

Statnett SF

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Case no: 2024/1739

Sent by email to: firmapost@statnett.no

Public consultation on new trading arrangements in the NSL interconnector

Dear Sir or Madam,

Centrica Plc. welcomes the opportunity to provide our comments on the proposed new trading arrangements on the NSL interconnector. This is a non-confidential response on behalf of Centrica plc.

1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?

Yes, Centrica fully supports the introduction of intraday trading on NSL. This would be an excellent opportunity to move to a greater level of cross-border trading efficiency, with opportunities to amend flows in view of new information and improve the utilisation of available cross-border capacity. This would have benefits both for consumers and for decarbonisation.

In addition, intraday capacity allocation acts as a fallback in case the day-ahead allocation of capacity fails for operational reasons.

Furthermore, we note that currently there is no opportunity to trade in the forward timeframe (allocation and nomination of long-term (monthly and annual) capacity) or to exchange balancing services on the NSL cable. Centrica would welcome progress in this direction.

2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views

Yes, Centrica would support a stepwise approach, as that would help to see how liquidity evolves. Centrica would recommend starting with one auction in the initial phase. Activity in this auction should then be reviewed, with the objective to potentially introduce further auctions.

3) Would you have a preference of

a. each ID auction covering a specific part of the day or

b. each auction covers all remaining hours of the day

Starting with one D-1 auction, then it should cover all hours of the delivery day. If/when more intraday auctions are introduced, then the auctions could have a similar set-up as the newly introduced pan-European Intraday Auctions (IDAs) 1/2/3.

4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)?

a. Morning

b. Afternoon

c. Evening

Centrica propose timing the IDA in the evening D-1, preferably coupled with the existing UK/ISEM IDA1 ending 18:30 CET. It would be important to avoid overlaps with the current European IDA1/2 (15:00, 22:00) and with intraday auctions on the other interconnectors.

5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?

Yes, Centrica is supportive of such a design in an implicit trading environment, where this should be automatic and technically supported. In an explicit trading environment, there should be conversion in line with the lowest granularity MTU (in this case 30 min).

6) Do you have any other comments to the design of the new trading solution?

Centrica understands that by 2026 there is a clear legislative call for the transposition of the European Carbon Border Adjustment Mechanism (CBAM) in Norway. It would be important to understand how the CBAM implementation will affect implicit trading offered through the NSL cable, both day-ahead and intraday.

Centrica looks forward to future engagement with Statnett SF. I hope you find these comments helpful but please contact me if you have any questions.

Yours faithfully,

Thorleif Larsen

Regulatory Affairs Manager

Centrica