ACER

European Union Agency for the Cooperation of Energy Regulators

Harmonised maximum and minimum clearing prices for SDAC and SIDC

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Indicative planning and next steps

Sep

- 15 Sep : Reception of the amendments by the NEMOs
- 19 Sep : Public communication (initiation of the procedure and public consultation)
- 19 Sep : Start of the public consultation

Oct

- 3 Oct : Public workshop
- 9 Oct : End of the public consultation – 27 respondents – see consultation report
- 31 Oct : Start of hearing period on preliminary position

Nov

- 16 Nov : End of hearing period
- 16 Nov : Start of AEWG endorsement procedure
- 25 Nov : End of AEWG endorsement procedure
- 30 Nov : BoR submission deadline

Dec

- 14 Dec : Expected decision in BoR and target date for publication

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Principle of ACER's proposal - DA

Description	Status quo	NEMO	Principle of ACER's proposal
Reference price limits [€/MWh]	[-500;4000]	[-500; 3000]	Maintain current price limits in accordance with legal framework
Price spike definition	Clearing price above 60% in coupled BZs	Clearing price above 70% in coupled BZ, excluding fallback and virtual BZ	ACER considers that the NEMOs' proposal can lead to two types of detrimental situations: 1) Situations in which price spikes take place but not frequently enough to trigger an increase of the price limit 2) Situations in which high prices occur very often over several months, leading to frequent increases of the price limits over a limited period of time ACER will therefore aim at having a mechanism leading to more gradual adjustments while respecting the legal framework ('*price limits shall not unnecessarily restrict trade*')
Trigger conditions	1 price spike for at least one MTU in one BZ	5h of price spikes in at least 3 days over a rolling 10 days	
Increase steps [€/MWh]	1000	1000	
Treatment of the transition period	No freeze	Freeze	
Transition period	5 weeks	4 weeks	Define a transition period based on operational and technical criteria
Application to minimum price	No	Yes with -100€/MWh steps	Limit the differentiation of upper and lower price limits in their possibility to be adjusted
Lowering of maximum price	No	Yes in case no high prices for a year	Limit adjustments of higher price limits to upward direction according to the legal framework
Implementation date	N/A	At entry into force	Target a fast implementation as a priori allowed according to NEMOs' hearing feedback (unless decision foresees a complex design of the automatic mechanism)

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Examples and option comparison

- Example 1 – the price spike in the FR BZ on the 4 April 2022: two hours of the same session reaching prices of 2720€/MWh and 2990€/MWh in one bidding zone
- Example 2 – the price spike in the Baltics BZs on the 17 August 2022: one hour reaching prices of 4000€/MWh in three bidding zones
- Example 3: prices at the maximum price limit occurring on Mondays every week for 5 hours over three months
- Example 4: prices at the maximum price limit in 4 hours each day for 3 days in a row in one bidding zone
- Example 5: example 4 occuring once every 5 weeks for 20 weeks (+- 4.5 months).

Application of the automatic increase	Status quo	NEMOs
Example 1	Yes, once	No
Example 2	Yes, once	No
Example 3	Yes, more than 8 times	No
Example 4	Yes, thrice	Yes, once
Example 5	Yes, more than 10 times	Yes, 4 times

ACER considers that the NEMOs' proposal can lead to detrimental reactions such as in example 3 and 5.

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Principle of ACER's proposal - ID

Description	Status quo	NEMO	Principle of ACER's proposal
Reference price limits Continuous [€/MWh]	[-9999;9999]	[-9999;9999]	Define identical price limits for ID auctions and continuous
Reference price limits Auction [€/MWh]	N/A	[-9999;9999]	
Trigger conditions	None (unless DA goes above ID limits)	None (unless DA goes above ID limits)	Do not allow DA price limits to go above ID price limits
Continuous automatic mechanism	None	None	Define a mechanism to automatically adjust the ID price (independently from DA price). Triggering an adjustment of price limits seems more relevant to be done from the auctions than the continuous.
Auction automatic mechanism	N/A	None	

Thank you. Any question?

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