

Questions

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4. When integrating HMMCP for Intraday Auctions, NEMOs propose to follow the same principles as for SDAC. This means a differentiation from HMMCP for the SIDC continuous. What is your view on that differentiation, and do you have a view on what maximum and minimum clearing price should be applied for SIDC IDAs and what mechanism for possible upward or downward adjustment of that maximum and minimum clearing price should be applied?

We view Intraday Auctions more like SDAC than SIDC, therefore the methodology to adjust as well as the limits should follow the same logic.

5. The current methodologies describe a dynamic process to increase the maximum clearing price if market prices reach certain thresholds. NEMOs would like to consult on the possibility to also implement a decrease of the maximum clearing price after a period when no thresholds have been exceeded and the maximum clearing price shows to be unnecessarily high.

We agree that this would make sense. A methodology could be to decrease it to the previous level if no other incident occurred within an eight-week consecutive period. An incident here is defined as "no clearing price higher than 60% of the previous limit within an eight week-period". In case the limit has

increased successively, it should only be decreased step by step as well. Too frequent changes (e.g. on a monthly basis) should be avoided as it would cause a significant operational burden.

6. NEMOs would like to consult on the duration of the transition period between detection of the threshold and entry into force of the new price cap. Shall this be shortened, increased, or maintained to be 5 weeks after the triggering threshold (60% of max clearing price) has been reached?

We suggest decreasing the transition period and apply the increased target on the 2nd working day following the trigger event. The general idea of the adjustment is to react to scarcity events, 5 weeks later the market situation will be completely different, probably also 1-2 weeks later. If the goal remains to counter a specific scenario, the reaction should also be short-term.

7. Do you consider the current approach to increase the maximum clearing price in steps of EUR 1000,-- still adequate?

Yes

8. Do you think that the event that the clearing price exceeds a value of 60 percent of the harmonised maximum clearing price for SDAC in one market time unit of a day in single bidding zone is a sufficient trigger to increase the harmonised maximum clearing price for SDAC? For example: to instead as the basis for triggering a maximum clearing price increase to be given by a requirement that the threshold has been exceeded on multiple different days (e.g. separate SDAC trading days) within a given period.

We agree this would make sense. We have seen recently in several markets that outliers can happen and are unlikely to repeat. We would suggest to only adjust the clearing price limits in case 70% have been reached on at least 1 hour on two separate days within a 7-day period.

9. HMMCP methodologies to describe also an automatic extension of the minimum clearing price when a certain threshold is reached?

Agreed, the methodology should be symmetric. The methodology should be similar to the response in Question 8.

10. Any other views regarding the HMMCP methodologies for SDAC and SIDC?