

Moyle Relevant Access Arrangements from Oct 2009
Consideration of consultation responses
21/04/09

Three consultation responses were received from, 2 written and one verbal:

Energia
 BGE
 SSE

The following table presents each comment from the respondents and Moyle's consideration and decision on each comment.

Respondent	Comment	Moyle Consideration
Energia	We retain a preference for the monthly auctions to be aligned with the EFA calendar.	EFA calendar month is not equal to a calendar month. We believe that such a move would misalign Moyle with SEM. Consequently we believe that such a move should be consulted on with users affected before making a decision. We propose to raise the issue at the next review of access arrangements.
Energia	We also believe that there is likely to be more value in reserving greater capacity for the shorter term auctions than is proposed.	The amount reserved for short term auction is the minimum only. This minimum has not changed from previous years. The actual amount tends to be more as any unsold annual capacity also falls into this category. We intend to keep the minimum unchanged as proposed but expect that the actual short term capacity will be higher.
Energia	We have a preference that all products are offered as both standard and non standard.	Non standard is seen as a clearance only process for Moyle. If Moyle were to sell all of its capacity at its standard reserve it would earn income equivalent to approximately 60-75% of its required revenue. Consequently Moyle intends to offer standard products generally and only offer non standard where there is no further auctions for lower granularity products and where there is little prospect of selling standard capacity.
Energia	The auction process could be significantly streamlined if submitted via a signed fax.	This issue had been reviewed previously. SONI are not in a position to accept fax bids. However the planned introduction of the computerised auction system will provide the streamlining requested.

Respondent	Comment	Moyle Consideration
BGE	BGE is of the opinion that the monthly auctions that take place be held 2 months in advance of capacity delivery.	Moyle believes that the monthly products should be offered as close to real time as feasible to allow bidders to have as much certainty on market conditions as possible. Circa 25 th M-1 is seen as a good compromise. However it is recognised that some users may have a requirement for monthly capacity in advance of this. With the current manual auction system it is not feasible to run multi auctions for monthly products, however we will reconsider this when the computerised auction system is installed.
BGE	BGE welcomes and supports the suggestion that products between 1 and 12 monthly could be offered at your discretion e.g. the 6 month & quarterly capacity products from <u>May 09</u> onwards)	There has been some interest expressed for medium term capacity products of duration between 1 month and 1 year. We believe that there is merit in Moyle retaining the flexibility to offer such products and Moyle intends to introduce this in its access arrangements. BGE have extended the scope of their comment to cover the period up to Oct 09. Moyle would like to adopt this flexibility in its current arrangements and will consider this with NIAUR.
BGE	BGE supports the introduction of weekly capacity products which will facilitate short term balancing. BGE supports the introduction of a computerized auction system and also recommends the setting up of a secondary capacity market for capacity holders.	We will examine a secondary trading ability for capacity holders within the auction system.
SSE	Would like individual years of multi year products available separately eg. Possibility of a bidders bidding for Year 2 only of a three year product.	Such an option may serve to increase the price bid for capacity and consequently maximise receipts for Moyle in line with its licence requirement. It will be important to ensure that the auction bid forms do not become over complicated. Moyle intends to introduce this proposal.

Respondent	Comment	Moyle Consideration
SSE	Would like Moyle to retain the flexibility to move auction dates if DC or NDC timetable changes.	Moyle would seek to move its auction dates to align with other market changes and such flexibility is already in the existing access arrangements. However Moyle believe it is important that potential bidders have firm notice of an auction in reasonable time – this is considered to be 4 weeks for the long term auctions. Moyle believes that a reasonable balance already exists between flexibility of dates and a requirement to firm up dates at some point.