

HMMCP methodologies for SDAC and SIDC

Online workshop for Public Consultation on HMMCP Methodologies
amendments proposals by NEMOs

Wednesday 12.03.2025 , 11:00 – 12:00 CET

Purpose and Structure of the Workshop

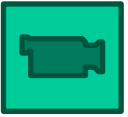
"The NEMOs shall, at least every two years, reassess the HMMCPs, share this assessment with market participants and consult it in relevant stakeholder forums organised in accordance with Article 11 of the CACM Regulation".

The workshop aims at providing more direct communication with respect to the public consultation and thus addresses the request of stakeholders for greater involvement in the process raised also in the context of Market Coupling Consultative Group (MCCG).

Workshop structure:

- Provide a detailed overview of the public consultation process and next steps
- Present the amendments to the two SDAC & SIDC HMMCP Methodologies proposed by NEMOs
- Address questions via the Q&A session

Housekeeping rules



The WS broadcasting is being recorded. Recording will be published at the NEMOs YouTube channel.



Attendees' cameras and microphones are disabled by default. So, please post your questions @ the Q&A box.



For questions not addressed directly during the workshop, the answers will be included in the Q&A publication.

HMMCP Methodology for SDAC and SIDC: Background

- ❑ Chapters 5 and 6 of the CACM Regulation specify requirements for the Single Day-Ahead Coupling (SDAC) and the Single Intraday Coupling (SIDC), including the provisions for setting the harmonised maximum and minimum clearing prices for SDAC and SIDC in accordance with Article 41 and Article 54 of the CACM Regulation, respectively.
- ❑ The current HMMCP Methodologies in force have been approved by ACER with Decision No 01/2023 for SDAC and 02/2023 for SIDC.
- ❑ Now, in accordance with Article 12 of CACM, the NEMOs are consulting on possible amendments to the HMMCP SDAC and SIDC Methodologies.

HMMCP Methodologies: NEMOs amendment proposals

- ❑ Besides any re-phrasing and clarification improvements to the existing texts, the NEMOs' proposals are now relevant to liquidity concerns for both SDAC and SIDC and proposed adaptations due to the introduction of the 15min products and the 15min MTUs in SDAC and SIDC auctions.



Adaptation for the triggering events related to the number of the MTUs considered and the co-existence of multiple –duration products.



Introduction of conditions on market liquidity both for SDAC and SIDC relevant to the triggering of an event to be considered for the update of the HMMCPs levels.



Proposal for reverting the changes on the HMMCPs levels if 70% of the new maximum or minimum clearing price is not reached in any bidding zone after one year of the last update of the HMMCPs.

HMMCP Methodologies: amendment proposals



Adaptation for the triggering events related to the number of the MTUs considered and the co-existence of multiple –duration products.

Amended Articles	Text of the amendment	Reasons
4.1.a and 4.2.a (same amendments in both paragraphs)	<p>1. The harmonised maximum clearing price for SDAC shall be adjusted according to the following rules:</p> <p>a) the harmonised maximum clearing price for SDAC shall be increased by five hundred (500) EUR/MWh in the event that the clearing price, in at least one bidding zone, exceeds a value of seventy (70) percent of the harmonised maximum clearing price for SDAC in at least two (2) market time units in at least two three (3) different days within thirty (30) rolling days from the first price spike; [...]</p>	<ul style="list-style-type: none"> ❑ The number of MTUs relevant in order to trigger the update would vary passing from a 60' MTU environment to 15' MTU environment (in order to be consistent 2 should become 8). ❑ To simplify the rule NEMOs now propose to remove the reference to MTU, linking the reach of the threshold to the day granularity and not the MTU.
Relevant to		
Both SDAC and SIDC		

HMMCP Methodologies: amendment proposals



Adaptation for the triggering events related to the number of the MTUs considered and the co-existence of multiple –duration products.

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Relevant to		
Both SDAC and SIDC		

HMMCP Methodologies: amendment proposals



Introduction of conditions on market liquidity both for SDAC and SIDC relevant to the triggering of an event to be considered for the update of the HMMCPs levels.

Amended Articles	Text of the amendment	Reasons
4.1.d and 4.2.d (same amendments in both paragraphs)	<p>1. The harmonised maximum clearing price for SIDC shall be adjusted according to the following rules: [...]</p> <p>d) the bidding zones referred to in subparagraph (a) shall be only those bidding zones with cleared buy and sell volumes and those part of the fully coupled SIDC, excluding virtual zones and uncoupled bidding zones. The cleared buy and sell volumes shall be at least equal to the 5% of the average cleared buy and sell volumes in the bidding zone per market time unit in the last 30 days in the intraday auction, this average being at least higher than 100 MW. The average cleared buy and sell volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated.</p>	<ul style="list-style-type: none"> ❑ The amendment goal is to update the HMMCP based on prices which are representative of market fundamentals and not based on price spikes due to the low liquidity of the market (the traded volumes per MTU-BZ $\geq 5\%$ of the average traded volumes in the last 30 days in the relative IDA). ❑ For the IDA auctions, in some bidding zones the liquidity is currently very low. The volume of matched orders is very small – less than 5MW – and matching occurs only in some of the MTUs. NEMOs propose then to consider the triggering event only if the average traded volume in the MTU-BZ is at least equal to 100 MW, being the average reference value, traded in all the BZ in IDAs in December 2024.
Relevant to		
SIDC		

HMMCP Methodologies: amendment proposals



Introduction of conditions on market liquidity both for SDAC and SIDC relevant to the triggering of an event to be considered for the update of the HMMCPs levels.

Amended Articles	Text of the amendment	Reasons
4.1.d and 4.2.d (same amendments in both paragraphs)	<p>1. The harmonised maximum clearing price for SIDC shall be adjusted according to the following rules:</p> <p>[...]</p> <p>d) the bidding zones referred to in subparagraph (a) shall be only those bidding zones with cleared buy and sell volumes and those part of the fully coupled SIDC, excluding virtual zones and uncoupled bidding zones. The cleared buy and sell volumes shall be at least equal to the 5% of the average cleared buy and sell volumes in the bidding zone per market time unit in the last 30 days in the intraday auction, this average being at least higher than 100 MW. The average cleared buy and sell volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated.</p>	<p>❑ The average traded volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated. Such metric would then allow to have a freezing period of the methodology whenever a change in the market which prevents the averaging happens.</p>
Relevant to		
SIDC		

HMMCP Methodologies: amendment proposals



Introduction of conditions on market liquidity both for SDAC and SIDC relevant to the triggering of an event to be considered for the update of the HMMCPs levels.

Amended Articles	Text of the amendment	Reasons
<p>4.1.d and 4.2.d (same amendments in both paragraphs)</p>	<p>1. The harmonised maximum clearing price for SDAC shall be adjusted according to the following rules: [...] d) the bidding zones referred to in subparagraph (a) shall be only those bidding zones with cleared buy and sell volumes and those part of the fully coupled SDAC, excluding virtual zones and uncoupled bidding zones. The cleared buy and sell volumes shall be at least equal to the 5% of the average cleared buy and sell volumes in the bidding zone per market time unit in the last 30 days in the intraday auction. The average cleared buy and sell volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated.</p>	<ul style="list-style-type: none"> ❑ The amendment goal is to update the HMMCP based on prices which are representative of market fundamentals and not based on price spikes due to the low liquidity of the market (the traded volumes per MTU-BZ $\geq 5\%$ of the average traded volumes in the last 30 days in SDAC). ❑ Such provision has been inserted in continuity with what has been proposed for SIDC HMMCP and also for taking into account any future inclusion of EnC BZs with considerable low liquidity. ❑ Unlike what was done in SIDC, NEMOs didn't provide any reference value for the average traded volumes, due to the lack of information related to the EnC volumes.
<p>Relevant to SDAC</p>		

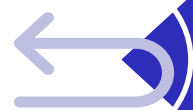
HMMCP Methodologies: amendment proposals



Introduction of conditions on market liquidity both for SDAC and SIDC relevant to the triggering of an event to be considered for the update of the HMMCPs levels.

Amended Articles	Text of the amendment	Reasons
4.1.d and 4.2.d (same amendments in both paragraphs)	1. The harmonised maximum clearing price for SDAC shall be adjusted according to the following rules: [...] d) the bidding zones referred to in subparagraph (a) shall be only those bidding zones with cleared buy and sell volumes and those part of the fully coupled SDAC, excluding virtual zones and uncoupled bidding zones. <i>The cleared buy and sell volumes shall be at least equal to the 5% of the average cleared buy and sell volumes in the bidding zone per market time unit in the last 30 days in the intraday auction.</i> <i>The average cleared buy and sell volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated.</i>	<ul style="list-style-type: none"> ❑ The average traded volumes should be calculated against a homogenous database over the last 30 days. Where changes in market design occur that prevent the possibility of homogeneous averaging, application of the methodology will be suspended until the average value is consolidated. Such metric would then allow to have a freezing period of the methodology whenever a change in the market which prevents the averaging happens.
Relevant to SDAC		

HMMCP Methodologies: amendment proposals



Proposal for reverting the changes on the HMMCPs levels if 70% of the new maximum or minimum clearing price is not reached in any bidding zone after one year of the last update of the HMMCPs.

Amended Articles	Text of the amendment	Reasons
4.1.e and 4.2.e (same amendments in both paragraphs)	<p>1. The harmonised maximum clearing price for SIDC/SDAC shall be adjusted according to the following rules:</p> <p>[...]</p> <p>e) the harmonised maximum clearing price for SIDC/SDAC shall be decreased by 500 EUR/MWh in the event that the clearing price of an intraday auction, in all bidding zones, does not exceed a value of seventy (70) percent of the harmonised maximum clearing price for SIDC in one rolling year after the last harmonised maximum clearing price increase has been implemented. The harmonised maximum clearing price for SIDC cannot be decreased below +9999 EUR/MWh;</p>	<ul style="list-style-type: none"> ❑ If the relevant price threshold (i.e. 70% of the new maximum or minimum clearing price) is not reached in any bidding zone one year later, it would go back to the previous situation because price formation would not have been hampered by the previous maximum or minimum clearing price. It also reduces costs related to collaterals (depending on margining models), and reduces risk of extreme undesired financial exposure for market participants (bidding error management, or wrongly entered price taking order) ❑ Such provision is also relevant in order to consider a significant VOLL for the market, which can vary during the time and could no more be consistent with the HMMCP in case the thresholds values are updated only in one direction.
Relevant to		
Both SDAC and SIDC		

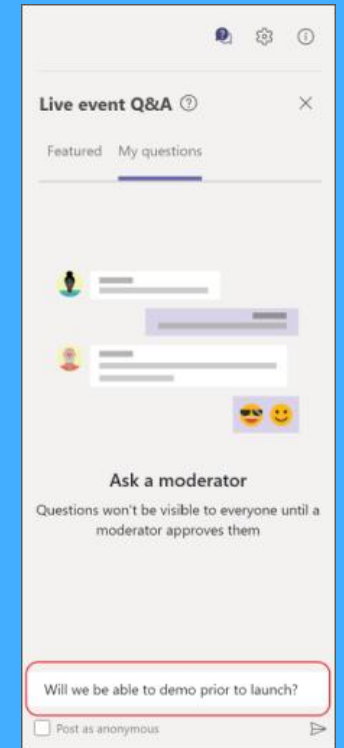
Q&A Session

11:30 – 11:45

Answers to the anonymized questions of the WS will be published at the NC Website page for the [Public Consultation](#)

Q&A Panel

- Questions are posted @ the Q&A Panel
- Type your question in the compose box
- Select: Send
- You can select “Post as anonymous”
- The event moderator will review and publish the question.



On-going Public Consultation process and next steps

24/02/25

- Start up of [Public Consultation](#)
- Feedback collected by the NC Secretariat (secretariat@nemo-committee.eu)

Mid-April
25

- End of Public Consultation: 24/03
- Results processing: end of March - 11/04/2025
- All PC results, including WS Q&A document and recording will be published

End April

- Final NEMOs proposals, coordinated with TSOs
- Submission of final proposals @ ACER: end April 2025

RAIBH MAITH AGAT #AČIŮ #DĚKUJI VÁM #TĀNAN TEID #TAK #ΕΥΧΑΡΙΣΤΩ #DANKE #PALDIES #GRAZIE #KIITOS #DANK JE #OBRIGADO #KÖSZÖNÖM #TACK #THANK YOU #ĐAKUJEM #TĀNAN #TEID DZIEKUJE #GRACIAS #MERCİ #MULTUMESC #BJATOJAPPA BM #HVALA GO

