



**Decision on Commercially Sensitive Data  
under the SEM**

20th April 2007

AIP/SEM/07/120

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## 1. Introduction

On 15 February 2006, the Regulatory Authorities published version 1.0 of the Trading & Settlement Code (the “Code”). The Code set out the principle that market data, i.e. data related to the commercial operation of the market, are published to facilitate the Code objectives of transparent, efficient operation of the Single Electricity Market (SEM). To this end, all market data are published in a timely manner as described in Appendix K of the Code. On 20 November 2006, the Regulatory Authorities published a consultation paper<sup>1</sup> requesting market participants to identify what data, if any, they considered confidential under the SEM for reasons of commercial sensitivity. This paper sets out the Regulatory Authorities decision in this matter.

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<sup>1</sup> AIP/SEM/206/06: Request for Submissions identifying Commercially Sensitive Data under the SEM. <http://www.allislandproject.org/2006/AIP-SEM-206-06.pdf>

## 1.1 Executive Summary

The Code sets out one scenario where market data might not be immediately, or ever, published: the published data might be commercially sensitive to a particular participant.

Where the published data might increase the gaming opportunities for participants. The Regulatory Authorities have determined after consultation<sup>2</sup> that the publication of certain availability and pricing data will be delayed until the day after the Trading Day (AIP/SEM/217/06) to avoid coordination of bids and offers by participants.

A consultation paper was published seeking comment from market participants on what data they considered commercially sensitive. The consultation paper proposed that half-hourly Supplier Unit volumes should be considered commercially sensitive. Responses were received from five market participants. The respondents were:

- Viridian Power and Energy
- Northern Ireland Electricity
- ESB Customer Supply
- ESB International
- Airtricity

No respondent proposed that any other data other than half-hourly Supplier Unit volumes should be considered commercially sensitive. Two respondents stated that sufficient information should be published so that any supplier volume that was calculated by wholesale differencing<sup>3</sup> in the Code could be reasonably queried; these two correspondents differed, however, on the detail of information that this would require.

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<sup>2</sup> The original consultation paper was AIP/SEM/143/06: Market Power Mitigation Paper published on 22 September 2006. <http://www.allislandproject.org/2006/AIP-SEM-143-06.pdf>

<sup>3</sup> See paragraph 4.76 of the Code, where the “Error Supplier Unit” is in fact the jurisdictional PES Supplier Unit volumes calculated by differencing as Total Jurisdictional Generation less Total Jurisdictional Second-Tier/Independent Demand, adjusted for losses and inter-jurisdictional line flow. See Agreed Procedure 1 for more detail.

Two respondents were fully supportive of individual Supplier Unit data remaining fully confidential with supplier-aggregate<sup>4</sup> half-hourly Supplier Unit volumes being published or provided only to the PES. One respondent felt that all individual half-hourly Supplier Unit data should be published, and one respondent also requested that supplier-aggregate Supplier Unit information be published broken down by jurisdiction and connection voltage. One respondent believed that if individual Supplier Unit volumes are to be published to the market, it should only be done on a time-aggregate<sup>5</sup> monthly basis.

## 1.2 Decision

The Regulatory Authorities determine that half-hourly individual second-tier<sup>6</sup> Supplier Unit volumes should remain confidential. Furthermore, any variable from which the half-hourly individual second-tier Supplier Unit volume can be deduced should also remain confidential, e.g. credit cover requirements.

The supplier-aggregate second-tier volumes for each jurisdiction should be published to allow the validation of half-hourly volumes of Supplier Units calculated by differencing in the SEM – specifically the wholesale calculated volume of NIE Supply and ESB Customer Supply. It should be noted that this will allow any individual to calculate NIE Supply’s and ESB Customer’s supply’s wholesale-calculated Supplier Unit volumes.

This alternative treatment of NIE Supply and ESB Customer Supply is considered appropriate because they will retain a large proportion of customers in particular segments of the market and consequently will be subject to tariff regulation in the SEM. Therefore, the wholesale-calculated volumes of NIE Supply and ESB Customer Supply are not considered by the Regulatory Authorities to be commercially sensitive to the

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<sup>4</sup> “Supplier-aggregate” means aggregated across all Supplier Units, but available on a half-hourly basis

<sup>5</sup> “Time-aggregate” means aggregated across time, but available for each individual Supplier Unit

<sup>6</sup> “Second-tier” is used as a general term to refer to any supplier that is not deemed to be the PES. This term therefore covers independent suppliers in Ireland and in Northern Ireland.

same degree as second-tier suppliers' volumes. As further competition develops in these market segments the Regulatory Authorities will review this situation in context of the wider regulatory framework of the PES businesses.

In the event that aggregation of the PES demand is introduced in one or both jurisdictions, the Error Supplier Unit will be published daily on a half-hourly basis. The publication of the supplier-aggregate second-tier Supplier Units will cease as the PES will have suitable retail market messaging to validate their aggregated volumes.

Finally, please note that this decision paper reverses the elements of the recent paper on Generator and Transmission Outage Planning (<http://www.allislandproject.org/2007/AIP-SEM-236-07.pdf>) regarding the confidentiality of the Generator outage plans which were determined without the context of the industry's views on the commercial sensitivity of data. Generator outage plans will be publishable under the Trading & Settlement Code.

## **2 Principles and Responses to Individual Comments**

### **2.1 Principles**

The Code indicates that market data should be published to fulfil the Code Objectives<sup>7</sup>. Two of the Code Objectives speak to transparency and the prevention of discrimination between Parties to the Code.

### **2.2 Market Data other than Supplier Unit Volumes**

No respondent indicated that any other data other than Supplier Unit volumes should be considered commercially sensitive and therefore not published.

Therefore, for the avoidance of doubt, generator and transmission outage schedules will be publishable contrary to the recent decision paper on this matter<sup>8</sup>.

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<sup>7</sup> See paragraph 1.5 of the Code.

The remainder of this paper deals only with determining the appropriate level of restriction on the publication of Supplier Unit data. Please note, however, that where SEM variables exist from which it is possible to calculate Supplier Unit data to a level greater than the Supplier Unit publication allowed by this decision, the publication of such SEM variables are to be similarly restricted. An example of such a variable would be elements of the credit cover calculation under the Code.

### **2.3 Confidentiality of Second-Tier Supplier Unit Volumes**

Four respondents were fully supportive of individual Supplier Unit data remaining fully confidential, and suggested differing levels of information to be made available for either informational purposes (e.g. supplier-aggregate half-hourly Supplier Units broken down by voltage level, or time-aggregate monthly Supplier Unit volumes), or to validate their own Supplier Unit volumes (i.e. either publishing, or making available only to the PES the aggregation of all other Supplier Units within that PES's jurisdiction). One respondent requested that all Supplier Unit volumes be published.

Both PES required sufficient data to be available to query their wholesale Supplier Unit volumes calculated by differencing.

The respondent that requested that the aggregated data be published by the SMO on a voltage level basis required this information "*to determine the share of the different market sectors (industrial, domestic, etc.)*" As a principle, this sector market-share information is retail in nature, and the Regulatory Authorities do not consider it appropriate for the wholesale SMO to publish such retail data.

One respondent disagreed with the assertion in the original consultation paper that publication of Supplier Unit volumes "*potentially may disadvantage suppliers relative to generators in negotiations on the volumes and prices of financial hedging arrangements*". The respondent stated that "*generators will not know what financial hedging arrangements a supplier has already conducted with other players or indeed what other possibilities it may have. It is the supplier's prevailing net "unhedged"*"

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<sup>8</sup> <http://www.allislandproject.org/2007/AIP-SEM-236-07.pdf>

*position that is important and it will be very difficult for any generator to determine this position from the published half hourly volumes".* Consequently this respondent requested that all Supplier Unit volumes be published.

The Regulatory Authorities agree that it would be difficult for an external party to accurately infer the unhedged position of a Supplier purely from the published half-hourly Supplier Unit volumes. The combination of the half-hourly Supplier Unit volumes and this supplier-specific directed contract information, however, potentially may facilitate the larger players mandated to deliver directed contracts to infer the unhedged position of a supplier.

Furthermore, the above rationale for publishing Supplier Unit volumes does not take into account the general commercial sensitivity of half-hourly market share for Suppliers outside of the supplier's financial hedging position. Indeed, for Trading Site Supplier Units and Associated Supplier Units for sites with generation with non-firm access, this half-hourly Supplier Unit information identifies the consumption of individual final consumers. For this reason the time-aggregate monthly volumes of Supplier Units which uniquely identify the demand of final consumers is also not deemed to be appropriate information for publication.

Overall, therefore, the Regulatory Authorities determine that individual half-hourly second-tier Supplier Unit volumes, or time-aggregations of those volumes, will not be published under the SEM.

## **2.4 Publication of Information for Validation of the PES Wholesale Calculated Volumes**

The Regulatory Authorities agree with both PES respondents that they should be in a position in the SEM to be able to validate their Supplier Unit volumes.

For the PES to validate their Supplier Unit volumes calculated by differencing in the SEM, they require the following information:

- Half-hourly jurisdictional aggregate Generator Unit volumes (these will be published individually);

- Half-hourly Net Inter-Jurisdictional Import (this will also be published);
- The Jurisdictional Error Supplier Unit (this will also be published); and
- Half-hourly jurisdictional supplier-aggregate second-tier Supplier Unit volumes.

If the half-hourly jurisdictional supplier-aggregate second-tier Supplier Unit volumes are published, however, any individual will be able to calculate the PES volumes. This will make the PES the only supplier which effectively has a published Supplier Unit volume. To ensure that all Participants can validate that the market is balancing correctly in each jurisdiction, the PES volumes will also be published.

This difference in treatment of the PES is not considered discriminatory by the Regulatory Authorities given the different competitive nature of the PES business in comparison to second-tier suppliers. The PES businesses will maintain large market share in certain market segments (e.g. domestic customers) and consequently will be subject to tariff regulation in the SEM. Therefore, the wholesale-calculated volumes of NIE Supply and ESB Customer Supply are not considered by the Regulatory Authorities to be commercially sensitive to the same degree as second-tier suppliers. As further competition develops in these market segments the Regulatory Authorities will review this situation in context of the wider Regulatory framework of the PES businesses.

Provision of the supplier-aggregate second-tier Supplier Unit data on a confidential basis would only allow the PES to validate that the market was balancing correctly.

The introduction of global aggregation in either jurisdiction may or may not correspond with the different regulatory treatment of the PES. In the introduction of global aggregation, however, the PES will have access to identical retail market messaging to validate their aggregated volumes. Therefore, the Error Supplier Unit will be published after the introduction of global aggregation, and specifically supplier-aggregate second-tier Supplier Unit volumes will cease to be published.

Finally, where the PES have registered Associated Supplier Units (which is not the Error Supplier Unit) or Trading Site Supplier Units, these will not be published as their publication has the potential to identify the demand of individual final consumers.



## 2.5 Implementation Considerations

These requirements for a supplier-aggregate second-tier Supplier Unit publication have not previously been set out in the Trading & Settlement Code. Therefore this requirement will be raised through change control with the SEM Implementation Team. The timelines for the delivery of such reporting will continue to be communicated through the TSO forums<sup>9</sup> of the Business Liaison Group and the Technical Liaison Group.

## 3 Conclusion

The Market Operator will be requested to publish the following information:

- Half-hourly jurisdictional individual Generator Unit volumes;
- Half-hourly Net Inter-Jurisdictional Import;
- The Jurisdictional Error Supplier Units;
- Half-hourly jurisdictional supplier-aggregate second-tier Supplier Unit volumes;  
and
- The PES wholesale-calculated Supplier Unit volumes in both jurisdictions.

The Market Operator will not publish the following data, or any variables from which those data may be derived:

- Individual half-hourly second-tier Supplier Unit volumes or time-aggregates of those Supplier Unit volumes; or
- Trading Site Supplier Units or Associated Supplier Units registered by the PES which are not the Error Supplier Unit.

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<sup>9</sup> See <http://www.allislandmarket.com/> for details.

In the event of implementation of Global Aggregation the supplier-aggregate second-tier Supplier Unit volumes will cease to be published. The publication of the half-hourly jurisdictional supplier-aggregate second-tier Supplier Unit volumes will also be re-examined within the context of any material change in the regulation of the PES businesses.