

Response to the 30-minute Intraday Product Design on Interconnectors with Great Britain

Brussels, 05 July 2024

Key messages

Interconnectors are essential for cross-border trading arrangements. They are a significant source of flexibility and security of supply. To further trading efficiency, we have advocated for:

- full price coupling between GB (Great Britain) and the EU (European Union),
- recoupling the UK (United Kingdom) power exchanges in day-ahead,
- offering more long-term hedging possibilities in Y+2 and Y+3 for better market liquidity,
- reducing the granularity of interconnectors.

We agree with finer product granularity in intraday as long as the correct functioning of such market is prioritised. We have argued for shortening the market time unit and moving the gate closure closer to real-time in past consultations to enhance the participation in electricity markets of flexible capacity and demand response.

A shorter imbalance settlement period (ISP), considered under the Reform of the Electricity Market Arrangements, could also help make prices more reflective of the actual market conditions, incentivising generation, and demand to respond to the system status more frequently.

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Detailed comments

(a) Do you welcome the concept of a 30-minute ID MTU (Market Time Unit)?

We welcome the reflections and consideration for a 30-minute intraday MTU. We generally support moving to finer granularity for better price signals. Such a change must be well-assessed beforehand.

(b) Which of the 4 design options would best meet your trading needs and why?

Out of the four options, we deem Option 1 as the best. Option 1 provides the biggest flexibility. It is better to have the same granularity for the capacity allocation and nomination and 48-nomination windows for efficient optimisation of the interconnector. Additionally, this granularity (30 minutes) will be closer to the granularity in the EU Single Intraday Coupling (SIDC)/Intraday Auctions (IDAs) -- 15 minutes in 2025.

(c) Please indicate your preference from 1 to 5 for the options vs the status quo as per below (where 1 means the most favourite option and 5 means the least favourite option):

Interconnector	Option 1	Option 2	Option 3	Option 4	Current Design
Nemo Link	x				
IFA/IFA2	x				
ElecLink	x				
Viking Link	x				
BritNed	x				
All (if the same preference applies to all of the above ICs)	1	-	-	-	2

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(d) What is the minimum length of a nomination submission window in your opinion for your preferred option?

The window for nomination should be opened as soon as capacity has been allocated and closed as close to real-time as possible. Then, the time between nomination and delivery should be as short as possible. It would allow market participants to hedge better and position closer to real-time.

(e) What is the minimum lead time required between decision and go-live? Please specify if there are any implementation requirements from your side for the change and if so, your estimated timeline to be ready for the change.

We request at least 6 months between the decision time and the go-live.

There should be sufficient time allocated to developing methodologies, conducting testing phases and time for market participants to adapt. Often the separate components require months to prepare. We also suggest setting the go-live on the 1st of the month unless it is a bank holiday.

(f) Are there any considerations with respect to the different markets that the Consulting Parties are operating in the context of the 30-minute MTU move?

(g) Do you have any additional concerns or any other proposals that the Consulting Parties should consider?

Further reflections on switching to a 15-minute MTU in intraday could be considered. Such a switch would match a shorter imbalance settlement period (ISP) of 15 minutes, considered under the Reform of the Electricity Market Arrangements.

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