# Market Simulation Structured Scenarios

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

**Version 1.1**

**07/15/2024**

## Location of Document

Release Planning

## Revision History

| Date | Version | Description | Author |
|---|---|---|---|
| 06/27/2024 | 1.0 | Document Created | Anshuman Vaidya |
| 07/15/2024 | 1.1 | Splitting Scenario 1 into DA and RT scenarios | 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 11th,  2024.

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

## 2.3  Structured scenarios

| Scenario Number | Structured scenario | |
|---|---|---|
| 1 | Description | Verify SCs are able to submit bids for all generators above the soft energy bid cap of $1000/MWh in day ahead market. |
| | 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 3).<br>Verify DEB values in CMRI. |
| | Anticipated Settlement Outcome | N/A |
| | Expected Settlement Outcome | N/A |

| Scenario Number | Structured scenario | |
|---|---|---|
| 2 | Description | Verify SCs are able to submit bids for all generators above the soft energy bid cap of $1000/MWh in real time market. |
| | 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 3).<br>Verify DEB values in CMRI. |
| | Anticipated Settlement Outcome | N/A |
| | Expected Settlement Outcome | N/A |

| Scenario Number | Structured scenario | |
|---|---|---|
| 3 | 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 $1000/MWh in SIBR are accepted up to the higher of the 4$^{th}$ 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 if you have any questions or concerns regarding these scenarios.