



**Consultation document 05/2016**

# **Electricity market**

## **Introduction of new Intraday Market sessions**

## 1. Overview

The current configuration of the Italian Electricity Market - whose operating rules are reported in the "Integrated Text of the Electricity Market Rules (hereinafter: Rules)", approved by Decree of the Minister of Productive activities of 19 December 2003, as subsequently amended and supplemented - includes, as is known, the Infra-Day Market (MI) which is the trading venue of the purchase and sale offers/bids of electricity for adjustment of injection and withdrawal schedules defined on the Day-Ahead Market (MGP<sup>1</sup>).

In particular, Article 45, paragraph 45.3 of the Rules states that the MI *is divided into several sessions defined in the Technical Rules*<sup>2</sup>, under which - in accordance with Article 46, paragraph 46.1 of the Rules – it's also defined the *opening and closing time of each of the sessions of the MI*.

In this regulatory context, with the aim of promoting a better operational management of the electrical system, Gestore dei mercati energetici S.p.A. (hereinafter: GME) and Terna S.p.A. (hereinafter: TERNA) assessed the feasibility of entering new market intraday sessions additional to those currently planned during the last four in 2016.

In this regard, in order to collect comments from any stakeholder, in accordance with Article 4, paragraph 4.3 of the Rules<sup>3</sup>, GME shall publish this consultation document that sets out, in detail, the regulatory interventions involving the technical Rules, to enable the introduction of new intra-day market sessions.

Those interested to comment on the document in question are invited to submit their written remarks to GME - Institutional Relations and Communication, no later than **5 July 2016**, i.e. the end date of this consultation, by one of the following ways:

e-mail: [info@mercatoelettrico.org](mailto:info@mercatoelettrico.org)

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<sup>1</sup> MGP (Day-Ahead Market) means the venue for the trading of sale and purchase bids/offers of electricity for each relevant period of the next day.

<sup>2</sup> DTF: Technical Rules referred to in Article 4 of the Rules.

<sup>3</sup> GME may (...) make available preliminary versions of the Technical Rules to those concerned, contextually setting a time limit within which such entities may submit their remarks.



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Those wishing to safeguard the confidentiality or secrecy, in whole or in part, of the documentation submitted are required to specify which parts of their documents shall be treated as confidential.

## 2. Introduction of new Intraday Market sessions

Article 45, paragraph 45.3 of the Rules states that the *MI* is divided into several sessions defined in the *Technical Rules*, under which - in accordance with Article 46, paragraph 46.1 of the Rules – it is also defined the opening and closing time of each of the sessions of the *MI*.

More specifically, the current Technical Rule no. 03, on the "Timing of activities related to the MGP MI and MSD sessions"<sup>4</sup> (hereinafter: Technical Rule no. 03 MPE<sup>5</sup>), provides that the MI market is organized in five sessions as follows:

- *MI1*
  - *In this market session, offers/bids for all hours of the day D<sup>6</sup> may be submitted;*
  - *The session for the submission of offers/bids is open from 12.55 of the day D-1 to 15.00 of the day D-1;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 15.30 on the day D-1;*
- *MI2*
  - *In this market session, offers/bids for all hours of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 12.55 of the day D-1 to 16.30 of the day D-1;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*

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<sup>4</sup> MSD (Ancillary Services Market) shall mean the venue where Terna procures resources for its dispatching service; it consists of the scheduling stage of the Ancillary Services Market (ex-ante MSD) and of the Balancing Market (MB)

<sup>5</sup> MPE: Spot Electricity Market, consisting of the MGP, MI and MSD.

<sup>6</sup> D means the day of delivery to which bids/offers submitted in each market session refer. It follows that with D-1, D-2, etc. mean, respectively, the first day before the delivery day and the second day before the day of delivery, etc.

- *The publication of the general outcomes and reporting of individual results take place within 17.00 on the day D-1;*
- *MI3*
  - *In this market session, offers/bids related to times ranging from 8.00 to 24.00 (from the ninth to twenty-fourth reference period) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 3.45 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 4.15 of the day D;*
- *MI4*
  - *In this market session, offers/bids related to times ranging from 12.00 to 24.00 (from the thirteenth to twenty-fourth reference period) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 7.45 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 8.15 of the day D;*
- *MI5*
  - *In this market session, offers/bids related to times ranging from 16.00 to 24.00 (from the seventeenth to twenty-fourth reference period) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 11.30 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*

- *The publication of the general outcomes and reporting of individual results take place within 12.00 of the day D.*

As part of this breakdown of the market, GME aims to introduce additional MI sessions, in order to foster a better operational management of the market, through the provision of an additional flexibility instrument.

In particular, the proposal relates to the provision of two additional sessions of the Intraday market, whose introduction would be implemented by readjusting the time limits of the current sessions, so as to achieve a market structure consisting of seven overall Intraday sessions: two sessions, which continue to take place on the day D-1 (where D is the day of delivery) and five sessions, replacing the current three sessions, that would take place, however, on the same delivery day D.

The new breakdown of the intraday market resulting from the process of change proposed will also lead to the revision of the ancillary services market configuration, which, according to the Technical Rule no. 03 MPE above, has the following structure.

The MSD<sup>7</sup> consists of four sessions. The MSD sessions are organized as follows:

- *MSD1*

- *In this market session, offers/bids related to all the times of the day may be submitted;*
- *The session for the submission of offers/bids is open from 12.55 to 17.30 of the day D-1;*
- *The publication of the general outcomes and reporting of individual results take place within 21.10 of the day D-1;*

- *MSD2*

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the*

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<sup>7</sup> See note 5.

*previous MSD1 session and related to the time ranging from 8.00 to 24.00 (from the ninth to twenty-fourth reference period) of the day D;*

- *The publication of the general outcomes and reporting of individual results take place within 6.15 of the day D;*

- **MSD3**

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 12.00 to 24.00 (from the thirteenth to the twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 10.15 of the day D;*

- **MSD4**

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 16.00 to 24.00 (from the seventeenth to twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 14.15 of the day D.*

The MB<sup>8</sup> consists of 5 sessions. The MB sessions are organized as follows:

- **MB1**

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 00.00 to 8.00 (from the first to eighth reference period) of the day D;*

- **MB2**

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<sup>8</sup> See note 5.

- *In this market session, offers/bids related to times ranging from 8.00 to 12.00 (from the ninth to the twelfth reference period) of the day D may be submitted;*
- *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 7.00 of the day D;*
- **MB3**
  - *In this market session, offers/bids related to times ranging from 12.00 to 16.00 (From the thirteenth to the sixteenth reference period ) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 11.00 of the day D;*
- **MB4**
  - *In this market session, offers/bids related to times ranging from 16.00 to 22.00 (from the seventeenth to the twentieth reference period) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 15.00 of the day D;*
- **MB5**
  - *In this market session, offers/bids related to times ranging from 22.00 to 24.00 (the the twenty-third to the twenty-fourth reference period) of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 21.00 of the day D;*

*The communication of the results of all of the MB session takes place in the manner and the terms defined in the Dispatching Rules.*



Therefore, the implementation of what is proposed here requires the modification of the Technical Rules governing the breakdown and the relevant timing of the performance of the MPE, or, more specifically, the adaptation of the provisions contained in the mentioned "Technical Rule no. 03."

With the aim to bring to the attention of stakeholders on the content of the proposal and the estimated timing for its implementation, with this DCO, GME deems appropriate to preliminarily disclose, pursuant to Art. 4, paragraph 4.3 of the Rules, the content of the proposed amendment of Technical Rule no. MPE 03, in order to collect the comments and insights from stakeholders.

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The following are the parts of the Technical Rule no. 03 MPE, the subject of the proposed amendment, together with the diagram of the timing performance of the new MPE structure:

#### ***MI sessions and timing of the relevant activities***

The MI consists of seven sessions.

The MI sessions are organized as follows:

- **MI1**
  - *In this market session, offers/bids for all the times of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 12.55 of the day D-1 to 15.00 of the day D-1;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 15.30 of the day D-1;*
  
- **MI2**
  - *In this market session, offers/bids for all the times of the day D may be submitted;*
  - *The session for the submission of offers/bids is open from 12.55 of the day D-1 to 16.30 of the day D-1;*

- *The preliminary information is published within the closing time for submission of offers/bids;*
- *The publication of the general outcomes and reporting of individual results take place within 17.00 of the day D-1;*
- **MI3**
  - *In this market session, offers/bids related to times ranging from 4.00 to 24.00 (from the fifth to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 23.45 of the day D-1;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 00.15 of the day D;*
- **MI4**
  - *In this market session, offers/bids related to times ranging from 8.00 to 24.00 (from the ninth to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 3.45 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 4.15 of the day D;*
- **MI5**
  - *In this market session, offers/bids related to times ranging from 12.00 to 24.00 (from the thirteenth to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 7.45 of the day D;*

- *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 8.15 of the day D.*
- **MI6**
- *In this market session, offers/bids related to times ranging from 16.00 to 24.00 (from the seventeenth to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 11.15 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 11.45 of the day D.*
- **MI7**
- *In this market session, offers/bids related to times ranging from 20.00 to 24.00 (from the twenty-first to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 17.30 of the day D-1 to 15.45 of the day D;*
  - *The preliminary information is published within the closing time for submission of offers/bids;*
  - *The publication of the general outcomes and reporting of individual results take place within 16.15 of the day D.*

**Timing of the activities of the MSD session**

*The MSD consists of six sessions.*

*The MSD sessions are organized as follows:*

- MSD1

- *In this market session, offers/bids for all the times of the day D may be submitted;*
- *The session for the submission of offers/bids is open from 12.55 to 17.30 of the day D-1;*
- *The publication of the general outcomes and reporting of individual results take place within 21.45 of the day D-1;*

- MSD2

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 4.00 to 24.00 (from the fifth to the twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 2.15 of the day D;*

- MSD3

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 8.00 to 24.00 (from the ninth to the twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 6.15 of the day D;*

- MSD4

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 12.00 to 24.00 (from the thirteenth to the twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 10.15 of the day D.*

- MSD5

- *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 16.00 to 24.00 (from the seventeenth to the twenty-fourth reference period) of the day D;*
- *The publication of the general outcomes and reporting of individual results take place within 14.15 of the day D.*
- **MSD6**
  - *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 20.00 to 24.00 (from the twenty-first to the twenty-fourth reference period) of the day D;*
  - *The publication of the general outcomes and reporting of individual results take place within 18.15 of the day D.*

***MB sessions and timing of related activities***

*The MB consists of 6 sessions.*

*The MB sessions are organized as follows:*

- **MB1**
  - *In this market session, offers/bids of Participants may not be submitted but they are used those offers/bids submitted by Participants and deemed valid during the previous MSD1 session and related to the time ranging from 00.00 to 4.00 (from the first to the fourth reference period) of the day D;*
- **MB2**
  - *In this market session, offers/bids related to times ranging from 4.00 to 8.00 (from the fifth to the eighth) of the day D;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 3.00 of the day D;*
- **MB3**


- *In this market session, offers/bids related to times ranging from 8.00 to 12.00 (from the ninth to the twelfth reference period) of the day D;*
- *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 7.00 of the day D;*
- **MB4**
  - *In this market session, offers/bids related to times ranging from 12.00 to 16.00 (from the thirteenth to the sixteenth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 11.00 of the day D;*
- **MB5**
  - *In this market session, offers/bids related to times ranging from 16.00 e le 20.00 (from the seventeenth to the twentieth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 15.00 of the day D;*
- **MB6**
  - *In this market session, offers/bids related to times ranging from 20.00 e le 24.00 (from the twenty-first to the twenty-fourth reference period) of the day D;*
  - *The session for the submission of offers/bids is open from 22.30 of the day D-1 to 19.00 of the day D;*

*The communication of the results of all of the MB session takes place in the manner and the terms defined in the Dispatching Rules.*

Reference day	D-1					D														
	MGP	MI1	MI2	MS D1	MB 1	MI3	MS D2	MB2	MI4	MSD 3	MB 3	MI5	MS D 4	MB4	MI6	MS D5	MB 5	MI7	MS D6	MB6
Preliminary information	11.30	15.00	16.30	n/a	n/a	23.45 *	n/a	n/a	3.45	n/a	n/a	7.45	n/a	n/a	11.15	n/a	n/a	15.45	n/a	n/a
Session opening	8.00 **	12.55	12.55	12.55	°	17.30 *	°	22.30 *	17.30*	°	22.30*	17.30*	°	22.30*	17.15*	°	22.30*	17.30*	°	22.30*
Session end	12.00	15.00	16.30	17.30	°	23.45 *	°	3.00	3.45	°	7.00	7.45	°	11.00	11.15	°	15.00	15.45	°	19.00
Temporary outcomes	12.42	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Final outcomes	12.55	15.30	17.00	21.45	#	0.15	2.15	#	4.15	6.15	#	8.15	10.15	#	11.45	14.15	#	16.15	18.15	#

\*\* time refers to the day D-9

\* time refers to the day D-1  
 ° Offers/bids submitted on the first sub-phase of the MSD are used

 new

# Dispatching Rules



The operational launch of the new articulation of the intraday market is estimated during the last four months in 2016 and will be preceded by a suitable period of blank tests with Participants.