Report Phase Consultation Responses

P342 'Change to Gate Closure for Energy Contract Volume Notifications'

This Report Phase Consultation was issued on 17 November 2016, with responses invited by 30 November 2016.

Consultation Respondents

Respondent	No. of Parties/Non-Parties Represented	Role(s) Represented
SmartestEnergy	1/0	Supplier
Energy24 Limited	2/2	Supplier, Non Physical Trader, ECVNA and MVRNA
ENGIE	12/0	Generator and Supplier
DONG Energy	11/2	Generator, Supplier, Interconnector User, Non Physical Trader, ECVNA and MVRNA
National Grid Interconnectors Ltd	1/0	Int. Administrator Int., Error Admin. And Transmission Co.
BritNed Development Limited	1/0	Int. Error Admin. And Int. Administrator
The Renewable Energy Company (Ecotricity)	1/0	Generator and Supplier
Centrica	13/2	Generator, Supplier, Interconnector User, ECVNA and MVRNA
First Utility Limited	1/0	Supplier
EDF Energy	6/0	Generator, Supplier and Non Physical Trader
Uniper UK	2/0	Generator, Interconnector User and Non Physical Trader
Drax Power Limited	2/0	Generator and Supplier
National Grid Electricity Transmission plc	1/0	Transmission Co.
ScottishPower	2/0	Generator

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Phase

- Initial Written Assessment
- Definition Procedure
- Assessment Procedure
- Report Phase
- Implementation

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Question 1: Do you agree with the Panel's initial recommendation that the P342 Proposed Modification should not be approved?

Summary

Yes	No	Neutral/No Comment	Other
10	4		

Responses

Respondent	Response	Rationale
SmartestEnergy	No	Previously NGT appeared not to believe that there would be issues of system security if Gate closure is one hour after the beginning of the settlement period. We do not understand why the Panel has made the decision it has.
Energy24 Limited	Yes	We believe the Proposed Modification and the Alternative Modification, both, pose significant risks to security of supply. Our analysis reveals that both proposals will provide an increased incentive for parties to vary their output or (embedded) physical positions post Physical Notification gate closure, potentially resulting in system balancing issues for the System Operator (SO) and consequently, higher balancing costs. Our concerns are reinforced by NGET's response to the Assessment Procedure Consultation. Any risk to the SO's ability to efficiently and economically balance the system, jeopardises the achievement of BSC Objective B. Additionally external analysis appears not to lend support to the proposition that the Proposed or Alternative modification will result in improved liquidity or competition (BSC objective C) and therefore we have no reason to believe that our experience will be any different from those in Switzerland, France and Germany, where projects to reduce nomination lead times did not result in increased liquidity.
ENGIE	Yes	Neither the Proposed nor Alternative modifications should be approved. When the market was designed, the ECVN and FPN deadlines were very intentionally aligned. There was little embedded generation and the duration of GC was designed to give NG sufficient time to plan and carry out its balancing function. The current 1 hr GC is clearly aligned with typical NDZs of hot thermal units, allowing time to dispatch them in the BM if required. We see no need to change something that

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Respondent	Response	Rationale
		works. The proposer believes that trading should be permitted to continue up until a point where the indicative imbalance price has been published, to 'allow efficient and effective transfer or risk'. At the point the cashout price is known we cannot see why any parties would want to trade at anything other than the cashout price. The proposer's point is not valid. The proposer also believes the introducing this modification will increase trading liquidity. ENGIE does not agree, and believes it will merely split existing pre gate closure liquidity into 2 parts. The first part before gate closure which relates to BMU plant having to submit FPNs and a second part after gate closure. We do not therefore agree with that P342 promotes objective c, Instead we believe it will be detrimental to objective c - implementing this modification would introduce an additional advantage to non BMU embedded generation: • BMUs are obliged to submit FPNs before gate closure and to follow them thereafter ○ Decoupling FPN and Trading (ECVN) deadlines as proposed under P342 does not benefit BMUs, as they cannot increase their output to take advantage of trading opportunities after gate closure • Embedded generators may not have to submit FPNs and can freely self-dispatch (assuming not under STOR contract) Introducing a later trading deadline would advantage these generators - they could both trade and re-dispatch after the FPN gate closure. The modification report dismisses this advantage saying that such parties can already adjust their position after the Gate Closure. Whilst they can do this, the current BSC does not allow them to both trade and adjust their output. The Group also considers that P342 will better facilitate objective e if the European Regulations will require, in the future, a change to Gate Closure for contract notifications. Since this isn't yet known, it is not relevant. Modifications to the BSC should not be made because there might be a change in the

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Respondent	Response	Rationale
		future. Finally, the workgroup has considered an analysis of the outturn imbalance positions of the largest BSC parties and appears to have concluded that the these imbalances exist and that they would be smaller if trading could continue closer to delivery. There is however no obligation on a BSC party to be balanced and many of these imbalance could be intentional - they could for example be seeking to take advantage of the single cashout price. Without more detailed examination of the reasons for these imbalances, it cannot be concluded that they would reduce if P342 were implemented. In summary, ENGIE believes that the arguments that support the need for this modification are weak. It is not clear that the modification promotes competition, it provides an advantage to non BMU embedded generation (at a time when Ofgem is already questioning the appropriateness of embedded benefits) and is not yet needed to comply with European regulations (and may not be needed at all).
DONG Energy	Yes	The Proposed Modification will better facilitate Objective (c), but in a less efficient way compared to the Alternative Modification. The same benefits can be achieved by the Alternative Modification with mitigated risks and less industry changes. We do not believe that there is sufficient justification to extend ECVN/MVRN windows to 30 minutes after relevant settlement periods, i.e. throughout and post the delivery periods, against the potential risk to security of supply. We agree that extending ECVN/MVRN notifications window would encourage near real time trading and increase liquidity before delivery, but allowing notifications throughout and post settlement periods is excessive. We do not believe that parties will be able to transfer imbalance risks after indicative cashout prices are published. Since indicative cashout prices are made available to the entire market as the reference to imbalance costs, we view that nobody will be willing to trade for a price that deviates much from indicative cashout prices. As such, the market liquidity to trade imbalance risks between parties after indicative cashout prices are published will be minimal.

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Respondent	Response	Rationale
National Grid Interconnectors Ltd	Yes	It is the belief of NGIC that it is appropriate to reject the initial proposed modification. While, on the surface, it would provide support for Applicable BSC Objectives (c) and possibly (e): however, there may be scope for generators or other parties to attempt to game the system (deviating from FPNs to take advantage of imbalance) within delivery settlement period compromising security of supply. As the indicative imbalance price is published approximately 23 minutes after the close of the delivery settlement period the final 7 minutes of the ECVN submission window under the original proposed modification would see all volume traded at the indicative cash-out price. We believe that the modification will promote competition and allow the market to be more efficient with the ability to trade and ECVN after the currently-existing gate closure, facilitating Applicable BSC Objective (c). As European Regulation is not yet finalised we can only say that it somewhat supports Applicable BSC Objective (e). Though we believe with current trends in European Regulation discussions and knowledge of foreign markets this proposal would better align with expected regulatory output. As such we do not believe that the ECVN submission deadline should be after the start of the delivery period.
BritNed Development Limited	Yes	We note the concerns and uncertainty of the Workgroup and Panel regarding the impacts of the Proposed Modification on security of supply. The Alternative Modification would therefore appear a lower risk solution, whilst providing greater flexibility and promoting competition in the sale and purchase of electricity.
The Renewable Energy Company (Ecotricity)	Yes	We agree with the Panel's initial recommendation that the P342 Proposed Modification should not be approved.
Centrica	Yes	I believe that this modification raises concerns about security of supply as people could undo or exaggerate National Grids work in balancing the system that would undoubtedly cause issues. I also believe that it delays relevant information from being published e.g. settlement price.

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Respondent	Response	Rationale
First Utility Limited	Yes	
EDF Energy	No	While we agree with the Panel's assessment that both P342 Proposed and Alternative better facilitate the BSC Applicable Objectives, we feel that the Proposed Modification is better. In line with the modification proposal, as originally raised, we believe that this modification would promote Objective c): An increase in liquidity in the prompt market would reduce the effective bid-offer spread available to parties close to real time by enabling trading to continue. This would give the opportunity to parties to hedge positions caused by short notice changes to their demand or generation forecasts, providing protection to smaller parties – both generators and suppliers – who may be less able to absorb changes to their position as a result of portfolio effects. This would promote competition in the sale and purchase, and thus generation and supply of electricity. We believe that this modification would increase liquidity in the within-day markets. Elexon's analysis has identified that there is a substantial volume of imbalance across the industry at gate closure which is in opposite directions – in other words, the parties could have traded and reduced their respective absolute imbalances at an agreed price. While much of this volume will be unknown/unforecastable imbalance, it is reasonable to assume that some is not, and that the parties in question would be willing to close these positions. This is supported by the analysis from EPEX Spot that indicates that there currently is a significant volume of tradeable volume left open at market closure on the APX Power UK exchange. It is therefore a reasonable conclusion that the change to ECVN notification deadline would facilitate more trading on the power exchanges, increasing liquidity. The introduction of a single cashout price regime under P305 enabled an equivalent transfer of risk after the current definition of gate closure. This would be done by two parties agreeing a contract price and volume, and settling financially at the difference between the contract price and the cashout price. We have investigated industry appetite for this route for trading, and while

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Respondent	Response	Rationale
		possible, the potential regulatory and financial compliance burden would be excessive. Enabling the submission of ECVNs beyond the current definition of Gate Closure, and thus allowing energy trading using BSC Central Systems to continue for an additional two hours achieves the same ends at a much lower cost to the industry. The cost of enabling this change within the BSC systems is very low, at £4k. Thus, even if there were only a small increase in liquidity, the cost incurred per additional MWh traded would quickly fall to a negligible level. We further believe that this modification could promote Objective e), in the event that the European Regulations require, in the future, a change to Gate Closure for contract notifications. We believe that the modification is neutral with respect to the remaining Objectives.
Uniper	No	Uniper tentatively supports P342. As we have previously highlighted, we do not believe that it would have a major impact and there are potential negatives as well as positives. However it could be advantageous to liquidity and potentially participation in the European internal energy market. Overall, moving the ECVN submission deadline should be positive in allowing parties to trade a little longer enabling the trading out of unexpected positions, a benefit under Objective C and one that is stronger under the Proposed than Alternative proposal. However there could be a detriment to competition in favouring parties who do not have to submit FPN. While proposals are underway to amend some advantages that embedded generators receive under industry Codes as they are, it would be unfortunate to introduce another. Nevertheless, in principle allowing ECVN and MVRN submission to be delayed might increase liquidity, which would be beneficial under Objective C, and potentially also Objective E, as the internal market for energy develops and we hope that the UK will continue to participate in this.
Drax Power Limited	Yes	Our view is that both the P342 Original and Alternative proposals should be rejected. We do not see why parties would trade at anything other than the cashout price if trading permitted

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Respondent	Response	Rationale
		them to balance their position past the gate closure and therefore see P342 as unnecessary. P342 will distort competition in favour of some embedded generators and demand side response providers. While these types of parties are currently able to self-dispatch in order to alter their physical position after gate closure, we expect P342 to incentivise this behaviour as said parties will be able to trade their altered position in the market after gate closure. P342 is therefore detrimental to Applicable BSC Objective (ABO) (c) as it introduces an additional advantage to generators who are not required to submit FPNs before gate closure. Further, if these parties are incentivised to significantly deviate their position, it may inflict operability issues onto National Grid as the System Operator (SO) thereby negatively effecting ACO (b). In addition, P342 will likely not increase shorter term market liquidity but instead spread it out over a longer period thereby not better facilitating ABO (c) as the proposer claims. This will instead act to adversely affect smaller trading parties who may not have a dedicated 24/7 trading desk and will attempt to balance their position ahead of time.
National Grid Electricity Transmission plc	Yes	As noted in the APC response and below, we believe that the P342 Alternative Modification better facilitates the Applicable BSC Objectives than the Proposed Modification so the latter should not be approved.
ScottishPower	No	P342 will better facilitate the BSC objective (c) compared to the current baseline by allowing a more efficient and effective transfer of risk and providing the potential to increase market liquidity and will potentially better facilitate the BSC objective (e) if the European Regulations require a change to gate closure for contract notifications.

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Question 2: Do you agree with the Panel's initial recommendation that the P342 Alternative Modification should be approved?

Summary

Yes	No	Neutral/No Comment	Other
7	7		

Responses

Respondent	Response	Rationale
SmartestEnergy	No	We prefer the original proposal but the alternative is better than nothing.
Energy24 Limited	No	Overall, we do not believe that either modification improves the situation; however, as an alternative to the Proposed Modification, the Alternative Modification is a better option, although this still comes with significant concerns. Contrary to the Workgroup's opinion, the Alternative Proposal does not adequately address the risks posed to NGET's ability to efficiently and economically balance the system – parties will still have an added incentive to vary their physical positions post Physical Notification gate closure and thus we believe our original response still stands, in that the modification introduces more overall risks than it does benefits and should be rejected.
ENGIE	No	Whilst the alternative is slightly preferable to the original, neither should be implemented as neither are better than the current situation.
DONG Energy	Yes	The Alternative Modification will be beneficial to Objective (c). Allowing notification submissions up until the beginning of settlement period will allow parties to better forecast their positions and trade imbalance volumes between the willing counter-parties before delivery. This will promote effective transfer of risks and improve self-balancing behaviours without imposing security impacts on system operation within settlement periods. Should the Modification be approved, it is crucial that APX Power Exchange reconfigures its intraday Gate Closure times to facilitate the solution. The benefits of P342 cannot be realised without coupling intraday market and ECVN Gate Closures. Our view is that 15 minutes prior to delivery would be

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Respondent	Response	Rationale
		sensible for APX's Gate Closure and we urge APX to confirm such changes to the industry as soon as practically possible.
National Grid Interconnectors Ltd	Yes	It is the opinion of NGIC that the Alternative Modification should be approved. We feel that it the modification would support Applicable Objectives (c) and possibly (e) while negating the risks to security of supply highlighted in originally Proposed Modification. This modification would allow parties with imbalance exposure additional time to neutralise their position and prevent volume being added into the NIV and inflating the system imbalance price as in the Proposed Modification without the opportunity for market gaming within delivery period. The extended trading window will promote competition and allow parties with non-dispatchable generation to better trade their position as they will have a more up-to-date forecast of output in the relevant settlement period. The reasons for the Alternative Modification's better facilitation of Applicable BSC Objective (c) and possibly facilitation of Applicable BSC Objective (e) are the same as in Question 1.
BritNed Development Limited	Yes	The Alternative Modification is a pragmatic solution and consistent with the original intention of the Proposed Modification. It will provide Trading Parties with more flexibility to manage their position should there be any unexpected changes closer to the start of the Settlement Period, whilst representing a lower risk than the Proposed Modification. We also agree that this change may support future alignment with particular developments under the European Network Codes.
The Renewable Energy Company (Ecotricity)	Yes	We agree with the Panel's initial recommendation that the P342 Alternative Modification should be approved.
Centrica	Yes	Yes, the modifications gives all the benefits of the proposed modification but without the risks
First Utility Limited	Yes	
EDF Energy	No, Proposed is better	EDF Energy believe that the Alternative Modification better facilitates the Applicable BSC Objectives, in line with the arguments in favour of implementation of the Proposed modification. However, we believe that the Proposed Modification better meets the

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Respondent	Response	Rationale
		Applicable BSC Objectives, as an increase in the time for which a particular Settlement Period may be traded will have a positive effect on competition in the sale and purchase of electricity under Applicable Objective c. The specific arguments raised in favour of the Alternate Modification are based on the concern that embedded generators may be incentivised to act in a way that makes it harder for National Grid to manage the System. We believe that these concerns are over-stated: It is currently possible to predict the System direction and System Prices with a reasonable certainty, especially during a Settlement Period as parties can identify the actions that have been taken by National Grid. This gives parties with small generation and flexible consumers the same ability to change their generation patterns under the baseline arrangements as exist under the P342 proposed and P342 Alternate regimes. We suggest that the question of the controllability of embedded generation (and, analogously, demand response) should be considered separately from this modification under the auspices of the Grid Code.
Uniper	No	Yes in that we think the Alternative better than the baseline, but no insofar as we believe that while both could be an improvement on the baseline, the Proposed would be preferable. Moving the ECVN (and MVRN) submission deadlines to the beginning of the Settlement period would be little improvement on the baseline as it would not enable trading up until when the cashout price is published. Consequently we believe that while the Alternative could improve liquidity, the Proposed P342 Modification would increase the opportunities for this better than the Alternative.
Drax Power Limited	No	We agree with the Panel and Workgroup that P342 Alternative is better than the Original proposal as it reduces the negative effects described above. However, we still consider the Alternative to be detrimental when compared to the Baseline.
National Grid Electricity Transmission plc	Yes	As noted in the APC response, we believe the P342 Alternative Modification better facilitates the Applicable BSC Objectives than the Proposed Modification and so should be approved. This is because it mitigates the concerns noted by respondents and WG members around Applicable BSC Objective (b) in relation to potential operability

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Respondent	Response	Rationale
		issues as a result of increased incentives to self-dispatch whilst still delivering incremental benefits (e.g. against Applicable BSC Objective (e) in relation to XBID). The possibility to further extend the submission deadline at a later date (i.e. as per the Proposed Modification) still remains.
ScottishPower	No	As the P342 alternative modification, it enhances BSC objectives (c) and (e) but probably not to the same extent as the P342 modification as further benefits develop during the ISP itself. The security of supply issues discussed by workgroup members exist at present and should not be worsened by the modification as proposed.

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Question 3: Do you agree that there are no other potential solutions that fall within the scope of P342 that would better facilitate the Applicable BSC Objectives compared to the Proposed or Alternative Modification?

Summary

Yes	No	Neutral/No Comment	Other
13	1		

Responses

Respondent	Response	Rationale
SmartestEnergy	Yes	
Energy24 Limited	No	We believe BSC Objectives B & C are better served by the existing mechanism, in contrast to the Proposed and Alternative Modifications. We also agree that there are no other potential solutions that better facilitate the applicable BSC objectives.
ENGIE	Yes	
DONG Energy	Yes	
National Grid Interconnectors Ltd	Yes	NGIC does not believe there is another solution that better facilitates the Applicable BSC Objectives than the Alternative Modification.
BritNed Development Limited	Yes	We are not aware of any alternative potential solution within the scope of P342.
The Renewable Energy Company (Ecotricity)	Yes	We agree that there are no other potential solutions.
Centrica	Yes	
First Utility Limited	Yes	
EDF Energy	Yes	Given the defect identified, the Proposed and Alternate Modifications give the two most logical options for a revised submission time for ECVNs.
Uniper	Yes	
Drax Power Limited	Yes	
National Grid Electricity Transmission plc	Yes	

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Respondent	Response	Rationale
ScottishPower	Yes	

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Question 4: Do you agree with the Panel's initial view that the proposed redlining delivers the intention of the Proposed Modification?

Summary

Yes	No	Neutral/No Comment	Other
11		3	

Responses

Respondent	Response	Rationale
SmartestEnergy	No comment	
Energy24 Limited	No comment	
ENGIE	Yes	
DONG Energy	No comment	We have not assessed the legal text.
National Grid Interconnectors Ltd	Yes	We believe that the Panel's redlining delivers the Proposed Modification.
BritNed Development Limited	Yes	The proposed drafting appears sufficient to meet the requirements of the Proposed Modification.
The Renewable Energy Company (Ecotricity)	Yes	We agree that the proposed redlining delivers the intention of the Proposed Modification.
Centrica	Yes	
First Utility Limited	Yes	
EDF Energy	Yes	The redlining appears to cover all changes required to effect the Proposed Modification.
Uniper	Yes	
Drax Power Limited	Yes	Yes this seems sensible.
National Grid Electricity Transmission plc	Yes	
ScottishPower	Yes	

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Question 5: Do you agree with the Panel's initial view that the proposed redlining delivers the intention of the Alternative Modification?

Summary

Yes	No	Neutral/No Comment	Other
9		5	

Responses

Respondent	Response	Rationale
SmartestEnergy	No comment	
Energy24 Limited	No comment	
ENGIE	Yes	
DONG Energy	No comment	We have not assessed the legal text.
National Grid Interconnectors Ltd	Yes	We believe that the Panel's redlining delivers the intention of the Alternative Modification.
BritNed Development Limited	Neutral	The proposed drafting appears sufficient to meet the requirements of the Alternative Modification.
The Renewable Energy Company (Ecotricity)	Yes	We agree that the proposed redlining delivers the intention of the Alternative Modification.
Centrica	Yes	
First Utility Limited	Yes	
EDF Energy	Yes	The redlining appears to cover all changes required to effect the Alternate Modification.
Uniper	Yes	
Drax Power Limited	Yes	Yes this seems sensible.
National Grid Electricity Transmission plc	Yes	
ScottishPower	Neutral	

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Question 6: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
11	3		

Responses

Respondent	Response	Rationale
SmartestEnergy	Yes	
Energy24 Limited	No	Implementing a modification that could result in security of supply risks and increased balancing costs in November 2017 could exacerbate market volatility. It has already been seen in the current winter period that small issues drive extreme price reactions and as a market, any available options should be explored to reduce potential volatility from changes such as this. A modification of this nature should be implemented post-Winter 17/18 and indeed aiming for April 2018 to then allow some time for the impacts to be analysed and managed before another 'tight' winter.
ENGIE	No	Do not implement either proposal.
DONG Energy	Yes	The implementation date is appropriate. It is important to ensure that APX system changes can be implemented at the same time.
National Grid Interconnectors Ltd	No	NGIC would prefer to see this modification implemented sooner than the recommended date. This modification, which seems simple in terms of Elexon system changes, has the opportunity to add significant value and therefore it is our opinion that the implementation date be brought forward.
BritNed Development Limited	Yes	We do not believe there is any direct impact on BritNed Development Limited from this change and the proposed implementation date is logical given its alignment with the November 2017 BSC Release.
The Renewable Energy Company (Ecotricity)	Yes	We agree with the recommended Implementation Date.
Centrica	Yes	Earlier would be better but I understand the constraints.
First Utility Limited	Yes	

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Respondent	Response	Rationale
EDF Energy	Yes	We believe that the benefit to the market and to competition would be maximised by implementing the Modification as quickly as possible. Given the volume of change in the February 2017 and June 2017 releases, we agree that the earliest practical implementation date is November 2017. We do not believe that the costs and disruption of an additional BSC Systems Release would be appropriate in this case.
Uniper	Yes	In the November 17 release is satisfactory.
Drax Power Limited	Yes	
National Grid Electricity Transmission plc	Yes	As set out in the APC response.
ScottishPower	Yes	

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Question 7: Do you agree with the Panel's initial view that P342 should not be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
14			

Responses

Respondent	Response	Rationale
SmartestEnergy	Yes	
Energy24 Limited	Yes	Considering the potential impact on competition and the differing impact on parties, this should not be a self-governance modification.
ENGIE	Yes	
DONG Energy	Yes	Both P342 Proposed and Alternative Modifications would have significant impacts to the market and should not be treated as Self-Governance.
National Grid Interconnectors Ltd	Yes	As there are concerns relating to Security of Supply associated with the Proposed Modification it is the opinion of NGIC that P342 requires further scrutiny from Ofgem, therefore we support the decision that this modification should not be treated as Self-Governance.
BritNed Development Limited	Yes	No comments.
The Renewable Energy Company (Ecotricity)	Yes	We agree that this should not be treated as a Self-Governance Modification due to the impact this modification may have on the security of supply.
Centrica	Yes	
First Utility Limited	Yes	
EDF Energy	Yes	We agree that as the modification is designed to have a (positive) effect on competition in the sale and purchase of electricity, by changing the time frame over which this is possible, it does not meet the Self-Governance Criteria.
Uniper	Yes	In principle a proposal should only not be progressed via self-governance if it would have a substantial impact on the market, and we are not convinced that P342 would have a substantial impact. However, as there are conflicting views on

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Respondent	Response	Rationale
		both the potential impact on different party types and potentially on security of supply, we think that in the case of P342 it would be best progressed outside of the self-governance process for thorough consideration by the Authority.
Drax Power Limited	Yes	P342 does not hit the self-governance criteria as P342 has an impact on competition.
National Grid Electricity Transmission plc	Yes	
ScottishPower	Yes	

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Question 8: Do you have any further comments on P342?

Summary

Yes	No
5	9

Responses

Respondent	Response	Rationale
SmartestEnergy	No	
Energy24 Limited	No	
ENGIE	No	
DONG Energy	Yes	To reiterate our point in Q2, we believe that the implementation of this Modification should closely be coupled by the relevant changes to the APX intraday Gate Closure rules to ensure the full benefits to be realised in a timely manner.
National Grid Interconnectors Ltd	Yes	With regard to our customers, each would be required to change systems under P342 to facilitate the change in ECVN and MVRN submission deadline and we do not believe there is a significant extra burden placed on them for being an Interconnector User compared to a standard market participant.
BritNed Development Limited	No	
The Renewable Energy Company (Ecotricity)	Yes	We have not been adversely affected by the current arrangements, so we are not wholly sold on the need for change.
Centrica	No	
First Utility Limited	Yes	The benefits of this modification will be immediately exploitable by parties that have both a 24-hour trading capability (either contracted or in-house) and the ability to source volume to reallocate in the extra period of trading. Certain suppliers will be able to source volume more easily than others, if after a period of time it becomes clear that other suppliers are not able to source volume when they need to, then we would look for ways to address this.
EDF Energy	Yes	We note that one respondent to the Assessment Procedure Consultation believes that there is the potential for a negative effect against the Applicable BSC Objectives if a party is able to avoid the

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Respondent	Response	Rationale
		punitive consequences of being in imbalance. We note that the Cashout mechanism is not designed to be punitive, rather to reflect the marginal costs incurred by the System Operator in balancing the System. Furthermore, if a Party purchases or sells power on the market, unless the counterparty to the transaction changes their generation or consumption to offset the change in their traded position (thus bringing the system closer to balanced), there is no change in the physical actions required to be carried out by the System Operator. As the reduction in Account Bilateral Contract Volume for the seller would be offset by the increase for the purchaser, and System Buy Price is exactly equal to System Sell price, there is therefore no net change in either the CSOBM element of BSUoS or the Residual Cashflow Reallocation Cashflow attributable to third parties. Third parties are therefore unaffected by post-event energy trades, and the only change is to the risk profile surrounding the imbalance positions of the two parties undertaking the transaction, which would change in equal and opposite amounts.
Uniper	No	
Drax Power Limited	No	Not at this time.
National Grid Electricity Transmission plc	No	
ScottishPower	No	

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