

Interconnector Trades – Procurement Framework consultation feedback

Executive summary

We received 5 responses from different counterparties to our consultation and we really appreciate the time taken to share these responses with us.

We have summarised the feedback from counterparties below and included our response to the feedback including any changes being proposed to the Interconnector (IC) Trades Procurement Framework document.

The updated IC Trades Procurement Framework will be published on the data portal in this [area](#) alongside other key interconnector trading documentation.

This new IC Trades Procurement Framework will not come into effect until the Auction Communication Platform (ACP) goes live. The dates of this will be communicated well in advance to counterparties once the timings are agreed with the vendor. There may be need to adjust the Procurement Framework ahead of the delivery of the ACP to reflect the functionality that will be delivered.

Summarised feedback and our response

Question	Summarised feedback	Response
Willingness to design and test the new the capability on the new Auction Communication Platform?	Counterparties were willing to be involved depending on the scope, scale and timing of involvement required for this.	We will directly contact the counterparties who have indicated willingness with a clearer idea of the scope, scale and timing of the support desired.
Any negatives on removing lots for specific Bids/Offers.	Counterparties were supportive of this change. There was feedback on the ordering of the clearing when there are multiple lots for the same period and how this would interact with the clearing method.	We will continue to remove the lots for the auctions. We will consider the order the auctions need to be cleared.
Minimum duration window of 20min with longer for more complex requirements.	Counterparty feedback more mixed. 20minute minimum good, but would be good to link that to a specific small number of lots eg 5 lots. Would be good to	We will set the minimum bidding window duration to 20mins for up to 5 lots. For more than 5 lots additional time will be added such that for every additional 5 lots, 10

	include a formula like for every additional 5 lots, 10 minutes is added.	minutes will be added to the minimum duration.
30min maximum duration of auction and results, after this withdrawal of bids option.	Mixed counterparty feedback pointing to 30mins being good to too long. Withdrawal of bids was supported as long as there is a clear process for doing this.	Auction processing maximum duration will be 30mins with reasonable endeavours to do this more quickly. We will set out clearly ahead of the go live of the ACP how the withdrawal of bids will work.
10mins minimum duration of auction results before capacity auction or nomination gate.	Most counterparties agreed that 10mins was an acceptable minimum duration. One counterparty said this was too short and requested 20mins.	We will ensure that trades are in place 10minutes ahead of the capacity auction or nomination gate.
Removing manual confirmations, results are firm.	Most counterparties were supportive of removing the manual confirms. One counterparty would like to keep the confirms but this could be done via API/webapp One party mentioned this needs to be done in combination with the ACP changes.	We are going to remove the manual confirmations following the trade notification. There will still be automatic confirmations sent via the ACP. This will only take place once we move to the new ACP.
Minimum trade size	Most counterparties were supportive of this, with a minimum trade size suggested between 5-10MW. One counterparty suggested a larger minimum trade size of 50MW.	We are going to implement a minimum trade size of 5MW. We are not able to create much larger minimum trade size, as this is above the trade size for some of the counterparties.
Auction clearing method, pay-as-bid vs pay-as-clear	There was varied feedback in response to this question with some preferring pay-as-clear and others open to pay-as-bid or pay-as-clear.	Thank you for this feedback, we will start to consider further whether there is a benefit to move to pay-as-clear pricing methodology.
Other feedback	Improved transparency around reasons behind requirements not filled and partially filled.	Thank you for this feedback, this something that we will look at how to incorporate into the data we publish.

	Trade requests should be based on Mid-channel Nominations	We appreciate that specifying the volume in MCNs may eliminate some confusion over the exact nominations required but as the trades are notified (and therefore financially settled) in GB based on MW of 'energy delivered' we believe they should continue to be communicated and agreed based on GB side volumes.
	Important to give lots of time to test and implement ahead of phase 2	Yes this is noted and we will keep you updated of the timelines around this when we know firm details of it.
	Essential to be able to cancel bids/offers during the bidding window	This is functionality that we are intending to ensure is included.

Next steps

Following this consultation, we will be:

- Publishing an updated version of the IC Trades Procurement Framework by 23rd May
- Contacting counterparties who have indicated they are interested in being lead testers to share a clearer idea of the scope, scale and timing for this role
- Creating a timeline for the ACP which will be shared with counterparties once ready
- Publishing the consultation documentation onto the new area of our data portal