

The logo for EFET, consisting of the letters 'EFET' in a bold, red, sans-serif font.

European Federation
of Energy Traders
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EFET call for accountability over recurring incidents on JAO

9 March 2022 – 27th MESC meeting

The reliability of JAO operations is in question

Type of incident	Occurrences
Auction cancellations <ul style="list-style-type: none"> • Long-term auctions • Daily auctions • Intraday auctions 	23/11/2018 (after publication of results!) 26/03/2016 - 30/06/2016 - 30/07/2016 - 26/03/2017 (after publication of results!) - 19/09/2021 01/06/2016 - 18/09/2021
Post-auction capacity reductions	14/03/2019
Unavailability/slowness of the platform	26/01/2016 (GCT change then overturned) - 18/04/2016 (haphazard access to auctions, GCT change) - 15/04/2021 (haphazard access to auctions, bidding difficulties) – several days from May to July 2021 (bidding difficulties on weekend auctions) – 19/01/2022 (auction delay)
Missing publication	07/01/2016 - 02/03/2016 - 28/11/2016 - 26/03/2019 – 21/09/2018 - 18/09/2021 - 10/11/2021
Settlement errors	Experienced periodically by MPs since 2016 (several hundred k€ missing in a single payment at times)
Inadequate collateral management	No statement available of what is taken as collateral for each auction, on which date, or what is released and when; faulty restitutions have happened; burdensome bureaucratic procedures for changes
Sub-standard direct support service	Still only available from 8:00 to 17:00 CET

Principal EFET concerns with incidents on JAO

- **Similar incidents occur far too regularly**
 - We cannot assess whether incidents are strictly the same, if lessons are learnt or not
 - Limited redundancies seem to be in place
 - MPs are unable to reach JAO by phone outside of standard business hours
- **JAO feedback to market participant complaints generally waves responsibility**
 - Whether a responsibility of TSOs or JAO, market participants are financially affected
 - JAO is the only contracting party of market participants in the auctions
- **Accountability for problems occurring on (or transmitted to) the joint platform is poor**
 - Are the EU HAR too lax?
 - Does the JAO-TSOs agreement need a review?
 - Which regulator(s) oversees JAO? (ILR? All NRAs? ACER?)

EFET recommendations

Dealing with existing operational problems

- Acknowledging that there are recurrent performance problems (JAO, TSOs)
- Assessing technical remedies to these problems
- Setting performance standards, monitored by NRAs and reported upon publicly

Establishing clear chains of responsibility

- Chains of responsibility to be identified for each incident
- JAO and the TSOs to come forward after each incident without waiting for complaints from market participants

Enacting true accountability

- JAO should be accountable whichever entity in the chain is originally responsible for the problem – as the only counterparty to MPs in the auctions
- The regulatory/contractual framework and NRA(s) oversight need strengthening

Thank You

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