



Possible Effects of Interruptible Contracts on Imbalance Pricing

ARODG – 23 April 2006

Background

- Action at last meeting to explore possible effects of interruptible contracts on imbalance prices
- Some stylised examples follow considering short and long market position
- Designed to promote further discussion

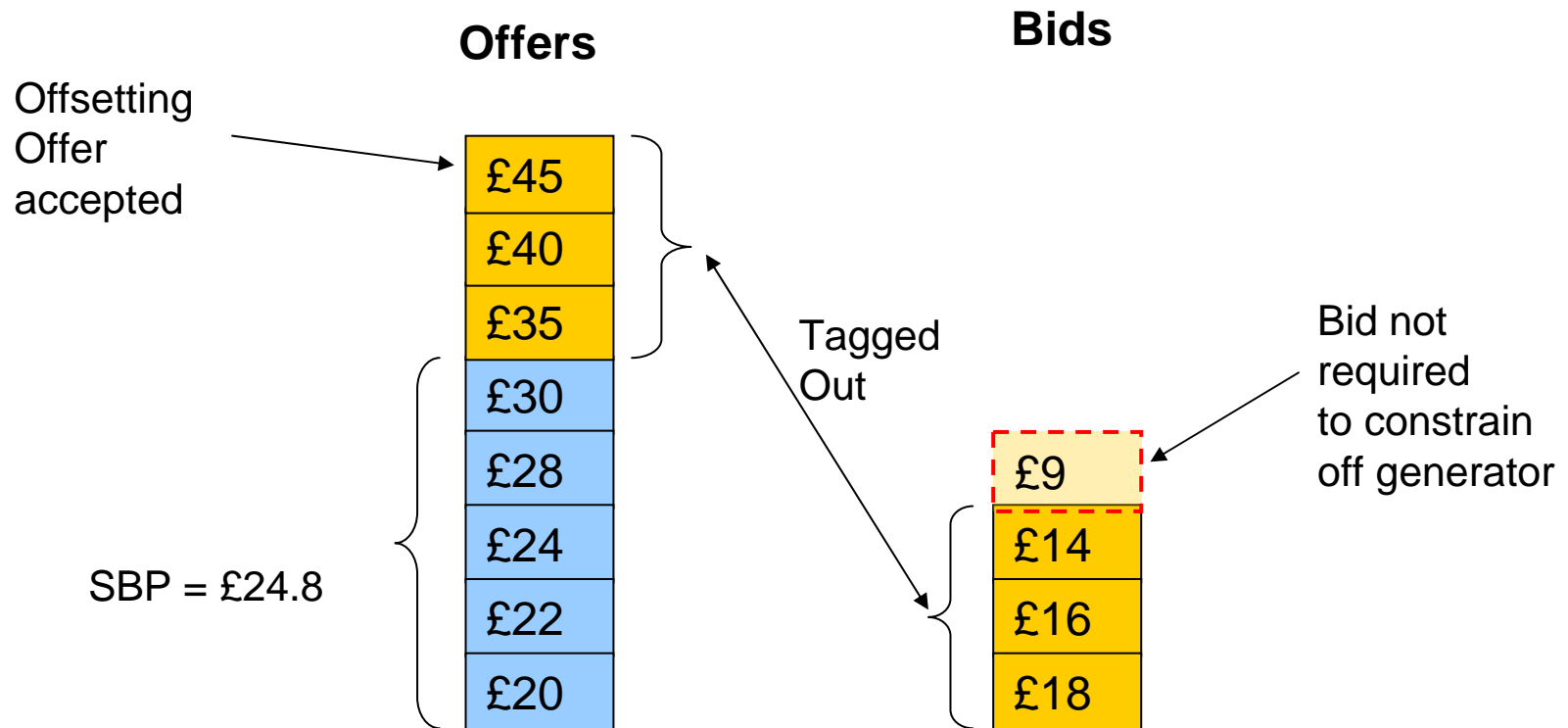
Energy only position – short market



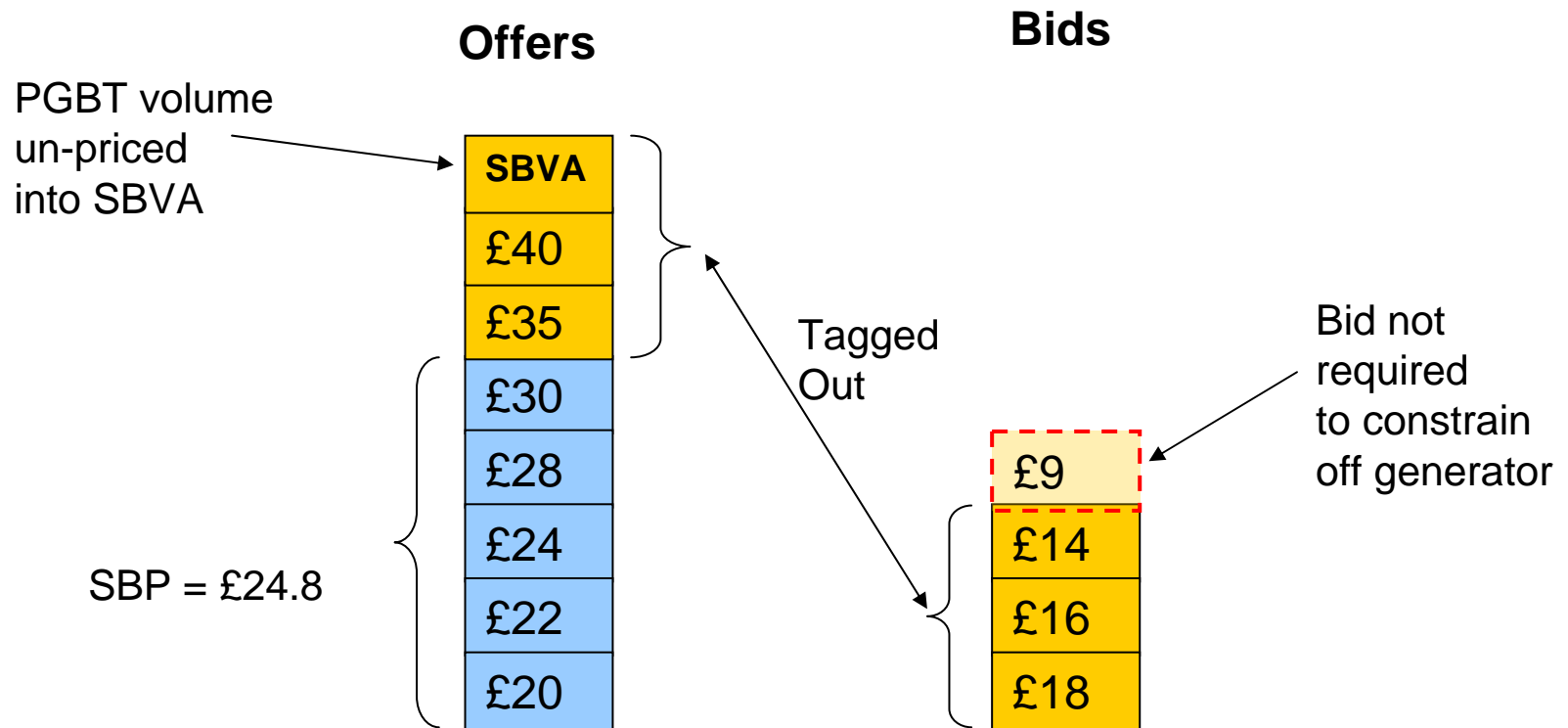
Add system actions



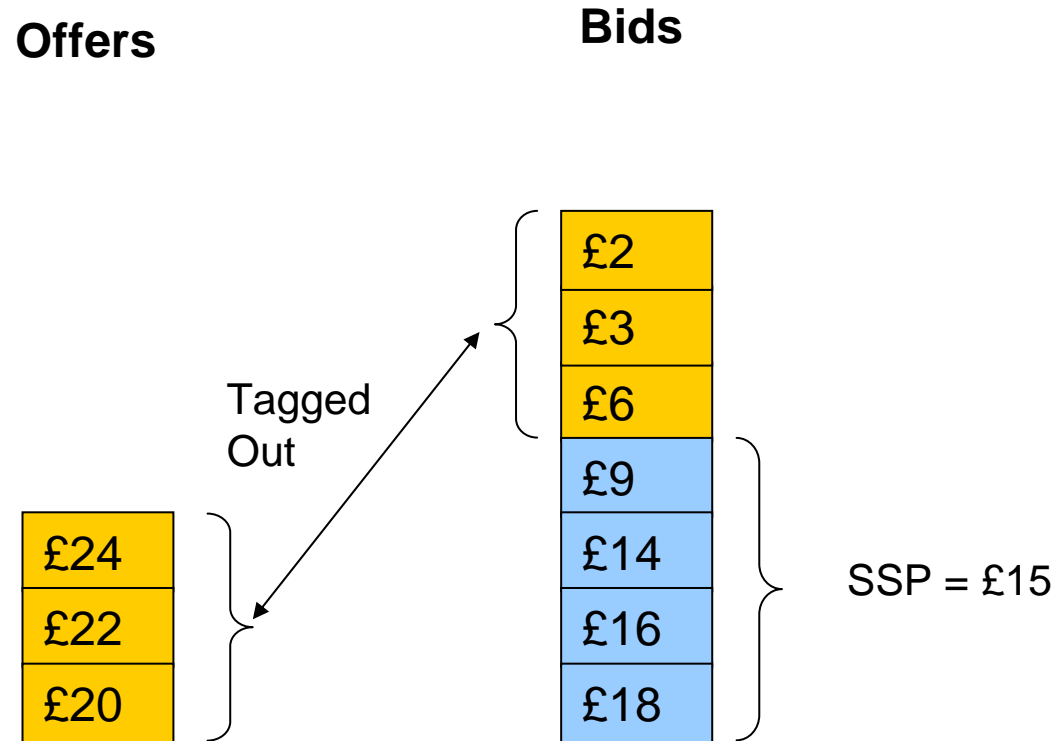
Interruptible access right and accept Offer to rebalance



Interruptible access right and use PGBT to Rebalance



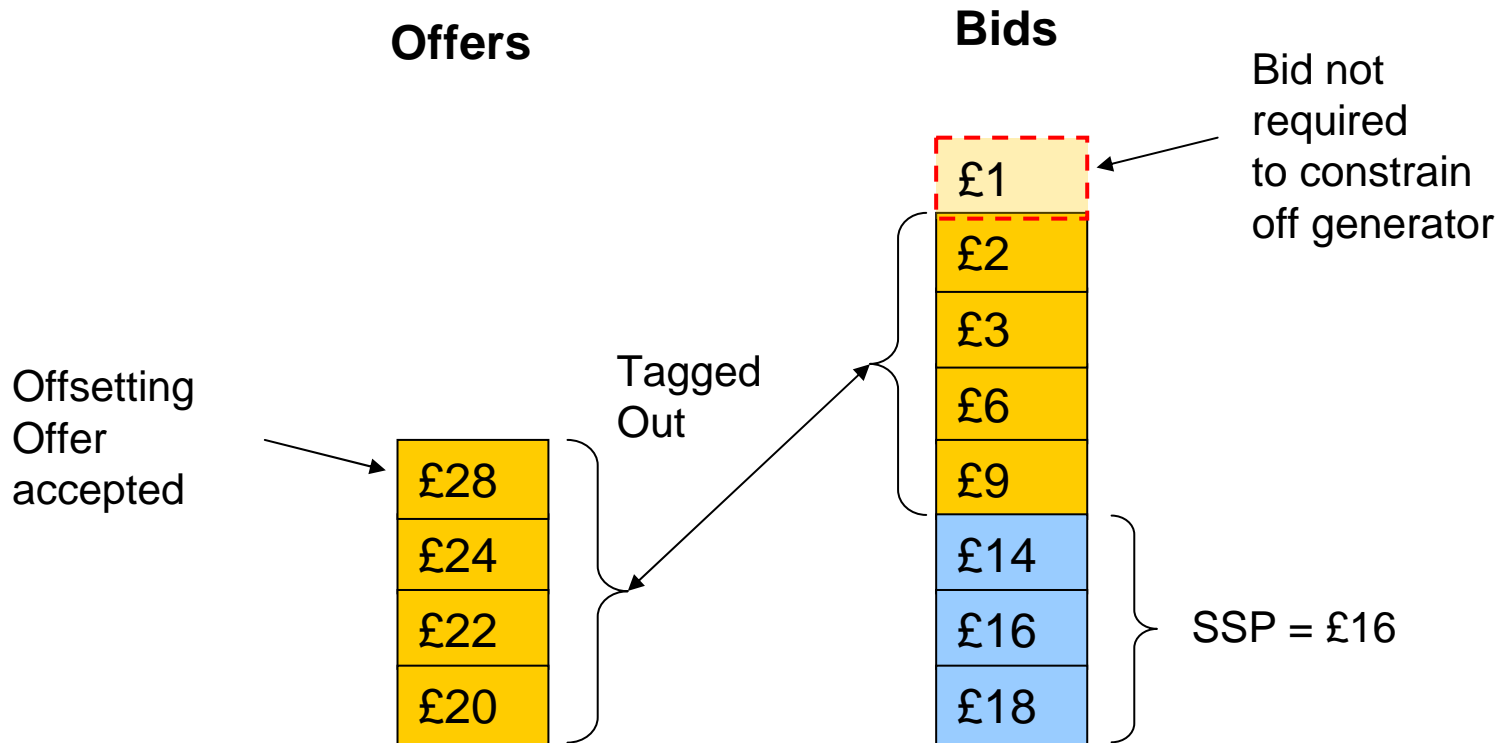
Energy only position – long market



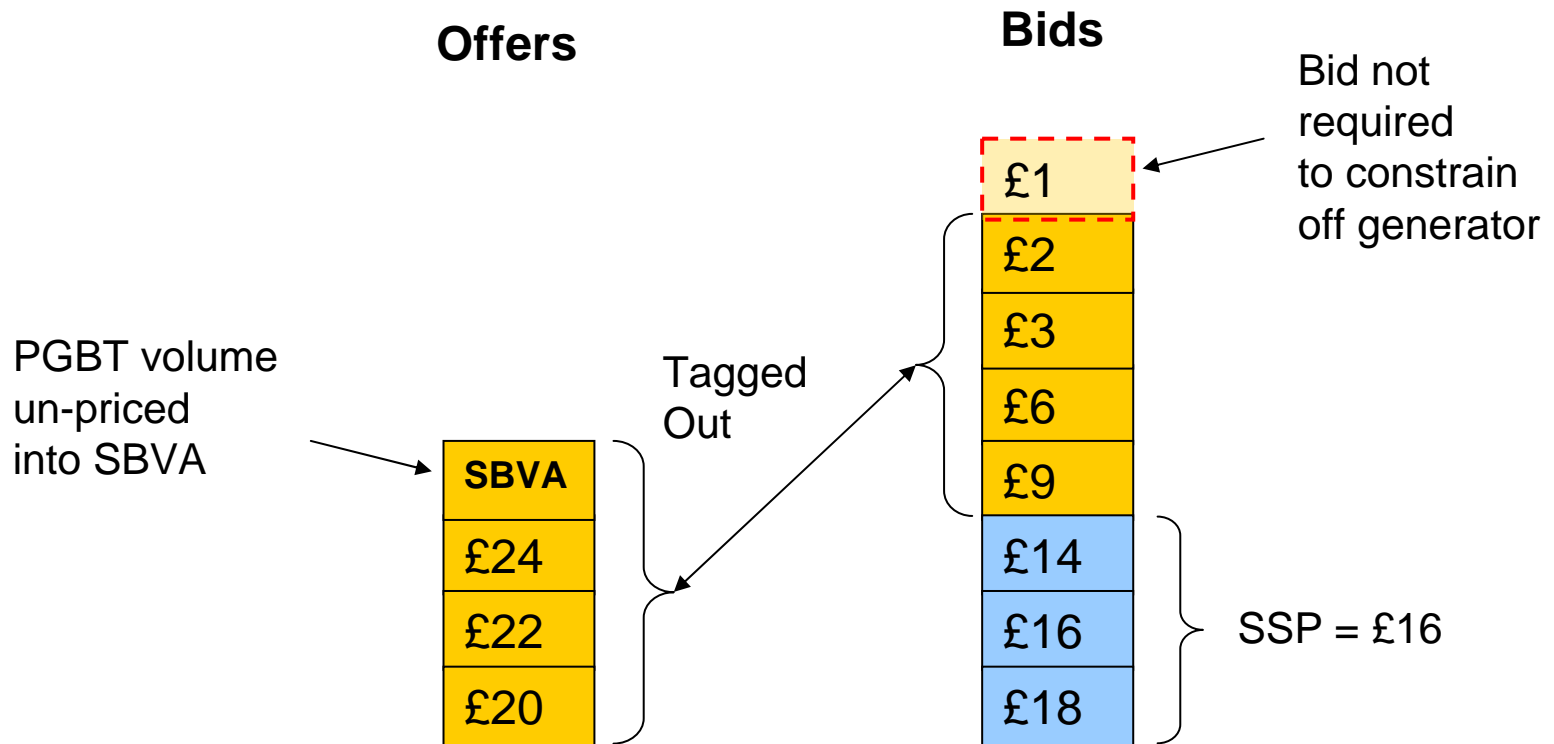
Add system actions



Interruptible access right and accept Offer to rebalance



Interruptible access right and use PGBT to Rebalance



Conclusions

- Likely to increase both SBP and SSP prices if effect of interruptible access is ignored
- Inclusion of interrupted access volume in system BSAD would be required