

Options for enhancements to bid structure and bidding rule design

1) Status quo example: bidding rules since 2010

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost		X
	Fixed Cost		
TC	Fixed Cost		X
SUC	Fixed Cost		X

2) Considering allowing suppliers to submit market based offers for commitment cost components subject to mitigation test under either a two part or one part minimum load cost bid shown in that respective order.

a.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	
	Fixed Cost	X	
TC	Fixed Cost	X	
SUC	Fixed Cost	X	

b.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	
	Fixed Cost		
TC	Fixed Cost	X	
SUC	Fixed Cost	X	

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3) Considering to retain the cost based offers for commitment costs subject to verification (e.g. 125% ex ante verification) in addition to introducing market based offers for the commitment cost bids under either a two part or one part minimum load cost bid shown in that respective order

a.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	X
	Fixed Cost	X	X
TC	Fixed Cost	X	X
SUC	Fixed Cost	X	X

b.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	X
	Fixed Cost		
TC	Fixed Cost	X	X
SUC	Fixed Cost	X	X

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- 4) Considering allowing suppliers to submit cost based offers for energy component subject to verification (e.g. individual bid validation) in addition to supporting market based and/or cost based commitment cost offers (#2 and #3) under either a two part or one part minimum load cost bid shown in that respective order.

a.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	X
MLC	Variable Cost	X	X
	Fixed Cost	X	X
TC	Fixed Cost	X	X
SUC	Fixed Cost	X	X

b.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	X
MLC	Variable Cost	X	X
	Fixed Cost		
TC	Fixed Cost	X	X
SUC	Fixed Cost	X	X

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5) Other potential options include a combination of market or cost based offers not to overlap for a specific supply offer component type under either a two part or one part minimum load cost bid shown in that respective order.

a.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	
	Fixed Cost		X
TC	Fixed Cost		X
SUC	Fixed Cost		X

b.

Type	Sub-type	Market Based Offer	Cost Based Offer
Energy	Variable Cost	X	
MLC	Variable Cost	X	
	Fixed Cost		
TC	Fixed Cost		X
SUC	Fixed Cost		X