

GREAT SOLUTION FOR AUCTIONING

FUNC issue.

GSA Platform point of view.



GSA Platform

PROPOSAL 1

With **shorter bidding rounds**, more bidding rounds could be held within the same timeframe.

The concrete runtimes of bidding times might not have to be defined in the code; NC CAM could state they have to be published in connection to when the auction calendar is produced, for example. This would make NC CAM more flexible, and we could more easily/faster react to changed market conditions.

PROPOSAL 1 – shorter bidding rounds

- ❖ **On GSA Platform we can easily adjust length of bidding rounds as well as breaks between rounds.**
- ❖ Proposal: each round lasts 45 minutes, breaks lasts 15 minutes, each round starts at the beginning of the hour
- ❖ No additional implementation costs

PROPOSAL 2

- Postpone the annual yearly auction by ACA closer to the start of the yearly product
- More flexible deadlines for quarterly/monthly auctions by ACA closer to the start of the product

Can be combined with:

- Add additional monthly auctions → Subsequent to ACA or by using UPA in substitution of ACA
If ACA stays, shortening rounds could also be considered (see proposal 1)

PROPOSAL 2 – **postpone yearly auction closer to start of gas year**, as well as Q and M auctions

- ❖ **Easily adjustable in GSA configuration**, no additional implementation costs

Adding additional auction terms ACA

- ❖ Estimated implementation time 1 month

Offering the same products by ACA and UPA algorithm

- ❖ **We would like to avoid situation of offering the same products by more than one auction algorithm (ACA and UPA)**, it would cause development and maintenance challenges
- ❖ **In the case of repeating the auction for the same products, the issue of the starting price arises**, if, for example in the first capacity was made available, *when auction premium appeared - then the starting price of the auction should be set in the amount of tariff + premium from the completed auction.*
- ❖ Estimated implementation time 3 months

PROPOSAL 3

Follow the current CAM NC calendar for yearly, quarterly and monthly products but **introduce additional UPA auctions**.

Maintain auctioning through ACA of the annual yearly auction, then offer yearly products on a continuous basis through UPA till the auction date of the next shortest product (quarterly capacities) starts.

Monthly and quarterly products would be offered through **UPA from the start** and then also be offered on a continuous basis.

DA and WD auctions remain the same. No changes to set-aside rules.

Interruptible could also still be offered if firm capacity is not offered at all, sold out or sold with auction premium.

PROPOSAL 3 – additional UPA auctions

- ❖ We would like to avoid situation of offering the same products by more than one auction algorithm (ACA and UPA), it would cause development and maintenance challenges.
- ❖ It must be considered **additional system load and ergonomic issues**, because in the same time there might be offered Q, M, DA and WD auctions.
- ❖ In the case of repeating the auction for the same products, the issue of the starting price arises, if, for example in the first capacity was made available, when an *auction premium appeared* - then the starting price of the auction should be set in the amount of tariff + premium from the completed auction.
- ❖ Estimated implementation time 3 months

EFET PROPOSAL

Supplementary UPA (Uniform Price Algorithm) auctions for yearly, quarterly, and monthly products would be held for any capacity remaining unsold after the first relevant CAM NC (ascending clock) auction, up to the point where the capacity becomes usable

Monthly ACA auctions are scheduled earlier, on the 1st Monday of the month

- ❖ On GSA Platform we can easily set up new auction calendar, so change of the term of monthly auctions is easily adjustable
- ❖ As we've stated on previous slides we would like to avoid mixing of algorithms (ACA and UPA) for the same type of the auction products
- ❖ Generates the biggest cost and time of implementation, may cause peak load because of increase number of auctions in the same time

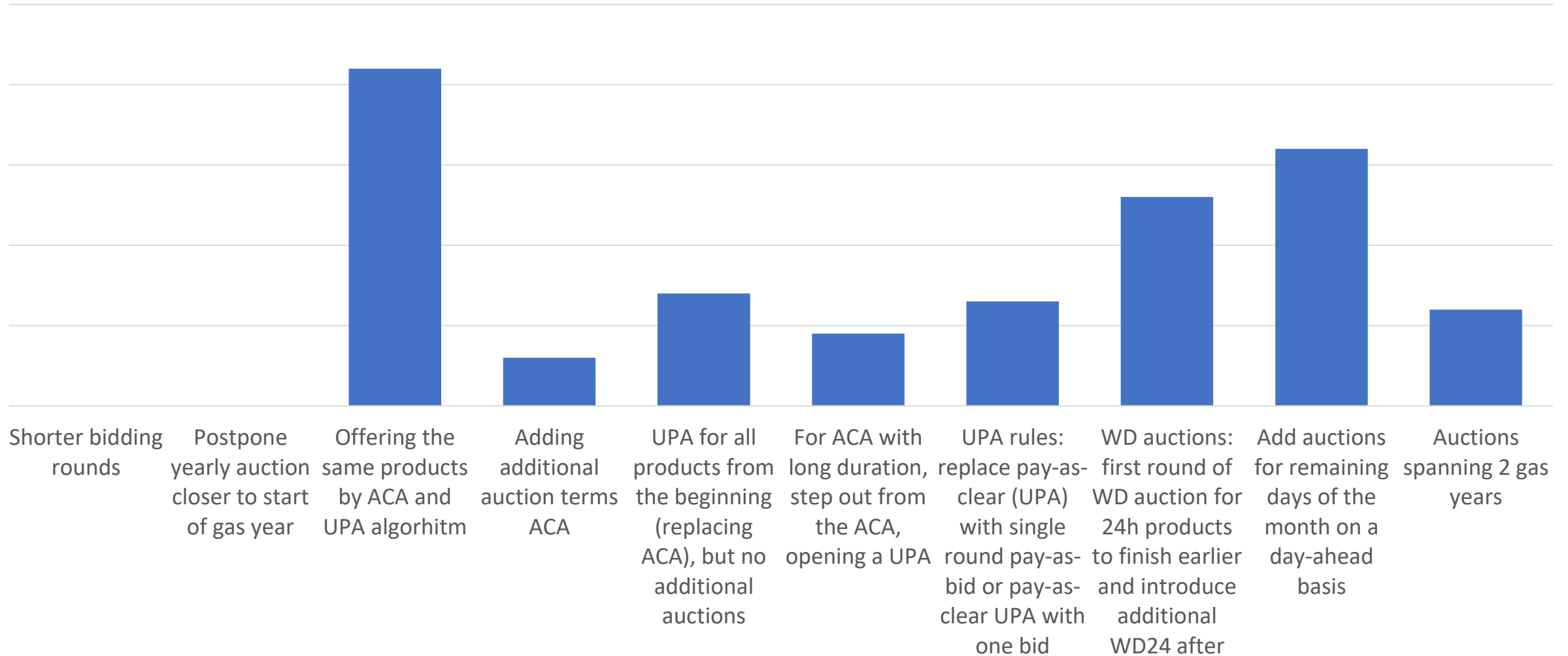
ADDITIONAL PROPOSALS

- ❖ UPA for all products from the beginning (replacing ACA), but no additional auctions
 - ❖ Estimated implementation time 1,5 month
- ❖ For ACA with long duration, step out from the ACA, opening a UPA
 - ❖ Estimated implementation time 3 weeks
- ❖ UPA rules: replace pay-as-clear (UPA) with single round pay-as-bid or pay-as-clear UPA with one bid
 - ❖ Estimated implementation time 2 months
- ❖ WD auctions: first round of WD auction for 24h products to finish earlier and introduce additional WD24 after
 - ❖ Estimated implementation time 3 months
- ❖ Options addressing request for seasonal products and additional runtimes
 - ❖ Add auctions for remaining days of the month on a day-ahead basis
 - ❖ Estimated implementation time 3 months
 - ❖ Auctions spanning 2 gas years
 - ❖ Estimated implementation time 1 month

COMMENTS

- ❖ All indicated costs are indicative and estimated.
- ❖ It contains only necessary changes which needs to be done only in GSA Platform system, it is worth to underline that in case of such significant changes all TSOs back-end systems also need to be modified and costs will have to be borne by them.
- ❖ Probably there will be the need to expand also the system hardware due to the greater number of auctions offered at the same time.

COSTS ESTIMATION



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 **GSA Platform**