

To: Stakeholders and respondents

Report of Public Consultation on amendments to SIDC Products Methodology due to the introduction of 15min MTU products in SDAC and harmonization for terms and conditions on IDAs products

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 Single Intraday Coupling (SIDC), including products that can be taken into account in the SIDC. 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 as provided for under Article 53 of CACM.

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.

Pursuant to Article 12 of the CACM Regulation NEMOs conducted, in the period 30 May 2024 to 04 July 2024, a public consultation with market participants ([available at the NEMO Committee website](#)) for introducing in the SIDC Products Methodology necessary several improvement/clarification modifications and amendments in alignment to the extent relevant with the introduction of 15min MTU

products in the SDAC. The following MPs and Organizations provided feedback to NEMOs during this Public Consultation: Energy Traders Europe, EDF, and Eurelectric. NEMOs have also collected additional feedback from MPs and stakeholders via several workshops like the Market Coupling Consultative Group (MCCG) and the Pentilateral Coordination Group (PCG).

All NEMOs would like to thank the respondents of the public consultation for their valuable feedback on the proposed amendments for the terms and conditions on products available to SIDC.

This report provides a summary of the opinions received and the relevant reactions and suggestions by NEMOs. The individual responses are published on NEMO-Committee website together with this report.

The summary of the opinions received and the responses by NEMOs are organized as follows.

A. General remarks

The following concern general remarks raised by respondents.

The respondents of the PC support that terms and conditions on SIDC products should encompass 15, 30 and 60 minutes products and all complex products already considered for the Single Day-Ahead Coupling (SDAC). They also consider that handling complex products, in particular block orders over multiple hours, is key for the efficiency of capacity allocation and pricing and also support the continuous support of SIDC/XBID solution on 15'/30' and 60' products even after the introduction of 15' products for the IDAs.

The respondents also call for adequate transparency on products decisions and call on NEMOs to provide evidence of algorithm performance supporting increase in computational time and prioritization of developments, while at the same time they clearly state that they do not support a too speedy implementation of future developments without the insurance that SDAC and SIDC algorithms are able to handle products already admissible today, in particular linked, exclusive and loop block products.

The NEMOs acknowledge the importance of complex products as well as of the different time granularities in order to handle all the market scheduling needs of MPs. For this reason, NEMOs and TSOs carried out an extensive R&D program in order to evaluate the bid structure(s) usage implications with the occasion of 15 minutes products introduction in SDAC. This research results are also applicable for the SIDC Intraday Auctions (IDAs) as the same algorithm used for the SDAC is also used for the IDAs 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. However, MPs should also consider that, besides any algorithmic compatibility and support for mandatory and optional products and order types, the actual selection of products and order types for the IDAs is also subject to the liquidity and price formation expectations for such markets. Additionally, the time

schedule of operating processes within the IDAs are very tight. For safeguarding sound operations and meaningful price formation and scheduling for the IDAs, NEMOs have selected (on an individual NEMO/NRA basis) some of the available products and order types at the 15 min go-live in IDAs.

NEMOs are in favor of following a conservative approach for the SIDC\IDAs products and order type introduction while at the same time are legally obliged to introduce such products in the Intraday Market. Once adequate experience from the introduction of the 15min MTU in IDAs will be reached, as well as the performance of the algorithm will allow for a usage extension of products, the selection of such products and order types may be re-evaluated.

NEMOs confirm that all current products will remain in SIDC Continuous Trading after the go live of 15 min MTU.

B. Remarks on specific Articles provisions

The following remarks concern existing or amended provisions for specific Articles of the SIDC products methodology.

I. Article 3, on decision of each individual NEMO

The respondents oppose paragraph 3 provisions, providing NEMOs a decision right on the usage and parameterization of any individual product and consider that "if there is a common methodology to define mandatory products at EU level, there should be a harmonized implementation/interpretation of the rules across Europe".

NEMOS would like to clarify that the mandatory classification of products at the SIDC products methodology level implies that the algorithm should be able to accommodate and support them. However, the selection of products/order types offered by each specific NEMO, and their parameters regulating their usage, should remain under the competence and control of the NEMO and the NRAs reflecting the local trading hubs needs and conditions.

II. Articles 5 & 7, on Mandatory vs Optional products

The respondents ask for the mandatory accommodation of (simple and complex) products by the Day-Ahead and Intra-Day algorithms whenever traded in a sufficient number of Member States (at least 3) so that assets are correctly offered/priced on the markets. They also oppose the qualification of Complex Block Orders as optional products but acknowledge that NEMOs have gradually improved the performance of Euphemia in order to accommodate more complex products. In this respect the linked or exclusive bids should not introduce such a degree of complexity in the algorithm that they deserve to be made optional. So, they call for having available at the IDAs level the same blocks as the ones available for the SDAC, since this is crucial to allow a proper optimization of the intraday market at EU level.

The respondents request clarification regarding the understanding that only one time period granularity will be available in a given zone for the IDAs implementation.

The issue of whether the Complex Block Orders should be considered as a mandatory product/order type has been thoroughly discussed during passed public consultations with MPs. NEMOs clearly understand the need of scheduling capabilities which are provided by such advanced order types, linking decisions for scheduling energy volumes in an intertemporal manner. The mandatory products supported by the algorithm for the IDAs covers products available for a single MTU (curve orders) and multiple MTUs (block Orders) in line with the provisions of CACM Regulation as a minimum legal requirement accommodated by the price coupling algorithm. Complex Block Orders, building upon simple block orders with additional characteristics, are available/used on-top of mandatory products/order types by several NEMOs/BZs as optional products/order types, accommodating the scheduling needs of the relevant MPs where the algorithm performance allows for it and depending as already stated on local trading hub needs and conditions. NEMOs would like to point out that the selection for blocks usage, for each individual NEMO trading-hub, is highly related to the liquidity of each market. IDAs are not comparable in terms of liquidity to SDAC. However, individual NEMOs are still able to provide the relevant block orders offering and parameters depending on the provisioned trading-hub liquidity and market conditions for the IDAs.

During the testing phase of IDAs implementation it was showcased that in order to keep the time limitations of IDAs (7' minutes available to the algorithm) we need to maintain single-time resolution. NEMOs confirm that, for the time being and for reasons related to IDAs liquidity and algorithmic performance, only one time resolution/granularity, will be available for the IDAs. This is mainly concerned with cross-product matching algorithmic implications identified for low liquidity conditions on IDAs. Taking into consideration experience gained from IDAs operation and actual products usage, such decision may be revised in the future.

III. **Article 6, on cross-product matching**

The respondents request clarification regarding the cross-product matching rule on aggregated MTU orders.

As explained in the Explanatory Note, NEMOs added in Article 6 of the SIDC products methodology content relevant to describe the acceptance/rejection criteria of demand/supply curves, which are related to the rules governing the Cross Product Matching for IDAs. Further technical details on the implementation of Cross-Product Matching for IDAs will be provided in the EUPHEMIA public description following a relevant concept and explicit improvements for the SDAC case.