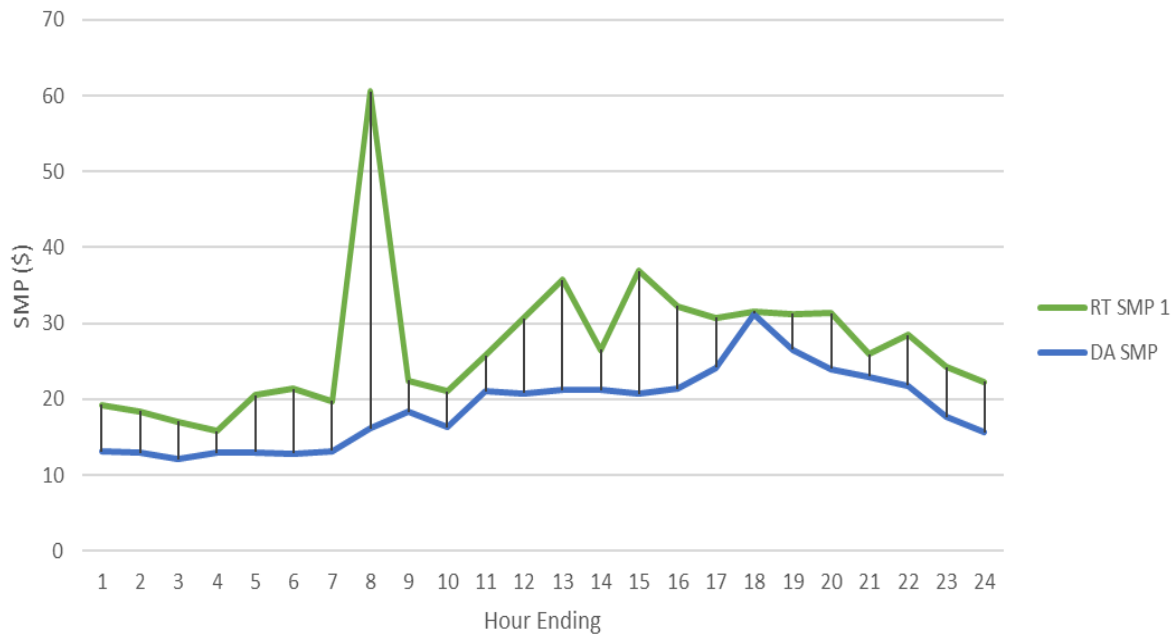# Market Suspension Pricing Evaluation

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Market Implementation Committee

February 10, 2021
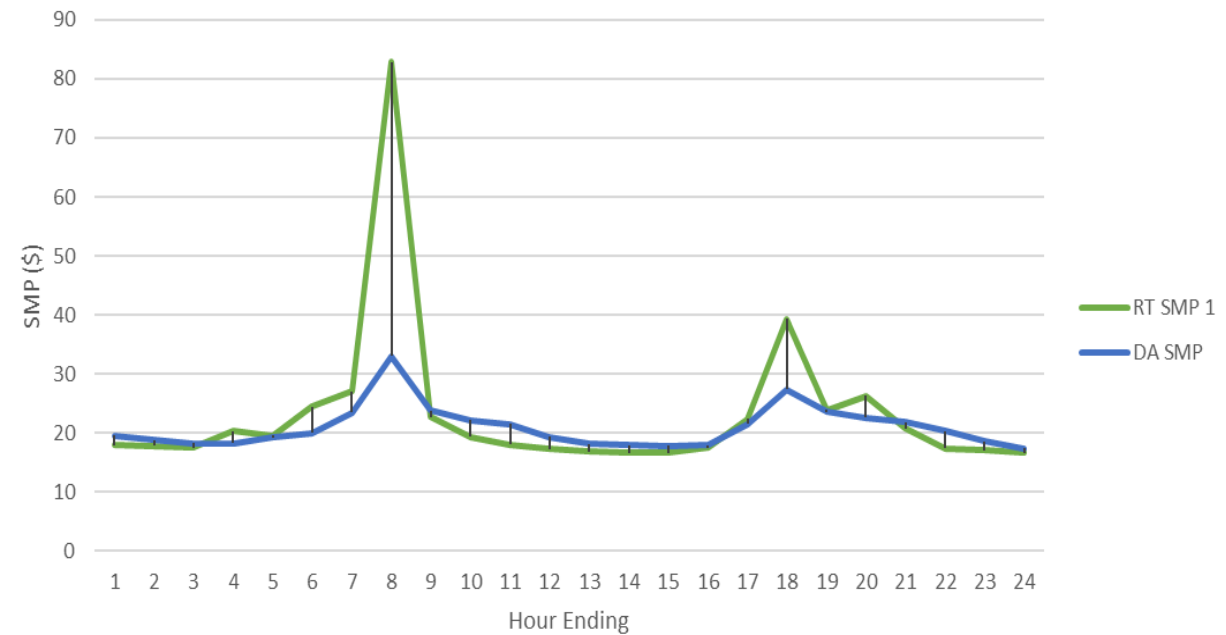
- Real-Time price determination in an event of a market suspension
  - If RT is suspended (no zonal dispatch rates)
    - If < X hours, average preceding and subsequent intervals.
    - If > X hours, settle at DA prices for affected intervals (assuming DA is available from previous day).
- Analysis to determine appropriate X value
  - Sample data contains two random market days (12/1/2020 & 12/10/2020)
  - Test interval suspensions at various times and durations.
  - Regression analysis on each scenario relative to cleared prices as baseline.
    - Evaluate Multiple R value to analyze correlation to base scenario (RT SMP 1).
  - Evaluate each suspension scenario relative to the original cleared prices.
- Results
  - Analysis demonstrates longer durations for X may not provide enough correlation
  - Duration of six hours recommended to determine whether to apply RT average or DA substitute prices for RT Market Suspension.

- No suspension, DA & RT prices as settled on Dec 1 & Dec 10
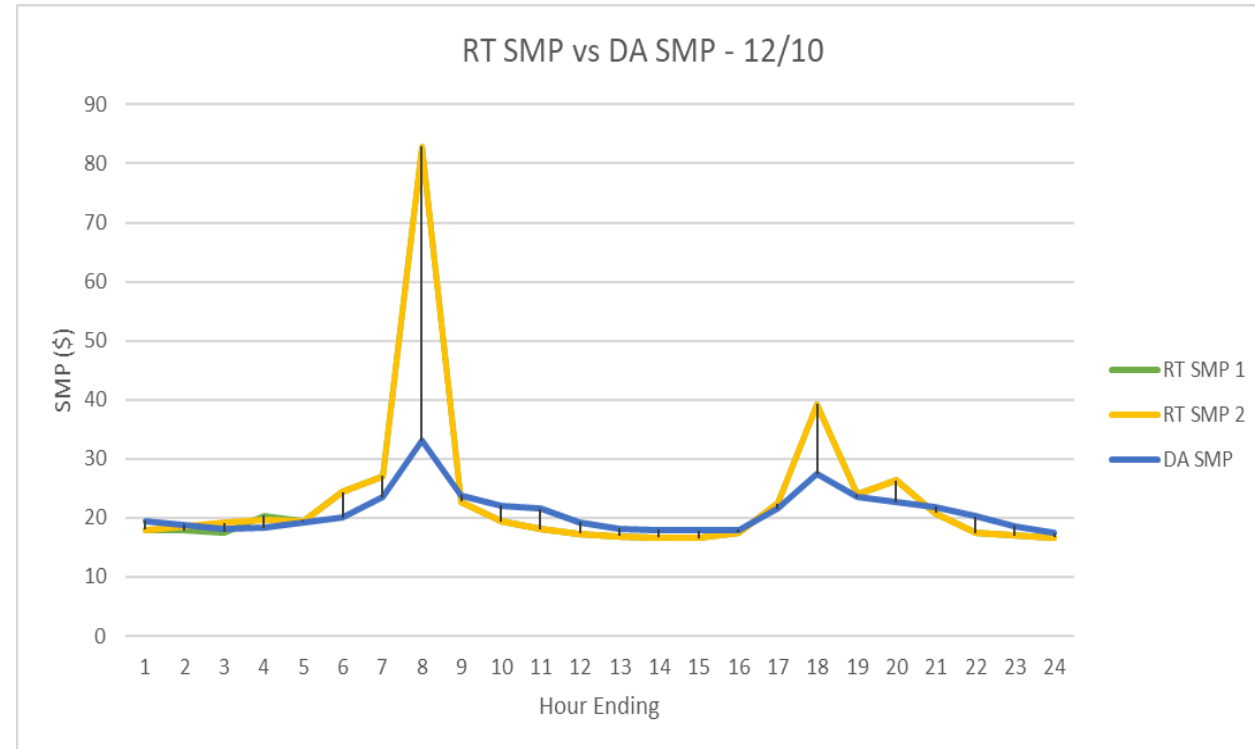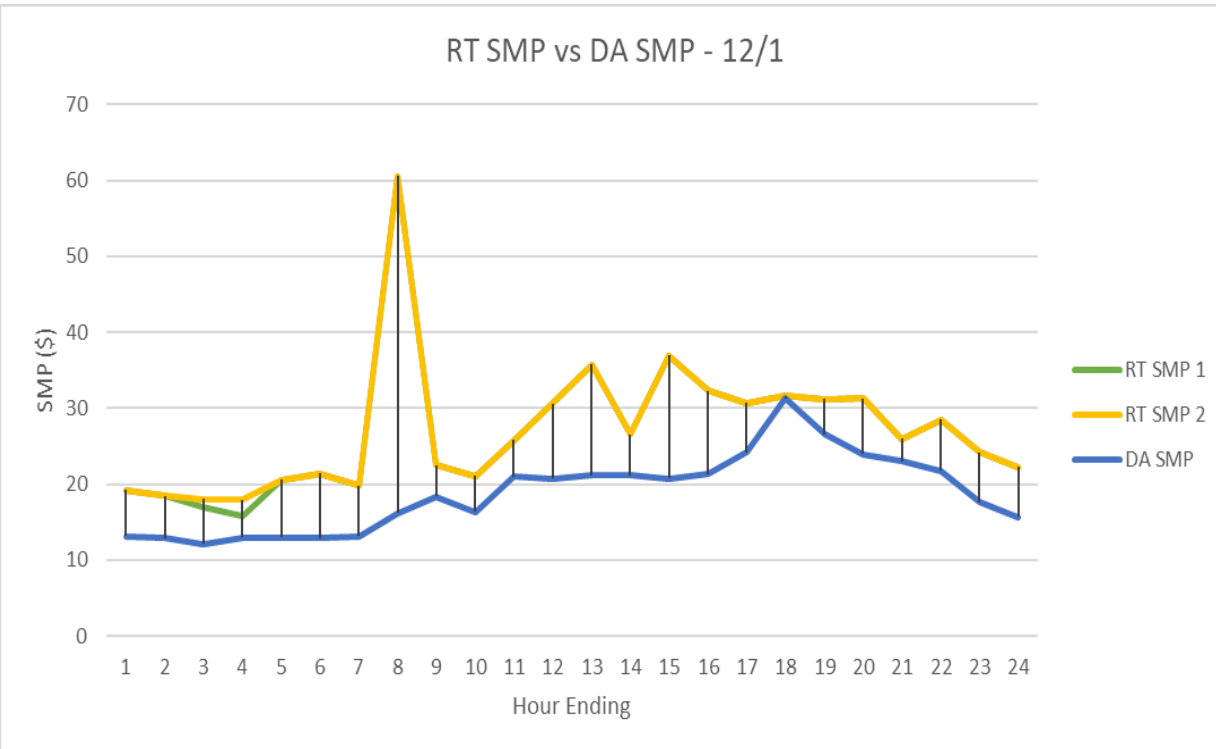- 12/1 - 43.2% correlation          12/10 – 88.7% correlation

- Suspension of 30 consecutive 5-minute intervals between HE2 and HE4
- 12/1 - 99.8% correlation                          12/10 – 99.9% correlation
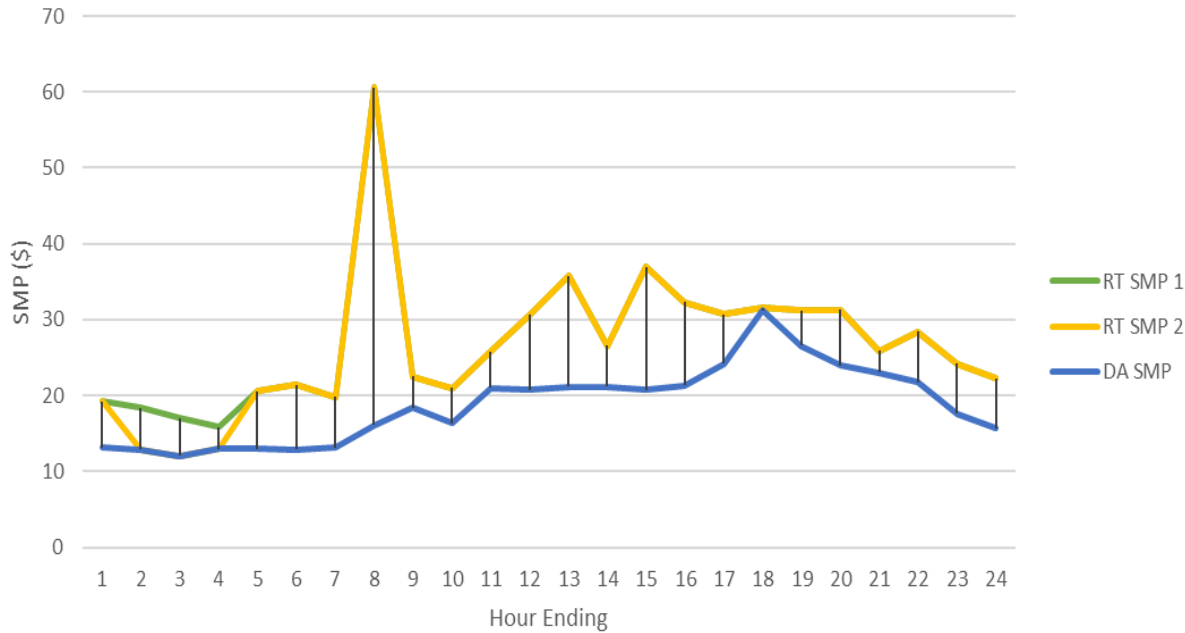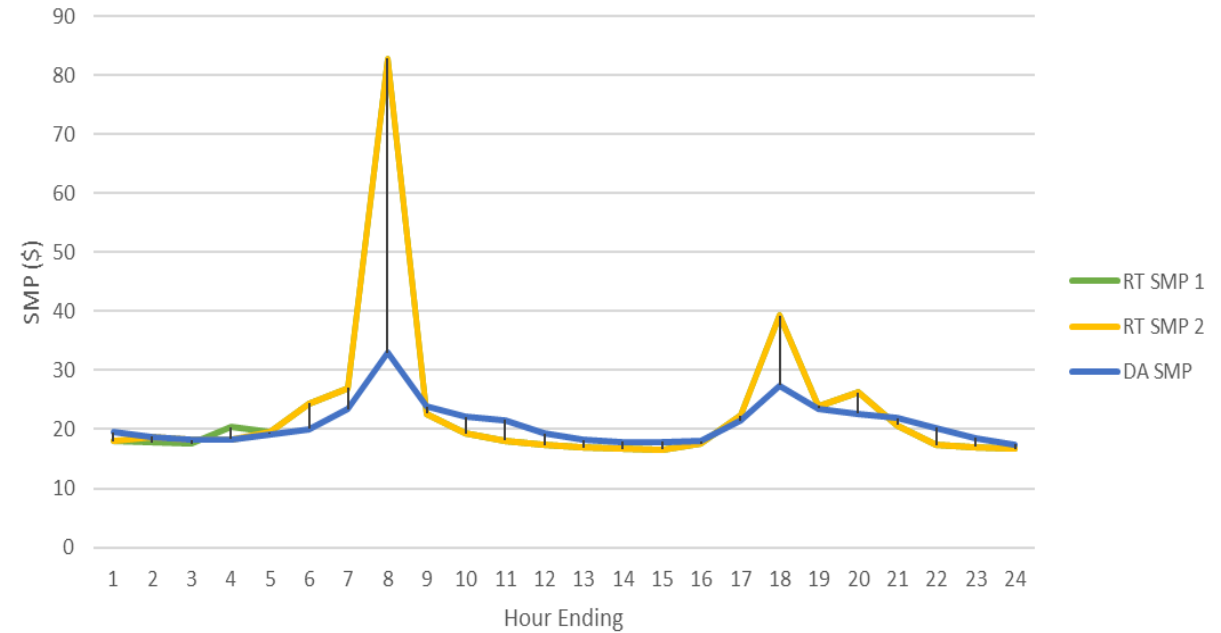
- Suspension of 30 consecutive 5-minute intervals between HE2 and HE4
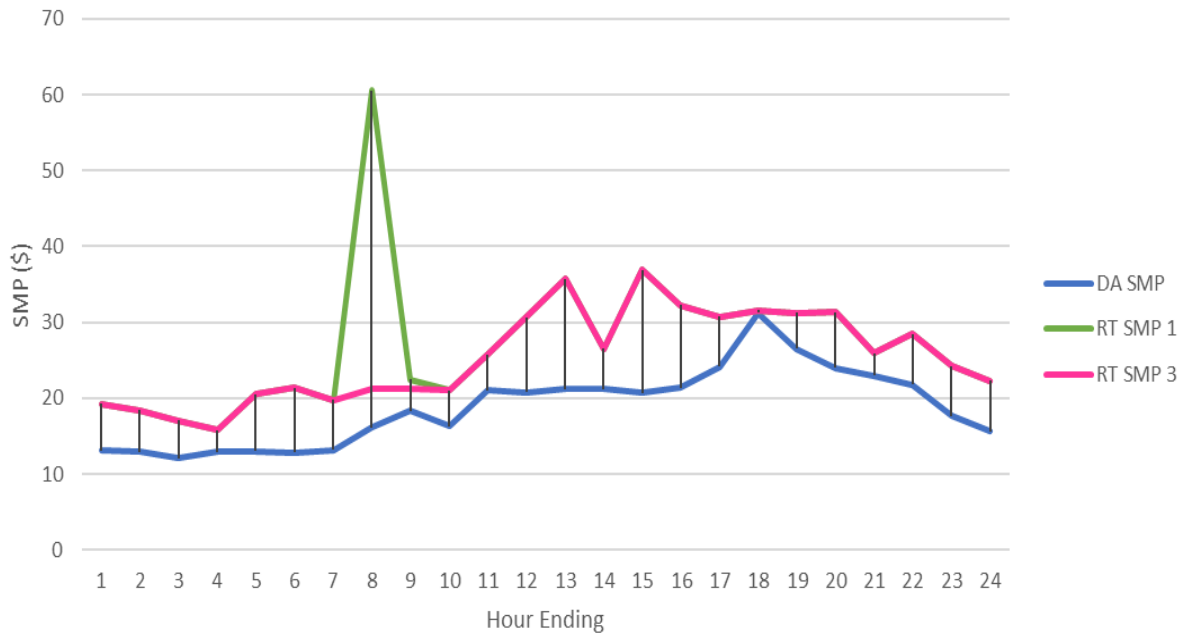- 12/1 - 98.5% correlation  12/10 – 99.9% correlation
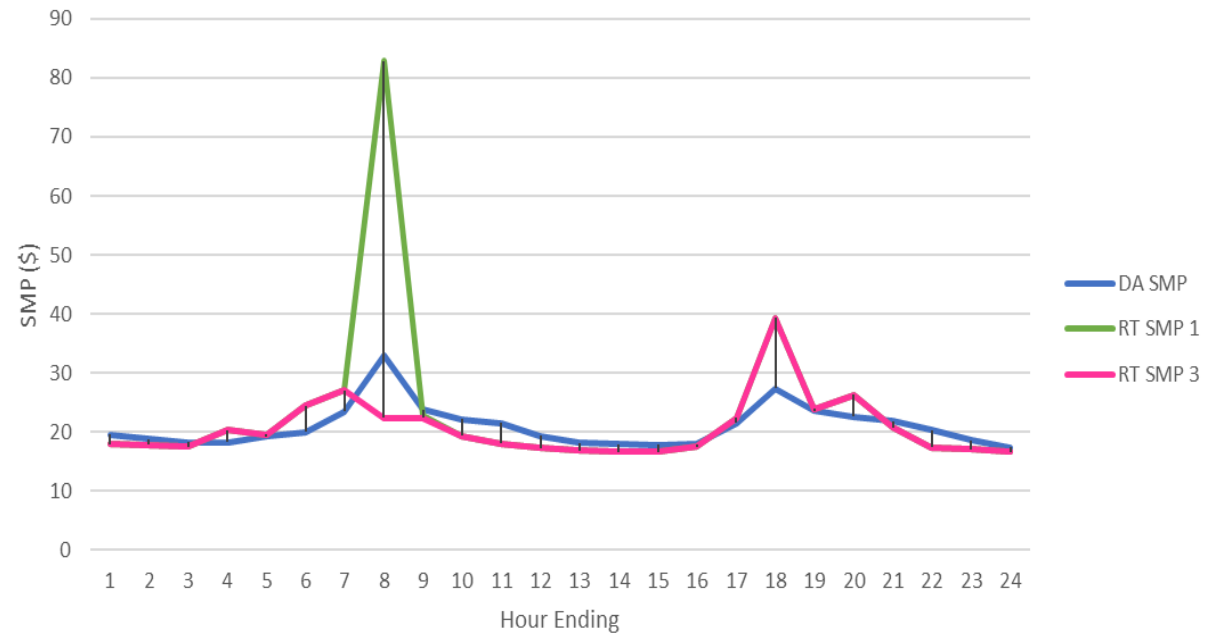
- Suspension of 24 consecutive 5-minute intervals between HE7 and HE8
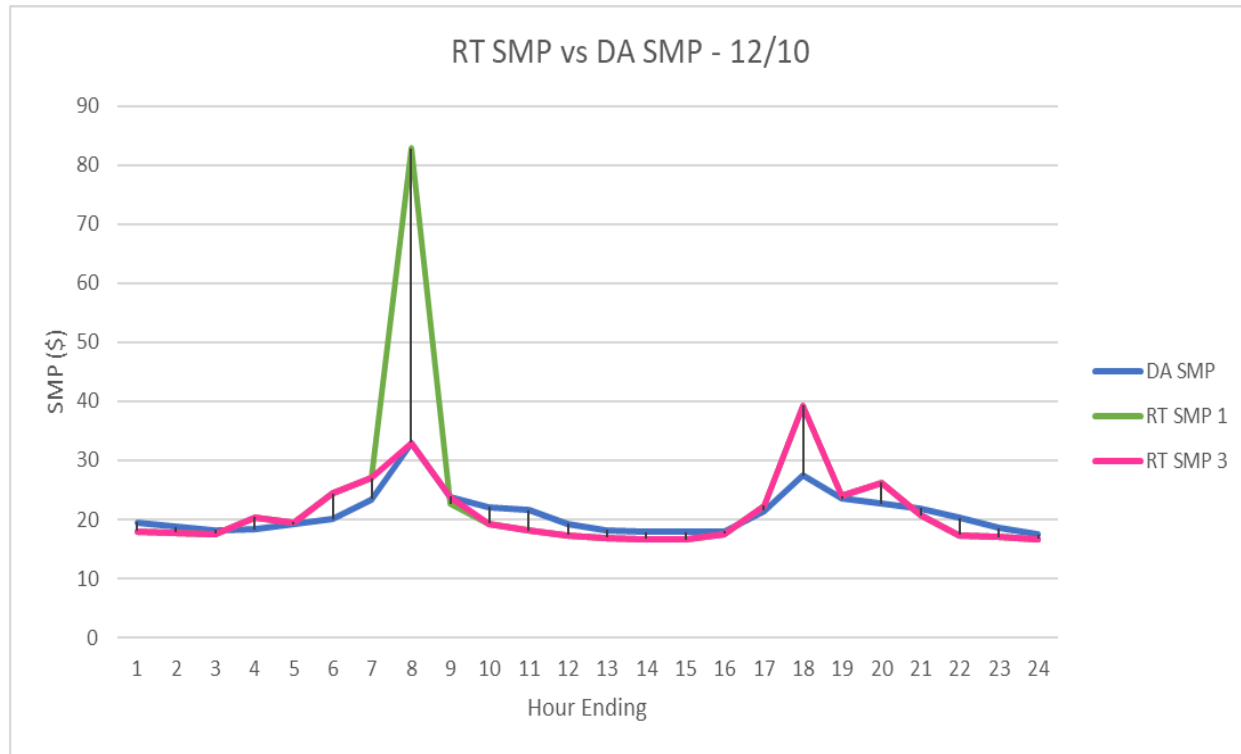- 12/1 - 52.1% correlation          12/10 - 43.9% correlation

- Suspension of 24 consecutive 5-minute intervals between HE7 and HE8
- 12/1 - 38.8% correlation          12/10 – 74.4% correlation

- Suspension of 234 consecutive 5-minute intervals between HE2 and HE21
- 12/1 - 5.8% correlation                    12/10 – 16.5% correlation
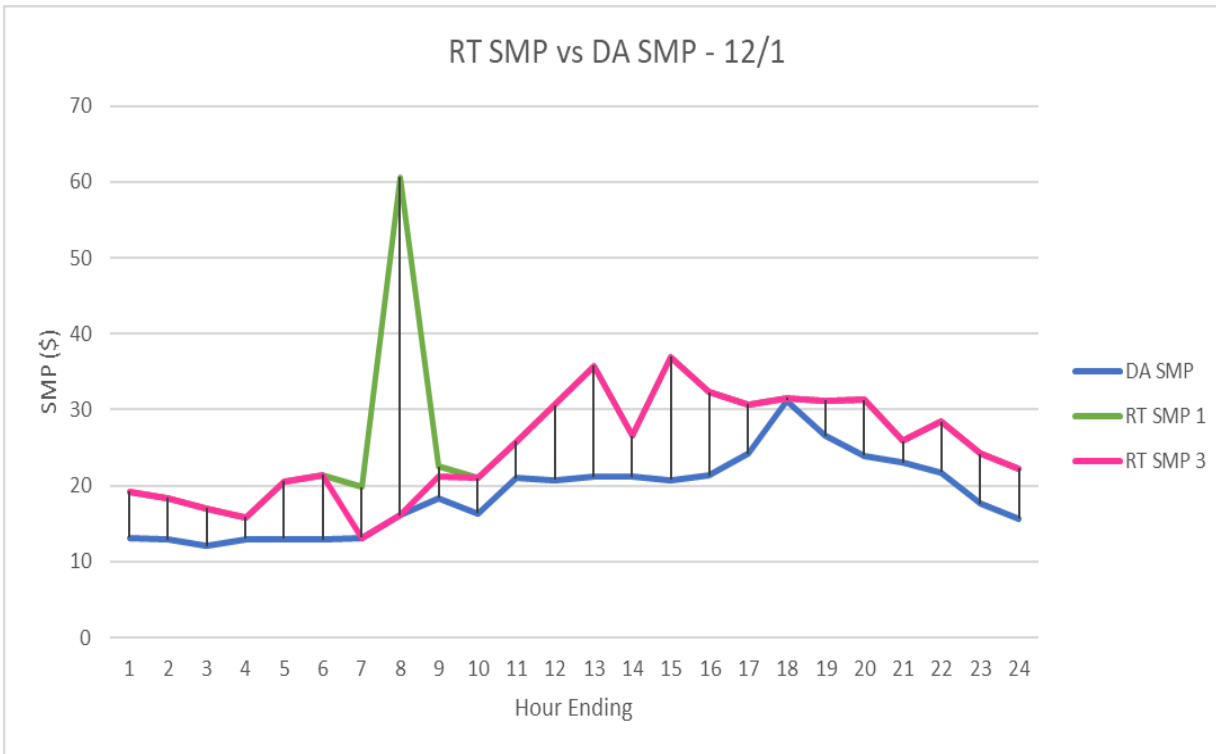


RT SMP vs DA SMP - 12/1
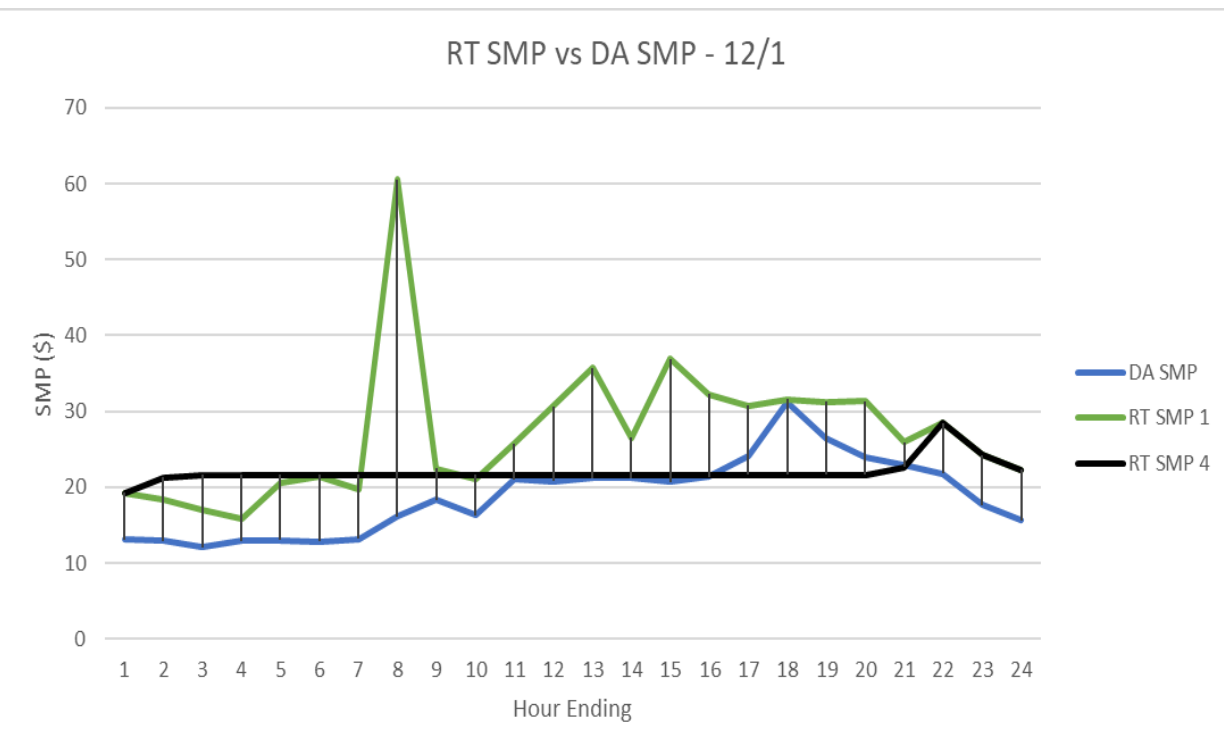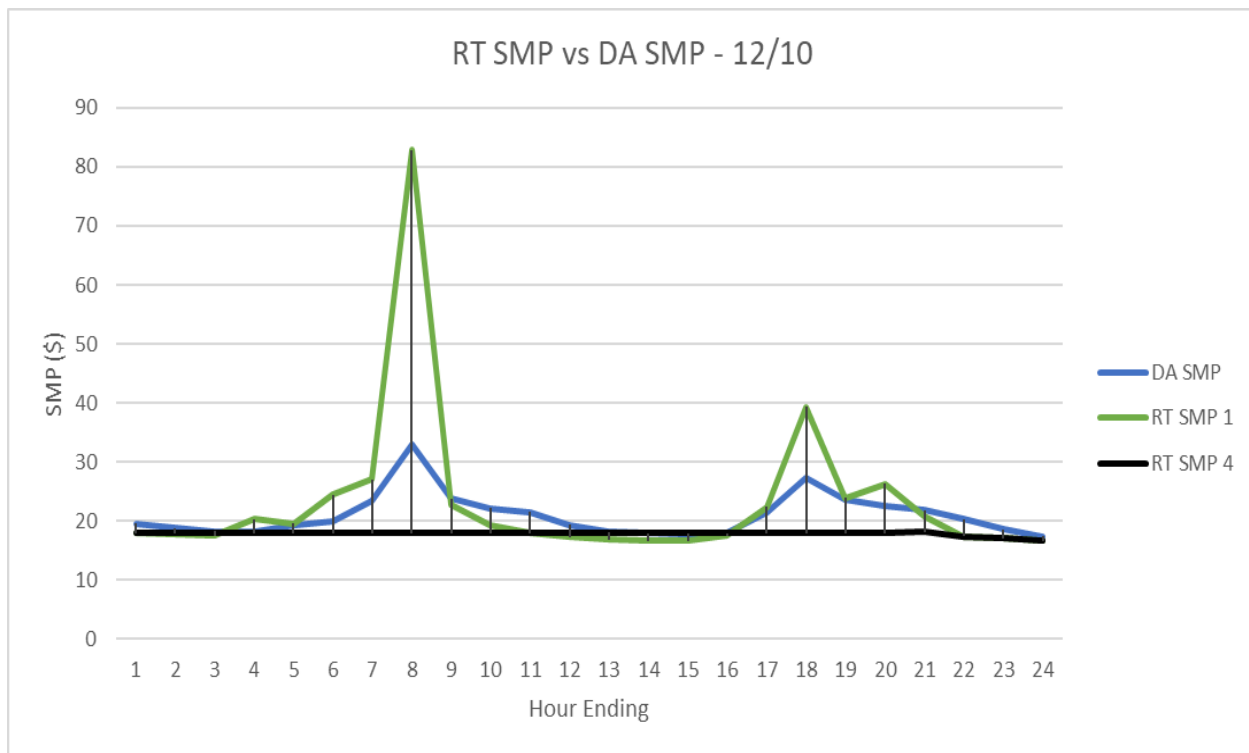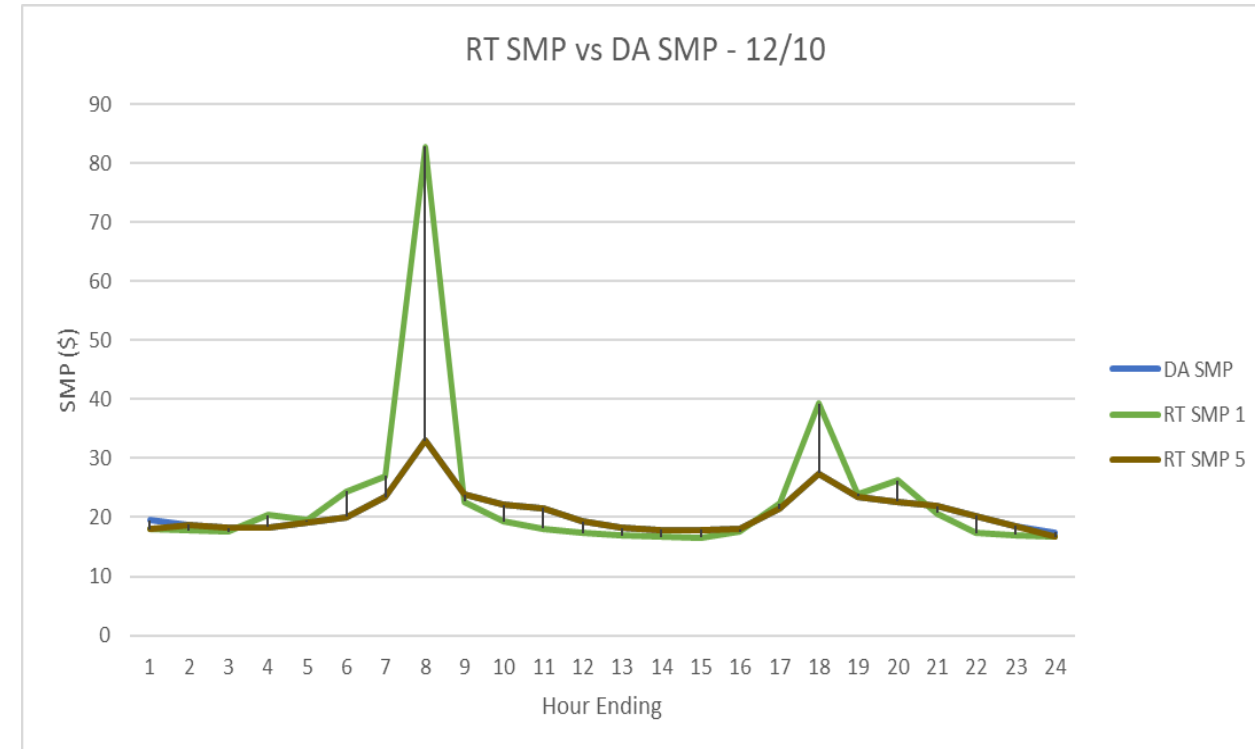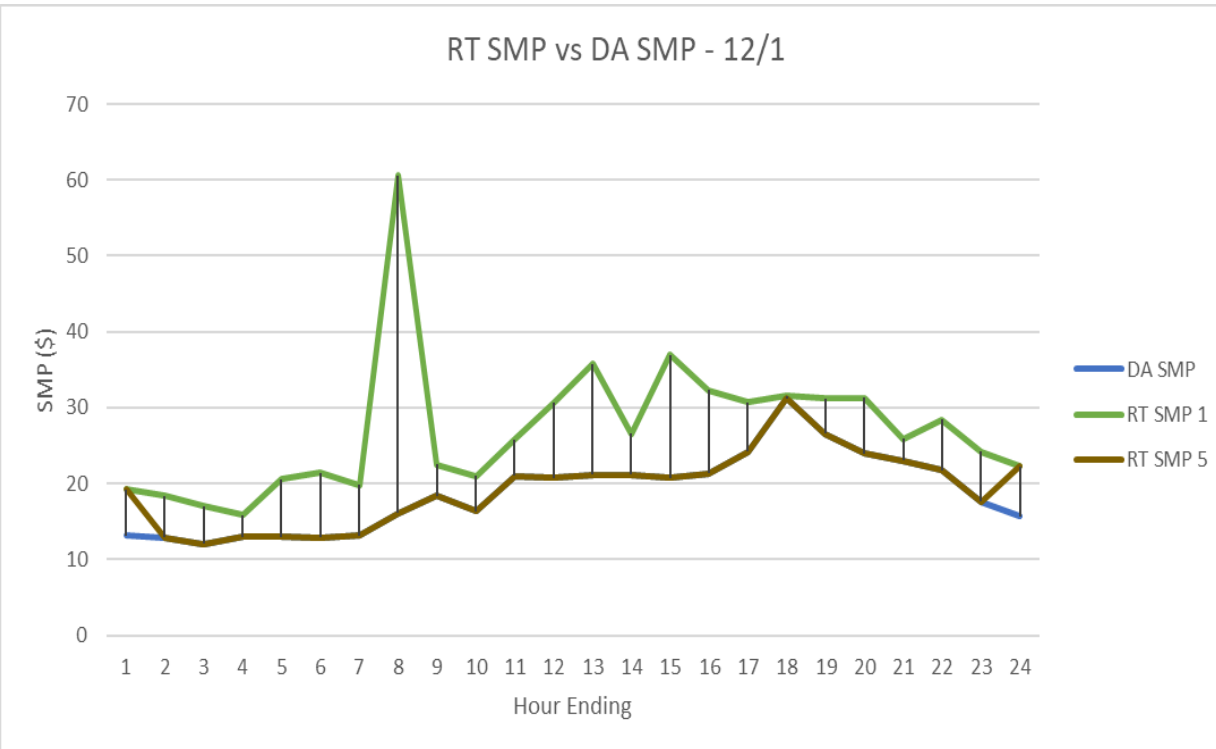


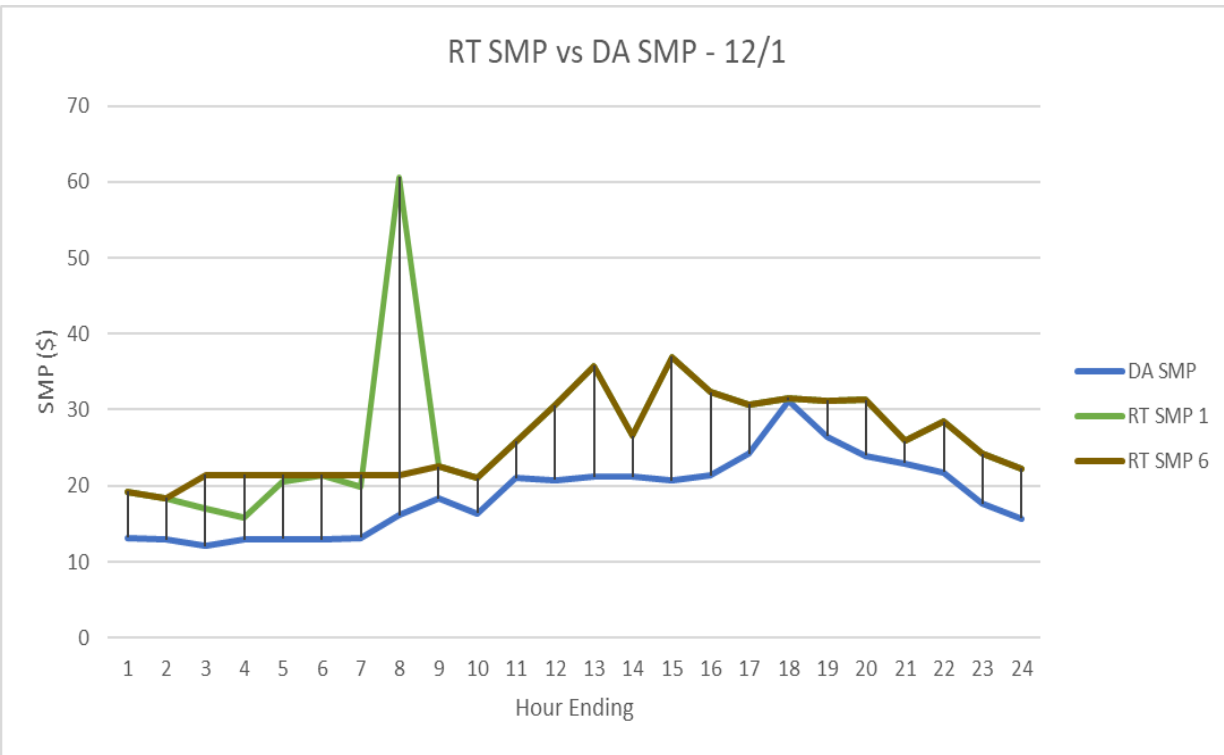RT SMP vs DA SMP - 12/10

- Suspension of 261 consecutive 5-minute intervals between HE2 and HE23
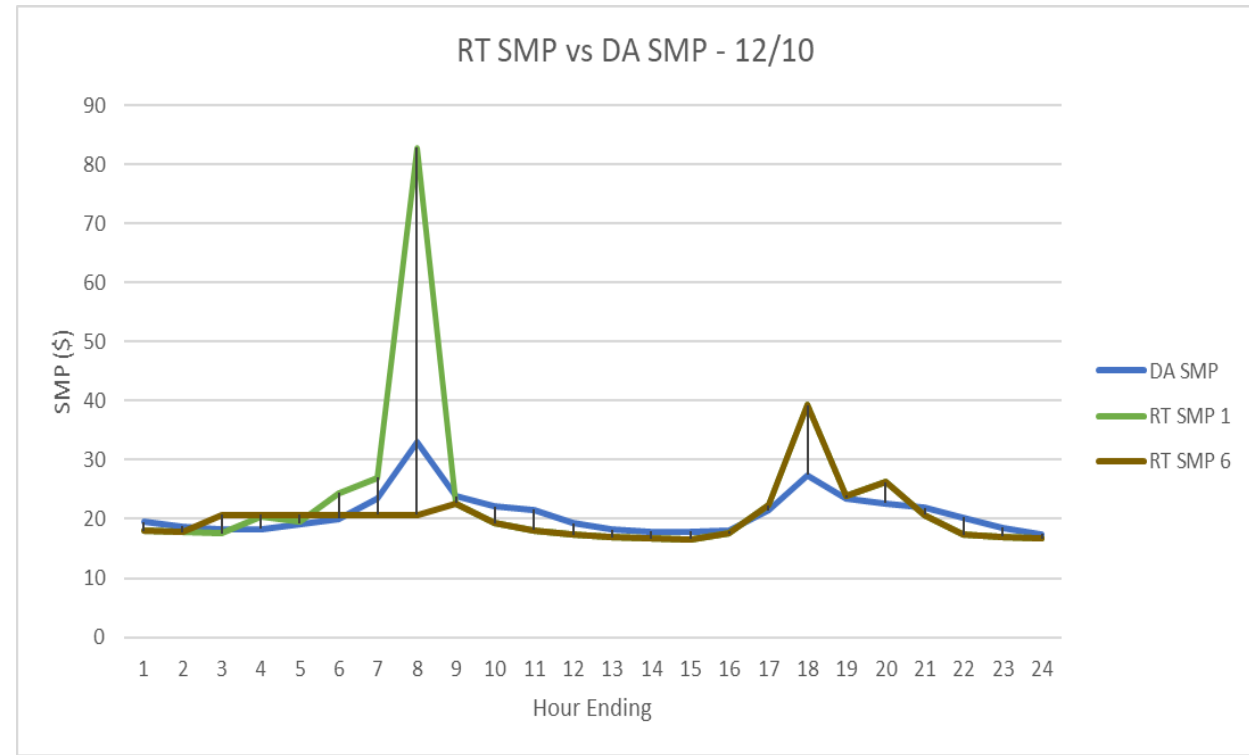- 12/1 - 37.1% correlation                12/10 – 88.0% correlation

- Suspension of 72 consecutive 5-minute intervals between HE3 and HE8
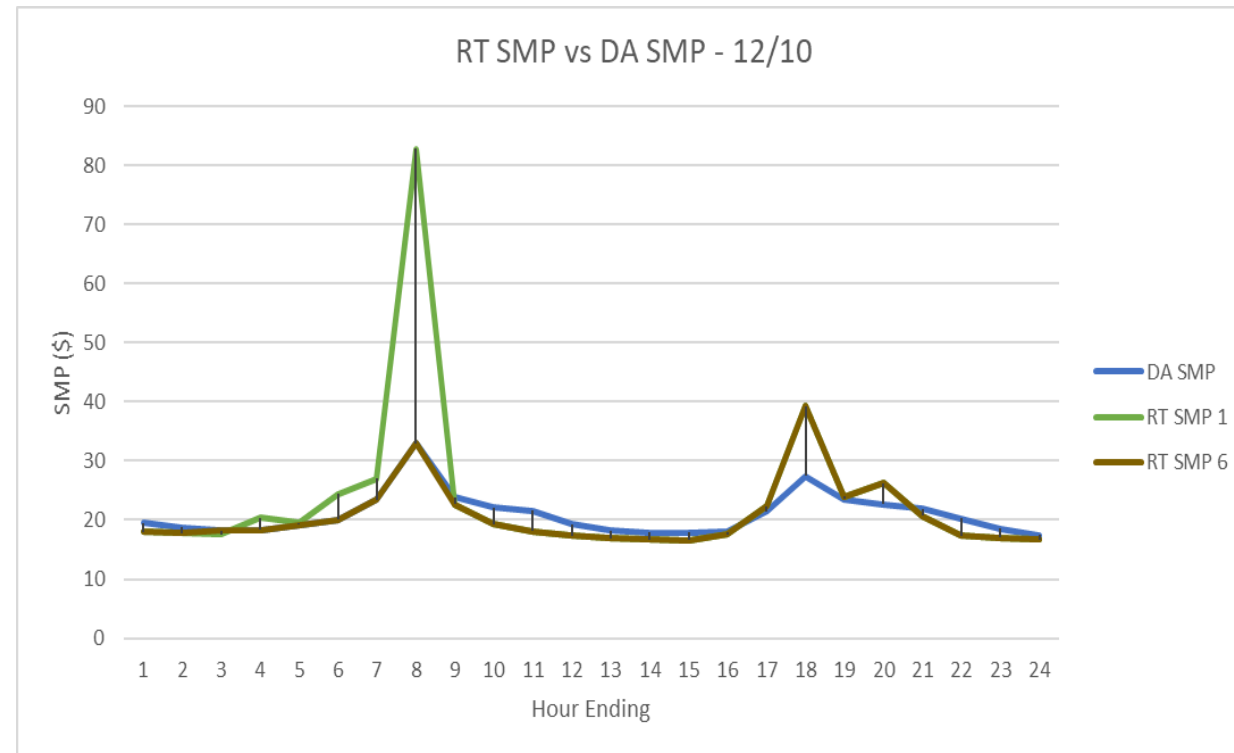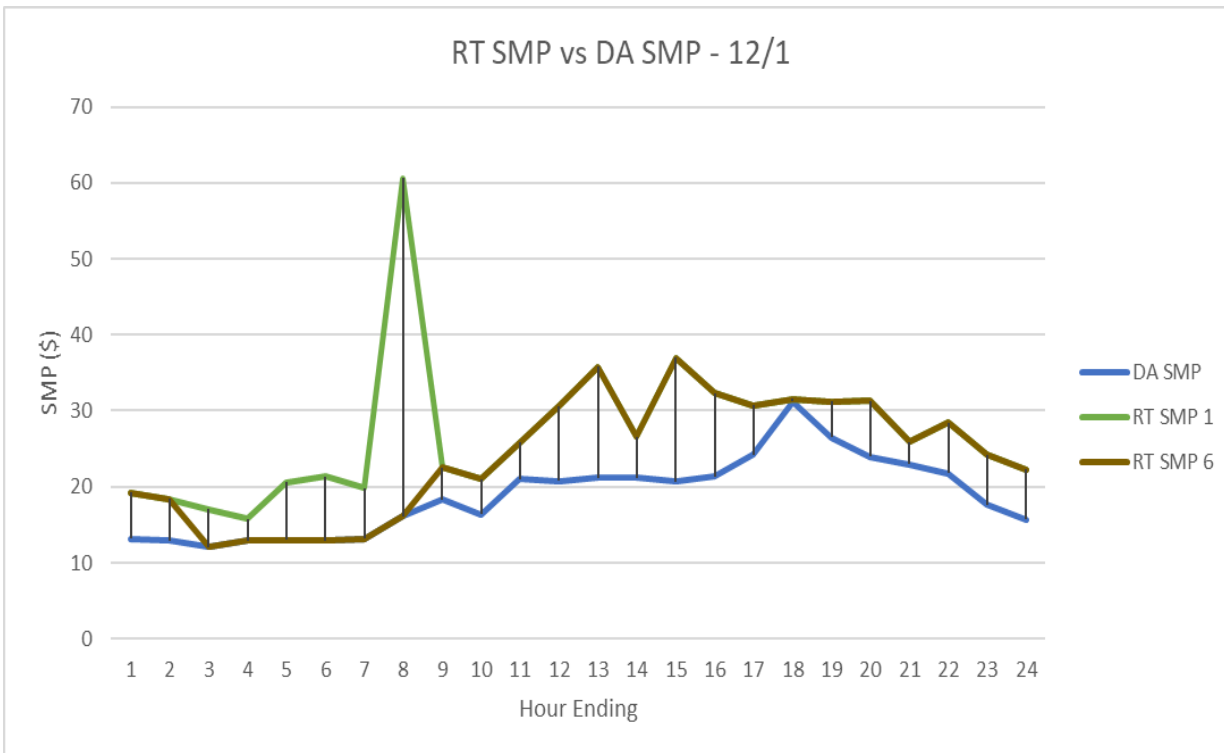- 12/1 – 47.7% correlation                    12/10 – 36.4% correlation

- Suspension of 72 consecutive 5-minute intervals between HE3 and HE8
- 12/1 – 43.4% correlation                    12/10 – 75.8% correlation

- If DA is suspended, settle at RT prices and quantities
- If RT is suspended (no zonal dispatch rates):
  – If < 6 hours, average preceding and subsequent intervals
  – If > 6 hours, settle at DA prices for affected intervals (assuming DA is available from previous day)
- If DA & RT is not available and a suspension is declared, make resources whole to their actual MW & cost-based offers
  – Verify costs after-the-fact during settlement

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