

RTO release of RTRs based on netted schedules

Problems with facilitators proposal with FSRs

1. Available too late
2. Hard to value relative to FTRs and RTRs
3. Unacceptable risk of uplift due to RTO issuing firm rights against non-firm counter schedules
4. Can easily be gamed

Idea: Have the RTO use information available at 9:00 to create RTRs

Critical assumptions:

- a) SCs are allowed to submit separate scheduling packages
- b) Scheduling packages are settled separately

Basic Procedures:

1. At 9:00 SCs declare which FTRs they intend not to use.
2. RTO releases declared FTRs that aren't going to be used as RTRs, with recall right held by TR holder, revenue from sale of RTR goes to the right holder.
3. RTO nets all FTRs that are not declared for release as RTRs
4. RTO releases additional RTRs with the RTO holding the recall right and revenue from sale of "RTO" RTRs going to RTO.

To the market the RTRs are indistinguishable and are placed to bid under the same stack.

At the end of the day ahead pre-schedule practice (12:00 noon), the RTO does another "netting check". The RTO recalls RTRs and releases NTRs as appropriate.