

# **Evaluation of responses to Public consultation pursuant to Art. 12 of Commission Regulation (EU) 1222/2015 (hereinafter CACM Regulation) on products that can be taken into account in the SDAC, the SDAC product methodology.**

## **1 Introduction**

Pursuant to Article 40(3) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management ('CACM Regulation'), all NEMOs published on 8<sup>th</sup> April 2020, the *"Public consultation pursuant to Art. 12 of Commission Regulation (EU) 1222/2015 (hereinafter CACM Regulation) on SDAC product methodology"*, which closed on 8<sup>th</sup> May 2020.

## **2 Responses**

By the end of the consultation period, all NEMOs received responses from 7 respondents from Spain, Ireland and France.

This evaluation paper summarises all the received comments and provides feedback to them. The table below is organised according to the consultation questions and provides the respective views from the respondents, as well as the feedback provided by NEMOs and TSOs to the comments received. All the comments raised beyond the specific questions of the consultation are evaluated in the last section of the table

1	Do you have any views on adding Scalable Complex Orders (hereinafter referred as “SCOs”) to the list of products that can be taken into account for Single Day-ahead Coupling	
	Respondents’ views	NEMOs view
S	<p><b>Summary of respondents views:</b>  Respondents (1,3,6 and 7) are positive to introduce SCOs as a complementary product but reluctant/opposing to remove the MIC or other ordertypes.</p> <p>Respondent (5) is reluctant to introduction of the SCOs and thinks more information on the effects and discussion is needed.</p> <p>Respondent (4) is not positive to SCO. Proposes to remove also MIC and instead implement portfolio bidding and block orders in MIBEL area.</p>	<p>NEMOs observe that the answers received by the respondents reflect a general good reception in the introduction of SCOs, as complementary products and not as replacement to existing offerings.</p> <p>NEMOs agree on that more information is needed in order to increase confidence in SCOs from market participants. Studies regarding performance of SCOs and joint performance with other Requests for Change from the roadmap will be properly assessed with the first industrialized version of the price coupling algorithm that support this new product. Information of new studies will be shared in the relevant fora.</p>
1	<p>SCOs might be useful as long as they can be simultaneously presented and cleared together with simple bids for other hours, or even if more than one SCO bid can be made for the same “bidding unit” for different hours. So, the resulting scheme would emulate what already is allowed in other markets, e.g. Powernext with block bids. Otherwise it would add nothing to what is already allowed, and maybe even be extremely detrimental if used to justify the repealing of the current Minimum Income Condition (MIC).</p>	<p>It’s up to the individual NEMOs who can propose in which bidding zones and how the different products may be used through the change control process. It’s a common practice to offer, in addition to simple bids (piecewise/stepwise curve, or merit orders), other products that span to several hours, such as blocks or complex orders.</p>
3	<p>EAI supports measures designed to continually improve the functionality and operation of the SDAC including the addition of products to the Single Day-ahead Coupling product list. If successfully integrated, the novel functionality of the SCO will complement the existing products.</p>	<p>See NEMOs position on “Summary of respondents views” for question 3</p>

<p>4 According to the supporting document published by the NEMOs, the Scalable Complex Order is a new order aimed “to increase scalability while keeping the flexibility for the bidders” and “an alternative to complex orders, preserving most of the economical and operational advantages for bidders”.</p> <p>Regarding scalability, performance improvements “are expected” but “shall be confirmed by future investigations”. Unfortunately, this current status cannot be considered from our side as a proof of robustness and convenience of the proposal.</p> <p>Regarding flexibility and advantages for the bidders, we would like to highlight that the first source of flexibility for the bidders is the ability to use the most suitable type of orders, without any restriction. This does not happen in MIBEL currently, as it is not allowed:</p> <ul style="list-style-type: none"><li>- Freedom for arranging portfolio bidding and then nominate physical schedules to the TSOs.</li><li>- Use of block orders with sophisticated features. For example, exclusive blocks, parent-child blocks, etc currently used in Central Europe.</li></ul> <p>Actually, a national webinar was held to present this consultation to Iberian market participants where OMIE confirmed that there are not simulations of current complex orders in MIBEL vs. alternative use of block bids in MIBEL. We consider these design features a blocking aspect, especially burdensome for CCGT and OCGT. Currently CCGT and OCGT must bid with either simple blocks or minimum income conditions, irrespective of the running modes (e.g. one or several gas turbines and/or steam turbine) and other constraints like linking supply power day and gas day.</p> <p>Conversely, more flexible trading rules used by these generation technologies could easily provide the best physical schedules after day-ahead trading (via SDAC or OTC), together with continuous SIDC, without</p>	<p>NEMOs will not emit an opinion regarding the answers that make reference to specific competences under the control of National Regulators as they are considered outside of the scope of this public consultation. The NEMO-Committee public consultations are focused in common topics that apply to all NEMOs.</p>
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	<p>need of using ramping restrictions, gradients, minimum income conditions, etc. in the SDAC. For all these reasons, we question if this proposal is the most suitable strategy to make evolve the list of SDAC products.</p> <p>Alternatively, we propose the elimination of complex orders and not introducing any new format in the SDAC. The flexibility for market participants should come from the freedom of bidding (i.e. portfolio bidding + direct nomination to TSOs) and the use of “block orders” (including the most sophisticated formats of blocks currently available in Central Europe). If there is a performance problem of Euphemia due to geographical expansion and the future change to a 15-minute Market Time Unit, we have to assume that SDAC cannot be the mean of achieving an optimal dispatch in the context of the energy transition in any region.</p> <p>The intraday continuous trade close to real time is the most appropriate tool. Flexibility provided for all types of generation technologies and demand response must and can give the most in the market with simple and harmonized bidding and nomination rules across Europe. We encourage NEMOs to voice ACER and relevant NRAs that these regional/national market design features are clearly hindering the SDAC and SIDC framework. From our side, we have already raised this concern in previous consultations, both national and European.</p>	
5	<p>While we generally favour the introduction of new products which can help market participants to optimise their trading strategies, we are not in favour of the implementation of “Scalable Complex Orders”.</p> <p>Indeed, we would expect more discussion on this proposition.</p> <p>You will find below some relevant points:</p> <ul style="list-style-type: none"> <li>• We are sceptical regarding the Fixed Term “Welfare Objective” and would welcome more details on this notion and the rationale behind it</li> <li>• We do not want the SCOs implementation being at the detriment of the</li> </ul>	<p>See NEMOs position on “Summary of respondents views” above and in answer 3.</p> <p>The public description of Euphemia algorithm provides detailed information regarding the optimization process and how it works. The rationale behind the inclusion of Fixed Term in “Welfare Objective” for SCOs is to include the Fixed Term in the objective function of the primal problem. The more information is available in the primal problem, the greater chance exists to directly take branching or cut</p>

	<p>existing orders. SCOs should not replace others complex orders/blocks orders currently in place</p> <ul style="list-style-type: none"> <li>• For the SCOs, like any other curve/complex/blocks orders, the key principle to respect is transparency. All details of SCOs should be then published adequately</li> <li>• Performance of the Euphemia algorithm should not be affected by such SCOs implementation</li> </ul> <p>We would welcome more discussions on this topic, and possibly other/alternatives solutions.</p>	<p>decision in the search tree without the need of solving the dual problem on that node. Dual problem is needed to check all the economic conditions and requires extra computational time.</p> <p>NEMOs agree on transparently providing the details for SCOs. As done for any other kind of products, the details regarding SCOs will be properly shared in the public documentation of the algorithm once the first version supporting this kind of product is used in production. In order to support further discussions, the content may be shared, in the proper fora, in advance of the update of the public documentation.</p>
6	<p>SCOs are a very useful product regarding the control of energy volumes to match in the market, but not so useful when trying to control the matching of a bid based on prices.</p>	<p>NEMOs wonder why a complex orders provide a more useful way to control the matching of a bid based on prices than the SCO. SDAC is an auction, complex order acceptance is based on variable term and fixed term. For the case of SCOs, the acceptance is based on the price of the steps offered and the fixed term.</p>
7	<p>We agree with the introduction of this new product only if it is complementary to current products already in place in each particular market. From our viewpoint, adding new possibilities that could enhance welfare objective, computational efficiency, etc. would be positive; however, it would not if it is done in exchange for eliminating/substituting currently available products (as proposed in the Iberian case), resulting in a loss of transparency and flexibility for bidders, unjustified from a cost/benefit perspective.</p>	<p>See NEMOs position on “Summary of respondents views” for question 3</p>

2	Do you see that scalable complex orders could be complementary to the use of other complex products in the same bidding zone? If so, please explain	
	Respondents' views	NEMOs view
S	<p><u>Summary of respondents views:</u>            (1,6 and 7) Positive that SCO can be complementary but not as replacement.</p> <p>(3) Test period required to be able to fully evaluate.</p> <p>(4) Not so positive to SCO and thinks they are not needed. Proposes to also phase out complex orders.</p>	<p>See NEMOs position on “Summary of respondents views” for questions 1 and 3.</p>
1	<p>They might somewhat complement the current complex orders such as MICs (see above). However, MICs are actually much more useful than SCOs, and should not be abrogated. And as stated in CACM article 40.3.a NEMOS shall ensure that available products reflect market participants needs.</p>	<p>NEMOs want to highlight that complex orders were initially designed in a scope where only local DA market existed. Now market participants have more flexibility in terms of the number of markets they can participate on. Nowadays, SDAC and continuous SIDC are available and in following years IDAs will be added.</p> <p>NEMOS agree with the market participant on the reference to CACM article 40.3.a and highlight the relevance of this article, encouraging ACER to grant this paragraph the relevance it deserves in their decision of this DA product methodology.</p>
3	<p>EAI cannot offer evidence-based commentary on the suitability of SCOs as complementary for use with other Complex Products as SCOs are not present in the Irish SEM. It would, therefore, be essential that SCOs, if and when introduced to the Irish SEM, must first run in a test environment, parallel to existing products, for a full year at a minimum to allow participants and the Irish NEMO carry out sufficient testing to understand the suitability of SCOs to meet and manage market risks for participants. At the completion of the minimum 12-month test period participants in the</p>	<p>NEMOs welcome this position regarding the running of test in order to transparently show how SCOs would work. SDAC project will be requested to evaluate this proposal and will assess how this petition can be addressed.</p>

	<p>Irish SEM should be presented with the outcome and results and should be engaged through a further consultation process to clearly establish the suitability of SCOs for the SEM, the willingness of participants to use SCOs operationally, and recognise the level of SEM participant support for the withdrawal of COs. No product withdrawal from the SDAC should be considered until the results of this consultation are known and agreed.</p>	
4	<p>As responded in Q1, we support the elimination of complex orders (MIC) and not introducing any new format in the SDAC. We do not see any need to promote co-existence of quite similar order types. Therefore, we encourage NEMOs to present market participants a comparative study of types of orders allowed depending on Bidding Zone/NEMO/timeframe, their level of usage and concerned corrective measures if they anticipate performance issues (linked or not to a particular Bidding Zone). For instance, a high level of usage (in relative and absolute terms) of “complex orders” in MIBEL (and in particular MIC orders) can be neutralized without compromising the operational and dispatch optimization from both market participant’s and TSO’s side. This can be achieved by phasing-out “complex orders” (MIC/MP and load gradient) in MIBEL, replacing them by “block orders” if proper 3 de 4 changes in order book/nomination/scheduling rules are implemented (i.e. portfolio bidding without restrictions, direct nomination to TSOs, fulfillment of article 17.3 of EB GL in national balancing terms and conditions according to article 18).</p>	<p>See NEMOs position on “Summary of respondents views” for questions 1 and 3.</p>
6	<p>SCOs are considered as complementary to the current Minimum Income Condition (MIC) comprising the start-up cost of a power plant and operational costs per MWh of the same power plant.</p>	<p>Instead of using a variable term in complex orders, the economical term in SCOs can be expressed in the price of steps. This, in combination of the Minimum Acceptance Volume, provides even greater flexibility. The fixed term is available for both complex orders and SCOs, it has the same meaning but internally is processed differently.</p>

7	As discussed in the previous answer, we think that the use MUST be complementary. Otherwise, it would be a product replacement rather than a new available possibility. And for that replacement, further cost/benefit analyses justifying it would be needed.	See NEMOs position on “Summary of respondents views” for question 3.
<b>3</b>	<b>Could, in your view, Scalable complex orders be used in place of any of the other existing complex products? (Complex products are linked blocks, exclusive group blocks and complex orders). If so, please explain.</b>	
	<b>Respondents’ views</b>	<b>NEMOs view</b>
5	<p><u>Summary of respondents views:</u> None of the respondents that replied to this question (1,3,4,6 and 7) see any possibility that SCOs can be used in place of any other existing complex product. (Although respondent 6 answers a bit uncertain due to lack of testing)</p>	<p>SCOs product was principally designed as an alternative to complex orders, aiming at addressing adequate scalability for the price coupling algorithm and improving the calculation of optimality indicators.</p> <p>The design of SCOs was not foreseen to allow an operation using within the same bidding zone the CO and SCOs at the same time. Nevertheless, the SCO requirement was designed to allow smooth transition from COs to SCOs, using them in non-overlapping sets of bidding zones and admitting to follow a sequential transition of bidding zones from COs to SCOs usage.</p> <p>NEMOs have proposed SCOs as a product that help in the achievement of scalability, while preserving most of the requirements from COs and adding new functionalities that provide more flexibility in terms of hourly acceptance with the introduction of Minimum Acceptance Volume (MAV). In this regard, NEMOs consider they should have been more direct in transmitting in this public consultation the message of scalability issues that are ahead when the new requirements (extension of flow-base, implementation of 15 min MTU) are implemented.</p>
1	Not at all. SCOs cannot substitute complex orders including MIC as: SCOs	See NEMOs position on “Summary of respondents views” above and



	<p>orders are defined by a fix term, while MICs include a variable term, and “thermal offers” would be much better reflected with a variable term. Replacement of MICs by SCOs will introduce inefficiencies in the market. We consider that thermal SCOs would be less efficient and less competitive, and that this will imply a higher clearing price, and that out-of the-money (the market clearing price is lower) Thermal SCOs would have been in- the-money (the market clearing price is higher) Thermal MICs. 2 The outcome of replacing MICs with SCOs would be a less competitive market. MICs reflect better market participants needs. And as stated in CACM article 40. 3.a NEMOS shall ensure that available products reflect market participants needs. The list of day-ahead products shall allow market participants to appropriately reflect the technical constraints of their portfolio in market orders, and we consider that SCOs, especially if additional restrictions are applied for each “bidding unit”, such as, a limitation to one single SCO for each bidding unit, or not allowing a bidding unit to place together a SCO and a simple order for different hours, do not allow this, while MICs do.</p>	<p>the view for question 2 for the other market participants.</p>
3	<p>The objective for the efficient operation of EUPHEMA across all European markets is understood. However, the characteristics and operational constraints of the Irish market also need to be fully recognised. It is essential that sufficient testing of SCOs in the Irish SEM is completed in a clear and transparent manner so that all participants can determine its suitability to manage their own operational risks and determine how SCO could complement existing products. At present, EAI would not be supportive of the withdrawal of existing SDAC products unless there is clear evidence, based on an objective and transparent rationale, to demonstrate the suitability of SCOs in meeting the ‘Complex’ needs of the Irish SEM. EAI request that there is specific reference in the decision arising from this NEMO Committee consultation that should SCOs be introduced, then they must run across all markets in parallel to the current complex products, for the longer of either (i) a minimum of 12 trading months, or (ii) the time</p>	<p>See NEMOs position on “Summary of respondents views” above. NEMOs welcome this position regarding the running of tests in order to transparently show how SCOs would work. SDAC project will be requested to evaluate this proposal and will assess how this petition can be addressed.</p>

	<p>taken by NEMOs whose markets are impacted by the introduction of SCOs to confirm, using transparent and objective rationale that SCOs meet the needs of market participants and can mitigate their operating risks. In general, EAI supports the principle that there should never be a diminution of market versatility when individual NEMOs update their products offerings. It therefore follows that no complex product should be withdrawn from any market until this criterion (no diminution of market flexibility) has been clearly demonstrated.</p>	
4	<p>As responded in Q1 and Q2, we support the use of “block orders”, including the most sophisticated formats of blocks described currently available in Central Europe: linked or not in time, including a minimum acceptance ratio, “linked block orders” and “exclusive groups of orders”.</p>	<p>See NEMOs position on “Summary of respondents views” for question 1</p>
6	<p>SCOs are not able to substitute the Minimum Income Condition (MIC), they are able only to simulate the MIC in quite an artificial way difficult to implement in a bidding desk. However, SCOs are more powerful than MIC. A period for testing by market agents to analyze the implementation of these SCOs would be desirable before giving a definitive answer to this question.</p>	<p>As stated by the market participant, SCOs are more powerful than complex orders. They offer some functionalities, like the Minimum acceptance volumes per hour (MAV), that are not available for complex orders.</p>
7	<p>NO</p>	<p>See NEMOs position on “Summary of respondents views” above</p>

4	<p>As stated in CACM article 40.2, all NEMOs shall ensure that the price coupling algorithm is able to accommodate orders resulting from these products covering multiple market time units. In your opinion, should other kind of orders, apart from block orders, be considered of the same level of importance that it would be for the case of single blocks, provided that algorithm performance is adequate enough?</p> <p>For the sake of clarity:</p> <ul style="list-style-type: none"> <li>a. If the other kind of orders are to be considered of same level of importance of blocks, then they might be included as part of a hypothetical set of minimum requirements for the SDAC that NEMOs may be offering to market participants</li> <li>b. This implies that any of the NEMOs might be able to offer to their market participants either the other kind of order or simple blocks in each bidding zone as the minimum possible product that cover multiple market time units.</li> </ul>	
	<p><b>Respondents' views</b></p>	<p><b>NEMOs views</b></p>
S	<p><u>Summary of respondents views:</u></p> <p>All respondents that replied to this question (1,3,4 and 7) thinks that also other products than block orders need to be part of the minimum set of requirements. There is emphasis from the respondents on the importance of NEMOs offering suitable products covering the complex needs of market participants.</p> <p>Respondent (4 and 7) would like to see a more harmonized product across Europe and across NEMOs for everyone where also block orders are offered everywhere.</p>	<p>NEMOs support market participants' view regarding the benefit of a wider range of products in order to ensure the best efficiency of the market.</p> <p>It could be beneficial to assess the potential benefit coming from wider usage of the SCOs within the EU frame.</p> <p>NEMOs defend that a potential introduction of a minimum set of requirements should be preceded by an evaluation of several aspects: algorithm scalability/performance, local NEMO specificities (products implemented or not, technical constraints), market participants' needs.</p> <p>NEMOs welcome any suggestion from market participant in order to deliver new products or addend existing ones that fulfill market participants needs and, at the same time, guarantee the adequate scalability of the price coupling algorithm.</p>
1	<p>Yes, there are other kind of orders to be considered of same level of</p>	<p>See NEMOs position on "Summary of respondents views" above and</p>

	<p>importance and should be included in the minimum requirements for the SDAC, as for example current complex orders including MICs (that cannot be substituted) And as stated in CACM article 40. 3.a NEMOS shall ensure that available products reflect market participants needs. Again, SCOs should live together with block bids and complex bids including MICs. It should be also possible to bid more than 1 SCO per day and “bidding unit”, and simple bids and SCOs for the same “bidding unit”, should be allowed to be presented during the same market day.</p>	<p>the view for question 1 for this market participant.</p>
3	<p>The introduction of SCOs into the SDAC product lists should immediately trigger a parallel test regime in each market to examine the suitability of linked blocks in the market place on the basis that SCOs may not offer the anticipated functionality to meet market risk requirements for participants. The current minimum product offering for SEM of COs and simple bids recognises that simple bids on their own are wholly inadequate for the operation of participants. It should be understood that if any of the stringent testing in the Irish SEM of SCOs (or any other order type) fails to demonstrate their suitability to the SEM market to meet the needs of participants or identifies that they do not offer the same level of accommodation for participants within the unique attributes of the Irish SEM (for example, unit based bidding), then COs must continue to be the minimum possible product that covers multiple market time units for SEM.</p>	<p>See NEMOs position on “Summary of respondents views” above</p>
4	<p>We are supportive of allowing all kind of trading possibilities in the SDAC and SDIC, so “block orders” including the most sophisticated formats shall be available in MIBEL in the SDAC. As the current design of MIBEL imposes unit-based bidding, we think NEMO should voice ACER and NRA that these regional/national market design features are clearly hindering the European framework.</p>	<p>See NEMOs position on “Summary of respondents views” for question 1</p>
7	<p>We believe that the cornerstone for achieving a truly competitive and single</p>	<p>See NEMOs position on “Summary of respondents views” above</p>

	<p>market is through harmonization, in such a way that all market participants (no matter the country) have the same possibilities for bidding. Therefore, the objective should be that all kind of products approved have the same level of importance and are available in any market/country. If not computationally achievable, the list of products should be reduced. But all this should be done progressively and without imposing restrictions in certain markets/countries, which are not established in the rest (level playing field).</p>	
<b>5</b>	<b>Any other views on the proposal</b>	
	<b>Respondents' views</b>	<b>NEMOs view</b>
S	<p><u>Summary of respondents views:</u>  Respondent (1) emphasizes the need for SCO to co-exist with existing orders – both in markets with portfolio bidding and unit-bidding.</p> <p>Respondents (2 and 3) are concerned about introduction of a new product in a newly established market (Ireland). Sufficient testing is needed. Objects to remove already existing products.</p> <p>Respondent (4) asks for more harmonization of rules and practices on all levels. Asks full transparency of the consultation process.</p> <p>Respondent (5) comments that more advertising should be done for the consultation so that more market participants would respond.</p>	<p>See NEMOs position on “Summary of respondents views” for question 1</p> <p>See NEMOs position on “Summary of respondents views” for participant 3 in question 2</p> <p>No comment</p> <p>NEMOs suggest and invite all market participants to subscribe to updates in NEMO Committee webpage: <a href="http://www.nemo-committee.eu/">http://www.nemo-committee.eu/</a></p>
1	<p>As summary: SCOs cannot replace CIMs or block offers. If SCOs are implemented, all these three types must coexist, and together with simple offers, and both in markets with portfolio bidding and in those with unit</p>	<p>See NEMOs position on “Summary of respondents views” for questions 1 and 3.</p>

	bidding.	
2	<p>The proposed SCC is different to what we are doing now and will require significant investment and change in practices, in order to implement. This investment and change will occur at a time soon after we have completed the bedding in period of our recent ISEM market, and during a period where Ireland is preparing for the effects of Brexit on our trading arrangements with our nearest neighbour.</p> <ul style="list-style-type: none"> <li>• What has been provided in the consultation does not provide full detail of the impact and effect of this change, i.e. on the systems. It will be with effort and investment that we will have to reconfigure systems and rebuild tools to be able to operate under this different order type. This would require a phased approach. The impact of Brexit in decoupling our market should also be acknowledged, by our NEMO and the Committee as a whole, when considering the ability for each member state to implement this change in their market.</li> <li>• Since there is no clarity, testing would be critical to allow markets to consider the effect of this change and how it will react in different market systems. Market participants would also need to be able to understand how this looks like in practice, specifically with test auctions.</li> </ul>	See NEMOs position for participant 3 in question 2
3	<p>Market Participants in the all-island Single Electricity Market (SEM), have, in the very recent past, invested considerable time, resources and finances in transitioning to the new market arrangements that commenced on Oct 1st 2018. In addition, there was significant engagement with the Regulatory Authorities (RA), System and Market Operators, in designing, testing and implementing SDAC Products that reflect the 'unique' characteristics of the SEM. Characteristics that include central dispatch, a relatively small, 'lumpy' system, unit based bidding, high levels of intermittent renewables and HVDC</p>	See NEMOs position on "Summary of respondents views" for question 3 and the answer to participant 3 in question 2

interconnection. After extensive testing, the existing Complex Orders (CO) were seen by many participants as the most effective product to minimise risk when trading on the Day Ahead (EUPHEMIA) platform. EAI and its membership welcomes measures designed to continually improve the functionality and operation of the SDAC. However, SEM market participants are nonetheless concerned. This concern does not relate to the future introduction of Scalable Complex Orders (SCOs) into the 'production environment', nor the fact that on its face, SCOs do not appear to offer the same flexibility and risk mitigation when compared against the existing COs. Instead, this concern arises from a future scenario where post testing, SCOs displace, rather than compliment COs on the SDAC trading platform.

There have been some mixed messages as to the future fate of COs – the Consultation (last slide) states that "order types previously supported are maintained", while SEMOpX have indicated that COs will ultimately be replaced by SCOs... There is a risk that the proposed testing period (expected to be a minimum of 12 months) is more for market participants to get accustomed to SCOs prior to the withdrawal of COs rather than a true test of the ability for SCOs to improve overall SDAC performance. Objective testing and assessment must be delivered that allow market participants to evaluate the commercial risk borne out of SCO adoption and the validation of PCR/NEMO committee expectations regarding improved welfare and algorithm performance. The appropriate simulation environments should be made available for both objectives and a clear and transparent criterion outlined before any future consultative process on the withdrawal of COs is tabled. Without a clear and objective rationale that meets pre-defined criteria (including inter alia risk management, flexibility & optimisation of welfare), the retirement of COs from the SDAC is not an outcome that EAI or its members could support, as significant costs have been incurred implementing COs and the restricted functionality (relative to COs)

	<p>subsequently increases the risk exposure of participants in the SEM 'forced' to employ SCOs.</p>	
<p>4</p>	<p>First, we express our strong support to the European harmonization in terms of governance, market design and technical solutions in both SDAC and SIDC.</p> <p>Second, common and unique rules in SDAC and SIDC is the prerequisite to achieve a real level playing field among all European market participants irrespective of their location. Therefore, we believe that the national/regional rules about bidding and nomination formats and rules, GOT, GCT, etc. should not differ from the general pan-European rules and the common practices across Europe, both in auctions and continuous trading.</p> <p>Third, we would like to see how the current well-founded framework is reinforced in the future by implementing coherently and robustly the common principles and rules set out in Regulation 2019/943 and future recast of CACM regulation, while allowing market participants to freely establish their trading arrangements irrespective of their location.</p> <p>In particular4 : - Regarding bid limits, full alignment of trading rules in MIBEL with ACER methodologies regarding (art. 10 Regulation 2019/943). - Regarding intraday model, elimination of portfolio restrictions for MIBEL market participants in the continuous SIDC and a consistent model across Europe in intraday, regarding regional auctions. - Regarding portfolio bidding, possibility to move from unit-based bidding to portfolio bidding in SDAC for MIBEL to boost transparency at European level. Finally, we consider crucial full visibility of the consultation process. Therefore, we will be more than happy to analyze the consultation report summarizing the responses received and why they are considered or not when NEMOs will publish the</p>	<p>See NEMOs position on "Summary of respondents views" for question 1</p>



	final proposal to be submitted to ACER.	
5	We would have nonetheless expected more advertising about this consultation, in order to have the maximum of market participants aware of it.	NEMOs suggest and invite all market participants to subscribe to updates in NEMO Committee webpage: <a href="http://www.nemo-committee.eu/">http://www.nemo-committee.eu/</a>

### 3 List of respondents

	Received	Organisation	Organisation details	Country
1	NEMO website	Endesa S.A	Generation	Spain
2	by email	SSE	Generation	Ireland
3	NEMO website	Electricity Association of Ireland	Association	Ireland
4	NEMO website	IBERDROLA	Generation	Spain
5	by email	EDF Trading	Generation	France
6	NEMO website	Gas Natural Comercializadora (Naturgy Group)	Generation	Spain
7	by email	REPSOL	Generation	Spain