

Pricing Under Market Suspension

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Pricing Under Market Suspension

- **Market suspension is an extreme event with low probability of occurrence**
- **Prices are required for compensation**
- **Data quality and availability uncertain**
- **Principles:**
 - **Cost-based offers**
 - **Market clearing prices**
 - **Simple**
 - **Implementable**
 - **Transparent**



Market Suspension Pricing: Options and Issues

- **Construct aggregate supply curve and price hourly at the intersection of supply and demand**
 - **Ignores constraints**
- **Detailed simulation model**
 - **Complex**
 - **Implementation issues**
 - **Data issues**
- **General issues**
 - **Output data availability and accuracy**
 - **Fuel cost data availability and accuracy**
 - **Constraint control data availability and accuracy**

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