

Mod 0568: Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer

Materiality

Background

- Modification 0568 states “the reduction in payment settlement cycle in relation to such Energy Balancing Invoices will reduce the level of financial exposure and security requirements, which will ultimately lead to reduced costs for User’s trading on the OCM.”
- Action from January’s Transmission Workgroup for National Grid to confirm the materiality of this reduction in costs for User’s trading on the OCM.

Materiality

- It is anticipated that once ICE Endex has taken on the role of Trading System Clearer and the migration to the new indirect clearing model has taken place the total transactional costs of residual balancing will reduce by approximately a half.
- It is not strictly the modification that drives this change but is required in order to formalise the changes required by the clearing migration into the UNC.