



## 30-Minute Intraday Product Design Request for Feedback

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The EU target model includes an ambition to enable intraday cross-zonal capacity products of a duration less than the current one hour. The consulting parties invite feedback from market participants and stakeholders on proposals to shorten the current intraday product from 60 to 30 minutes on the following Interconnectors: **Nemo Link, ElecLink, BritNed, IFA, IFA2, and Viking Link.**

June 2024

## INTRODUCTION

### 1. The consulting parties:

This is a joint consultation of the following Interconnector TSOs: **Nemo Link, Eleclink, BritNed, and National Grid (for IFA, IFA2 and Viking Link)**.

The above Interconnector TSOs are so-called the “Consulting Parties” hereafter.

### 2. Request for feedback:

Nemo Link, Eleclink, BritNed, IFA, IFA2 and Viking Link have intraday products which have been operating effectively with Intraday auctions offering hourly capacity and nominations in hourly resolutions.

The Consulting Parties are now considering changing to a **30-minute intraday product** and seeking input from market participants to understand whether there is demand for such a product; if there are any preferences for how a future product should be configured; and whether there are any technical and/or procedural blockers that would dissuade or prevent market participants from moving to a 30-minute product.

It should be noted, however, that this is an initial step to understand the needs of the market. Any recommendations pursued by the Consulting Parties would be subject to discussions with the Regulatory Authorities and the relevant onshore Transmission System Operators.

### 3. Request for feedback response and deadline:

This document outlines options around possible changes and respondents are invited to submit any comments or questions on the proposals by email by **COB Friday 5<sup>th</sup> July 2024** to the following email addresses:

[customer.service@nemolink.co.uk](mailto:customer.service@nemolink.co.uk);  
[regulation@eleclink.co.uk](mailto:regulation@eleclink.co.uk);  
[customer.enquiries@britned.com](mailto:customer.enquiries@britned.com);  
[ifa.customerenquiries@nationalgrid.com](mailto:ifa.customerenquiries@nationalgrid.com);  
[viking.customerenquiries@nationalgrid.com](mailto:viking.customerenquiries@nationalgrid.com)

Please include **all** above email addresses when responding to this Market Consultation.

If there are any comments you only wish to raise to any specific interconnector(s), please send your separate feedback to the email address(es) of the relevant Interconnector(s).

## CONTEXT

1. The EU Electricity Regulation Article 8.2 foresees that “NEMOs shall provide market participants with the opportunity to trade in energy in time intervals which are at least as short as the imbalance settlement period for both day-ahead and intraday markets”. In addition, Electricity Regulation Article 8.4 states that “the imbalance settlement period shall be 15 minutes in all scheduling areas, unless regulatory authorities have granted a derogation or an exemption” and that “Derogations may be granted only until 31 December 2024.”<sup>1</sup>

Currently, the go-live for the 15 minutes Market Time Unit (MTU) in the Single Day Ahead Coupling (SDAC) is foreseen by NEMOs in Q1 2025 (in line with the target for the completion of the 15-minute Imbalance Settlement Period (ISP) implementation across Europe). The change of the market time from 1 hour to 15 minutes offers the possibility to account in the day-ahead for asset/contract profiles (and ramping) at the time granularity used for imbalance settlement.

Wider market and systemic benefits are expected with the move to smaller MTU products, such as improved overall renewables integration, improving grid reliability as a result of a reduction of frequency deviations and better price signals for the market as they can better reflect real-time supply and demand conditions and reduce overall risk premia if information closer to real-time can be used.

2. The EU target model is for Transmission System Operators (TSOs) to offer intraday (ID) cross-zonal capacities with the Market Time Unit (MTU) being the maximum of the two imbalance settlement periods (ISP) on each bidding zone border<sup>2</sup>. The ISP in GB is 30 minutes and in Europe this is 15 minutes. Therefore, the Consulting Parties are consulting on potential options to change the ID MTU from 60 to 30 minutes – subject to National Grid ESO facilitating the necessary changes.
3. Despite GB not obliged to follow the EU target model, a move to 30-minute Intraday (ID) MTU is expected to have benefits for market functioning that are more aligned with the 15-minute MTU as mentioned above, such as allowing for nomination at a higher resolution and therefore more closely approximating actual load and generation patterns. In addition, in some options proposed in this consultation, market participants may benefit from delayed nomination gate closure time for the 2nd half hour of the hourly intraday product as this means they can nominate closer to delivery. As renewable penetration continues to increase, additional flexibility to take account of latest forecasts and market conditions may bring benefits to intraday traders.

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<sup>1</sup> Regulation (EU) 2019/943 <https://eur-lex.europa.eu/eli/reg/2019/943/oj>

<sup>2</sup> ACER Decision 04/2018 [https://eepublicdownloads.entsoe.eu/clean-documents/nc-tasks/Annex%20I\\_rectified\\_ACER%20Decision%2004-2018.pdf](https://eepublicdownloads.entsoe.eu/clean-documents/nc-tasks/Annex%20I_rectified_ACER%20Decision%2004-2018.pdf)

## CURRENT INTRADAY PRODUCT DESIGN

1. Currently, intraday capacity auction allocates capacity rights over blocks of **hourly MTUs**. Market participants may nominate capacity as per each Interconnector's Access Rules for the relevant MTU.
2. Below is the intraday current design across the Interconnectors in this consultation:

Interconnector	Number of ID Auctions	Number of nomination gates	Capacity allocation	Nomination granularity	Nomination deadline – <i>ahead of delivery</i>
Nemo Link	4	24	Hourly MTU	Hourly MTU	70 minutes
IFA/IFA2	4	24	Hourly MTU	Hourly MTU	75 minutes
Viking Link	4	24	Hourly MTU	Hourly MTU	75 minutes
BritNed	4	24	Hourly MTU	Hourly MTU	70 minutes
ElecLink	2	6	Hourly MTU	Hourly MTU	(*)

(\*) *Timings for ElecLink's nomination gates can be found in the relevant Access Rules<sup>3</sup>.*

## 30-MINUTE ID MTU DESIGN OPTIONS

1. The Consulting Parties are currently considering 4 high-level design options. However, the Consulting Parties also invite feedback from market parties on alternative proposals on how a future 30-minute intraday product could be structured to best meet the needs of the market if such options are not listed here. In option 1, each half hour block would be allocated and nominated separately with 30 min MTU granularity over 48 nomination windows. With option 2, capacity allocation would remain in an hourly resolution, but market participants would have the opportunity to nominate at half hourly resolution during 48 nomination windows per day. With option 3 capacity rights can be allocated in hourly resolutions but market participants can nominate in half-hourly resolutions over 24 nomination gates. With option 4, capacity rights can be allocated and nominated in half-hourly resolutions over 24 nomination gates.
2. **Design option 1: both capacity allocation and nomination at half-hourly granularity. Intraday capacity auctions allocate capacity at a half-hourly granularity.** For example, if the current Intraday auction allocates capacity over 6 hourly MTUs, this option will allocate rights over 12 half-hourly delivery MTUs. During the auction window, customers will be able to place bids for half-hourly capacity rights, and there will be a separate clearing price per half-hourly MTU. Customers can then nominate capacity per half-hourly MTU up to the nomination deadline as per the relevant Interconnector's Access Rules.
3. **Design option 2: nomination moves to half-hourly granularity while allocation remains hourly. Intraday capacity auctions continue to allocate capacity at an hourly granularity, with one clearing price per delivery hour.** However, market participants

<sup>3</sup> <https://www.eleclink.co.uk/information/elecLink-access-rules-effective-from-07112023.pdf>

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would have the option to nominate their rights at a half-hourly granularity over 48 nomination gates again up to the nomination deadline as per the relevant Interconnector's Access Rules.

4. **Design option 3: allocation at hourly granularity, nomination half hourly granularity, but keep 24 nomination windows.** With this design option, intraday capacity auctions continue to allocate capacity at an hourly granularity, with one clearing price for the whole hour. Market participants would continue to nominate capacity rights using the 24-hourly nomination windows for each hour (i.e. 24 nomination gates across the day) but would be able to input nominations for each half hour of the day. In this option market participants would lose the ability to move the 2nd half hour nomination closer to delivery but would perhaps benefit from operational efficiencies by only managing 24 rather than 48 nomination windows across the day.
  
5. **Design option 4: allocation at half-hourly granularity, nomination half hourly granularity, but keep 24 nomination windows.** With this design option, intraday capacity auctions will allocate rights over half-hourly granularity, same as option 1; however, market participants would continue to nominate capacity rights using the 24-hourly nomination windows for each hour. Nominations can be entered for each half hour of the day but over 24 nomination gates. In this option, same as option 3, market participants would lose the ability to move the 2nd half hour nomination closer to delivery but would perhaps benefit from operational efficiencies by only managing 24 rather than 48 nomination windows across the day.
  
6. The table below summarises the design options:

	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>	<b>Option 4</b>
<b>Capacity Allocation</b>	Half Hourly	Hourly	Hourly	Half Hourly
<b># Nomination Windows per day</b>	48	48	24	24
<b>Nomination granularity</b>	Half Hourly	Half Hourly	Half Hourly	Half Hourly
<b>Key differences</b>	Intraday auctions allocate capacity by half hour and nomination can be made at half-hourly granularity over 48 nomination gates per day.	Intraday auctions allocate capacity at hourly granularity as today, but rights can be nominated at half-hourly granularity over 48 nomination gates per day.	Intraday auctions allocate capacity at hourly granularity as today, rights can be nominated at half-hourly granularity over 24 nomination gates per day.	Intraday auctions allocate capacity at half-hourly granularity, rights can be nominated at half-hourly granularity over 24 nomination gates per day.

**FEEDBACK QUESTIONS**

1. The Consulting Parties would welcome feedback on the content of this document and in particular:
  - (a) Do you welcome the concept of a 30-minute ID MTU?
  - (b) Which of the 4 design options would best meet your trading needs and why?
  - (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					
IFA/IFA2					
ElecLink					
Viking Link					
BritNed					
<b>All</b> ( <i>if the same preference applies to all of the above ICs</i> )					

- (d) What is the minimum length of a nomination submission window in your opinion for your preferred option?
  - (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.
  - (f) Are there any considerations with respects 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?
2. The Consulting Parties would be grateful to receive any comments from interested parties ahead of considering next steps. Please email your responses by **COB Friday 5<sup>th</sup> July 2024** to the following email addresses:

[customer.service@nemolink.co.uk](mailto:customer.service@nemolink.co.uk);  
[regulation@eleclink.co.uk](mailto:regulation@eleclink.co.uk);  
[customer.enquiries@britned.com](mailto:customer.enquiries@britned.com);  
[ifa.customerenquiries@nationalgrid.com](mailto:ifa.customerenquiries@nationalgrid.com);  
[viking.customerenquiries@nationalgrid.com](mailto:viking.customerenquiries@nationalgrid.com)