

Document for consultation

The rules for suspension and restoration of market activities for Northern Ireland in accordance with the requirements of Article 36(1) and Article 7

And

The specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities for Northern Ireland, in accordance with Article 39(1) and Article 7

Both in accordance the Commission Regulation
(EU) 2017/2196
Establishing a network code on electricity
emergency and restoration

6 July 2020



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For consultation

Table of Contents

| | |
|--|----|
| Table of Contents | 3 |
| Emergency and Restoration – Response Proforma | 4 |
| 1. Introduction | 5 |
| 2. Rules for suspension and restoration of market activities | 6 |
| 3. Specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities | 21 |
| 4. Next Steps | 22 |

For consultation

Emergency and Restoration – Response Proforma

SONI invites responses to this consultation by **XX XX XXXX**. The responses to the specific consultation questions (below) or any other aspect of this consultation can be provided by completing the following form. *The form is also available in .doc format at the Electricity Emergency and Restoration consultation section of our website.*

Please return the completed form to gridcode@soni.ltd.uk

| | |
|---|--|
| Respondent: | |
| Company Name: | |
| Does this response contain confidential information? If yes, please specify. | |
| Name of Consultation this response is in relation to: | |

| No | Question | Response (Y/N) | Rationale |
|----|--|----------------|-----------|
| 1 | Do you agree with the approach taken in the proposal? please provide rationale | | |
| 2 | Do you agree that the proposal is consistent with the principle of minimum necessary change? please provide rationale | | |
| 3 | Do you have any other comments in relation to the proposal? | | |

1. Introduction

In accordance with COMMISSION REGULATION (EU) 2017/2196 of 24 November 2017 “establishing a network code on electricity emergency and restoration”¹ (referred to as NCER), the Transmission System Operators (TSO) of a member state are required to consult on following proposals prior to submission to the relevant regulatory authority for approval:

- Market Suspension Rules, comprising of;
 - the rules for suspension and restoration of market activities, in accordance with NCER Article 36(1);
 - specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities, in accordance with NCER Article 39(1);

We consulted on our proposal from 14 November 2018 to 12 December 2018 and received no responses. On 18 December 2018 we submitted our proposal to the Commission for Regulation of Utilities (CRU) for approval. On 2 September 2019 the CRU published a decision to not approve the proposal and sought amendments to the documents submitted by us. The purpose of this document is to consult on the revised proposals.

This public consultation is produced by SONI in its role as the Transmission System Operator in Northern Ireland (hereafter referred to as the ‘TSO’).

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R2196&from=en>

2. Rules for suspension and restoration of market activities

2.1 NCER Code Provisions

NCER Article 35(1) makes provision for TSOs to temporarily suspend one or more specified market activities under a number of circumstances:

- “1. A TSO may temporarily suspend one or more market activities laid down in paragraph 2 where:
- (a) the transmission system of the TSO is in blackout state; or
 - (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; or
 - (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; or
 - (d) tools and communication means necessary for the TSOs to facilitate market activities are not available.”

Article 35(2) lists the market activities that the TSO may temporarily suspend.

Subsections (a-e) are activities related to transfer of data from one entity to another:

- “(a) the provision of cross zonal capacity for capacity allocation on the corresponding bidding zone borders for each market time unit where it is expected that the transmission system shall not be restored to the normal or alert state;
- (b) the submission by a balancing service provider of balancing capacity and balancing energy bids;
- (c) the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe if required by the terms and conditions related to balancing;
- (d) the provision of modifications of the position of balance responsible parties;

(e) the provision of schedules referred to in Article 111(1) and (2) of Regulation (EU) 2017/1485"

Article 35(2) (f) relates to "other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system".

2.2 Current SEM Market Design

The new market design for the SEM, implemented in 2018, is largely based on the EU model of firm ex-ante markets followed by real time balancing. The ex-ante market consists of a number of auctions starting with a fully coupled day-ahead market using the EUPHEMIA algorithm. All generators and retailers (supplier units) trade in the ex-ante markets to get firm positions. The day-ahead and two further intraday auctions (coupled regionally with the GB market) also determine cross border power flows on the interconnectors in the SEM. After the ex-ante markets have resolved, generators submit Physical Notifications to the TSOs based on their cleared ex-ante positions and the TSOs use these as the starting point for their scheduling and dispatch processes. As part of this process, the TSOs use security constrained unit commitment and economic dispatch tools to determine revised positions, seeking to minimise the costs of re-dispatch while meeting other regulatory requirements, security of supply obligations, respecting system and generator constraints and resolving requirements for balancing energy if the market positions from the ex-ante trading are either long or short. Actions taken by the TSO are flagged based on whether they were required for system reasons or to maintain energy balancing. Actions flagged for system reasons are excluded from the process that sets the Imbalance Settlement Price used in imbalance settlement.

The rules of the Balancing Market are documented in the Trading & Settlement Code² (T &SC) while the governance of the ex-ante markets is set out in the EU 2015/1222 of 24 July 2015 “establishing a guideline on Capacity Allocation and Congestion Management”³.

² <https://www.semcommittee.com/trading-and-settlement-code>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R1222&from=EN>

In considering the rights and options documented in NCER, Article 35(1) (a) gives the TSOs the option of amending the cross zonal capacity during emergency events. In this manner, the TSO can set the cross zonal capacity to zero to effectively de-couple the ex-ante market from adjacent jurisdictions, thus minimising the risk of market results potentially adversely impacting on the restoration processes (for example, by scheduling interconnectors to export from the island). This will allow participants to continue trading their ex-ante positions and will enable them to hedge positions; especially for suppliers, rather than risk exposure to the potentially volatile imbalance prices. This also ensures that there is a set of ex-ante prices available for the calculation of the Market Back up Price under the Trading & Settlement Code, should this be required.

The settlement of balancing actions is defined in detail in the Trading & Settlement Code and this includes a set of rules for Administered Imbalance Settlement (section G.17). These rules cover both a General System Failure and Electrical System Collapse. In the event of collapse of the electrical system, including a total system blackout, these rules apply.

The Market Back up Price, determined from the ex-ante prices, is used in place of an actual Imbalance Settlement Price. Immediate imbalance settlement is calculated by determining an imbalance volume based on metered quantities less all ex-ante trades multiplied by this price. This will ensure that significant cash flows are not adversely impacted but are also settled based on prices that have been determined in an open market place. When the system is restored, settlement will be recalculated based on the actual detailed algebra set out in the T&SC using Commercial Offer Data as submitted by Participants where appropriate.

For events where there has been a major loss of telecommunications facilities between Participants and the Market Operator, a General Communication Failure will be declared by the TSO. Under this process, communications methods provided under Agreed Procedure 7 to the T&SC (Emergency Communications) are applied.

In this circumstance, the TSO will still have access to recently submitted Commercial Offer Data (COD) that exists within its information systems. With this data, the TSO can still schedule the power system based on latest submitted data. The Gate Window for

each Trading Day is opened in the Central Market Systems 19 days ahead of the Trading Day and uses a set of default COD submitted and maintained by each Participant. Once the Gate Window is opened, Participants can update the COD with more recent data as required. This process means that in the worst case scenario, where no communications are possible, the TSO still have default COD to continue the markets indefinitely.

Where a major loss of National Control Centre computing facilities has occurred or any other market systems failure (e.g. as a result of a cyber-attack), a General System Failure will be declared. During this event, the processes provided under Agreed Procedure 7 to the T&SC (Emergency Communications) are again applied. Under a General System Failure, the Market Operator is empowered to delay key settlement functions until necessary data is available and systems are restored. Hence the Market Operator can delay moving to Administered Imbalance Settlement, if this is prudent to do so. This allows the market to be settled on accurate data as soon as it becomes available, minimising disruption. Also, by using data submitted to the market systems by Participants, this ensures that the integrity of the market is being maintained as much as is possible.

Because these options are provided for and detailed within the T&SC, market arrangements are able to continue while system restoration actions are completed. Given this, we believe that the TSOs do not need to suspend market activities as permitted under NCER as the remedies and rules required during emergency restoration are already in place in the T&SC.

Given that in a worst case scenario the TSO will still have default COD indefinitely, we believe this covers all scenarios including long duration incidents. The T&SC also includes provisions for Force Majeure which may be necessary under some circumstances.

Regarding the capacity market, the timing and processes of this market are not interacting with the expected timeline and processes of real-time operation of the system. The availability of systems should not be an issue as the auction is a single distinct event, which could be held at a different time, rather than a continuous process to be maintained. Therefore, the capacity market auction process would not affect the ability to

manage the system in an emergency or blackout state, and therefore does not need to be suspended. The capacity payments and charges, settlement items largely tied to the auction outcomes, are settled monthly and therefore less likely to interact with the potential suspension event. However, they are included in those items which can be continued to be settled under the Administered Imbalance Settlement arrangements. The difference payments and charges would be recalculated as part of resettlement, providing an important signal to the market regarding performance in such an event. Therefore settlement related to the capacity market is expected to continue either within the period of an event occurring or after the event has ended allowing for these items to be resettled, and not needing to be suspended.

2.3 Proposals and Rationale

Table 1 below outlines in detail our proposals and rationale regarding each market activity that TSOs may temporarily suspend in each circumstance they may suspend them.

For consultation

Table 1: Proposal and rationale regarding suspension of each of the activities 35 (2) (a-e)

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|---|--|---|---|--|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| (a) the provision of cross zonal capacity for capacity allocation on the corresponding bidding zone borders for each market time unit where it is expected that the transmission system shall not be restored to the normal or alert state; | Given the small number of interconnector's in-situ or proposed (all HVDC) the provision of cross zonal capacity data required for capacity allocation is a very small overhead and will be continued. As per BP_SO_13.2_Interim Long-Term NTC Change this role would be completed outside of the control centre and just involves Near Time informing the Market Operator (MO) and the MO entering the NTC and reason code into the Interconnector Manager Platform (ICMP). Currently, this would only be required to be completed a maximum of twice a day; before the IDA1 and IDA2 Gate Closures. In future scenarios when operating under XBID this will give the TSO a greater granularity in terms of timeframes to change NTC as the system recovers. There are no advantages in terms of market efficiency, DBC costs, pricing, settlement or re-settlement to suspending this activity, including for long duration scenarios. | | | Can be provided by phone if ICMP goes down. |
| (b) the submission by a balancing service provider of balancing capacity and balancing energy bids; | As Balancing Market participation is mandatory in the I-SEM "balancing service providers" do not provide balancing capacity or energy bids, they instead provide Integrated Scheduling Process bids through which all available capacity is made available to the balancing market. There is no reason for us to suspend | Not applicable as the submission by a balancing service provider of balancing energy bids would not deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485. | Not applicable as the submission by a balancing service provider of balancing energy bids would not decrease significantly the effectiveness of the restoration process to the normal or alert state. | We do not need to suspend as we have default COD for all market units as backup if we are unable to receive submissions. |

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|--|--|---|---|--|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| | <p>this activity as it in no way impedes the restoration of the system and it means that commercial offer data is immediately available when the system is restored, providing information on what it costs to run units and therefore how to keep them whole for their actions during restoration.</p> <p>There may be market efficiency/DBC costs advantages to suspending this activity as it would prevent Market Participants from submitting updated "uneconomic" Simple COD knowing the state of the system. However, to suspend on this basis would not be in the spirit of the code as it would not be "<i>strictly necessary</i>". We believe this potential market inefficiency would be better explored through the Trading and Settlement Code modification process which would allow proper discussion</p> | | | |

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|---|---|---|---|--|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| | rather than TSO subjectivity on when to suspend this activity. Also, it is very likely that a Trading and Settlement Code modification would be required anyway in the case of TSO suspension. There are no advantages in terms of pricing or settlement, including for long duration scenarios, to suspending this activity as in this scenario as per the Trading and Settlement Code the back-up price will be used (there will be no re-pricing) and resettlement will follow. | | | |
| (c) the provision by a balance responsible party of a balanced position at the end of the day-ahead timeframe if required by the terms and conditions related to balancing; | Not applicable as I-SEM does not require a balance responsible party to provide a physically balanced position at the end of the day-ahead timeframe. ECC (Emergency Control Centre) provide the traded position information close to real-time only for reasons of calculating Market Back Up Prices, and they are used in settlement, they are not needed in advance of real-time as they are not used in dispatch of units. There are means of receiving this data manually if the normal channels are not available and therefore no need to suspend. | | | |

| Reason for temporary TSO suspension (Article 35 (1)) | | | | |
|--|--|---|---|--|
| Market activity that may be suspended (Article 35 (2)) | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| (d) the provision of modifications of the position of balance responsible parties; | There is no requirement to suspend this activity as the electricity system is operated to the 'central dispatching model' and the 'integrated scheduling processes' is applied. In a self-dispatch system energy providers go directly to their (physical notifications) PN position unless instructed otherwise by the TSO. In the emergency and restoration states TSOs of self-dispatch systems may not want the energy providers moving around based on their changing PNs so may want to suspend this activity. As Northern Ireland and Ireland is centrally dispatched any modification to the PN or traded position has no direct effect on how the energy providers are dispatched so therefore there is no need to suspend this activity. There are no market efficiency/DBC costs implications to not suspending this activity, including for long duration scenarios, as it relates to trading which is at market participants' risk and which is done economically upstream of scheduling and dispatch. There is no effect in terms of pricing and settlement to not suspending this activity, in fact allowing this activity to continue would mean more prices reflective of the real-time value of energy in that particular period would be available for setting the backup price. | | | Not applicable as ex-ante position which TSO does not facilitate. |
| (e) the provision of schedules referred to in | This relates to the provision of two items; interconnector schedules and PNs from generators. There is no reason for the TSO to suspend these activities as they do not impact on the TSO's ability to restore/preserve the system. | | | Suspending would not make any difference as |

| Reason for temporary TSO suspension (Article 35 (1)) | | | | |
|---|--|--|---|--|
| Market activity that may be suspended (Article 35 (2)) | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| Article 111(1) and (2) of Regulation (EU) 2017/1485 | From a market efficiency/DBC (Dispatch Balancing Costs) costs perspective we believe that market participants should be allowed to reflect their position in PNs and it is the market participants' risk. From a settlement perspective, including for long duration scenarios, it would be better not to suspend so that balancing quantities better reflect deviations from traded positions. There are no pricing implications as the back-up price will be used (there will be no re-pricing). | From a market efficiency/DBC costs perspective we believe that market participants should be allowed to reflect their position in PNs and it is the market participants' risk. From a pricing and settlement perspective, including for long duration scenarios, it would be better not to suspend so that balancing quantities better reflect deviations from traded positions. | From a market efficiency/DBC costs perspective we believe that market participants should be allowed to reflect their position in PNs and it is the market participants' risk. From a settlement perspective it would be better not to suspend, including for long duration scenarios, so that balancing quantities better reflect deviations from traded positions. There are no pricing implications as the back-up price will be used (there will be no re-pricing). | both would default to zero. |
| (f) Other relevant market activities the suspension of which is deemed necessary to preserve and/or restore the system. | Three market activities were considered for suspension below; Balancing Market (including future EU Balancing Market), Day-Ahead Market and Intra-Day Markets (including future X-BID) | | | |
| Balancing Market | We do not believe that this could be suspended | We do not believe that this could be | We do not believe that this could be | We do not believe that |

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|--|---|--|--|---|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| Suspension (including future EU Balancing Market) | <p>under Article 35 (2) (f) as we could not deem it “<i>necessary to preserve and/or restore the system</i>”. Balancing market operation will not affect decisions made to restore system.</p> <p>Even if Article 35 (2) (f) did allow for us to suspend the balancing market we would not, as we want to ensure the ability for market participants to recover costs for their units.</p> <p>There are also no pricing implications to not suspending, including for long duration scenarios, as the backup price is used and will not be re-priced.</p> | <p>suspended under Article 35 (2) (f) as we could not deem it “<i>necessary to preserve and/or restore the system</i>”. Balancing market operation will not deteriorate any of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485.</p> <p>Even if Article 35 (2)(f) did allow for us to suspend the balancing market we would not, as this is the mechanism we are using and have exhausted, so suspending will not make the situation any better. Again we would want to ensure the ability for market participants to recover costs for their units. Prices would reflect real time emergency situation which is as per the design so we would not want to suspend, including for long duration scenarios.</p> | <p>suspended under Article 35 (2) (f) as we could not deem it “<i>necessary to preserve and/or restore the system</i>”. Balancing market operation will not affect decisions made to restore system.</p> <p>Even if Article 35 (2) (f) did allow for us to suspend the balancing market we would not, as we would want to ensure the ability for market participants to recover costs for their units. There also no pricing implications to not suspending, including for long duration scenarios, as the backup price is used and will not be re-priced.</p> | <p>this could be suspended under Article 35 (2) (f) as we could not deem it “<i>necessary to preserve and/or restore the system</i>”.</p> <p>We also have backup procedures in place to deal with this situation.</p> |

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|--|--|---|--|--|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| Day-Ahead Market Suspension | We do not believe that this could be suspended under Article 35 (2)(f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> " as centrally dispatched system and market position will not affect decisions made to restore system. No reason to suspend as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. If suspended there would be no backup price for the day and the backup to the backup would have to be used which may be less reflective of the real-time cost of energy in the period, especially if the situation persists over a number of days or weeks. | We do not believe that this could be suspended under Article 35 (2) (f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> ". Day-Ahead Market operation will not deteriorate any of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485. No reason to suspend as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. It also enables participants to trade to meet their Reliability Options under the Capacity Remuneration Mechanism. | We do not believe that this could be suspended under Article 35 (2)(f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> " as centrally dispatched system and market position will not affect decisions made to restore system. No reason to suspend as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. If suspended there would be no backup price for the day and the backup to the backup would have to be used which may be less reflective of the real-time cost of energy in the period, especially if the situation persists over a number of days or weeks. | Not applicable as ex-ante position which TSO does not facilitate. |

| Market activity that may be suspended (Article 35 (2)) | Reason for temporary TSO suspension (Article 35 (1)) | | | |
|--|--|---|--|--|
| | (a) the transmission system of the TSO is in blackout state; (covers a total blackout or a partial blackout scenario as per the definition of blackout state in Article 18(4) of Regulation (EU)2017/1485) | (b) the TSO has exhausted all options provided by the market and the continuation of market activities under the emergency state would deteriorate one or more of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485; | (c) the continuation of market activities would decrease significantly the effectiveness of the restoration process to the normal or alert state; | (d) tools and communication means necessary for the TSOs to facilitate market activities are not available. (e.g. General System Failure and General Communication Failure) |
| Intra-Day Markets Suspension (including future X-BID) | We do not believe that this could be suspended under Article 35 (2)(f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> " as centrally dispatched system and market position will not affect decisions made to restore system. No reason to suspend, including for long duration scenarios, as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. | We do not believe that this could be suspended under Article 35 (2) (f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> ". Day-Ahead Market operation will not deteriorate any of the conditions referred to in Article 18(3) of Regulation (EU) 2017/1485. No reason to suspend, including for long duration scenarios, as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. It also enables participants to trade to meet their Reliability Options under the Capacity Remuneration Mechanism. | We do not believe that this could be suspended under Article 35 (2)(f) as we could not deem it " <i>necessary to preserve and/or restore the system</i> " as centrally dispatched system and market position will not affect decisions made to restore system. No reason to suspend, including for long duration scenarios, as participation in this market is not obligatory and decision down to market participants' risk. The activity is still being completed economically. | Not applicable as ex-ante position which TSO does not facilitate. |

In summary, following a review of the market activities that the TSO may temporarily suspend under the NCER it is the TSO's proposal that none of these activities will be suspended. Therefore, the requirement to develop a proposal for rules concerning the suspension and restoration of market activities does not apply.

For consultation

3. Specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market activities

As per section 2 above, it is the TSO's proposal that none of the activities will be suspended. Therefore, the requirement to develop additional specific rules for imbalance settlement and settlement of balancing energy in case of suspension of market does not apply, with no additional rules being proposed on foot of NCER.

The current arrangements set out within The Trading and Settlement code Part B includes sections that cover events for a GSF (C.5.4 General System Failure) and a GCF (C.5.3 General Communication Failure), that cover the specific rules for imbalance settlement should a GSF or GCF occur. For example, if a GSF or Electrical System Failure were to occur, the MO would implement Administered Imbalance Settlement as set out in G.17 of Trading and Settlement code Part B. Sections F.6,F.7,F.8,F.9,F.10,F.11,F.12,F.13,F.14,F.15,F.19.4,F.20.5 would also apply in this event, therefore we feel that these current arrangements are sufficient to provide the continuation of Imbalance settlement.

4. Next Steps

The TSO welcomes feedback on this consultation document. A response proforma has been provided to facilitate this feedback. Following the closure of the consultation period the TSO will consider any comments received and submit the outcome to the Regulator.

For consultation