

# 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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