

Later STEM timing

MDIWG – 7 September 2010

Context

Role of STEM

- STEM provides a day-ahead opportunity for participants to adjust their contractual positions
- A 'contractual balancing' mechanism

Timing implications

- STEM clears by 10:30 am (almost 1 to 2 days ahead of dispatch)
- IPPs are then committed to dispatch (net contract) positions/ exposed to balancing for deviations
- Verve is scheduled and dispatched by SM/ exposed to forecast/ balancing uncertainties
- Initial gas supply and spot capacity nominations are submitted well after STEM clears:
 - Previous day's gas imbalance position is confirmed between 12pm and 2pm
 - Available pipeline capacity is confirmed around 4pm
- Participants' abilities to make accurate submissions are likely to be constrained

Delaying STEM

Later STEM (gate closure):

- Could enhance management of gas positions
- Would reduce uncertainty associated with scheduling, commitment and balancing (including demand and wind forecasts)
- But shift workloads for participants, IMO and SM to later in the day:
 - STEM would probably need to be delayed until after 4pm to enable participants to prepare submissions based on confirmed gas availability
 - IPPs would then need time to prepare and submit resource plans, including any unit commitment/de-commitment decisions
 - SM would need to update the Verve schedule, taking account of resource plans, and update/ finalise unit commitment decisions
- Would also require changes to IMO and participant systems

Discussion Points

Likely electricity forecasting/ nomination accuracy improvements?

Gas / electricity nomination timing benefits?

Systems and resourcing implications for IMO, SM and participants