



California ISO

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## **Market Simulation Structured Scenarios**

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### **Local Market Power Mitigation Enhancements (LMPME)**

1.4

September 26, 2019

 <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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## Location of Document

[Link](#)

## Revision History

Date	Version	Description	Author
05/01/19	Draft	Initial Draft	Christopher McIntosh
05/08/19	Draft	Scenario Details Updated	Greg Ford/Christopher McIntosh
5/15/19	Draft	Settlements Analysis with anticipated CCs	Tyler DuBeshter
5/15/19	1.0	Initial Publication	-
6/17/19	1.1	Updated Per Project Team Feedback	Christopher McIntosh
8/15/19	1.2	Deadline for registration 8/30/19 identified	Christopher McIntosh
08/19/19	1.3	Updated Scenario #2 to reflect the CCDEBE code base delay for simulation	Christopher McIntosh
09/26/19	1.4	Scenarios Execution Trade Date Identified	Christopher McIntosh

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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 Local Market Power Mitigation Enhancements (LMPME) simulation scenarios. For the scope of this implementation and this initiative, please refer to the Reliability Services - External Business Requirements Specification – ([link](#))

## 2. Structured Scenarios Approach

### 2.1 High Level Overview

This identified scenarios will be executed during the structured scenario portion of the LMPME market simulation.

### 2.2 Structured Scenarios Conditions and Setup

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

MP's will need to register their request with the ISO to participate in this simulation via the [MarketSim@caiso.com](mailto:MarketSim@caiso.com) mailbox.

Please submit the information requested below by August 30<sup>th</sup>, 2019.

1. Please identify one resource you would like to validate the creation of a new default energy bid for hydro resources with storage capability (Hydro DEB) functionality.
2. Please identify up to two resources to validate the mitigation framework enhancements introduce
  - a. Optional rule for EIM BAAs to limit transfer quantities or avoid cases of economic displacement.
  - b. Modifying the mitigation framework to eliminate the balance of the Fifteen Minute Market (FMM) and balance of the hour mitigation, with reexamination and application of the competitive LMP at every interval.

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## 2.3 Structured Scenario

Scenario Number	Scenario Execution Trade Date: 9/25/19	
<b>1</b>	Description	Mitigation will be performed on an interval by interval basis.
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs.
	EIM Market Participant Actions	EIM Participants should submit high energy bids relative to their DEB's for resources they registered to participate.
	ISO Market Participant Actions	ISO Market Participants should submit high energy bids relative to their DEB's for resources they registered to participate.
	Expected Outcome	Participants should be able to see alternating intervals where mitigation occurs and does not occur for the entire hour. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids in the Default Energy Bid Curve report in CMRI Mitigation report. In OASIS validate the Market Power Mitigation Status Report and the MPM RT Locational Marginal Prices Reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780, CC 6460, CC 6470, CC 6620, CC 6678

Settlements	
	Scenario 1 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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Scenario Number	Scenario Execution Trade Date: 9/25/19	
<b>2</b>	Description	Market Participants may see a small impact to their mitigated bid due to the tolerance added to the Competitive LMP
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs. The competitive LMP may be adjusted by ISO to ensure the scenario is successful. ISO may also adjust the Default Energy Bid in the ISO market applications on the participant's behalf.
	EIM Market Participant Actions	EIM Participants should submit high energy bids for resources they registered to participate.
	ISO Market Participant Actions	ISO Market Participants should submit high energy bids for resources they registered to participate.
	Expected Outcome	Participants should be able to see alternating intervals where mitigation occurs and does not occur for the entire hour. If the ISO competitive LMP tolerance is adjusted by the ISO we will let the participant know the details. If ISO manually adjusts DEB's in the ISO market applications, ISO will let the participant know the details for verification. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids via your settlements statement. In OASIS validate the Market Power Mitigation Status Report and the MPM RT Locational Marginal Prices Reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780, CC 6460, CC 6470, CC 6620, CC 6678

Settlements	
	Scenario 2 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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Scenario Number	Scenario Execution Trade Date: 9/25/19	
<b>3</b>	Description	EIM BAA specific mitigation due to import constrained
	ISO Actions	ISO will perform multiple mitigations for registered resources. ISO will adjust market conditions to make sure mitigation occurs for the BAA. ISO may need to adjust EIM participant bids to create the right conditions. ISO will potential adjust the ETSR limits to make sure the EIM is import constrained.
	EIM Market Participant Actions	EIM Participants should submit high energy bids relative to their DEB's for resources they registered to participate.
	ISO Market Participant Actions	N/A
	Expected Outcome	Mitigation for the BAA, in addition resource dispatches are such an EIM participant net EIM transfer export will be limited. Validate the HASP MPM Results, FMM MPM Results and RTD MPM Results Reports to verify resource specific mitigation values. Validate mitigated bids in the Default Energy Bid Curve report in CMRI Mitigation report. In OASIS validate the Market Power Mitigation Status Report, MPM RT Locational Marginal Prices Reports and EIM Transfer by Limit reports.
	Anticipated Settlement Outcome	Daily: CC 64600, CC 64700, CC 66200 and CC 66780

Settlements	
	Scenario 3 is the settlement of FMM IIE, RTD IIE, Bid cost recovery, and other market results based on mitigated bids of participating resources.

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### 3. ISO Market Simulation Contact

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