Single Electricity Market Committee

Market Power Mitigation in the SEM

Directed Contract Implementation Report 2010

A Response and Decision Paper

SEM-10-016

1st April 2010

Table of Contents

1 Introduction

On 12th February 2010 the Regulatory Authorities (RAs, consisting of the Commission for Energy Regulation and the Northern Ireland Authority for Utility Regulation) published a Consultation Paper (SEM-10-005) which outlined the methodology and processes involved in determining Directed Contract (DC) quantities and prices for the tariff year 2010/11. DCs are a key aspect of the RAs' market power mitigation strategy, which the SEM Committee has determined is an SEM matter within the meaning of the legislation.[1]

The Consultation Paper proposed a broadly similar process for 2010/'11 DCs as for 2009/'10, with the following amendments:

- expanding the subscription window into a five-week period, compared to last year's revised four-week period, with the initial Subscription Window lasting for four weeks (instead of three) and the secondary window for one week;
- opening the initial subscription window on 26th April 2010 and closing it on 24th May 2010, and opening the supplemental subscription window on 31st May 2010 and closing it on 4th June 2010; and
- removing the eligibility of a Directed Contract seller to subscribe for Directed Contracts should such eligibility exist.

The RAs received comments from four parties on the Consultation Paper. The four respondents were:

- Bord Gais Energy (BGE)
- ESB Customer Supply (ESBCS)
- Viridian Power and Energy (VPE)
- Airtricity

Two of these responses were received by the RAs after the close of consultation deadline of 5th March - however all the responses have been considered and responded to in this follow-up RA "Response and Decision" paper. The responses themselves are also published with this paper.

Section 2 of this paper summarises the four submissions in turn, under the following headings:

- Directed Contract modelling and methodology;

1 The SEM Committee is established in Ireland and Northern Ireland by virtue of Section 8A of the Electricity Regulation Act 1999 as inserted by Section 4 of the Electricity Regulation (Amendment) Act 2007, and Article 6 (1) of the Electricity (Single Wholesale Market) (Northern Ireland) Order 2007 respectively. The SEM Committee is a Committee of both CER and NIAUR (together the Regulatory Authorities) that, on behalf of the Regulatory Authorities, takes any decision as to the exercise of a relevant function of CER or NIAUR in relation to an SEM matter.

- Directed Contract process and timelines;
- Directed Contract products, volumes and pricing, and supplier eligibilities;
- Directed Contract Agreement; and,
- Other comments.

A response by the RAs is provided in each case. Each response section then concludes with the SEM Committee's final decision. These final decisions are also summarised in section 3, at the back of this document.

In addition, taking on board market participant comments for more information on the provision of Contracts for Differences (CfDs) and for more flexibility of contract products, the RAs publish with this paper a general Information Paper (SEM-10-017) on the 2010/'11 contracting process. This shows the expected CfD timelines and products, covering DCs, Non-Directed Contracts (NDCs) and in particular CfDs associated with the PSO that will be offered between now and mid 2011. The paper shows a significantly greater frequency and variety in the CfD products associated with the PSO over the next year or so compared to what was offered previously.

2 Respondents' Comments and the Regulatory Authorities' Response

The respondents have made comments on the overall contracting process, including the NDC process and the PSO related contract process. While the RAs welcome these comments, and have considered them within its remit over the CfDs associated with the PSO, it should be noted that this paper primarily deals with the DC Implementation Report Consultation paper alone. The Information Paper published with this paper (SEM-10-017) provides information on the 2010/'11 contracting process more generally, covering DCs, NDCs and CfDs associated with the PSO.

The comments of respondents on the Consultation Paper are summarised below, along with the RAs' response and the SEM Committee's final decision.

2.1 Directed Contract Modelling and Methodology

2.1.1 Initial Proposals

In the Consultation Paper, the RAs outlined the methodology and modelling involved in the determination of Directed Contracts volumes and prices. The main models utilised in the process include:

Concentration Model: the Concentration Model calculates the quantity of Directed Contracts that ESB PG and NIE PPB will be required to make available to eligible suppliers, using the Herfindahl Hirschman Index (HHI) as a measure of market concentration. The target HHI is set by the RAs. This model relies on PLEXOS inputs and outputs. Hence, a validated PLEXOS model is required before the Concentration Model can be used.

Eligibility Model: the Eligibility Model determines the eligibility of each eligible supplier for Directed Contracts, calculating separately for each quarter and each product-type (peak, mid-merit, and baseload). The calculations are performed in an MS Excel spreadsheet.

Econometric Pricing Model: the Econometric Pricing Model is used to estimate the relationship between fuel and carbon prices with the price of electricity and hence to derive the Directed Contract pricing formula. The Econometric Pricing Model uses output from PLEXOS, which calculates the market price of electricity on the basis of assumptions about the prices of fuels and carbon, among other things.

2.1.2 Respondents' Comments

BGE agreed with the logic that Moyle capacity should be atomised[2] in the HHI calculation but maintained that the PSO units (West Offaly, Lough Ree, and Edenderry) should be fully excluded from the HHI calculation, in the sense of not appearing in either of the numerator or denominator.

BGE welcomed the transparent publication and validation of the underlying Plexos model, but called on the RAs to also publish the concentration model used.

VPE stated that NDC prices have been historically higher than DC prices and that DC prices should be derived by a market mechanism and therefore reference NDC prices. It suggested that the RAs could reserve the right to intervene in DC pricing where there are concerns over the exercise of market power in the NDC auctions.

2.1.3 Response by the Regulatory Authorities

The PSO (Peat) units are atomised in the concentration model because they do not gain from higher SMPs. These units are included as generators in the validated Plexos model, and therefore contribute to meeting demand and to the determination of the forecast SMP. This forecast SMP is used in the concentration model to determine the potentially competitive capacity of each station and company in the SEM. Removing the PSO units fully from the HHI calculation would create an inconsistency with the Plexos model that determined the forecast SMPs. Excluding these units would result in an overestimate of the HHI for every half hour that the PSO units were available for. Therefore the RAs intend to use the same methodology as in previous years.

The RAs note that an exercise to validate the SEM PLEXOS model input data is near completion. This work includes validating generator technical and commercial offer data by unit, variable O&M costs, variable cost input forecasts; and the calibration of PLEXOS against actual half hourly ex post data on unit schedules, shadow prices, uplift and SMP from the Market Operator. The work will be completed by the end of March. The intention is to derive a set of technical input data that is either consistent with generators' own assessment or with what they submit to the Market Operator; and a means of calculating commercial offer data that is consistent with adherence to the Bidding Code of Practice.

The RAs will again publish the validated input PLEXOS database (excluding data which is deemed to be commercially sensitive) as has been done in previous years, along with an independent report on the validation exercise. The RAs note that this will be a public version of the model and not the full model with all confidential data. The concentration model that the RAs use in determining the DC volumes contains confidential data and so the RAs will not publish the concentration model used.

[2] Atomisation within the concentration model, refers to potentially competitive capacity that is included in the denominator but not the numerator for the calculation of the HHI in each trading period. This means this capacity is included in the overall size of the market but does not contribute to the total level of market concentration.

2.1.4 Final Decision

The RAs acknowledge that the clearing prices in the NDCs auctions can differ from those of the DCs, but would like to reiterate that the purpose of the DCs is the mitigate market power and not simply to provide liquidity in the contracts market, as with the NDCs.

Having considered the various responses on the operation of all the Directed Contract models, the SEM Committee has decided to continue to use the models (concentration, eligibility and econometric pricing models) and methodologies used in the equivalent process last year.

The concentration and econometric pricing models will in turn rely on the inputs and outputs of the newly validated PLEXOS model.

2.2 Contract Processes and Timelines

2.2.1 Initial Proposals

In the Consultation Paper, the RAs outlined the proposed processes and timetable for the Directed Contracts subscription process in 2010/’11.

2.2.2 Respondents’ Comments

DCs Only - Timelines and Process

BGE stated that it would be beneficial if an indicative timetable were provided for both the implementation of a practical alternative subscription process (should NIE PPB be required to offer DCs in 2010) and the decision regarding the possible cancellation of Generating Unit Agreements (GUAs) between NIE PPB and AES Kilroot for the two coal/oil fired units.

ESBCS and Airtricity both suggested that DCs be offered on a more frequent basis, as opposed to the current annual subscription window. **Airtricity** proposed a rolling subscription window with products being offered for the full tariff year in the first window and subsequent windows before the beginning of each quarter offering products until the end of the tariff year.

VPE suggested that the DC pricing formulae should be published well in advance of the DC subscription windows, so that market participants can provide feedback to the RAs. It also proposed that a correction factor be applied to the pricing formulae based on the validation results presented to industry by Redpoint on the Plexos backcast on the 5th March.

Contracts Generally (DC / NDC / PSO) - Timelines and Process

BGE welcomed the RAs publication of the auction timeline and their ongoing efforts to facilitate a more continuous series of auctions, but believed that the timeline would be greatly strengthened by the inclusion of information about the volumes that will be made available at each stage. It stated that without this information participants will include in their bids an uncertainty/scarcity premium to account for the fact that they do not have the full picture of what future volumes will be available for all DC, NDC and PSO related auctions. It stated that the NDC auctions should not commence until volumes for the DC auctions have been published. **BGE** stated that a guidance document for suppliers highlighting the general approach undertaken by generators to determine NDC and PSO related auction volumes would aid transparency and be of use to all suppliers. **Airtricity** also recommended that greater notice of NDC auctions should be given to participants in order for them to evaluate their positions and to prepare all the necessary requirements

ESBCS similarly stated that the DC subscription period should be reduced and be completed in advance of the initial NDC round on the basis that this would make participation in all hedging processes simpler from an operational perspective and would ensure that the DC formula had been approved in advance of the NDC contracting period, providing a useful view of forecast market prices for auction participants.

VPE on the other hand welcomed the expansion of the subscription window into a five week period.

ESBCS suggested that the CfDs associated with the PSO, and possibly the DCs, be made available at different stages throughout the year, rather than in short discrete periods prior to the start of the new tariff year. It stated that this would increase the availability of hedges across an extended hedging window, helping to ensure that transient price spikes in commodity markets do not have an exaggerated effect on tariff prices. Furthermore this would allow Suppliers to better manage their Volume Risk and thus improve cost reflectivity in final tariffs.

Master Agreement - Timelines

BGE encouraged the DC sellers to make the relevant Master Agreements available as soon as is reasonably possible in order to facilitate any internal approval processes that supply companies may need to undergo.

2.2.3 Response by the Regulatory Authorities

DCs Only - Timelines and Process

The RAs acknowledge that it has to be decided how NIE PPB will offer DCs should it be required to do so. The RAs will again be open to engage constructively with NIE PPB on developing a specific DC process and will publish the details of said process as soon as possible should NIE PPB be required to offer DCs.

For the purposes of calculating the DC quantities, the RAs will assume that none of the GUAs will be cancelled for the tariff year 2010-11, unless a decision has been made on this matter by the end of March.

The RAs acknowledge the merit in ESB CS and Airtricity's proposal for DC auctions at various stages throughout the year but that there is also a value for suppliers in contracting on an annual basis. Moreover the NDC and PSO related auctions will compliment the DCs by providing suppliers with more frequent and shorter-term contracts throughout 2010/'11 - please see below and the Information Paper (SEM-10-017) published with this paper for more details.

There is always an inevitable challenge for the RAs in terms of timelines of carrying out a thorough and robust PLEXOS validation process, and using the most up-to-date forward data in order to establish contract prices and volumes, which are then released to market participants. On this basis, 16th April 2010 is the earliest date at which the DC volumes and pricing formulae can be published. The RAs intend to publish the validated Plexos backcast and forecast models together with a report from Redpoint (the independent consultants) by early April. This should provide participants with sufficient time to provide any feedback to the RAs before the commencement of the DC primary subscription window (26th April).

The RAs are content with the length of the subscription windows, as there was no clear consensus from the respondents' comments to increase or decrease them.

Regarding the remark on a correction factor to the pricing formula, this is not considered necessary. Redpoint identified, and have since corrected, an error in their presentation to industry of the 5th March which indicated a Plexos underestimation of the DC defined Peak prices - in fact this error in their presentation was acknowledged by Redpoint at the industry forum itself. They have concluded that Plexos does *not* systematically over or underestimate the SEM SMP and so therefore no adjustment is needed to the pricing formulae. Further details will be available in their validation report which will be published with the Plexos model by early April.

Finally on the DC timeline, the RAs note that the 31st May is a public holiday in Northern Ireland, and therefore will move the start of the DC supplemental window to the 1st June, while maintaining the finish date of the 4th June.

Contracts Generally (DC / NDC / PSO) - Timelines and Process

In terms of respondent comments on the availability, timelines and processes for contracts more generally (covering DCs, NDC and PSO), while the RAs do not regulate NDCs, the RAs have actively encouraged a more dynamic NDC process with a view to more flexible products being offered and more information being made available to market participants on forthcoming contract offerings. The RAs agree that as much information as possible should be made available on contracting. Therefore in conjunction with this paper, and taking account of respondent comments, the RAs are publishing a contracting Information Paper (SEM-10-017) that includes information on contracting timelines and volumes for the next year or so, particularly on the CfDs associated with the PSO. This also shows that there will be more frequent contract auctions with more flexible contract products being offered.

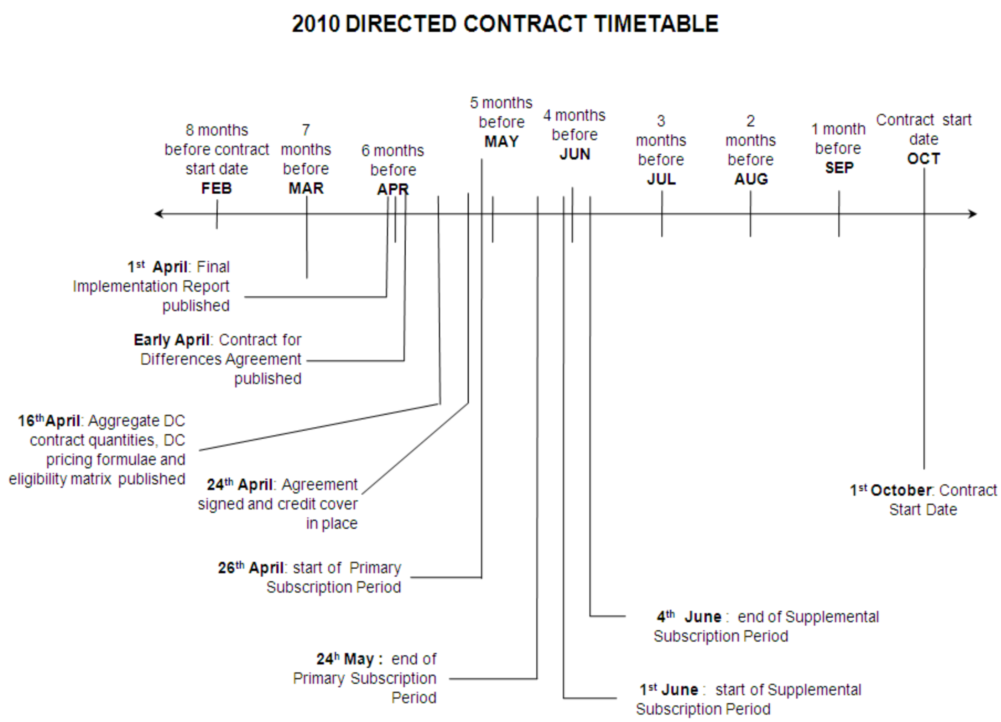
Comments on Master Agreement - Timelines

The RAs have encouraged the DC sellers to make the relevant Master Agreements available as soon as possible. The RAs note that the relevant Master Agreements will be published in early April and that supply companies have until 24th April to get internal approval, sign the Master Agreements and ensure that credit cover is in place. The RAs believe that that is adequate and reasonable time.

2.2.4 Final Decision

In the light of respondents' comments, and following from the proposals in the consultation paper, the SEM Committee has decided that:

- the initial subscription window will open on 26th April 2010 and close on 24th May 2010;
- the supplemental window will open on 1st June and close on 4th June 2010;
- the Contracts for Differences Agreement be published in early April;



In addition, the RAs have published an Information Paper (SEM-10-017) with this paper covering the 2010-11 contracting process - DCs, NDCs and CfDs associated with the PSO. In particular this shows a greater frequency and variety in the CfDs associated with the PSO over the next year or so.

2.3 Directed Contract Products, Volumes and Pricing and Supplier Eligibilities

2.3.1 Initial Proposals

In the Consultation Paper, the RAs proposed that for 2010-11:

- the Directed Contract products would be segmented by quarter (Q4-10 to Q3-11) and by product type (baseload, mid-merit and peak) and that each of the ten products could be subscribed for separately;
- suppliers would be able to subscribe on each subscription day for 25% of their eligibility or 25 MW, whichever was the higher;
- the eligibility of a Directed Contract seller to subscribe for Directed Contracts would be removed should such an eligibility exist.

2.3.2 Respondents' Comments

VPE welcomed the removal of the eligibility of a DC seller to subscribe for DCs and expressed surprise that DC sellers were able to subscribe for DCs in the past. It asked for transparency around the extent in which it happened.

VPE suggested that a high proportion of mid-merit and peaking plant in the DC process is better suited to reducing market power due to the existing strong baseload competition in the market. They also stated that they see far greater value in mid-merit 2 contracts compared to the proposed mid-merit 1 contract and that the aforementioned mid-merit 1 contract is designed specifically for suppliers with large domestic customer bases.

Airtricity requested clarification on the requirement for a supplier to elect the same percentage to ESB PG and NIEE PPB if both are selling Directed Contracts.

Airtricity stated that the calculation of suppliers' eligibility using aggregate MIC data at one point in time was no longer valid, given the rate customer shifting in the Irish retail market. They suggested either holding DCs more frequently, which would involve more up-to-date MIC data, or a cost neutral transfer mechanism between net gaining and net losing suppliers.

Airtricity questioned the rationale for daily a cap on quantities elected by a supplier during the DCs subscription process – 25% or 25 MW, whichever is the greater. It also stated that the requirement to have fully subscribed to a product in the primary window, before being entitled to volumes in the supplemental window, was overly penal.

2.3.3 Response by the Regulatory Authorities

The RAs note VPE's support for the removal of the eligibility of a DC seller to subscribe for DCs. Previously, if a DC seller had an MIC then it had an eligibility to subscribe for DCs (as with all other Suppliers). The eligibilities for DC sellers were very small and no seller entered the supplemental window, where their eligibility would be much greater.

The RAs note VPE’s preference for less baseload contracts and more mid-merit and peak products. An objective of the validated SEM PLEXOS model will be to simulate what happens in the actual market, and to this end it should reflect the segments of the market (baseload, mid-merit and peak) which are concentrated and therefore result in the provision of DCs. So if there is high concentration in the mid merit and peaking segments of the market there will accordingly be a significant amount of DCs offered for those segments. In 2009 the DC volume of mid-merit and Peak offered to suppliers ranged from 98 MW to 334 MW and 172 MW to 200 MW respectively.

The RAs also note VPE’s preference for the mid-merit 2 product over the current mid-merit product used in the DC process. It is difficult to assign two different mid-merit products as they are essentially mutually exclusive in the underlying methodology, and therefore would require an arbitrary split between the products. In addition, mid-merit 2 DCs could well mean a greater volume of baseload contracts than would otherwise be the case, as the hours which are exclusively baseload increases. Given the complexity it introduces to the DC process and that ESB PG and NIE PPB will offer mid-merit weekday only contracts through the NDC process, the RAs see no great benefit in requiring ESB PG and NIE PPB to make mid-merit 2 product available in this year’s Directed Contract subscription process.

In the case where there are two sellers of DCs, the RAs will remove the requirement for suppliers to elect the same daily percentage of DCs to both parties.

The RAs acknowledge that there have been significant changes to the market shares of suppliers in the Republic of Ireland over the past year. However, the RAs believe that the proposal by Airtricity for a mechanism that would allow the transfer of DCs between suppliers depending on market share would require significant time and resources to establish. This would impact negatively on the timelines for the DC process. The RAs also note that the most up-to-date MIC data available is used for the calculation of suppliers’ eligibilities.

The cap on suppliers’ eligibilities is as a result of the limits that the DC sellers can hedge in the relevant fuel markets on a particular day, without moving the market (i.e. affecting the fuel market prices). It should be noted that this limit has been increased from 10 MW or 10% in the first DC subscription process to the current 25% or 25 MW, whichever is the higher.

The RAs believe that lifting the requirement for suppliers to fully subscribe to a product in the primary window before having access to that product in the supplemental window may increase the risk that a greater volume of the total contracts will be left in this window. This would in turn increase the risk that sellers would not be able to access sufficient hedges without moving the relevant fuel markets (i.e. it is a similar issue to that described above). The RAs will therefore maintain the requirement for suppliers to fully subscribe to a product in the primary window in order to access that product in the supplemental window.

2.3.4 Final Decision

Having considered the various comments of respondents, the SEM Committee has decided the following:

- suppliers will be allowed to subscribe for the quarterly DC products similar to previous years;
- the daily subscription limit will be 25% of a supplier's eligibility or 25 MW, whichever is higher.
- suppliers will be eligible to make elections in the supplement subscription window for a specific product(s) to which they have subscribed 100% of their eligibility for that specific product(s) in the primary subscription window.
- the previous eligibility of a Directed Contract seller to subscribe for Directed Contracts will be removed.
- the previous requirement for suppliers to elect the same daily percentage volume to both sellers of DCs will be removed.

2.4 Directed Contract Agreement

2.4.1 Initial Proposals

In the Consultation Paper, the RAs did not propose any changes to the Master Directed Contract for Differences Agreement.

2.4.2 Respondents' Comments

ESBCS and VPE suggested that it would be useful to put in place an evergreen DC Master Agreement to avoid unnecessary replication of review and sign-off on an annual basis.

ESBCS also stated that a list of the dates of Non-Business Days, applicable for the duration of the Master Agreement, should be published.

Airtricity believes that as the terms and conditions of the DCs are not negotiable with the sellers, this gives them market power which the DCs are intended to mitigate.

2.4.3 Response by the Regulatory Authorities

The RAs believe that it is not desirable to publish an evergreen DC Master Agreement as there may be changes in future years. However, a *pdf* document showing tracked changes of the Agreement from year to year will be published alongside the actual Master Agreement from this year forward.

A list of Non-Business Days, applicable for the duration of the Master Agreement, will be included in the Master Agreement this year.

The DC Master Agreements were designed and consulted upon with the industry during the SEM design phase. Following from this, each year the RAs approve and publish a DC Master Agreement for the upcoming DC process. Therefore the terms and conditions of the Agreement is not considered a form of market power by the RAs.

2.4.4 Final Decision

A *pdf* document showing tracked changes from year to year will be published along with the DC Master Agreement. A list of Non-Business Days, applicable for the duration of the Master Agreement, will be included within the Master Agreement.

2.5 Other Comments

Three respondents raised a number of other issues in their responses. These are summarised below:

2.5.1 Respondents' Comments

BGE stated that the regulation of Retail and Generation markets should be considered collectively and that any future decisions on regulation in the generation market should continue to ensure frequent and sustained access to liquidity.

BGE stated that there is a significant lack of transparency in the Hedging Policy Statement of the regulated ESB Customer Supply which contrasts with the very clear and transparent laddered procurement strategy which underlies the gas residential tariff.

BGE and VPE noted that ESB Power Generation and other ESB Group generators will continue to be treated separately in the calculation of HHI. **BGE** called upon the RAs to ensure that the correct additional volumes of DC auctions be made available should the end of complete operational separation between the groups occur during the tariff year 2010/11. **VPE** stated that the deregulation roadmap and the DC process are inevitably interlinked and expressed its surprise that the draft DC Implementation Report did not acknowledge the possibility of deregulation or what this could mean for the DC process. It also stated that it is important that the DC process does not commence until a clear outcome of the deregulation consultation has been achieved.

BGE stated that the HHI as calculated for the purpose of the DC auctions is not the correct measure to use in measuring the level of competitiveness when assessing whether further deregulation should occur in the generation market.

Airtricity highlighted the fragmentation of credit requirements when a seller requires separate Letters of Credit for each CfD process i.e. DCs, NDCs and CfDs associated with the PSO. It also highlighted the different credit cover requirements for initial subscription and for delivery. It sated that these requirements result in additional administration and costs for buyers.

Airtricity also questioned the source of the volumes ESB PG sold in their December 2009 short-term NDC auction. Further to this, it wants to know if ESB CS can return/back out of DC quantities purchased in last year's process.

2.5.2 Response by the Regulatory Authorities

The RAs welcome comments on the regulation of Retail and Generation markets, the Hedging Policy Statement of ESB CS and the use of HHI when assessing whether further deregulation should occur in the generation market, but these issues are outside the scope of this paper. All participants' comments on the CER's consultation 'Proposals on a

Roadmap for Deregulation' (CER09189) were due by the 1st February 2010. In considering whether to allow the integration of ESB during the 2010-11 tariff year, the RAs will consider any impacts on the DC process at that time. The impacts on the DC process would be consulted on with market participants if it were decided to advance ESB integration.

The RAs encourage sellers of SEM CFDs to reduce the administration and any unnecessary costs involved in hedging for suppliers. The RAs recommend that suppliers engage with sellers directly on this matter. On the issue of credit cover ESB PG has informed the RAs that combining credit cover for all three contracting processes (DCs NDCs and PSO) that they have with a supplier would result in an increased risk of cross default and therefore require separate credit cover requirements. The RAs will continue to engage with ESB PG on this matter in an effort to see if a solution can be found prior to the beginning of the PSO related and NDC auctions. Overall, the level of credit cover required for the Directed Contracts appear reasonable. The cover required prior to a supplier's participation in the DC subscription process is 15% of the baseline strike price times the volume. After the auctions there is a formula in the Master Agreement that calculates the level of credit cover for the difference between the strike price and an updated forecast of the SMPs for the remainder of the contracts (multiplied by 0.85) by the volume, plus outstanding liabilities. In an effort to reduce the cost of credit cover for suppliers, ESB PG has reduced the rounding of the margin requirement from €50,000/£35,000 to €20,000/£18,000.

Generators determine on a commercial basis the volume and timing of NDC contracts that they wish to offer to the market. The RAs have been assured by ESB PG that no supplier can back out of a DC contract that they have entered into, including ESB CS, given that ESB PG has corresponding fuel hedges for each DC contract.

3 Conclusions

Having considered the various comments of respondents, the SEM Committee is satisfied that the RAs' original proposals for the DCs in SEM-10-005 should stand, with small changes as described in this paper. In particular, by comparison with last year the following changes are noted:

- the subscription window will be expanded into a five-week period, compared to last year's revised four-week period, with the initial Subscription Window lasting for four weeks (instead of three) and the secondary window for one week;

- the initial subscription window will open on 26th April 2010 and close on 24th May 2010, and the supplemental subscription window will open on 1st June 2010 and close on 4th June 2010;

- the previous eligibility of a Directed Contract seller to subscribe for Directed Contracts will be removed;

- the previous requirement for suppliers to elect the same daily percentage of DCs when there are two sellers will be removed.

In addition, the RAs publish with this paper a general Information Paper (SEM-10-017) on the 2010/'11 contracting process. This shows the expected CfD timelines and products, covering DCs, NDCs and in particular CfDs associated with the PSO that will be offered between now and mid 2011. The paper shows a significantly greater frequency and variety in the CfDs associated with the PSO over the next year or so compared to what was offered previously.