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**Inter-Day Linepack Product
Proposed Business Rules V0.2**

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1. Inter-day Linepack Product Overview

1.1. Introduction

1.1.1. The **Inter-day Linepack Product (ILP)** furnishes Users with the ability to undertake an inter-day transfer of a specified energy quantity.

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1.1.2. There are two types of ILP, which can be represented as a 'Park' and a 'Loan' product.

(a) 'Park' product – represents an inter-day transfer, from one Gas Flow Day to the next, of a **positive** quantity of energy.

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(b) 'Loan' product – represents an inter-day transfer, from one Gas Flow Day to the next, of a negative quantity of energy.

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1.2. **When** made available, **the ILP will be released within-day** by National Grid NTS through the market mechanism detailed below.

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2. The Inter-day Linepack Bulletin Board

2.1. Introduction

2.1.1. The ILP will be made available on the **Inter-day Linepack Bulletin Board**.

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2.1.2. The Inter-day Linepack Bulletin Board will be operated by the **Inter-day Linepack Manager (or the Linepack Manager's agent)**.

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2.1.3. The Inter-day Linepack Bulletin Board will show bids, offers, quantities, prices, quantities available, timings, history etc

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2.2. The Linepack Manager

2.2.1. National Grid NTS will be the Inter-day Linepack Manager (ILM) [can this role be created through the UNC or is a Licence change necessary? Is an FSA exemption needed as a trading platform is being created?] for the purposes of;

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- (a) determining the amount of ILP available for release; and
- (b) operating the Inter-day Linepack Service; and
- (c) accepting bids on the Inter-day Linepack Bulletin Board

2.2.2. The ILM will have an UK Link account, but will not be subject to cashout charges and neutrality, and any imbalances it creates will be suppressed. [Lack of interactions and implications for EBCC to be confirmed, and impact of NTS exposure to the trade transacted.]

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2.2.3. The ILM will be the counterparty to all accepted ILP transactions on the Inter-day Linepack Bulletin Board.

2.3. Access to the Inter-day Linepack Service

2.3.1. Any User may place up to [10] bids on the Inter-day Linepack Bulletin Board for each release subject to a minimum size of 100,000kWh.

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2.4. Product Release

2.4.1. When made available by the ILM, ILP shall be released within-day for the Gas Day.

2.4.2. When ILP is to be made available, the ILM will initiate at least one release of the ILP within a Gas Day.

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2.4.3. When the ILM has accepted bids, the ILP quantity will be Fjrm [firm needs to be defined].

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2.5. Posting ILP Bids

2.5.1. A User may post (and withdraw) bids on to the Inter-day Linepack Bulletin Board from 7 days prior to the relevant Gas Day up to the prescribed time of the release.

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2.5.2. Bids should be subject to a zero reserve price.

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2.5.3. All relevant posted bids which are posted prior to the time of the first (or only) ILP release for the Gas Day will be included in the first (or only) ILP release allocation process [create gate closure concept?].

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2.5.4. The unaccepted quantity of all valid bids which are not wholly accepted in an ILP release allocation process, and all wholly unaccepted bids will be carried forward to the next ILP release allocation process within that Gas Day subject to not having been withdrawn and remaining greater than the minimum size.

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2.5.5. Bids for further releases within the Gas Day may be posted after the closeout of the first ILP release.

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2.5.6. At the Close of the Gas Day all non-accepted, expired bids for that day will be dropped from the bid list.

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2.5.7. Once a bid is posted no changes can be made to the bid.

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2.5.8. A bid can either be accepted by the ILM, or at the end of the relevant Gas Day the bid will expire.

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2.6. Submitting Bids information

2.6.1. Where the User places a bid onto the Bulletin Board; the User shall;

- (a) Indicate whether a 'Park' or 'Loan' product is required, and the required ILP release allocation day
- (b) Specify price (pence per kWh)
- (c) Specify Quantity (kWh)
- (d) Indicate whether the bid may be partially accepted [subject to limits?]

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2.7. Confidentiality

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2.8. Timing of Release

Two options suggested for ILP release times: Option 1 proposes a defined first release preceded by further releases subject to availability. Option 2 proposes a defined release timetable.

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[Expected volume available to be published by NTS and Shippers to have opportunity to reconsider their position (withdraw/post bids) prior to the release process being initiated]

Option 2

2.8.1. There will be five ILP releases during the Gas Day (defined in para 2.8.7).

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2.8.2. With the exception of release 4 and 5; Each relevant release will commence;

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- (a) 1 ½ hours after the relevant Demand Forecast notification time prescribed under UNC section H5.2.3.and;
- (b) Following the next on the hour PCLP publication after the relevant Demand Forecast notification.

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2.8.3. Release 4 and 5 will commence 1 hour after the relevant Demand Forecast notification time prescribed under UNC section H5.2.3.

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2.8.4. The ILP will be released at defined times as prescribed below:

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Release 1	Release 2	Release 3	Release 4	Release 5
13:30	16:30	19:30	22:30	03:00

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3. Bid Acceptance process

3.1. The bid acceptance process will be carried out by the ILM in the shortest time practicable, but within an hour.

3.2. [Outcome to be published]

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3.3. Acceptance Criteria

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3.3.1. [Bids will be accepted in price order].

3.3.2. [Highest price to lowest.]

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3.3.3. The earliest posted bid will be accepted if price is the same. [could aim to maximise the volume accepted instead]

4. Post bid acceptance process

Where the ILP bid is accepted the transactions will be effected as an NBP trade.

The following three options are suggested:

Option 1:

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4.1. Interday Linepack product NBP Trade Transactions

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4.1.1. Where an ILP bid is accepted by ILM, the User and the ILM will be required to effect the following NBP Trades equal to the energy quantity of the accepted bid:

4.1.2. where the bid is for a 'parked' product:

in respect of D;

- (a) The User registers an NBP sell trade nomination.
- (b) The Linepack Manager registers an NBP buy trade nomination

in respect of D+1;

- (c) The User registers an NBP buy trade nomination
- (d) The Linepack Manager registers an NBP sell trade nomination

4.1.3. where the bid is for a 'Loan' product:

in respect of D;

- (a) The User registers an NBP buy trade nomination.
- (b) The Linepack Manager registers an NBP sell trade nomination

in respect of D+1;

- (c) The User registers an NBP sell trade nomination
- (d) The Linepack Manager registers an NBP buy trade nomination

Option 2:

4.2. Automated Nominations

4.2.1. All ILP trade nominations will be automatically generated by the UK link system. Trade Nominations as above. [Preferred approach subject to the level of costs – not necessarily a UK Link system solution.]

Option 3:

4.3. ILM updates Trade Nomination On behalf of User

4.3.1. The ILM will complete the Trade Nomination transactions on behalf of the User. Trade Nomination as above.

5. Information Provision

5.1. Following each ILP release National Grid will publish the total accepted volume of net Parked and Loan product.

5.2. Parked: projected amount available, amount bid for, amount accepted, price range of bids – accepted and not – volume weighted average prices, whether any market actions were taken after the release in the opposite direction (and vice versa)

5.3. Loaned: projected amount available, amount bid for, amount accepted, price range of bids – accepted and not – volume weighted average prices, whether any market actions were taken after the release in the opposite direction (and vice versa)

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6. Invoicing and Charging

- 6.1.1. The accepted bid will be calculated as the accepted bid quantity multiplied by the bid Price (i.e. pay as bid).
- 6.1.2. The ILP bid payments will be made through an [Energy Balancing invoice item] in-accordance with Section S of the UNC.
- 6.1.3. Revenue from the ILP bid payments s will be included within the Adjustment Neutrality process.

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