

Public consultation pursuant to Art. 12 of Commission Regulation (EU) 1222/2015 on products that can be taken into account in the SDAC

Contribution of CNR

The SDAC is the keystone of the power market. The actual calculation comes after years of process developments. Right now, every member look satisfied with the SDAC and on a macro point of view, the FB market coupling spare a lot of money for the Core region actors. With the current EUPHEMIA algorithm, it takes a minimum of 45 minutes to get a SDAC result based on an hourly granularity. According to expert from EPEXSPOT as discussed during our council meetings, it would take more than 4 times this time and the pb to solve would be at least 4 times more complex should we base the calculation on a 15 minutes granularity. One can assume that to provide a result in a reasonable time frame, the system would have to resort to shortcuts and approximations that would be detrimental to the robustness, accuracy and predictability of the market results.

Indeed, the SDAC has to be robust as it is used by more and more consumers and it will increase again with the demand response development that is unavoidable for the power shift. Even for producers that have some flexibility, a robust and predictive price signal is required to let them put the efficient production in the grid. A 15' SDAC in a reasonable calculation duration will irremediably induce approximations that can lead to abnormal results for prices or capacity allocations.

That's why we strongly recommend not to touch this precarious and essential SDAC and to keep it on a hourly granularity. We recommend to let the intraday market (continuous and auction) cope with the 15' granularity. It is definitely dangerous to move to a 15' SDAC with less trust in the result, less robustness and also less time for TSO nominations and fallback process as the calculation time will irremediably increase. Last but not least, at the time being where the market faces strong attacks from politics, it is irresponsible to take any risk on the SDAC:

- Risk with the robustness
- Risk to make it much less predictive

Lyon 31/01/2023

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