



Views on ACER recommendation on CACM 2.0

Market European Stakeholder Committee – 1st June 2022

CACM 2.0 can fill in the gaps with current regulation to improve efficiency and promote liquidity of European day-ahead and intraday markets

- Improving the efficiency of continuous intraday trading as the primary tool for Single Intraday Coupling (SIDC), by introducing a close monitoring on liquidity of intraday markets after intraday auctions introduction, capping their number to three maximum and limiting the suspension of continuous trading
- Tailor day-ahead and intraday products to market needs and ensure algorithms' resilience, by making products mandatory when there are used in more than three Member States and conditioning algorithm / coupling timing evolutions to positive cost-benefit analysis
- Provide a framework improving the consideration of borders with third countries, through a coordinated capacity calculation and allocation, notably for countries with a high level of interconnection with the EU and/or part of the same synchronous area as EU countries
- Update the BZR criteria list, notably extending the scope covered by transition costs, reinforcing the consideration of market efficiency and long-term perspectives

CACM 2.0 is the opportunity to consolidate transparency and consultation requirements and improve stakeholder involvement

- **Improve transparency / publication of information** on market coupling algorithms' source codes, auction orders, capacity calculation, congestion management, allocation constraints
- **Consolidate consultation requirements** notably with systematic minimum 2-month consultation periods
- **Confirm explicitly an increased stakeholder involvement** all along the bidding zone review process
- **Broaden the scope of the welcomed permanent forum on market coupling**, recognising the effectiveness of market participants input to NEMOs and TSOs and allowing market participants to weight on strategic choices of the MCO function

CACM 2.0 should not introduce disruptive changes putting at risk market functioning in line with the existing rules

- **Keep unchanged Member States prerogative** – pursuant to E. Regulation – to change their internal bidding zones' configuration and **make clear that the cross-border impact** of such reconfigurations should be assessed after a public consultation involving all stakeholders at least of neighboring countries
- **Condition the introduction of non-uniform pricing for market coupling algorithms to a positive cost-benefit analysis and a public consultation**, including impacts studies on market prices, level of side-payments and cost allocation to the MCO function
- **Need to make reductions of cross-zonal capacity for operational security reasons as infrequent as possible**, while introducing a principle of compliance of capacity calculation methodologies with Article 16(8) – cf. 70% threshold
- **Avoid any disruptive change in MCO governance** which might jeopardize existing processes and the CACM development / implementation projects for the coming years and whose transition costs would weigh on market participants and end-consumers