

Dispatch merit order- the place of renewable energy

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Abstract- This paper presents results of a study concerning the generation strategic bids for a single hour.

In this study I incorporated the price and quantity bids.

I considered an elastic demand curve, approximated by an affine function, assuming that there is consumer's reaction and that the market price and the demand are related. Also, I consider the competitors reaction using a parameter that represents the conjectural variation.

I studied the market behaviour assuming that the market price is represented by a normal probability function.

I studied and compared the market behaviour for two price markets types, the MCP (Market Clearing Pay) and PAB (Pay As Bid), in two situations: without incorporating the externalities and taking account with the emissions.

Index Terms— Strategic Bidding, Generation Surplus, Conjectural Variation, Elastic Demand, Normal Price Distribution, Emissions.