Attachment A – Clean Tariff
Tariff Amendment – Price Formation Enhancements
California Independent System Operator Corporation
May 31, 2024
30.7.12.2 Energy Bids that Exceed the Soft Energy Bid Cap

In addition to all other Bid validation rules that apply to Energy Bids, if a Scheduling Coordinator submits an Energy Bid price that exceeds the Soft Energy Bid Cap, the CAISO will modify the Energy Bid price for purposes of clearing the relevant CAISO Market Process to the higher of the Soft Energy Bid Cap or the resource’s Default Energy Bid, including when the Default Energy Bid is modified pursuant to a Reference Level Change Request pursuant to Section 30.11 or when the Default Energy Bid would rise above the Soft Energy Bid Cap based upon its general calculation. Energy Bids for storage resources may exceed the Soft Energy Bid Cap pursuant to Section 30.7.12.6.

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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.
30.11.2.3 **Energy Bids Above the Soft Energy Bid Cap**

Except for Energy Bids permitted under Section 30.7, a Scheduling Coordinator whose Default Energy Bid does not exceed the Soft Energy Bid Cap and that intends to submit an Energy Bid that exceeds the Soft Energy Bid Cap must submit a Reference Level Change Request. The CAISO will further verify Energy Bids in excess of the Soft Energy Bid Cap pursuant to the applicable rules in Section 30.7.

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**39.7 Local Market Power Mitigation for Energy Bids**

Local Market Power Mitigation is based on the assessment and designation of Transmission Constraints as competitive or non-competitive pursuant to Section 39.7.2. The local market power mitigation processes are described in Section 31.2 for the DAM and Sections 34.1.5 for the RTM.

**39.7.1 Calculation of Default Energy Bids**

Default Energy Bids shall be calculated by the CAISO, for the on-peak hours and off-peak hours for both the DAM and RTMs, pursuant to one of the methodologies described in this Section. The Scheduling Coordinator for each Generating Unit owner or Participating Load must rank order the following options of calculating the Default Energy Bid starting with its preferred method. The Scheduling Coordinator must provide the data necessary for determining the Variable Costs unless the Negotiated Rate Option precedes the Variable Cost Option in the rank order, in which case the Scheduling Coordinator must have a negotiated rate established with the CAISO. If no rank order is specified for a Generating Unit or Participating Load, then the default rank order of (1) Variable Cost Option, (2) Negotiated Rate Option, (3) LMP Option will be applied. For the first ninety (90) days after changes to resource status and MSG Configurations as specified in Section 27.8.3, including the first ninety (90) days after the effective date of Section 27.8.3, the Default Energy Bid option for the resource is limited to the Negotiated Rate Option or the Variable Cost Option. Default Energy Bids will not exceed the Hard Energy Bid Cap in any interval,
regardless of the result of their inputs or calculations. Scheduling Coordinators for storage resources participating as Non-Generator Resources also may rank the storage resource option among their options. If no rank is specified for a storage resource participating as a Non-Generator Resource, then the default rank will be (1) Variable Cost Option and (2) LMP Option. Scheduling Coordinators for storage resources participating as Non-Generator Resources must provide the data necessary for determining the storage resource option if that option is the first in rank order.
Attachment B – Marked Tariff

Tariff Amendment – Price Formation Enhancements

California Independent System Operator Corporation

May 31, 2024
30.7.12.2 Energy Bids that Exceed the Soft Energy Bid Cap

In addition to all other Bid validation rules that apply to Energy Bids, if a Scheduling Coordinator submits an Energy Bid price that exceeds the Soft Energy Bid Cap, the CAISO will modify the Energy Bid price for purposes of clearing the relevant CAISO Market Process to the higher of the Soft Energy Bid Cap or the resource’s Default Energy Bid, including when the Default Energy Bid is modified pursuant to a Reference Level Change Request pursuant to Section 30.11 or when the Default Energy Bid would rise above the Soft Energy Bid Cap based upon its general calculation. Energy Bids for storage resources may exceed the Soft Energy Bid Cap pursuant to Section 30.7.12.6.

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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.
30.11.2.3 Energy Bids Above the Soft Energy Bid Cap

Except for Energy Bids permitted under Section 30.7, A Scheduling Coordinator whose Default Energy Bid does not exceed the Soft Energy Bid Cap and that intends to submit an Energy Bid that exceeds the Soft Energy Bid Cap must submit a Reference Level Change Request. The CAISO will further verify Energy Bids in excess of the Soft Energy Bid Cap pursuant to the applicable rules in Section 30.7.

39.7 Local Market Power Mitigation for Energy Bids

Local Market Power Mitigation is based on the assessment and designation of Transmission Constraints as competitive or non-competitive pursuant to Section 39.7.2. The local market power mitigation processes are described in Section 31.2 for the DAM and Sections 34.1.5 for the RTM.

39.7.1 Calculation of Default Energy Bids

Default Energy Bids shall be calculated by the CAISO, for the on-peak hours and off-peak hours for both the DAM and RTMs, pursuant to one of the methodologies described in this Section. The Scheduling Coordinator for each Generating Unit owner or Participating Load must rank order the following options of calculating the Default Energy Bid starting with its preferred method. The Scheduling Coordinator must provide the data necessary for determining the Variable Costs unless the Negotiated Rate Option precedes the Variable Cost Option in the rank order, in which case the Scheduling Coordinator must have a negotiated rate established with the CAISO. If no rank order is specified for a Generating Unit or Participating Load, then the default rank order of (1) Variable Cost Option, (2) Negotiated Rate Option, (3) LMP Option will be applied. For the first ninety (90) days after changes to resource status and MSG Configurations as specified in Section 27.8.3, including the first ninety (90) days after the effective date of Section 27.8.3, the Default Energy Bid option for the resource is limited to the Negotiated Rate Option or the Variable Cost Option. Default Energy Bids used for purposes other than for calculating...
Reasonableness Thresholds will be subject to the Soft Energy Bid Cap, unless the CAISO has approved a Reference Level Change Request pursuant to Section 30.11 in support of an Energy Bid above the Soft Energy Bid Cap. Default Energy Bids will not exceed the Hard Energy Bid Cap in any interval, regardless of the result of their inputs or calculations. Scheduling Coordinators for storage resources participating as Non-Generator Resources also may rank the storage resource option among their options. If no rank is specified for a storage resource participating as a Non-Generator Resource, then the default rank will be (1) Variable Cost Option and (2) LMP Option. Scheduling Coordinators for storage resources participating as Non-Generator Resources must provide the data necessary for determining the storage resource option if that option is the first in rank order.