Chapter 21: Trade Opposite TSO Quantities
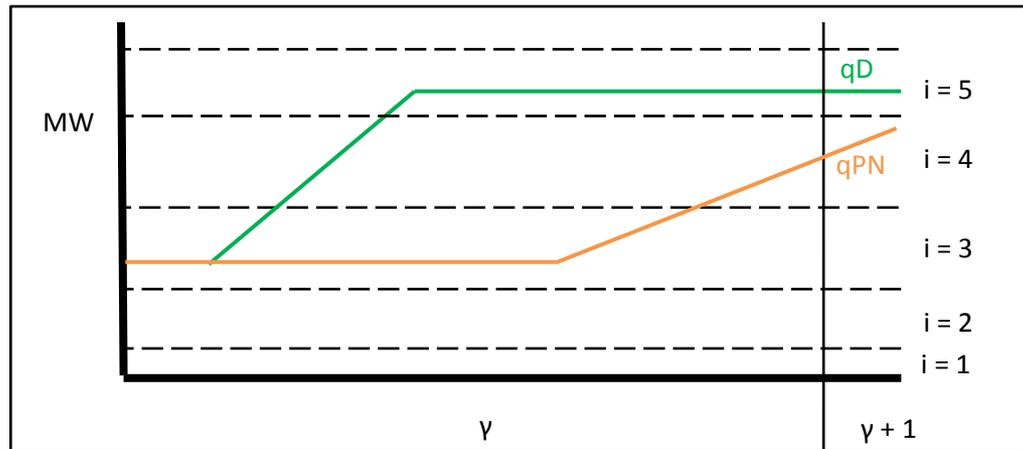
Trade Opposite TSO

- Trade Opposite TSO is where a unit can increase the volume of a Bid or Offer accepted by the SOs after the time it has been accepted:
  - This can occur as a result of the intraday and balancing markets being open at the same time for an Imbalance Settlement Period;
  - The SOs could instruct an action on a unit which accepts a quantity in an Imbalance Settlement Period based on the PN present at the time of the decision;
  - However, before gate closure for the period, the participant could trade intraday and change its PN, becoming its FPN, in a way which results in a volume being accepted which is larger than the original one assumed at the time the SOs decided to instruct the action.
- Examples of situations where Trade Opposite TSO could occur include:
  - If a unit with a long minimum on time is instructed to synchronise; or
  - If a unit is slow to ramp between MW setpoint levels.
- Trade Opposite TSO volumes are implicit within Accepted Offer and Accepted Bid quantities as these are calculated using the FPN – it is seen in pricing and settlement as the volume of a balancing action procured by the SOs.

Trade Opposite TSO

- The functionality developed allows for the reduction in the Premium or Discount Payments in a given Imbalance Settlement Period if a change between the PN present at the time of a Balancing Market action, and the FPN, increases the volume of that action:
  - This is in response to potential market power concerns, where a unit with an offer accepted at a high price (or bid accepted at a low price) which are out of merit (for example due to a constraint) could increase the volume associated with this expensive action that must be paid a premium or discount above the Imbalance Settlement Price. While the SO made a decision to incur the out-of-merit cost with the original smaller volume on the basis of minimising the costs of non-energy actions, the SO could not have taken this increase in volume into account in its cost minimisation, and therefore may be incurring additional costs which could not have been considered in the economic decision making to take the action on the unit;
  - If the functionality is used it would mean that, instead of being eligible for the Premium or Discount payment, the Trade Opposite TSO quantity would only be settled at the Imbalance Settlement Price.
- This functionality will not be switched on for I-SEM go-live:
  - The SEMC decided that they could switch the functionality on in the future in the context of market power mitigation, for example if such increases in BOAs were considered to be exercising market power.

Trade Opposite TSO

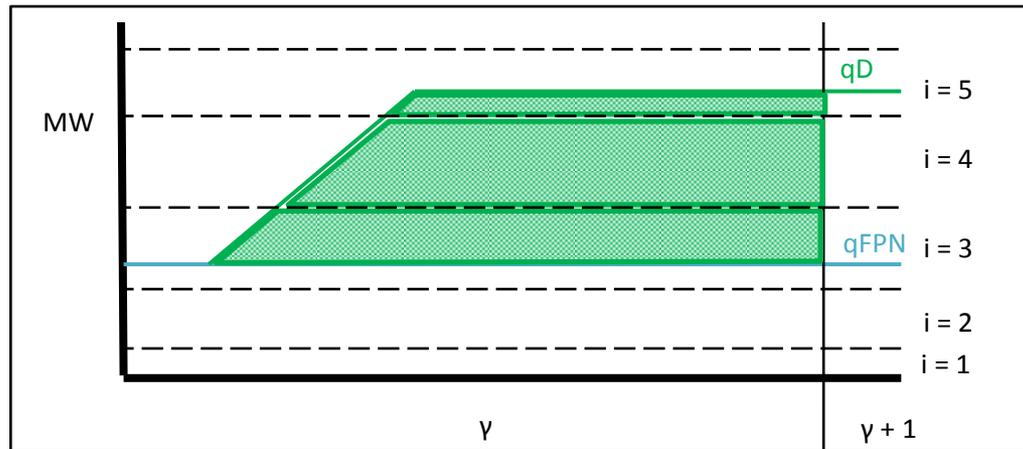Was the order volume increased by changing PN after acceptance?

$$CPREMIUM_{u\gamma} = \sum_{o} \sum_{i} \left(Max(PBO_{uoi\gamma} - PIMB_{\gamma}, 0) \times \left(QAOLF_{uoi\gamma} - Max(QAOOPOLF_{uoi\gamma}, QAOBIAS_{uoi\gamma}, QAOUNDEL_{uoi\gamma}, QAOTOTSOLF_{uoi\gamma})\right) \right)$$

$$CDISCOUNT_{u\gamma} = \sum_{o} \sum_{i} \left(Min(PBO_{uoi\gamma} - PIMB_{\gamma}, 0) \right.$$
$$\left. \times \left(QABLF_{uoi\gamma} - Min(QABBPOLF_{uoi\gamma}, QABBIAS_{uoi\gamma}, QABUNDEL_{uoi\gamma}, QABNFLF_{uoi\gamma}, QABCURLLF_{uoi\gamma}, QABTOTSOLF_{uoi\gamma})\right) \right)$$

Trade Opposite TSO

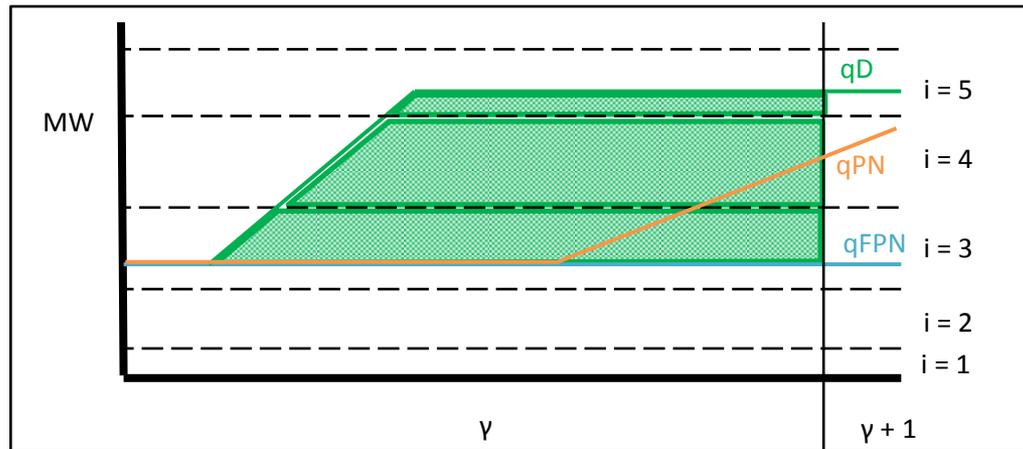Was the order volume increased by changing PN after acceptance?

$$CPREMIUM_{u\gamma} = \sum_{o}\sum_{i}\left(Max(PBO_{uoi\gamma} - PIMB_{\gamma}, 0) \times (QAOLF_{uoi\gamma} - Max(QAOOPOLF_{uoi\gamma}, QAOBIAS_{uoi\gamma}, QAOUNDEL_{uoi\gamma}, \textcolor{red}{QAOTOTSOLF_{uoi\gamma}})))\right)$$

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Trade Opposite TSO

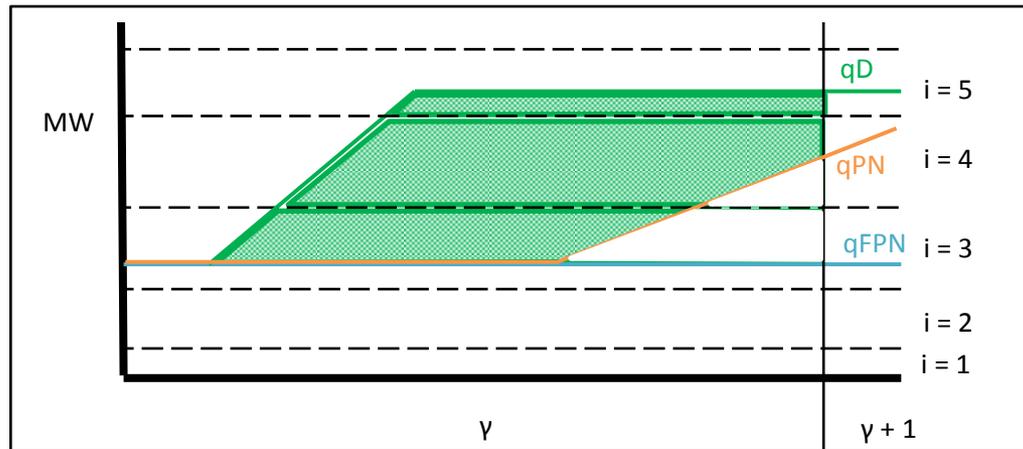Was the order volume increased by changing PN after acceptance?

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