

## Annex I

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# **Harmonised maximum and minimum clearing prices for single intraday coupling in accordance with Article 54(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM Regulation)**

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**UPDATE - DRAFT PROPOSAL BY ALL NEMOs  
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## Whereas

- (1) This document sets the harmonised maximum and minimum clearing prices ('HMMCP') in single intraday coupling ('SIDC') in accordance with Article 54(1) of the CACM Regulation. This document includes also a mechanism for amending both the maximum and the minimum clearing price.
- (2) The document HMMCP for SIDC applies to the continuous trading and to the IntradayAuctions (IDA), that are defined by the Algorithm methodology.
- (3) In accordance with Article 54(1) of the CACM Regulation, the HMMCP for SIDC shall take into account an estimation of the value of lost load ('VoLL'). The objective of this requirement is to ensure that the HMMCP for SIDC does not impose barriers on free price formation. This document sets the initial value of HMMCP for SIDC, which, in combination with the amendment rule of HMMCP for SIDC, is expected to achieve the same goal, i.e. to minimise the likelihood that the HMMCP for SIDC impose barriers on free price formation. The HMMCP for SIDC therefore implicitly take into account the VoLL, since an amendment rule ensures that the HMMCP for SDIC is always higher or equal to the HMMCP for SDAC, whereas the later is expected to gradually increase to a level, which represents the VoLL as determined by the market participants' willingness to pay.
- (4) This document takes in account the context leading to the increase of the harmonized maximum price in SDAC performed on the 10<sup>th</sup> May 2022 and also the outcomes of the public consultation on HMMCP for SDAC and SIDC that all NEMOs organized from 24<sup>th</sup> May to 15<sup>th</sup> July 2022.
- (5) The HMMCP for SIDC take into account the general objectives of capacity allocation and congestion management cooperation described in Article 3 of the CACM Regulation.
- (6) This document fulfils the objective of 'promoting effective competition in the generation, trading and supply of electricity' as the HMMCP for SIDC have been set at levels that do not restrict effective competition in the generation, consumption, trading or supply in the organised wholesale market.
- (7) This document fulfils the objective of 'ensuring operational security' by harmonising HMMCP for SIDC as well as removing barriers for free price formation. This promotes flexibility and thereby contributes to the operational security, as well as security of supply.
- (8) This document fulfils the objective of 'optimising the calculation and allocation of cross-zonal capacity', and in parts also the objective of 'optimal use of the transmission infrastructure', by removing the barriers for free price formation which effectively optimises the allocation of cross-zonal capacities and the use of transmission

infrastructure.

- (9) This document fulfils, or rather is deemed to have no negative impact on, the objective of "ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants".
- (10) This document achieves the objective of 'ensuring and enhancing the transparency and reliability of information' as the HMMCP for SIDC have been publicly consulted both by all NEMOs as well as by the Agency. The final document will also be published.
- (11) This document fulfils the objective of 'contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union' as the HMMCP for SIDC have been set at levels that allow full provision of supply and demand orders in to the SIDC markets and therefore SIDC results can contribute to provision of efficient price signals for forward (long term) price formation that can enable efficient signals for investment in generation and demand-side response.
- (12) This document fulfils the objectives of 'respecting the need for a fair and orderly market and fair and orderly price formation' and 'providing non-discriminatory access to cross-zonal capacity' by harmonising the HMMCP across the bidding zones which participate in SIDC and among all NEMOs active within the given bidding zones.
- (13) This document fulfils the objective of 'creating a level playing field for NEMOs' as the limits applied will always be identical for multiple NEMOs active within one individual bidding zone as well as single NEMOs active in more bidding zones.

## **TITLE 1**

### **General provision**

#### **Article 1**

##### **Subject matter and scope**

The HMMCP shall be applied in all bidding zones which participate in SIDC in accordance with Article 54(1) of the CACM Regulation.

#### **Article 2**

##### **Definitions and interpretation**

1. Terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation.
2. In addition, in this document the following terms shall apply:
  - a) 'Harmonised maximum clearing price for SIDC' means the maximum clearing price value, which is applied in all bidding zones which participate in SIDC; and
  - b) 'Harmonised minimum clearing price for SIDC' means the minimum clearing price value, which is applied in all bidding zones which participate in SIDC.
3. In this document, unless the context requires otherwise:
  - c) the singular indicates the plural and vice versa;
  - d) the table of contents, headings and examples are inserted for convenience only and do not affect the interpretation of this document; and
  - e) any reference to legislation, regulations, directives, decisions, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it then in force.

## **TITLE 2**

### **Maximum and minimum prices**

#### **Article 3**

##### **Harmonised maximum and minimum clearing prices for SIDC**

1. The harmonised maximum clearing price for SIDC, both the continuous trading sessions and the Intraday auctions, shall be +9999 EUR/MWh.
2. The harmonised minimum clearing price for SIDC, both the continuous trading sessions and the Intraday auctions, shall be -9999 EUR/MWh.

#### **Article 4**

##### **Criteria and process for establishing and amending maximum and minimum price for SIDC**

1. The harmonised maximum clearing price for SIDC in accordance with Article 3(1) shall be amended in the event that harmonised maximum clearing price for SDAC is increased above the harmonised maximum clearing price for SIDC pursuant to Article 4 of the *Harmonised maximum and minimum clearing prices for single day-ahead coupling in*

*accordance with Article 41(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.* In such a case, the harmonised maximum clearing price for SIDC shall also increase to be equal to the harmonised maximum clearing price for SDAC. Any such change shall be implemented and applied at the same time that the harmonised maximum clearing price for SDAC is applied.

2. The harmonised minimum clearing price for SIDC in accordance with Article 3(2) shall be amended in the event that harmonised minimum clearing price for SDAC is decreased below the harmonised minimum clearing price for SIDC pursuant to Article 4 of the *Harmonised maximum and minimum clearing prices for single day-ahead coupling in accordance with Article 41(1) of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management.* In such a case, the harmonised minimum clearing price for SIDC shall also decrease to be equal to the harmonised minimum clearing price for SDAC. Any such change shall be implemented and applied at the same time that the harmonised minimum clearing price for SDAC is applied.
3. The NEMOs shall transparently announce and publish the amended harmonised maximum and/or minimum clearing price for SIDC at least three weeks before its implementation and application in SIDC.
4. The NEMOs shall, at least every two years, reassess the HMMCP, share this assessment with all market participants and consult it in relevant stakeholder forums organised in accordance with Article 11 of the CACM Regulation. A reassessment may also follow any amendment in accordance with paragraph 1), if the NEMOs deem it appropriate.

### **TITLE 3**

#### **Final provisions**

#### **Article 5**

##### **Timeline for implementation**

The NEMOs shall implement the HMMCP for SIDC in all bidding zones participating in the SIDC immediately after the MCO function has been implemented in accordance with Article 7(3) of the CACM Regulation.

#### **Article 6**

##### **Language disclaimer**

The reference language for the HMMCP for SDAC shall be English. For the avoidance of doubt, where NEMOs need to translate this HMMCP for SDAC into the national language(s) of the relevant regulatory authority, in the event of inconsistencies between the English version submitted in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant NEMO(s) shall be obliged to dispel any inconsistencies by providing a revised version of this HMMCP for SDAC to the relevant national regulatory authorities.