

Explanatory note for the all-NEMOs amendments proposal on the terms and conditions applied for the “Products That Can be Taken into Account in the Single Intraday Coupling” in accordance with Article 53 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management

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Disclaimer

This explanatory document is submitted by all NEMOs to the European Union Agency for the Cooperation of Energy Regulators for information and clarification purposes only accompanying the “All NEMOs” proposal for amendment of the terms and conditions applied for the “Products That Can be Taken into Account in the Single Intraday Coupling”, in accordance with Article 53 of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.

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1. Introduction

This explanatory document gives a high-level overview of the background and context for the amendments proposed by the All NEMOs for the terms and conditions applied to the “*Products That Can be Taken into Account in the Single Intraday Coupling*” (hereinafter “the SIDC Products Methodology”) as currently in force according to the ACER Decision 5/2020. Besides any phrasing improvements, terms definitions and usage in the document, this proposal concentrates on the amendments required for the harmonization of the intraday auctions (IDAs) provisions with the ones foreseen and already proposed by the NEMOs for the smooth introduction of the 15min in SDAC in the SDAC Products Methodology update.

2. Background

Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on the capacity allocation and congestion management (the ‘CACM Regulation’) laid down a range of requirements for the cross-zonal capacity allocation and congestion management on the day-ahead and intra-day markets in electricity. Chapter 6 of the CACM Regulation specifies requirements for the SIDC, including products that can be taken into account in the SIDC (‘SIDC Products’).

Pursuant to Articles 9(1), 9(6)(h) and 53(1) of the CACM Regulation, all NEMOs are required to propose products that can be taken into account in the SIDC and submit their proposal for approval to all regulatory authorities. Also, pursuant to Article 9(13) of the CACM Regulation, the NEMOs responsible for developing a proposal for terms and conditions or methodologies may request amendments of these terms and conditions or methodologies. Such proposals for amendments to the terms and conditions or methodologies shall be submitted to consultation in accordance with the procedure set out in Article 12 of the CACM Regulation. The SIDC Products Methodology concerns products and order types that can be taken into account and used when submitting sell and buy orders in the SIDC, covering both continuous intraday trading and intraday auctions, as provided for under Article 53 (1) of CACM Regulation.

According to Article 8(4) of the Commission Regulation (EU) 2019/943 of 5 June 2019 on the internal market for electricity (recast), as of January 1, 2025, the imbalance settlement period will be 15 minutes in all scheduling areas, unless regulatory authorities have granted a derogation or an exception. Also, Article 8(2) of the Regulation 2019/943 requires NEMOs to offer market participants the opportunity to trade energy at intervals at least as short as the imbalance settlement period in both the day-ahead and intraday markets.

NEMOs are now consulting on the amendments to the SIDC Product Methodology, in accordance with Article 12 of CACM.

3. Updates and SDAC 15min PM harmonization

In the perspective of the implementation of the 15 min products within the SDAC, all-NEMOs, in cooperation with all-TSOs, have performed during the last 3 years extensive R&D and developments for making available 15min MTU products in the SDAC algorithm taking into consideration the increased trading volumes and complexity of the algorithm, as well as the expansion of the coupled network topology. This extensive R&D, ranging from hardware architecture improvements to improvements in the implementation of the SDAC algorithm itself, aimed at providing a stable production-scale environment for the day-to-day operations of SDAC, maintaining the performance of the algorithm and of the procedures applied by the NEMOs and the TSOs for SDAC, under the relevant performance provisions defined by the CACM. Extensive simulation runs of NEMOs for evaluating the algorithm performance clearly indicated that when making the 15min MTU products available, the SDAC algorithm performance is certainly affected by the mix of the products/MTUs available for each bidding zone and by the availability of certain type of products/order types.

The same algorithm used for the SDAC is also used for the intraday auctions' implicit allocation of cross-zonal capacities, so that, in principle, the same algorithmic functionalities and products can be used both in SDAC and in the IDAs. Nevertheless, the time schedule of operating processes within the IDAs are very tight, and therefore, besides any availability and listing of optional products and order types for the IDAs in the SIDC product Methodology, the implications of safe and sound operations and meaningful price formation and scheduling for the IDAs are considered by the NEMOs for their selection of the available optional products and order types. These facts are considered for the composition of the products/MTUs mix at the Order Books available for each bidding zone, so as to maintain certain provisions of Algorithm Methodology and CACM Regulation for the availability of different kind of MTUs (Cross Product Matching) and performance.

4. Amendments to the SIDC products methodology

This section provides an executive summary of the amendments provided for the SIDC Products methodology.

4.1 Whereas

Provided additional remarks for the frequent update of the SIDC Products Methodology. Included supporting arguments/considerations for the proposed amendments due to the 15min MTU products adoption and activation for the IDAs.

4.2 Article 1

Included a reference to Appendix 1, added for listing the NEMOs to which this SIDC Products Methodology applies for.

4.3 Article 2

Proposed rephrasing/clarification improvements of existing content and adaptation of certain terms defined for usage in the SIDC Products Methodology.

4.4 Article 3

Proposed rephrasing/clarification improvements of existing content. Re-arranged existing content/provisions for continuous trading and the intraday auctions from relevant specific for the case articles.

4.5 Article 4

Included rephrasing/clarification improvements of existing content. Calendar day references are replaced by delivery day for the products definition (as the relevant power contracts are defined in the physical delivery day domain (uniformly in CET/CEST time for each bidding zone)). Existing content moved to the general requirement for single intraday coupling.

4.6 Article 5

Previously Article 6. In line with relevant adaptations for the SDAC Product Methodology, included rephrasing/clarification improvements of existing content and terms. Calendar day references are replaced by delivery day for the products definition (as the relevant power contracts are defined in the physical delivery day domain (uniformly in CET/CEST time for each bidding zone)).

4.7 Article 6

Previously Article 5, now renamed to “Aggregated MTU order for intraday auctions” as related to aggregated demand/supply orders applicable only for the IDAs. Included rephrasing/clarification improvements of existing content. Added content relevant to the acceptance/rejection criteria demand/supply curves due to the Cross Product Matching for IDAs. It should be noticed that further technical details considering the implementation of Cross-Product Matching for IDAs will be provided in the EUPHEMIA public description following the relevant concept for SDAC.

4.8 Article 7

In line with relevant adaptations for the SDAC Product Methodology, provided rephrasing/clarification improvement in the acceptance rules of Linked Block Orders for IDAs. Added explicit reference on possible combinations of Linked Block and Exclusive Group Orders. Provided the definition of Simple Block Orders at any possible MTU resolution available (60min,30min, 15min MTUs), and the fact that

Complex Block Orders are constructed by using combinations of Simple Block Orders with additional characteristics, the Complex Block Orders (frequently referenced also as “smart blocks”) may link/group Block Orders defined at different MTU resolutions.

Removed the MIC/MP/Load gradient orders and conditions being replaced by the Scalable Complex Orders.

Provided the Scalable Complex Orders (MIC/MP/Load gradient and conditions) description and their acceptance/rejection criteria.

Provided clarification for the in-out the money rules applicable for the Merit Orders due to Cross Product Matching.

Appendix 1

Included the list of NEMOs to which the SIDC Products methodology applies for.

5. Useful links

Commission Regulation (EU) 2015/1222 (CACM)

<https://eur-lex.europa.eu/eli/reg/2015/1222/2021-03-15>

Regulation (EU) 2019/943

<https://eur-lex.europa.eu/eli/reg/2019/943/oj>

[ACER Decision 05-2020 \(Products That Can be Taken into Account in the Single Intraday Coupling\)](#)

[ACER Decision 05-2020 \(Annex-I\)](#)

6. Abbreviations

AM – Algorithm Methodology

CACM – Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on Capacity Allocation and Congestion Management (Capacity Allocation and Congestion Management)

CZC – Cross Zonal Capacity

CO – Complex Order

DA – Day-ahead

DAM – Day Ahead Market

EC – European Commission

ID – Intraday

IDAs – Intraday Auctions

MIC – Minimum Income Condition

MTU – Market Time Unit

NEMO – Nominated Electricity Market Operator

OBK – Orderbook

PRMIC – Paradoxically Rejected Minimum Income Condition

R&D – Research and Development

SCO – Scalable Complex Order

SDAC – Single Day-Ahead Coupling

SIDC – Single Intraday Coupling

TSO – Transmission System Operator

