

Delay to the publication of final prices on 24 June 2010

On 25 June 2010 the Commission Board ordered the delay to the publication of final prices and final reserve prices for 24 June 2010. This was primarily because of concern expressed by the Pricing Manager about which version of SPD to use.

Background

- The System Operator released a new version of SPD (version 38.1.7) at approximately 12.30pm on 24 June 2010. This release implemented (among other things) two new constraint violation penalties (CVPs) and re-ordered the remaining CVPs.
- The timing of the release meant that the scheduling and dispatch for the first part of the day was run on the earlier version of SPD (version 38.1.4) and for the remainder of the day on version 38.1.7.
- Under these circumstances the Pricing Manager would normally do a “split solve” when calculating the final prices, i.e. solve each part of the day on the same version of SPD that was used for scheduling and dispatch.
- Because of technical difficulties at the System Operator it became impossible to publish prices with SPD version 38.1.4 without using an untested procedure.
- A comparison of prices from an initial run on version 38.1.4 with those re-run on SPD version 38.1.7 revealed some differences in the solution.
- To allow time for these differences to be investigated the Board exercised its power under rule 3.28 of section V of part G of the Rules and ordered the delay to the publication of final prices and final reserve prices.
- Further investigation of these differences revealed that there was no market impact from the differences and the System Operator advised that the change in solver version was not responsible.

Analysis

- The CVPs were not triggered at any stage during the day and played no part in the calculation of final prices.
- There was no generation or load at the nodes and the time periods concerned, even though the nodes were generation injection nodes. The differences are shown in the table below:

Time	Market Node	SPD Version 38.1.7			SPD Version 38.1.4			Price Difference
		Price	Generation	Load	Price	Generation	Load	
03:30	MTI2201	\$22.95	0	0	\$22.90	0	0	\$0.04
03:30	WPA2201	\$22.94	0	0	\$22.89	0	0	\$0.04
04:00	MTI2201	\$22.92	0	0	\$22.90	0	0	\$0.02
04:00	WPA2201	\$22.91	0	0	\$22.89	0	0	\$0.02
05:00	MTI2201	\$23.56	0	0	\$23.51	0	0	\$0.05
05:00	WPA2201	\$23.55	0	0	\$23.50	0	0	\$0.05

- The differences were explained by the fact that there were multiple optimal solutions for the trading periods in question which, although resulted in different nodal prices, had no overall effect on the total solution cost. This can occur for any version of SPD and cannot be attributed to the new version of SPD.
- In this case there was neither load nor generation at the nodes and time periods concerned the effect of the price differences was not considered material.

Conclusion

- Because there was neither load nor generation at the nodes and time periods concerned the effect of the price differences was not material.
- The pragmatic resolution was to run the prices on SPD version 38.1.7 and this was accepted by the Board.
- The Board revoked the order to delay the publication of final prices for 24 June 2010 at its meeting on 1 July 2010, and the prices were published on the same day.