

EDF response to the all NEMOs consultation on SIDC Products

12/02/2022

EDF welcomes this new all NEMOs consultation, pursuant to their obligation under Article 53(4) of CACM, on the products that can be taken into account in SIDC. EDF though regrets the poor publicity/communication around it - which in fact led to discover the consultation “by chance” shortly ahead of the deadline.

ACER decision No 05/2020 of 30th January 2020 determines the latest list of products to be used in the single intraday coupling (SIDC), after initial proposal by all NEMOs in November 2019. ACER’s decision determines mandatory and optional intraday products and more precisely classifies complex products among optional products and not among the mandatory ones. EDF takes the opportunity to underline again that it regrets this appreciation and recalls that (i) in a selfdispatch model - widely spread in Europe - the optimization under the portfolio-based approach implies the use of complex products (in particular linked, exclusive and loop block products) to provide a good representation of the assets, and (ii) the priority is to keep an efficient pricing and trading in DA and ID auctions of the products/assets in the self-dispatch model and the European target models available.

EDF takes note of all NEMOs statement that “*after review there are no proposed amendments to the products and NEMOs are therefore proposing not to amend the content of the current list of SIDC products*”. EDF disagrees and considers that some amendments of the provisions are needed for the following reasons :

- an important appreciation element of the products and services to be proposed is basically and primarily whether they **accommodate market needs**. EDF therefore asks for the mandatory accommodation of (simple and complex) products by the Day-Ahead and IntraDay algorithms whenever traded in a sufficient number of Member States (at least 3) so that assets are correctly offered/priced on the markets.
- **products definition should be developed with regard to the final target**, namely encompassing both 15-30 minutes products and all complex products already considered for the Single Day-Ahead Coupling (SDAC). With respect to the intraday auctions, EDF considers that the introduction of small granularity products (15 and 30-minute products) is a necessity, as capacity is already allocated with such a granularity with the continuous SIDC solution. We also consider that handling complex products, in particular block orders over multiple hours, is key for the efficiency of capacity allocation and pricing.
- **decisions on products require adequate transparency**. An assessment of the computational time of the algorithm when integrating all the complexity of the products together with the 15 minutes ISP is necessary, in order to help choosing whether some products should be made optional or not. Indeed, another solution to be considered could be to allow more time for the algorithm to run. We therefore regret that the analyses of the algorithms’ performance carried out by the NEMOs are not made public or available to market participants, especially those leading to increase the run times or to prioritize developments.

- debates and decisions on this issue should be based on a **balanced trade-off between**, on the one hand, a **growing complexity** to be handled by the algorithms (e.g. complex products, 15 minutes ISP) **and**, on the other hand, **overall simplification**, allowing to decrease computational time but altering the efficiency of the market to a large extent.

More generally considering the evolutions to come, EDF does not support too speedy implementations without the insurance that SDAC and SIDC algorithms are able to handle products already admissible today, in particular linked, exclusive and loop block products.

*
* *
*