

**All NEMO's proposal for harmonised maximum and minimum clearing prices for Single Intra Day Coupling in accordance with Article 54(2) of Commission Regulation (EU) 2015/1222 of July 2015 establishing a guideline on capacity allocation and congestion management**

14 February 2017

All NEMOs, taking into account the following

## **1. Whereas**

### **Background**

- 1.1 This document is a common proposal developed by all Nominated Electricity Market Operators (hereafter referred to as “NEMOs”) in cooperation with TSOs and in accordance with article 54 of Commission Regulation (EU) 2015/1222 establishing a guideline on capacity allocation and congestion management (hereafter referred to as the “CACM Regulation”) on harmonised maximum and minimum clearing prices for the single intraday coupling (hereafter referred to as the “HMMP for SIDC”).
- 1.2 According to Article 54 “By 18 months after the entry into force of this Regulation, all NEMOs shall, in cooperation with the relevant TSOs, develop a proposal on harmonised maximum and minimum clearing prices to be applied in all bidding zones which participate in single intraday coupling. The proposal shall take into account an estimation of the value of lost load”
- 1.3 For the purpose of this proposal, terms used in this document, i.e. ‘clearing price’ means the price determined by matching the highest accepted selling order and the lowest accepted buying order in the electricity market, as defined in Article 2 Paragraph 31 of the CACM Regulation.
- 1.4 By 18 months after the entry into force of the CACM Regulation, all NEMOs shall, in cooperation with the relevant TSOs, submit the proposal to all regulatory authorities for approval. Where a Member State has provided that an authority other than the national regulatory authority has the power to approve maximum and minimum clearing prices at the national level, the regulatory authority shall consult the proposal with the relevant authority as regards its impact on national markets.
- 1.5 According to Paragraph 2 of Article 54 of the CACM Regulation “The proposal shall be subject to consultation in accordance with Article 12”. The consultation on all proposals will be prepared in cooperation between all TSOs and all NEMOs and be consulted upon together to ensure efficient assessment of their content by market participants.

### **Impact on the objectives of the CACM Regulation**

- 1.6 The proposed HMMP for SIDC proposal takes into account the general objectives of capacity allocation and congestion management cooperation described in Article 3 of the CACM Regulation.
- 1.7 Assessment against objectives of the CACM Regulation and other key considerations made when setting the HMMP for SIDC provides the following conclusions:
  - 1.7.1 The proposal fulfils the objective of “promoting effective competition in the generation, trading and supply of electricity” as the limits for intraday have been set at a level that does not restrict effective competition in the generation, consumption, trading or supply in the organized wholesale market. Moreover, the HMMP for SIDC shall take into account the value of lost load – assumed to be the price at which TSOs take curtailment action.;
  - 1.7.2 The proposal fulfils, or rather is deemed to have no impact on, the objective of “ensuring optimal use of the transmission infrastructure”.;
  - 1.7.3 The proposal fulfils the objective of “ensuring operational security” by having HMMP for SIDC that are public and stable over time. Furthermore, it does it by providing a process led by All NEMOs and involving all TSOs to amend the HMMP for SIDC in accordance with the request for amendment process, including public

consultations, provided for in the CACM Regulation Article 9.13 as referred to in Article 1.8 below.;

- 1.7.4 The proposal fulfils the objective of “optimising the calculation and allocation of cross-zonal capacity”, and in parts also the objective of “optimal use of the transmission infrastructure”, by proposing harmonisation of the HMMP for SIDC.;
  - 1.7.5 The proposal fulfils the objective of “ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants” by proposing harmonisation of the HMMP for SIDC.;
  - 1.7.6 The proposal achieves the objective of “ensuring and enhancing the transparency and reliability of information” as the HMMP for SIDC will be published;
  - 1.7.7 The proposal fulfils the objective of “contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union” as the HMMP for SIDC have been set at a level that allows full provision of supply and demand orders in to the Single Intra Day Coupling markets and therefore SIDC results can contribute to provision of efficient price signals for forward price formation that can enable efficient signals for investment in generation and demand side response.;
  - 1.7.8 The proposal fulfils the objective of “respecting the need for a fair and orderly market and fair and orderly price formation” based on that the limits are to be harmonised across the Bidding Zones and countries included in Single ID Coupling, and made harmonised among all NEMOs active within the given Bidding Zones.;
  - 1.7.9 The proposal fulfils the objective of “creating a level playing field for NEMOs” as the limits applied will always be identical for multiple-NEMOs active within identical individual or groups of Bidding Zones.;
  - 1.7.10 The proposal fulfils the objective “providing non-discriminatory access to cross-zonal capacity” as the limits will be harmonised across the Bidding Zones and countries included in Single ID Coupling, and made harmonised among all NEMOs active within the given Bidding Zones.
- 1.8 Finally, to ensure that the proposal continues to fulfil the objectives of the CACM Regulation all NEMOs shall undertake, in coordination with TSOs, an assessment at least every two years of the HMMP for SIDC against the objectives of the CACM Regulation with respect to SIDC. If that assessment, including any at that time established or amended estimates of Value of Lost Load (VoLL) which HMMP for SIDC can be set in relation to, points to a need to adjust the limits then the process to propose such amendments would be carried out in accordance with the request for amendment process provided for in CACM Article 9.13 which would also include a Consultation (CACM Article 12).

## **2. Definitions**

- 2.1. Harmonised Intra Day Minimum Clearing Price Limit means the minimum clearing price value proposed by all NEMOs to be applied in all bidding zones which participate in single intra-day coupling.
- 2.2. Harmonised Intra Day Maximum Clearing Price Limit means the maximum clearing price value proposed by all NEMOs to be applied in all bidding zones which participate in single intra-day coupling.

## **3. Harmonised Minimum and Maximum Clearing Price Limits for SIDC**

- 3.1. The Harmonised Maximum Clearing Price Limit for SIDC shall be + 9999 Euro/MWh
- 3.2. The Harmonised Minimum Clearing Price Limit for SIDC shall be - 9999 Euro/MWh

## **4. Timeline for implementation**

- 4.1. The NEMOs shall implement the HMMP for SIDC in a Bidding Zone with respect to the operation of the SIDC immediately after:
  - 4.1.1. the common grid model methodology developed in accordance with Article 17 of the CACM Regulation, the capacity calculation methodology developed in accordance with Article 20 of the CACM Regulation, and the relevant coordinated capacity calculator has been set up in accordance with Article 27 of the CACM Regulation on the borders of the relevant Capacity Calculation Region, and
  - 4.1.2. the MCO function has been implemented in accordance with Article 7(3) of the CACM Regulation, and the arrangements to accommodate multiple NEMOs developed in accordance with Article 57 are implemented in all the Bidding Zones where there are multiple NEMOs.

## **5. Language disclaimer**

- 5.1. The reference language for the HMMP for SIDC Proposal shall be English. For the avoidance of doubt, where NEMOs need to translate this HMMP for SIDC Proposal into the national language(s) of the relevant NRA, in the event of inconsistencies between the English version submitted in accordance with article 9 (14) of the CACM Regulation and any version in another language, the relevant NEMO(s) shall be obliged to dispel any inconsistencies by providing a revised version of this HMMP for SIDC Proposal to their relevant national regulatory authorities.