

**Power NI Energy Limited  
Power Procurement Business (PPB)**

**IME3 Compliance for 2015**

**Nominations at IPs and Trade  
Nominations**

**Business Rules for Industry Consultation**

**Response by Power NI Energy (PPB)**

4 December 2014.



## **Introduction**

Power NI Energy – Power Procurement Business (PPB) welcomes the opportunity to comment on the consultation on proposed Business Rules for Nominations at Interconnector Points and Trade Nominations.

In the consideration of changes, PPB would like the objective to extend beyond mere compliance with IME3 but to, at the same time, also consider if the arrangements can be improved generally.

PPB's responses to the questions raised in the consultation are set out below.

## **Responses to the specific issues upon which views and comments are sought**

### ***1: The proposed steps for processing and matching IP Nominations and IP Renominations;***

It is not clear why a similar service could not be provided for holder of unbundled capacity such that a Single Sided Nomination could not be made that completes nominations for both sides based on previously notified relationships. This would in effect create “virtual” bundles requiring only a single nomination without requiring any subsequent matching with automatic nomination for the two shippers linked through a pre-notified relationship.

### ***2: The application of the 'lesser of' matching rule***

There is very limited information provided on the matching rules (the main indication being footnote 3 at the bottom of page 8). We interpret the meaning to be that if the two nominations do not match under a Double Sided Nomination, the higher nomination would be reduced to match with the lower nomination and this would be the quantity confirmed back to both parties.

This problem is created by having to match Double Sided Nominations and if the approach we suggested in response to Question 1 were adopted, it would enable all shippers to rely on a Single Nomination that is automatically matched.

If this is not facilitated then we would have thought that given the process has nearly 2 hours to complete, there would be time to highlight the discrepancy to both parties to enable one of them to adjust their nomination to ensure a match can occur and in the absence of any re-nomination or time-out, the default would be the lesser of the two nominations. A further alternative would be to provide choice to shippers by allowing them to nominate their preference in a situation of mismatch but the process of enabling SSNs for all would be an easier solution.

**3:     *The proposals for Trade Nominations***

PPB considers that Trade Nominations could be a useful service as, for example, it could provide for reallocation of gas between two power stations following a breakdown of one that means the other must increase output and therefore requires more gas. A Trade Nomination could allow that gas to be traded and effectively not require as many re-nominations by the two shippers and it would also avoid the normal time delays for re-nominations to take effect.

**4:     *The alignment of exit nominations timings with those for IPs***

PPB agrees that Entry and Exit nomination processes should be aligned. In addition, it would similarly appear logical to facilitate a Single Nomination that covers both the Entry and Exit nominations.

**5:     *The proposed changes to interruptible exit nominations***

PPB disagrees with the proposals in relation to interruptible nominations and capacity products. There is reducing flexibility in gas arrangements at the same time as government policy is seeking to increase the penetration of renewable generation which requires greater flexibility by conventional generation which by its close association will also require flexibility in the gas arrangements.

**6:     *The proposals for transition of the arrangements***

The transition proposals seem to be workable arrangements.