

*These answers relate to the proposed real-time pricing proposal and were provided to MEUG in response to questions submitted during the consultation.*

## Response to MEUG memo regarding our proposal for real-time pricing

The Authority's responses to MEUG's memo received by email on 4 September 2017 are provided inline in the blue boxes in the original document reproduced below.

MEUG's memo is a draft document with the intent to clarify the obligations and opportunities for purchasers under RTP.

**Date: 21/9/2017**

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## MEUG & EA discussion on RTP 5 September 2017

### Comparison of current Code for price formation with proposed RTP Code for large end consumers

#### Guide to following tables

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#### General notes

1. Defined terms are in italics.
2. All bids, except *difference bids*, must be first made  $\geq 71$  Trading Periods (TP) before dispatch TP. For difference bids, it's  $\geq 4$  TP.

Current Code for purchasers with approved DCLS		Proposed Code obligations under RTP
Purchaser gains approval for device of group of devices to be a <i>DCLS</i> .		New 13.87A includes <i>DCLS</i> for <i>dispatch notification purchasers</i> .
For approved DCLS	<p><i>Dispatchable Load Purchaser</i> must make either (13.7(2))<sup>1</sup>:</p> <ul style="list-style-type: none"> <li>• <i>Nominated dispatch bid.</i> <ul style="list-style-type: none"> <li>~ Must revise bid if f/cast <math>\Delta &gt; 5</math> MW &amp; <math>&gt;</math> lesser of (10 MW, 10%).</li> <li>~ During gate closure, MW can be revised for bona fide physical reasons or S.O. formal notice (13.19A (1A) and (1B)).</li> <li>~ If MW change made in gate closure, purchaser must report to EA by 1700 hours following business day (13.21).</li> </ul> </li> <li>~ If MW change made 1 TP before dispatch TP bid becomes a <i>nominated non-dispatch bid</i> (13.19A(3A)).</li> <li>~ If MW change 15" before TP purchaser must directly contact</li> </ul>	cl. 13.13(1)(c) price band requirements (min \$15k and max \$600k) deleted.
		13.19B changed from beginning to end of dispatch TP.
		No change.
		<p>Question: No change. Is this now necessary? Or at least why urgency for a report as has no pricing implications and could say have a monthly batch report?</p> <p>Answer: It is possible clause 13.21 might not be necessary if rebidding/reoffering within the trading period is adopted as part of RTP. However, the reason for a bona fide stated at the time of rebidding may not be adequately detailed. Rebidding <u>can</u> affect pricing, because the modified dispatch bid could still be used for dispatch and therefore set dispatch prices. For that reason, it is important bona fide claims are appropriately justified, and waiting for a month may be too long for that information to be accurate. We will reconsider this clause during the detailed design phase.</p>
		<p>Question: No change. Is this now necessary?</p> <p>Answer: Moving dispatchable demand to the dispatch schedule may render 13.19A(3A) defunct; ie, the issues giving rise to the Late Bid Revisions amendment may no longer exist. We will consider revoking subclause (3A), provided it does not allow inappropriate constrained payments. Note any change to bids within gate closure must be under a formal notice or for a bona fide physical reason (13.19A(1B)).</p>
End time extended from start TP to end TP.		

<sup>1</sup> Or can rely on 13.8A "*Deemed nominated bids*".

Current Code for purchasers with approved DCLS	Proposed Code obligations under RTP
<p>S.O. (13.20)</p> <ul style="list-style-type: none"> <li>~ Receive and act on dispatch instruction (13.72(1)(iii))</li> <li>• Or <i>Nominated non-dispatch bid</i>.</li> <li>~ Follow same rules as <i>nominated non-dispatch bid</i> rules for non-conforming nodes</li> </ul> <p>And can switch between the above 2 bids and revise at any time (13.19A(1)(aa)) except 2 TP prior to dispatch TP (13.19A(3B)).</p>	<p>Question: Why not replace with automated notification?</p> <p>Answer: The change to clause 13.20(1) captures rebidding/reoffering <u>within</u> the trading period itself, which is not currently permissible. However, we will consider the suggestion to automate this notification in the detailed design phase.</p> <p>Change. Dispatched like generation rather than off NRS.</p> <p>No change.</p> <p>No change.</p> <p>Question: No change. Is this now necessary?</p> <p>Answer: In general a DCLS should not be able to change from non-dispatch to dispatch inside the gate closure period. However, this may be desirable in response to a GEN; ie, to provide additional resources. We will consider amending 13.19A(3B) in that context.</p>
<p>Dispatch notification purchaser (all new provisions for “dispatch light”)</p>	<p>Question: Apply to S.O. to have DCLS approved (13.87A).</p> <p>Nominated non-dispatch rules apply (?).</p> <p>Answer: The same rules apply for dispatch-lite as for other DCLS: submit nominated bids, which may be dispatch or non-dispatch.</p> <p>Question: Receive dispatch notifications (13.72(1)(ab)).</p> <p>Need not comply with notifications but subject to review (13.82A).</p> <p>Answer: And must communicate intent not to comply to system operator (either by rebidding, or via acknowledgement of the dispatch notification).</p>

Current Code for purchasers with <i>non-dispatch-capable load</i>		RTP proposal and notes
Nodes allocated as conforming on non-conforming (sch. 13.7 or EA's own initiative (13.27A).		No change. Question: Will emerging technologies and RTP warrant a review? Answer: Not for RTP as such.
For non-dispatch-capable load	At non-conforming GXP:	
	~ Purchaser must make a <i>nominated non-dispatch bid</i> (13.77AA(2)(a)).	No change.
	~ Must revise bid if f/cast $\Delta > 5$ MW & $>$ lesser of (20 MW, 20%).	13.19B changed from beginning to end of dispatch TP.
	~ If MW change 15" before TP purchaser must directly contact S.O. (13.20)	End time extended from start TP to end TP. Question: Why not replace with automated notification? Answer: As above.
	~ If in response to 5" indicative prices a purchaser in any 15" period wishes to change demand by $\geq 50$ MW in NI or $\geq 30$ MW in SI then must advise S.O. by telephone $> 5$ " before and take instructions from the S.O. (13.96).	Question: There are no 5" indicative prices, therefore is this needed? Answer: 13.96 has been recast to cover demand responding to price in real-time; ie, now 'dispatch prices' rather than the 5-min indicative prices. The system operator would still require information on large changes in demand to securely manage the system.
	At conforming GXP:	
	~ S.O. must f/cast load (13.7A). EA can request a report on accuracy (13.7B)	No change.
	~ Purchaser may make a <i>difference bid</i> (13.77AA(2)(b))	No change.
~ If in response to 5" indicative prices a purchaser in any 15" period wishes to change demand by $\geq 50$ MW in NI or $\geq 30$ MW in SI then must advise S.O. by telephone $> 5$ " before and take instructions from the S.O. (13.96).	Question: There are no 5" indicative prices, therefore is this needed? Answer: As above.	
~ No prices forecast.	Price and quantity bands assigned (15.58AA).	