

MMU Parameter Limited Schedules Problem Statement

Market Implementation
Committee
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Parameter Limited Schedules Issue

- **Currently, parameter limited schedules are only enforced in cost schedules.**
- **This permits the use of price-based schedule parameters as a possible method to exercise market power.**
- **For example, a unit may extend a minimum down time to avoid being turned off when not economic, which will increase operating reserve credits to the unit and operating reserve charges by other participants.**



Parameter Limited Schedules Issue

- **Currently, generators may offer more flexible parameters on price schedules than cost schedules**
 - **For example, a unit may offer a 4 hour minimum run time on a price schedule and a 5 hour minimum run time on a cost schedule.**
- **The result is that the unit does not offer its actual physical level of parameter flexibility on its cost-based schedules.**
- **The corresponding result may be increased operating reserve credits to the unit and increased operating reserve charges to other participants.**



Scope of Issue

- **In 2010, cost schedules were less flexible than price schedule.**
- **Minimum run time parameter:**
 - **130 units;**
 - **19,036 MW.**
- **Minimum down time parameter:**
 - **174 units;**
 - **35,674 MW.**



Time Frame

- **Issue should be addressed in a relatively short period.**



Objectives

- **To ensure that operating parameters are consistent with the actual physical capabilities of units.**
- **To ensure that operating parameters are not used to exercise market power.**



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