

Report Phase Consultation Responses

E L E X O N

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Implementation

P467 ‘Enduring solution for cash out price calculation in the event of a Gas Deficit Emergency (GDE)’

This Report Phase Consultation was issued on 14 February 2024, with responses invited by 14 March 2024.

Consultation Respondents

Respondent	Role(s) Represented
RWE Supply & Trading GmbH	Generator, Supplier, Interconnector User

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Responses

20 March 2024

Version 1.0

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Question 1: Do you agree with the Panel’s initial majority recommendation that P467 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	We believe that this modification is positive against objectives a, b, c, d and e. This modification should not be conflated with the already approved P448, in that it does not provide security and certainty to Generators who load shed from high imbalance prices during a NGSE. P467 only corrects the cashout volume and price signal to all market participants, thereby also facilitating effective competition and bringing the BSC back in line with EGBL Article 18.

Question 2: Do you agree with the Panel that the redlined changes to the BSC deliver the intention of P467?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	We agree that NGSEAs should be excluded from the definition of a System Sell Action

Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	This modification should be implemented as soon as possible since the cashout calculation is currently incorrect and resulting market participant activity could impact security of supply.

Question 4: Do you agree with the Panel’s initial view that P467 should not be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	We agree this is a material change.

Question 5: Do you agree with the Panel’s initial consideration that P467 does impact the European Electricity Balancing Guideline (EBGL) Article 18 terms and conditions held within the BSC?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	<p>We believe that P467 will bring the BSC back in line with EBGL Article 18.</p> <p>In our view, NGSEAs are administered through the systems and processes that are also used for balancing, but NGSEAs are not balancing energy because they are not used by TSOs to perform balancing.</p> <p>Therefore, their removal from cashout calculations will bring the BSC back in line with Article 55 paragraph 4 that puts limits on cashout prices based on balancing energy transactions only. This modification would also bring the cashout calculation back in line with the general principles of settlement defined in Article 44, in particular the requirement for settlement processes to establish adequate economic signals which reflect the imbalance situation, at a price that reflects the real time value of energy, and provide incentives to balance responsible parties to be in balance or help the system to restore its balance.</p>

Question 6: Do you have any comments on the impact of P467 on the EBGL objectives?

Summary

Yes	No	Neutral/No Comment	Other
1	0	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	We do not believe this modification impacts Article 3 of the EBGL because it does not affect competition of provision of balancing services within balancing markets.

Question 7: Will P467 impact your organisation?

Summary

High	Medium	Low	None
0	0	1	-

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Low	Since high cashout prices can already occur, the impact of this additional very low probability event is low.

Question 8: How much will it cost your organisation to implement P467?

Summary

High	Medium	Low	None	Other
0	0	1	-	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Low/None	As this type of event will be rare, we are not likely to amend business as usual internal systems, and will use industry data for observing cashout prices in the event of an NGSEA.

Question 9: What will the ongoing cost of P467 be to your organisation?

Summary

Solution	High	Medium	Low	None	Other
Proposed	0	0	0	1	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	None	No comments

Question 10: How long (from the point of approval) would you need to implement P467?

Summary

0-6 months	6-12 months	>12 months	Other
0	0	0	1

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	None	P467 should be implemented ASAP.

Question 11: Do you agree with the identified consumer benefits?

Summary

Yes	No	Neutral/No Comment	Other
0	1	0	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	No	<p>We agree that this modification is positive against objectives 1) and 5) because it would correct the settlement calculation so that it does not treat NGSEAs as balancing actions. This corrects the cashout volume and price signal to all market participants so they can take appropriate commercial action to help support security of supply.</p> <p>We do not agree that this modification supports objective 4) by supporting generators who load shed from high imbalance prices because we believe these parties are not particularly affected by this modification (as this was the impact from P448).</p>

Question 12: Do you have any further comments on P467?

Summary

Yes	No
1	0

Responses

Respondent	Response	Rationale
RWE Supply & Trading GmbH	Yes	<p>We believe the title of this modification is highly misleading because it refers only to Gas Deficit Emergencies (GDEs), and the terms NGSE and GDE appear to be used interchangeably throughout the proposal document which is not correct because they are not the same. The title and proposal therefore imply that this modification only applies to GDEs and excludes other NGSE events.</p> <p>We think the title and proposal document should be corrected so that any reference to GDEs is replaced by the wider definition of an NGSE, as per the scope of NGSEAs under P448 and in the P467 legal text.</p> <p>A GDE is only one type of NGSE. The two other types of NGSE are a GS(M)R Monitor Breach and a Critical Transportation Constraint, both of which could give rise to NGSEAs.</p>