**Participant Questionnaire – follow-up to Working Group 4**

It has been agreed with the members of Working Group 4 that the following option would go forward for further development:

**Option Group 1**

**One Gate Closure on TD-1 (TD-1 AM : EA1)**

**Additional Gate Closure on TD-1 (TD-1 PM : EA2)**

**Additional Gate Closure on TD (TD AM : WD1)**

**All Generator Units re-bidding**

In order to develop this option, Participants are asked to consider and respond to the following questions:

**1. Gate Closure Timings:**

From a Market Operations perspective, the constraints are

(a) that WD1 be completed before EA1 of the next Trading day.

(b) Market runs will take 90 minutes to complete (including publication).

**What are Participants’ preferred timings for the Gate Closures for EA1, EA2 and WD1, (bearing in mind the constraints above)?**

**While we do not have a preference for any specific timing we believe it would be desirable for each gate closure to be within standard working hours, subject to the various constraints being met, in order to minimize additional resource costs to both market participants and operators.**

**A key consideration for Moyle is that there should be sufficient time between the market schedule being issued and the next gate closure for an auction to be held to explicitly allocate unused interconnector capacity – we estimate that 1 hour would be required for this.**

**2. System Operational Schedules:**

From a System Operations perspective, the constraints are:

(a) the first day ahead Operational Schedule takes 4 hours.

(b) Operational Schedules take 3 hours thereafter.

Bearing these in mind:

**(a) Do Participants require a production schedule in advance of the EA2 Gate Closure on D-1?**

**(b) Do Participants require a production schedule in advance of 4pm on D-1?**

**No direct impact on Moyle as interconnector owner. Key consideration is that timings facilitate intra-day capacity auctions as mentioned above.**

Note: The Operational Schedule refers to the SO Operational Schedule run which is separate from the Market run. The Operational Schedule requires as input the MIUNs produced from the Market run, so the timing constraints of the two runs are cumulative (i.e. 90 mins for Market run plus 3 or 4 hours for Operational Schedule).

**3. Offer submission**

The following is proposed:

For EA1, bids will, as now, be applicable for the entire Optimisation Time Horizon pertaining to Trading Day D.

For EA2, re-bidding will apply to the entire Optimisation Time Horizon pertaining to Trading Day D.

For WD1, re-bidding will apply for a portion of the Trading Day D commencing in the afternoon/evening of Trading Day D.

**What is the start time/ Trading Period from which re-bidding should apply (e.g. should re-bidding in WD1 apply for the period 18:00 to 06:00)?**

**We would assume that the trading period for which re-bidding could apply will be dependent upon the timing of the WD1 gate closure but would be supportive of a 12 hour trading period. Splitting the day evenly in two should maximize the efficiency with which participants are able to make their pricing decisions as it should allow the last gate closure for each trading period to be as close as possible to real-time (subject to systems constraints). It would be desirable for trading periods to be aligned with EFA blocks (i.e. 7am->7pm->7am) but this would require the start of the trading day to be moved to 0700.**

**4. (P,Q) pairs**

**For Interconnector Units who intend to submit offers in the EA2 and WD1 gates, do you require the full range of 10 (P,Q) pairs, or will a lower number e.g. 5  (P,Q) pairs suffice?**

(This will have implications for the design.)

**Analysis of historic interconnector offer data shows that interconnector users typically submit no more than 2 (P, Q) pairs. This would obviously suggest that 5 (P,Q) pairs should be sufficient.**

**5. System security mitigation options:**

**What are Participants' views on the following security mitigation options presented in Working Group 4?:**

* 1. **Market scheduling** where the market scheduling engine is modified to reflect generator parameters more accurately including Generation plant notice times and generation run up characteristics
  2. **Interconnector ramp rates**
  3. **Constraining interconnector flows for security**
  4. **ATC changes**
  5. **Generator Flexibility Incentives**

***Option (a) appears to be the most appropriate security mitigation option presented. It should result in more efficient scheduling of plant and lead to reduced constraint/security costs on the whole.***

***We are not sure that interconnector ramp rates are a major issue at this stage – a study would be required to determine an appropriate ramp rate when there are two interconnectors.***

***We are strongly against constraining interconnector flows in a similar manner to generation. Interconnector users would be left exposed to changes in market prices between the times they submit their bids to being dispatched. For users to be expected to leave their offers open over the course of the trading day would require a significant risk premium. If users had to start factoring such a risk premium into their bids this would have a hugely negative impact on trading. Constraining interconnector flows would be contrary to the EU thinking on firmness whereby users would need to be kept financially firm if the SO was to change their DQs - the cost of this is likely to be excessive. The appropriate way to reduce interconnector flows would be for the system operator to conduct a trade in the opposite direction. While SOSO trades are not always available the SO could seek prices in the markets.***

***We don’t think changes to ATC are appropriate for security mitigation purposes on a day to day basis as this would raise the issues set out above. Reducing ATC would also be contrary to the EU view that interconnector capacity should be sold as firm.***

***Whether generator warming contracts would be appropriate would depend on the level of plant required to be on standby and the subsequent cost of same. They would be a positive step as long as the cost of the contracts was not excessive.***