

# Uneconomic Overproduction

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**Market Issues Working Group**

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# Agenda

- Previous Presentations
- Proposed Enhancements since March 2<sup>nd</sup>
- Next Steps

# Previous Presentation

Date	Working Group	Links to Materials
12-19-19	ICAPWG/MIWG	<a href="https://www.nyiso.com/documents/20142/9869531/12-19-19_Stines_UneconomicProduction_Final.pdf/e6e60e7f-217b-9bae-e252-b19fad5624e7">https://www.nyiso.com/documents/20142/9869531/12-19-19_Stines_UneconomicProduction_Final.pdf/e6e60e7f-217b-9bae-e252-b19fad5624e7</a>
11-16-20	ICAPWG/MIWG	<a href="https://www.nyiso.com/documents/20142/16896725/11-16-20_MIGW_Stines_UneconomicProduction_Final.pdf/8fc3abeb-6325-9ff8-a9bc-c1dc7a9d746b">https://www.nyiso.com/documents/20142/16896725/11-16-20_MIGW_Stines_UneconomicProduction_Final.pdf/8fc3abeb-6325-9ff8-a9bc-c1dc7a9d746b</a>
03-02-21	ICAPWG/MIWG	<a href="https://www.nyiso.com/documents/20142/19599294/03-02-21_MIWG_UneconomicProduction_Final2.pdf/c3276295-c59a-5f0c-5d52-069907d1dfa3">https://www.nyiso.com/documents/20142/19599294/03-02-21_MIWG_UneconomicProduction_Final2.pdf/c3276295-c59a-5f0c-5d52-069907d1dfa3</a>

# Proposed Enhancements following March 2 MIWG

# Proposed Enhancements

- Updated the clarifying language in MST Section 23.2.4.1.3
- Revised the impact test to consider a change in price or the congestion component, rather than just an increase (MST 23.3.2.1)

# MST 23.2.4.1.3

- The clarifying language included in the description of uneconomic production was revised following stakeholder feedback received at the March 2nd MIWG
- These revisions leverage language used in the description of Physical Withholding

# Definition: MST 23.2.4.1.3

“For purposes of uneconomic production and uneconomic withdrawal: (a) the ISO shall consider a Market Party to be engaged in uneconomic production or uneconomic withdrawal when it operates an Electric Facility at a level that is not a rational competitive response to economic factors other than the exercise of market power; and (b) a Market Party will not be excused from imposition of Mitigation Measures based on a showing that it did not intend to exercise market power or did not benefit from its behavior.”

# Impact Test: MST 23.3.2.1

- **Following discussions and feedback received from stakeholders, we are recommending that the impact test be updated to evaluate the change in price or the congestion component, rather than an increase**
  - Change is defined as the absolute value of the difference between the prices or congestion components that resulted from the Market Party's uneconomic production behavior and those that would have occurred if the Market Party had operated consistent with its reference levels
- **NYISO is not proposing to modify any of the other draft revisions that were presented on March 2<sup>nd</sup>**
  - Impact threshold is still the lower of 200% or \$100 and requires a minimum change in price of \$25/MWh
  - The impact test for Bid Production Cost guarantee payments and Day-Ahead Margin Assurance Payments is still an increase of 200% or 50% for Generators in a Constrained area



# Questions?

# Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

