

DRAFT FOR DISCUSSION

The following draft objectives are provided for discussion with market participants and other stakeholders at the inaugural meeting of the Market Pricing Working Group. A staged approach is proposed to help ensure that a common level of understanding is initially developed within the working group and the nature and status of the various open issues is suitably documented. The duration of this first phase is estimated to be in the order of no more than six to eight weeks.

Introduction

It is recognised that market pricing is an ongoing and evolutionary issue and as such, the Market Pricing Working Group is being established as an “ongoing” or enduring consultation group. It is proposed that at the outset, the initial scope/task for the working group be focused on ensuring a common and thorough identification and understanding of price determination in the IMO administered markets and associated issues.

Objectives

- To analyse and document the determination of the various prices in the IMO-administered market(s) (IAM) with the purpose of gaining a shared understanding within the Market Pricing Working Group and for communicating to the broader stakeholder population. Through this analysis an understanding of the underlying reasons for the differences between the various prices determined in the IAM including the differences between the uniform market clearing prices currently used for settlement and the constrained (i.e. nodal) shadow prices determined in system dispatch.
- Assemble an inventory of the current pricing issues identified by the IMO and market participants along with the nature and potential impact on market participants and/or market operations. [The intent is to get the background info required to enable the establishment of relative importance and priority of issues and their resolution. May also need to include some initial indication of difficulty or magnitude of effort required to resolve the issue (e.g. extent of systems changes for participants and/or the IMO).]