCs are able to submit bids for all generators above the soft energy bid cap of \$1000/MWh in day ahead and real time markets.
	ISO Actions	ISO will raise resource-specific DEBs (cost-based, hydro, storage) above \$1000/MWh
	WEIM Market Participant Actions	SCs to submit generator bids above \$1000/MWh
	ISO Market Participant Actions	SCs to submit generator bids above \$1000/MWh
	Expected Outcome	For identified generators with DEBs above \$1000/MWh, verify that bids in SIBR are accepted up to the DEB value (with the exception of NGR-LESR storage DEB resources which will be tested according to scenario 2). Verify DEB values in CMRI.
	Anticipated Settlement Outcome	N/A
	Expected Settlement Outcome	N/A

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<u>Scenario Number</u>	<u>Structured scenario</u>	
2	Description	Verify SCs are able to submit bids for NGR-LESR (storage) above the soft energy bid cap of \$1000/MWh in the real time market according to the specific bid cap logic for NGR-LESR.
	ISO Actions	ISO will raise MIBP and submit cost-verified bids above \$1000/MWh to enable NGR-LESR to submit bids above \$1000/MWh.
	WEIM Market Participant Actions	SCs to submit NGR-LESR bids above \$1000/MWh in real time
	ISO Market Participant Actions	SCs to submit NGR-LESR bids above \$1000/MWh in real time
	Expected Outcome	For NGR-LESR resources, verify that real time bids above \$1000/MWh in SIBR are accepted up to the higher of the 4 <sup>th</sup> highest MIBP and highest cost-verified bid. Day ahead bids for NGR-LESR will be capped at \$1000/MWh.
	Anticipated Settlement Outcome	N/A
	Expected Settlement Outcome	N/A

### 3. ISO Market Simulation Contact

Please contact [MarketSim@caiso.com](mailto:MarketSim@caiso.com) if you have any questions or concerns regarding these scenarios.