



HLD Review Group

Market Integration Project Update (January)

Overall Progress

- ▶ Project progressing in accordance with the planned timeframes.
- ▶ We are in the process of developing the Consultation Paper prior to submission to the SEMC in January.
- ▶ The project team is also working on the qualitative assessment of each option. The Description of options and the initial assessment will form part of the CP.
- ▶ Four options under consideration (none have been discounted since the last meeting).

Work Progress

- ▶ Material to be discussed today has been presented to the Project Board yesterday.
- ▶ The feedback from PB & HLDRG will be implemented into a new version of the document which will be discussed with the PB on the 21st
- ▶ Early submission to the SEMC is also planned
- ▶ Options of HLD and DS3 “Products”

Risks and Issues

- ▶ Approval of the Consultation Paper in January – This risk has been substantially mitigated by the submission of the Emerging Thinking paper to the SEMC in November.
- ▶ EU Endorsement: The project team is also planning to meet the EC/ACER to present the options under consideration.
- ▶ May's SEMC meeting will narrow down the options to a single proposed market design.

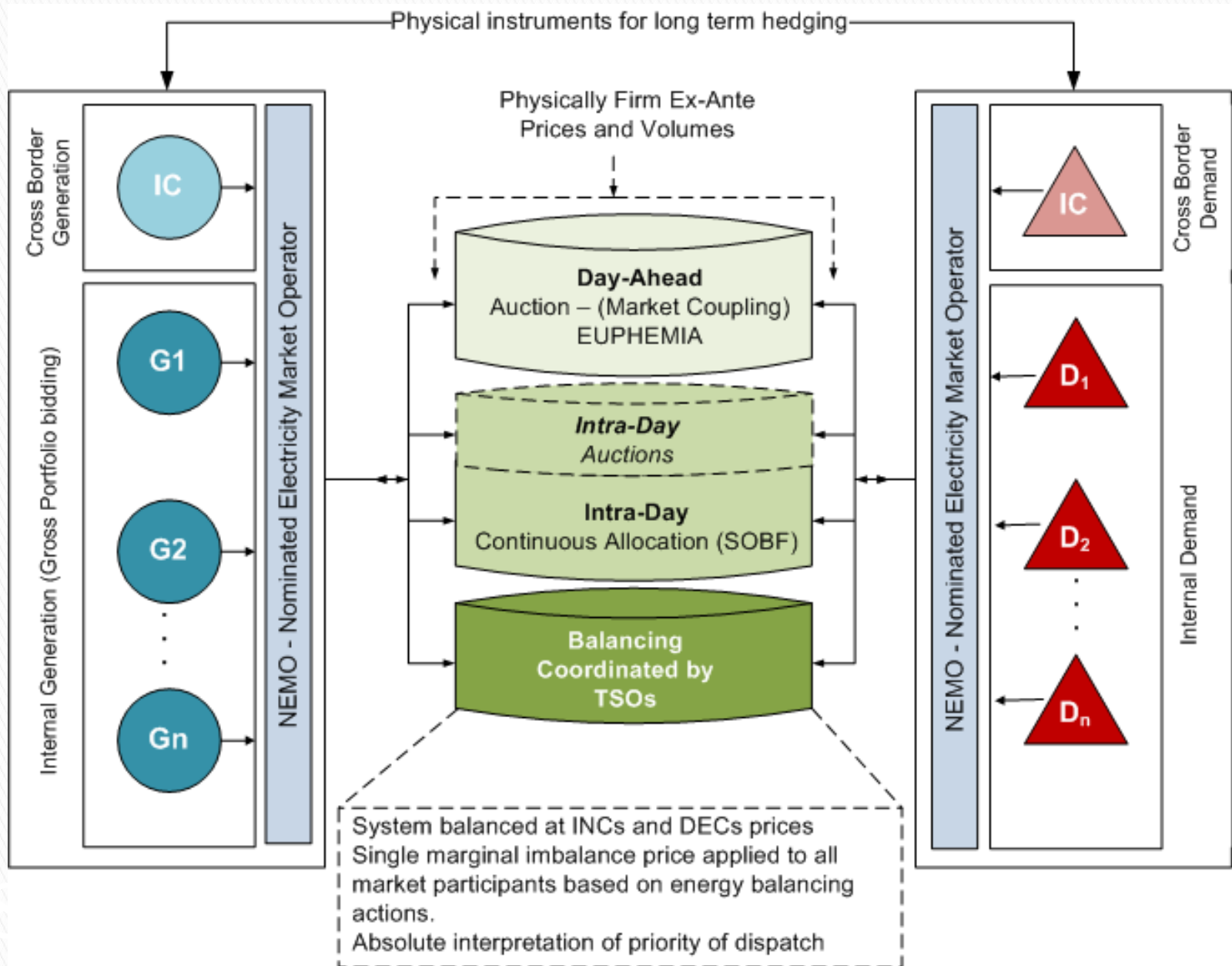
Next Meetings of the Project Team

- ▶ 13/01 IWFA Meeting
- ▶ 15/01 TSO meeting re Implementation
- ▶ 21/01 Project Board meeting
- ▶ 23/01 JSG (Present draft Consultation Paper)
- ▶ 30/01 January's SEMC (Seek approval CP)
- ▶ 20/02 (TBC) Open Stakeholder Forum.
- ▶ 27/02 February's and March's SEMC (Impl.)
- ▶ 03/03 (TBC) Bi-lateral meetings with Industry

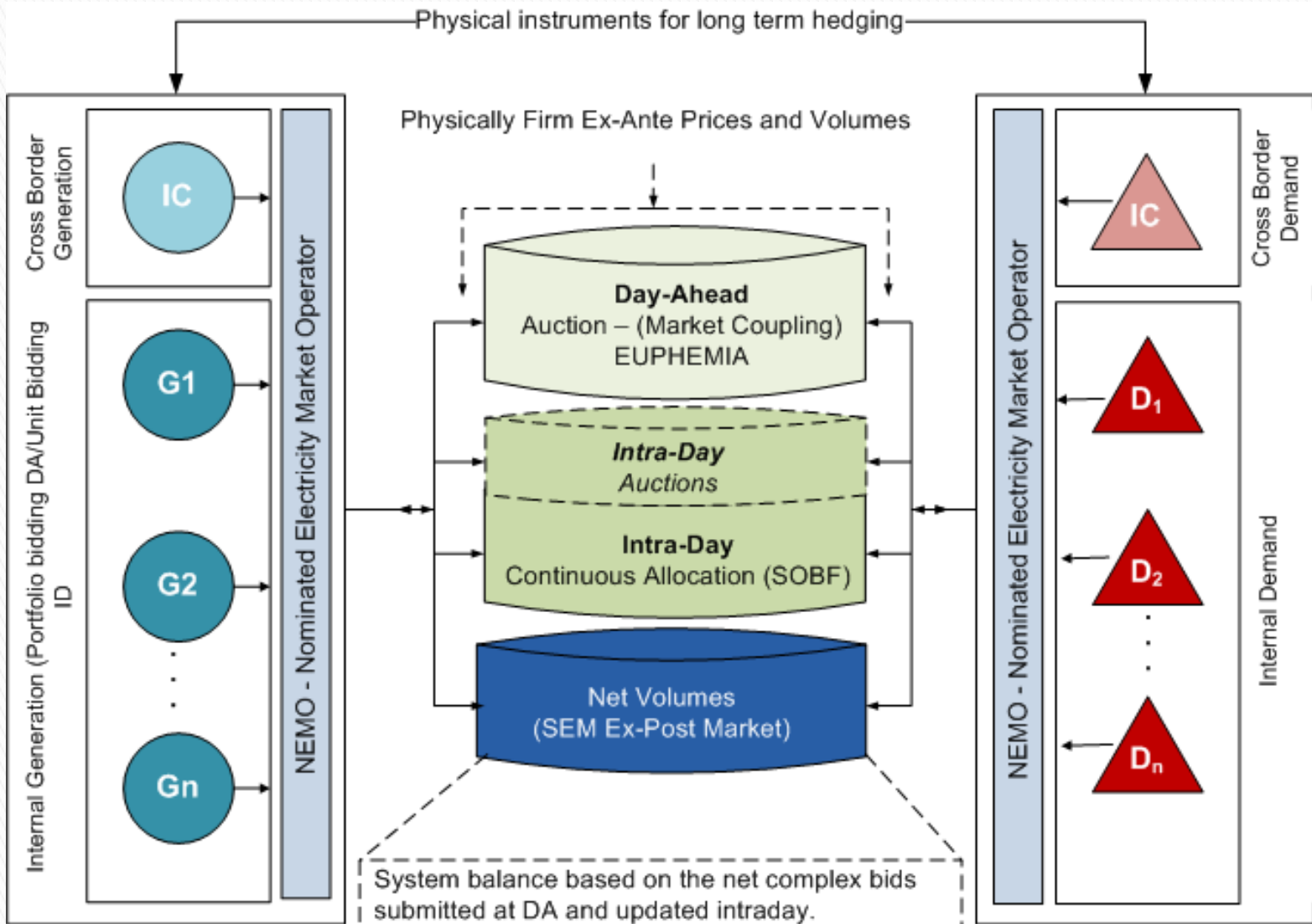
Any Questions?

Options Discussion

Option 1 – Adapted Decentralised Market



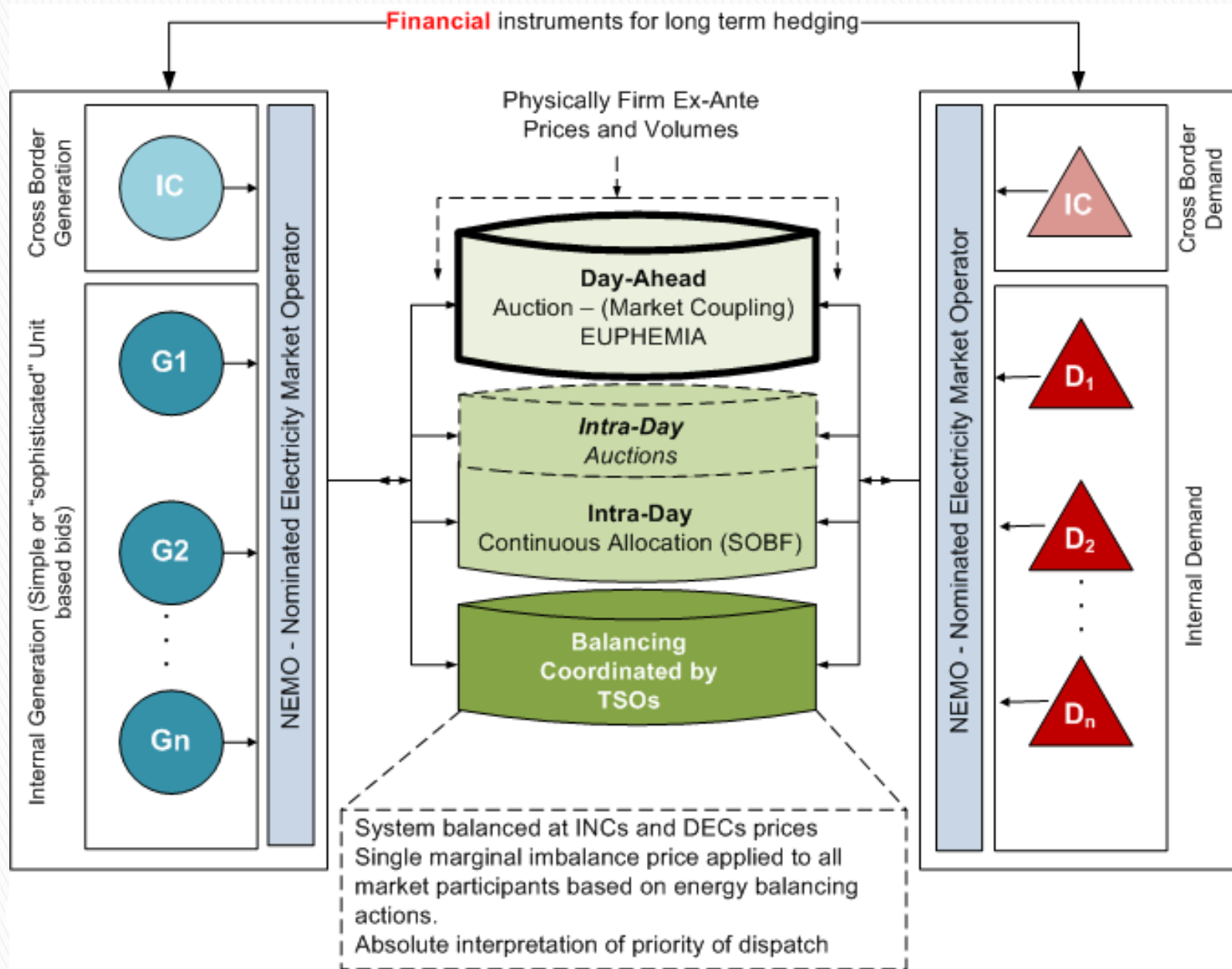
Option 2 – Mandatory ex-post pool for net volumes



System balance based on the net complex bids submitted at DA and updated intraday.

Net ex-post unconstrained market schedule to minimise production cost that results in dual marginal prices paid to/by all market participants

Option 3 – Mandatory Centralised Market



Option 4 – Gross pool – net settlement market

