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Conference Call 8 Note

Mod\_18\_10 Intra-Day Trading

# Background

There have been 7 previous conference calls regarding Mod\_18\_10 *Intra-Day Trading.* The eighth conference call held on 29 November 2011, dealt with Participant feedback regarding the material presented at [Working Group 11](http://semopub/MarketDevelopment/ModificationDocuments/Working%20Group%2011%20Report.zip); specifically comments relating to the options presented for submission of COD for Interconnector Units in the Ending Overlap Optimisation Period (EOOP) for WD1.

The SEMO responses to Participant feedback from WG 11[spreadsheet](http://semopub/MarketDevelopment/ModificationDocuments/SEMO%20response%20to%20WG%2011%20Participant%20Feedback.xls), [SEMO slides](http://semopub/MarketDevelopment/ModificationDocuments/SEMO%20Slides%20Conf%20Call%208.ppt)  and [TSO slides](http://semopub/MarketDevelopment/ModificationDocuments/TSO%20Slides%20Conf%20Call%208.ppt) discussed at the conference call, are available for download from the SEMO website.

# Discussion

SEMO Member advised that the objectives of conference call 8 were to:

* **Discuss options for Interconnector Unit COD in the EOOP for WD1 MSP Software Runs and,**
* **Agree a preferred option.**

SEMO Member presented slides on the following areas:

* COD for Interconnector Units in the EOOP for WD1
* Ex-Ante vs. Ex-Post Implications for conventional Generator Units
* Ex-Ante vs. Ex-Post Implications for Interconnector Units
* Reasons for the current preferred option
* Possible options
* SEMO views on options
* Preferred approach

SEMO Member presented the three options previously presented and the three options subsequently suggested by Participants as follows:

**Options previously presented:**

* OPTION 1: COD=0 in EOOP.
* OPTION 2: COD=EA2 COD.
* OPTION 3: Persist COD from the last period (05:30) of WD1 Trading Window.

**Additional options subsequently suggested by Participants:**

* OPTION 4: Use the COD for long term capacity holders from EA1.
* OPTION 5: Adjust COD from EA1 by the movement in daily gas prices.
* OPTION 6: Participants submit COD for EOOP.

SEMO Member stated that the proposed design and drafting presented at WG11 was the option that the TSOs have advised is likely to cause the minimum impact on the Operations Schedule/constraints. SEMO Member outlined all six options, stating that SEMO are cognisant that none of the options presented are “perfect”. Discussion arose around Options 1,2 and 3. SEMO Member advised that Option 2 could be a possible solution, however Changes in Interconnector bidding patterns are likely to occur between EA2 and WD1 Gate Windows. For example, bidding for significant export in WD1 may occur to counter-trade an EA2 import. SEMO Member also advised that EA2 COD won’t always exist. Energia representative queried as to whether there would be no WD1 bids? SEMO representative advised that the schedule wouldn’t change.

 In the context of the guiding principle and to minimise errors due to potential price/trading opportunity changes between TD-1 and TD, SEMO stated that in their opinion Option 3 is the best choice.

SO Member presented slides on the following areas:

* Scenario 1: Low to High Import Price
* Scenario 2: High to Low Import Price
* Initial Considerations
* Impacts on Constraints
* Options

Energia representative advised that the examples presented made sense, however queried as to what effect does it have on other Generators? SEMO representative advised that it doesn’t make a difference and that the objective is to avoid “artificial” swings in flow. Energia representative commented that Option 3 would have a similar outcome to Option 2 if there was a large shift in bidding patterns. SO Member advised that it is impossible to know what will happen in the future and that Option 3 minimises the impact of that error. Bord Gáis representative queried as to whether an Interconnector would ramp downwards if there were high bids for EOOP? SEMO representative advised that the EA1 and EA2 schedules are fixed.

SEMO Member reiterated that none of the options are perfect however the most practical solution may be to progress Option 3 with the proviso of monitoring it and addressing it if it is not effective. NIE PPB representative queried as to whether it would be possible to build in the flexibility for both Options 2 and 3 into the systems. SEMO Member advised that this would not be feasible and that a decision on which Option to progress needed to be made.

RA Consultant reiterated three points of importance that had been discussed throughout the call:

1. It is not possible to know what will arise in the EOOP as it is a future occurrence
2. EA1 and EA2 schedules are fixed, thus only a marginal difference will occur in the WD1 schedule
3. Solution must be feasible within the given timescale

SO Member advised that Option 1 should not be progressed as it may actually aggravate the situation, therefore a decision needed to be made between Option 2 and Option 3. SO Member queried as to whether there were any other possible options that not been discussed? Energia representative advised that Energia had previously raised an option however it would not be feasible now.

Synergen representative expressed the view that none of the options are ideal and that it was stated at WG11 that Participants needed to be provided with more insight and knowledge into the impacts of the options. Synergen representative further stated that Participants need to be guided by the TSOs as to what is the best option to progress. SO Member advised that Option 3 is the preferred option with SEMO undertaking to monitor its effectiveness. Participants advised that they were “content” for Option 3 to be progressed.

# actions

SEMO to progress Option 3 as the preferred option and to monitor its effectiveness.

# Next steps

[Mod\_18\_10\_v2](http://semopub/MarketDevelopment/ModificationDocuments/Mod_18_10_v2.docx) *Intra-Day Trading,* will be considered at Modifications Committee Meeting 39 on 06 December 2011.