

Transparency and Market Monitoring in the U.S. Competitive Electric Wholesale Markets

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Benefits of Market Transparency

- Reduction of risk and uncertainty
- Protection against market asymmetries
- Facilitation of Market Monitoring

Release of Data

- Load forecasts
- LBMP's
- Bid data
- Quarterly reports, in addition to the
- Annual State of the Markets Report
- TCC and ICAP prices
- Generator Operational data
- Shared Information

History of the Market Monitor

- Commission requirement
- Mitigation measures
- Commission Policy Statement
- Tariff Provisions

Functions of the Market Monitoring Program

- Transparency
- Market signals
- Competition

Duties of Market Monitor

- Market rules
- Tariff provisions
- Review and Report
- Referral

Market Monitor Entities

- Structure
- Internal Market Monitor
- External Market Monitor
- Hybrid System
- State PUC's
- FERC

State Public Utility Commission Oversight

- Single vs. multi-state ISO's
- ISO workgroups/committees
- Meetings with ISO Market Monitors
- Monitoring
- Special Case Reviews
- Intervene at FERC
- Reliability Oversight

Authority of Market Monitor

- Market Monitoring Plan
- Market Services Tariff

Mitigation Process in NYISO

- Behavior *and* outcomes
- Conduct and price impact tests
- Market power conduct
- Price and guarantee payment impact
- Must fail both price and impact tests

Mitigation Process cont'd

- Conduct test
- Price Test

Consequences of Violations

- Conduct and impact thresholds
- Non-competitive price outcomes

Lessons Learned

- Existing rules
- Changes
- Clarity
- Mitigation