

SONI Limited

Intraday trading

Grid Code Amendments Consultation Paper

19th April 2012

1. Introduction

- 1.1 Following the modification proposal issued in January 2012 relating to changes to the Scheduling and Dispatch Code (**SDC**) that arise as a result of Intraday Trading so as to allow for trading of unallocated capacity on the Interconnectors, and following the discussions held at the Joint Grid Code Review on 13 October 2011 in Dublin and at the Grid Code Review Panel on 23 February 2012 in Belfast, SONI has prepared drafts of certain sections of the SONI Grid Code with proposed amendments to cover the issues raised regarding Intraday Trading.
- 1.2 The proposed amended texts of the Grid Code, with both clean and redlined versions of each relevant section showing all the changes made to the existing version of the Grid Code, can be found in the “Grid Code Drafts” section of SONI’s website. This consultation paper sets out a high-level summary of the proposed changes to the SONI Grid Code and SONI seeks comments from Users on any aspect of the proposed amendments.
- 1.3 Section 2 of this paper provides background information and a general overview of the proposed changes. Section 3 provides a detailed overview of the proposed changes. As explained in paragraph 4.1, the deadline for submission of comments is close of business on 18th May 2012

2. Background and overview

- 2.1 EU Regulation 1228/2003 (**Regulation**) on conditions for access to the network for cross-border exchanges in electricity provides that all Member States must have intra-day trading mechanisms in place on their borders by 1 January 2008. On 28 June 2010, Ireland and the UK received Reasoned Opinions from the European Commission in relation to provisions of the Regulation.
- 2.2 One of the issues raised by the European Commission relates to the inability for market participants to take part in intraday trade after the issuing of the indicated or actual day-ahead production schedules, as well as the apparent lack of coordination of congestion management procedures. The SEM decided to make certain modifications to the Trading and Settlement Code (**TSC**) to facilitate intra-day trading in the SEM. Consequently, the Regulatory Authorities submitted ‘Modification 18_10 Intra-Day Trading’ to the Modifications Committee on 16 March 2010. The Modifications Committee approved the high level design of the Modification on 25 November 2010 to allow for the relocation so unused capacity in accordance with the EU rules by including two more ‘runs’ (so that in total there would be two ex-ante runs, and one ‘within day’ run).
- 2.3 In line with modifications to the TSC, the proposed modifications are required to the Grid Code to provide for the intraday concepts. A modification proposal relating to changes to the Grid Code to introduce some definitions was presented by EirGrid and SONI to the Joint Grid Code Review Panels on 13th October 2011 and 23rd February 2012
- 2.4 The modification proposal recommends that the Grid Code be amended to allow for three Gate Windows and three associated Trading Windows specifying applicable timings for Intraday Trading, together with the consequential Grid Code modifications outlined in this paper are

intended to cover all the changes required in the Grid Code to allow this modification to proceed.

3. Section by section review

3.1 Introduction

The main modifications to the SDC are the addition of new definitions and descriptions of the new Gate Windows and Intraday Trading, and the replacement of the term “Trading Day” with “Trading Window”. This is to clarify how Intraday Trading is treated within the Grid Codes.

3.2 Glossary

Additions have been proposed in the Glossary section to update the Grid Code Gate Closure and Trading Day definitions to reflect the modification which allows for the proposed Intraday Trading.

- **Gate Window:** this new definition has been inserted as there are three Gate Windows and three corresponding Trading Windows associated with each Trading Day, denoted EA1 (Ex-Ante 1), EA2 (Ex-Ante 2), and WD1 (Within-day 1).
- **Gate Window Closure:** this new definition has been inserted as this is the time prior to which data transactions may be submitted and accepted for use in the associated market scheduling and pricing software run, as set out in the TSC.
- **Gate Window Opening:** this new definition corresponds to the Gate Window Closure and the time after which data transactions may be submitted and accepted for use in the associated market scheduling and pricing software run, as set out in the TSC.
- **Intra-day Trading:** this new definition has been inserted to define the facilitation of trading of unallocated capacity on the Interconnectors within a Trading Day by means of the three Gate Windows
- **Trading Window:** this new definition has been inserted as the three Trading Windows are contiguous Trading Periods according to which the relevant market scheduling and pricing software run will determine the market schedule quantities

3.3 Scheduling and Dispatch Code

3.3.1 A new SDC 1.1.5 (*Intra-day Trading*) is proposed to set out the new Gate Windows, denoted EA1 (Ex-Ante 1), EA2 (Ex-Ante 2), and WD1 (Within-day 1), and three associated Trading Windows. The EA1 Gate Window would be open between 06:00 on D-29 and 09:30 on D-1, EA2 Gate Window would be open between 09:30 on D-1 and 11:30 on D-1, and finally, WD1 Gate Window would be open between 11:30 on D-1 and 08:00 on D. There are also three corresponding Trading Windows that match each of these Gate Windows.

3.3.2 Minor changes are made to SDC1.4.1.1(a)(*Requirement*), SDS1.4.2 (*Additional Grid Code Availability*), SDC1.4.4.1(a)(i) (*Technical Parameters*), SDC1.4.4.(a) (*Other Relevant Data*) and SDC1.4.5.2(c) (*Technical Parameters and Additional Grid Code Characteristics*) to replace the old definition ‘Gate Closure with the new definition ‘the EA1 Gate Window Closure’.

- 3.3.3 SDC1.4.4.1 (a) (iii) (*Technical Parameters*) is also expanded to allow for revisions to the Technical Parameters Notice being submitted according to the technical offer data submission provisions as set out in the TSC.
- 3.3.4 Similarly, references to 'Trading Day' have been replaced with references to 'Trading Window' in SDC1.4.6 (a), SDC1.4.8.2 (*Merit Order*).
- 3.3.5 SDC1.4.4.5 (*Commercial Offer Data*) has been amended also amended the Gate Window and Trading Day references to match with the new intraday trading arrangements.
- 3.3.6 SDC1.4.8.9 (*Issue of Indicative Operations Schedule*) has been amended so that the Indicative Operations Schedule is associated with the EA2 Trading Window.

4. Next Steps

- 4.1 The consultation period will run for 4 weeks. Users are invited to send their comments to SONI **by close of business on 18th May 2012**. In the meantime, should any Users have any queries or require a meeting with SONI, they should contact Ian Stevenson at SONI [(Email: Ian.Stevenson@SONI.ltd.uk , Phone:028 9070 7586)].
- 4.2 Following receipt of comments from those whom it has consulted by this Consultation Paper and the expiration of the period for making comments, SONI will, in accordance with paragraph 2 of Condition 16 of its Licence, send to the Northern Ireland Authority for Utility Regulation (the "Authority"):
 - 4.2.1 a report on the outcome of its review;
 - 4.2.2 the proposed revisions to the Grid Code which SONI (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives of the Grid Code referred to in paragraph 1(b) and (c) of Condition 16 of the SONI Licence; and
 - 4.2.3 any written representations or objections from electricity undertakings or the Republic of Ireland System Operator (including any proposals by such persons for revisions to the Grid Code not accepted by SONI in the course of the review) arising during the consultation process and subsequently maintained.
- 4.3 Following the end of the consultation period and the discussions to be held with the Authority, revisions to the Grid Code will be finalised and published on the SONI website once approval has been received from the Authority.

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