emsTradepoint

Market Consultation: OTD Nominations Policy

emsTradepoint is proposing to publish an Intra-Day Nominations Policy (**ID Policy**) to manage the nomination of trades formed on the on-the-day (**OTD**) market.

BACKGROUND

Under rule 15.2 (a) of the Market Rules, trades formed on the OTD market must be nominated for at the "next practicable Intra-Day Cycle". A question remains as to what defines "practicable", something which is likely to vary between Participants.

This has been illustrated in the first two weeks of delivery of the NGP-TRS product, where several instances of buyers and sellers to a trade nominating in different ID cycles have been observed. emsTradepoint wishes to avoid this situation as it manifests as temporal imbalance at the TRS (Receipt) welded point, which may then result in a curtailment of the Trading Region South Hub under section 15.1 of the Maui Pipeline Operating Code.

PROPOSED POLICY

The ID Policy is attached to this consultation paper. Under the policy, any trades formed within ten minutes of nominations being due for an intra-day cycle (**ID Cycle Deadline**) should be nominated for in the subsequent intra-day cycle.

It is desirable to maximise market responsiveness by allowing participants to trade as close to ID Cycle Deadlines as possible, but leaving a 'reasonable' amount of time to effect the nomination in OATIS. Ten minutes is proposed as achieving that balance.

POLICY STATUS

The policy is intended as a clarification to rule 15.2 (a) of the current Market Rules. If, following implementation of the policy, OTD trades continue to be nominated for out of sync then emsTradepoint may pursue the incorporation of the timeframes into the Market Rules themselves.

SUBMISSIONS

1. Do you agree with the ten minute buffer period? If not, please provide an alternative period that would be preferable.
2. Any other points that should be considered.

Please submit feedback to supportdesk@emstradepoint.co.nz by **Friday, 13 November 2015.**

For more information please contact the Support Desk on (04) 590 6692.