CHANGES IN BLOCK ORDER STRUCTURE OF DAY AHEAD MARKET

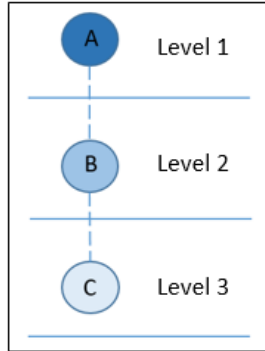**28.04.2017**

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1. Tree Structure Analysis of New Block Order

According to legislation draft, which must be ratified by EMRA, there will be changes in two main issues as follows;

1. Decreasing the minimum block order interval to three consecutive hours.
2. Increasing the maximum number of linked block orders to six,
   - Connection between block offers can be valid for at most six block offers and such a connection can be set up for depth of at most 3 levels.
   - First level block offers are described as blocks offers which are not connected to a block offer but other block offer/offers are connected to this offer; block offers that are connected to first level block offers are described as second level and block offers that are connected to second level block offers are described as third level.
   - There can be maximum 3 block offers at second and third level.
   - Prerequisite for acceptance of second level block offer is acceptancy of first level block offer. Prerequisite for acceptance of third level block offer is acceptancy of second level block offer.
   - It is essential that block offers connected in this way must be in sales or purchase direction, exist in same portfolio and given for same bidding zone.

Regarding the block orders and their structure in this new case, business analysis process will be as follows;

- Maximum number of levels will be three.
- Circular link chain amongst block orders will not be allowed as it is shown in Figure 7.
- Maximum number of block order will be able to be identified for each level, in case of having any block order.
  - $N_{max,i}$: i means maximum number of block order which can be identified for i^{th} level and hereinafter;
  - $N_{max,1} = 1$
  - $N_{max,2} = 3$
  - $N_{max,3} = 3$
- Maximum number of linked order will be six.
- There can only be one direct prerequisite of an order located at a lower level.

- o (As it can be seen in example above, direct prerequisite of Order C is Order B and direct prerequisite of Order B is Order A)

2. Block Order Samples

In this part, valid and invalid samples of block order are shown in line with rules stated below;

- $N_{max,1} = 1$
- $N_{max,2} = 3$
- $N_{max,3} = 3$
- Maximum number of linked block $= 6$
- Circular link chain permission of prerequisites = No
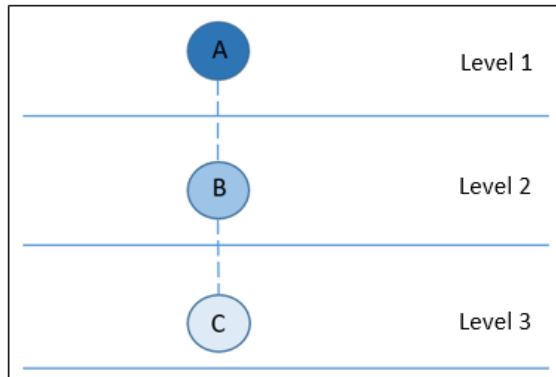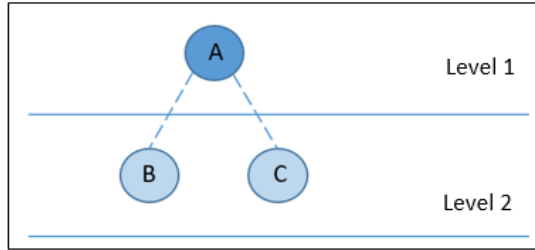
2.1. Sample Valid Orders
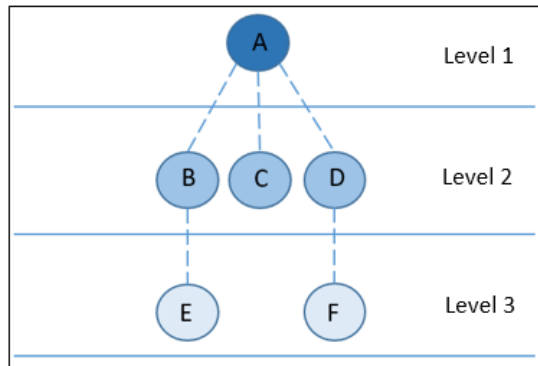

Figure 1. Sample Valid Order – 1

Figure 2. Sample Valid Order - 2
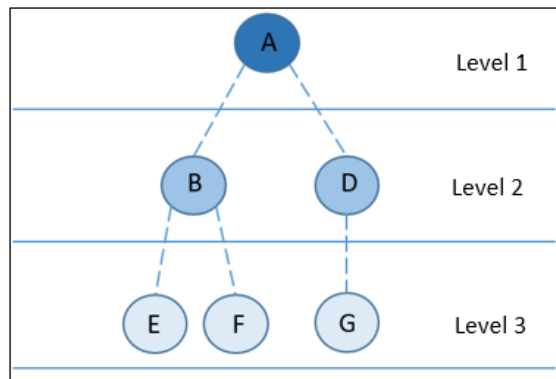

Figure 3. Sample Valid Order – 3

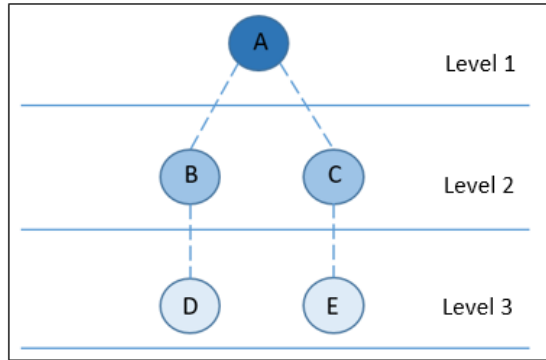*Figure 4. Sample Valid Order – 4*

Figure 5. Sample Valid Order – 5

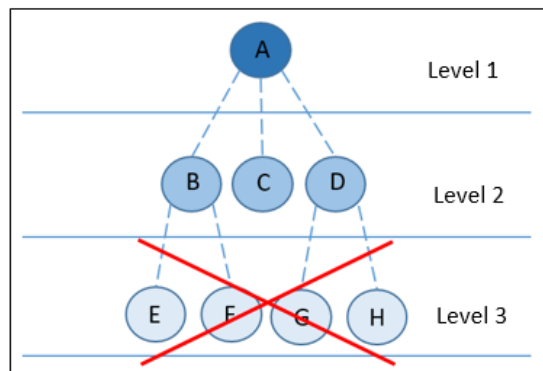## 2.2. Sample Invalid Orders
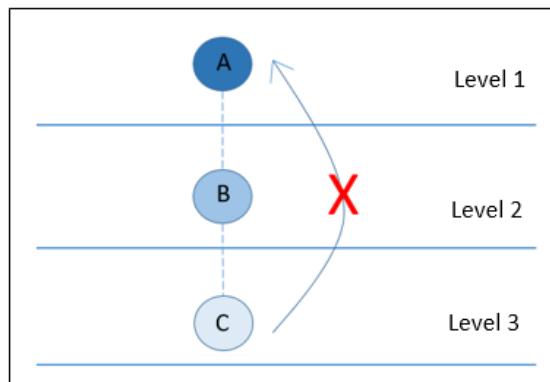

Figure 6. Sample Invalid Order – 1
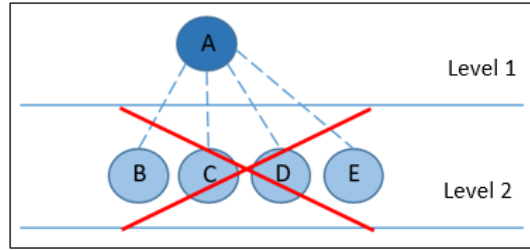

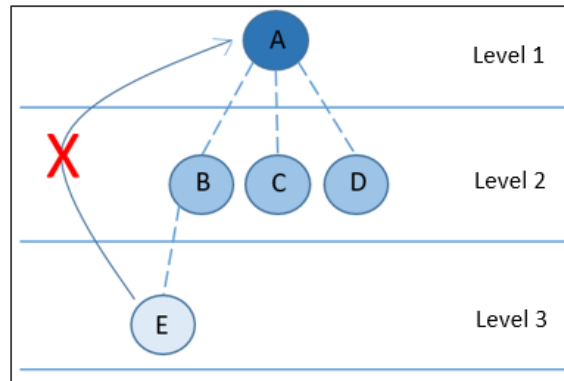*Figure 7. Sample Invalid Order – 2*

Figure 8. Sample Invalid Order – 3

Figure 9. Sample Invalid Order – 4