

# MARKET INDEX DEFINITION STATEMENT (MIDS) REVIEW 2018 CONSULTATION RESULT

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**MEETING NAME** ISG 211

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**Date of meeting** 20 November 2018

**Paper number** ISG211/02

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**Purpose of paper** For Decision

**Classification** Public

**Summary** Following the September 2018 ISG meeting, we issued the 2018 MIDS Review paper for industry consultation. This paper invites the ISG to make its final recommendations to the BSC Panel.

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## 1. Summary

- 1.1 The Market Index Definition Statement (MIDS) defines the way the Market Index Price (MIP) is calculated. ELEXON, on behalf of the Panel, review the MIDS and consult interested parties annually, as required by the Balancing Settlement Code (BSC). The 2018 MIDS Review can be found in Attachment A of this paper.
- 1.2 The MIDS defines a set of parameters used to determine the MIP. Our review showed that the description of the timebands in the MIDS should be amended, so they refer to the Submission Deadline (i.e. the beginning of a Settlement Period) rather than Gate Closure. This would allow trades between Gate Closure and the Submission Deadline to be included in the calculation of MIPs.
- 1.3 Our review also showed the current Individual Liquidity Threshold (ILT), product weightings and timeband 1-5 weightings remain suitable. Our analysis (Appendix 2 of Attachment A) showed timeband 6 should be removed as a weighted product to aid MIDS principles.
- 1.4 At its September 2018 meeting, the ISG agreed with the proposed questions in the consultation proforma (see Attachment B). BSC Parties and other interested parties were invited to respond.
- 1.5 We invite the ISG to make final recommendations to the BSC Panel on changes to the MIDS.

## 2. Consultation Result

- 2.1 Following a four week industry consultation, no responses were received for the 2018 MIDS Review. This is not unexpected, as the two previous MIDS reviewed in 2016 and 2017 only received one response each. In both cases, this response was from the same ISG Member.
- 2.2 We invite the ISG to make its final recommendations to the BSC Panel, for the following changes to be made to the MIDS:
  - a) References to Gate Closure to be altered to the Submission Deadline.
  - b) Weighting principle 4.2 (f) to refer to trades made as close as possible to the Submission Deadline, not Gate Closure.
  - c) The removal of timeband 6 as a weighted timeband.
  - d) A number of housekeeping changes.
- 2.3 A BSC Modification to change BSC Section T 1.5.3 (b)(iii) is also necessary. The modification is required to change the definition of 'short term' so it no longer refers to Gate Closure.

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## 3. Recommendations

3.1 We invite you to:

- a) **NOTE** that no consultation response were received; and
- b) **RECOMMEND** to the BSC Panel that the suggested MIDS changes be made.

## Attachments

Attachment A – MIDS Review 2018 Consultation

Attachment B – MIDS Review 2018 Consultation proforma

### For more information, please contact:

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