

Annex I a

**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 (CACM Regulation)

For information only

~~14 November xx~~
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Whereas

~~(1) This document sets the-out the methodology for the harmonised maximum and minimum clearing prices ('HMMCP') for single day-ahead coupling ('SDAC') in accordance with Article 41 of the CACM Regulation. This document which also includes also a mechanisms for amending adjusting automatically both the maximum and the minimum clearing prices.~~

~~(1)~~

~~(2) In accordance with Article 41(1) of the CACM Regulation, the HMMCP for SDAC 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 SDAC does not impose barriers on free price formation. This document provides for the amendment adjustment rule of HMMCP for SDAC, which is expected to achieve the same goal, i.e. to minimise the likelihood that HMMCP for SDAC impose barriers on free price formation. The HMMCP for SDAC therefore implicitly takes into account the VoLL as the amendment adjustment rule is expected to gradually increase the HMMCP for SDAC to a level, which represents the VoLL as determined by the market participants' willingness to pay.~~

~~This document takes into account the context leading to the increase of the harmonized maximum price in SDAC performed on the 10th May 2022 and also the outcomes of the public consultation on HMMCP for SDAC and single intraday coupling ('SIDC') that all nominated electricity market operators ('NEMOs') organized from 24th May to 15th July 2022 and the outcome of the public consultation on HMMCP for SDAC and SIDC organized by ACER from 19 September to 9 October 2022. Based on responses received from stakeholders in the consultation, it is introduced a more sophisticated triggering mechanism for adjusting the —maximum— clearing price harmonised maximum clearing price with stricter conditions is introduced. The mechanism will therefore lead to a more gradual increase of the HMMCP increased the requirement for occurrence of the spike and reflecting a more long term perspective (rolling period).~~

~~(2) The HMMCP includes also a mechanism for amending the minimum clearing price and the mechanism is mirroring the method for amending the maximum clearing price.~~

~~(3)~~

~~Therefore following the opinion expressed by stakeholders in the consultation while still having in mind the VOLL principle, this document describes also the conditions for decreasing back the maximum clearing price. The rationale is to allow the decrease if the market situation corresponds, in longer term perspective, to the situation preceding the increase, while having the VOLL principle still secured.~~

- ~~(3)~~(4) The ~~amendment-adjustment~~ rule for the ~~harmonised maximum and minimum clearing prices~~HMMCP for SDAC includes a transition period over which the clearing price is ~~still capped/maintained~~ at the value of the ~~harmonised maximum or minimum clearing price~~HMMCP for SDAC before the ~~amendment~~adjustment. During this ~~interim~~transition period, and depending on whether the transition period was initiated following an increase of the harmonised maximum clearing price or a decrease of the harmonised minimum clearing price, no further ~~price limit increase or decrease~~change of that HMMCP ~~should be initiated.~~, while the amended value serves as a reference for triggering any further amendments of the harmonised maximum clearing price for SDAC. This transition period aims to give time to market participants to adjust to the amended value of the harmonised maximum clearing price for SDAC, while minimising the impact on free price formation.
- ~~(4)~~(5) The HMMCP for SDAC take into account the general objectives of capacity allocation and congestion management cooperation described in Article 3 of the CACM Regulation.
- ~~(5)~~(6) This document fulfils the objective of ‘promoting effective competition in the generation, trading and supply of electricity’ as the HMMCP for SDAC have been set at levels that do not restrict effective competition in the generation, consumption, trading or supply in the organised wholesale market. ~~These limits have been applied since some time in auction based day ahead couplings, e.g. MRC and 4MMC covering multiple Bidding Zones, and have proven to be adequate.~~
- ~~(6)~~(7) This document fulfils the objective of ‘ensuring operational security’ by harmonising maximum and minimum clearing prices 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.
- ~~(7)~~(8) This document fulfils the objective of ‘optimising the calculation and allocation of cross-zonal capacity’, and 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.
- ~~(8)~~(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’.

~~(9)~~(10) This document achieves the objective of ‘ensuring and enhancing the transparency and reliability of information’ as the HMMCP for SDAC have been publicly consulted ~~both by all NEMOs as well as~~ by the Agency. The final document will also be published.

~~(10)~~(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 SDAC have been set at levels that allow full provision of supply and demand orders in the SDAC and therefore SDAC results can contribute to the provision of efficient price signals for forward (long term) price formation that can enable efficient signals for investment in generation and demand side response.

~~(11)~~(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 SDAC 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 HMMCP~~ applied will always be identical for multiple NEMOs active within one individual bidding zone as well as single NEMOs active in more bidding zones.

~~(12)~~

TITLE 1

GENERAL PROVISIONS

Article 1: Subject matter and scope

- ~~1. The HMMCP~~This HMMCP for SDAC methodology and the HMMCP shall be applied in all bidding zones which participate in SDAC pursuant to Article 41 of the CACM Regulation.
- ~~2. This HMMCP for SDAC methodology for SDAC shall apply to the NEMOs listed in~~Annex 1.

Article ~~12~~: Definitions and interpretation

- Terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation and the Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council.

2. In addition, in this document the following terms shall apply:
 - a) 'Harmonised maximum clearing price for SDAC' means the maximum clearing price value which is applied in all bidding zones which participate in SDAC; ~~and~~
 - b) 'Harmonised minimum clearing price for SDAC' means the minimum clearing price value which is applied in all bidding zones which participate in SDAC; and
 - c) 'Transition period' refers to the duration between the day during which the triggering conditions to adjust the harmonised maximum or the harmonised minimum clearing price described in Article 4(1)(a) and 4(2)(a) have been met and the day of the application of the adjusted harmonised maximum or the harmonised minimum clearing price in all coupled bidding zones which participate in SDAC.

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: ~~H~~Harmonised maximum and minimum clearing prices for SDAC

1. The reference harmonised maximum clearing price for SDAC shall be +~~43~~000 EUR/MWh.
2. The reference harmonised minimum clearing price for SDAC shall be -500 EUR/MWh.
3. The reference harmonised maximum and minimum clearing prices for SDAC determined in paragraphs (1) and (2) of this Article shall set the initial value of the harmonised maximum and minimum clearing prices. Thereafter, the harmonised maximum and minimum clearing prices shall be adjusted in accordance with Article 4.

~~2.~~

Article 4: Criteria and process for adjusting the harmonised ~~establishing and amending~~ maximum and minimum clearing prices for SDAC

1. The harmonised maximum clearing price for SDAC ~~in accordance with Article 3.(1)(0)~~, shall be ~~amended~~adjusted according to the following rules:
 - a) the harmonised maximum clearing price for SDAC shall be increased by ~~51,000~~

EUR/MWh in the event that the clearing price, ~~in an individual bidding zone or in multiple bidding zones~~ at least one bidding zone, exceeds a value of ~~60~~70 percent of the harmonised maximum clearing price for SDAC in ~~at least a number of MTUs representing at least one market time~~ 5 hours ~~two~~2 market time units in at least ~~two~~23 different days within 340 rolling days from the first price spike ~~unit in a day in an individual bidding zone or in multiple bidding zones~~;

b) ~~after the event referred to in subparagraph (a) occurred, the transition period shall be set to 28 days following the completion of the event;~~ the increased harmonised maximum clearing price, set according to subparagraph (a), shall apply in all coupled bidding zones which participate in SDAC from ~~five~~ four weeks after the day in which the event referred to therein has taken place;

~~c) d~~During this transition period mentioned in ~~letter b)~~subparagraph (b) ~~above, the clearing price is still~~ shall be ~~eapped~~kept at the value of the harmonised maximum ~~maximum or minimum~~ clearing price for SDAC before the ~~amendment~~ adjustment and all events referred to in paragraph (a) occurred during the transition period shall be ~~ignored and no further price limit increase or decrease shall be initiated.;~~

~~b)~~

~~e)d~~ the bidding zones referred to in subparagraphs (a) and (b) ~~are~~ shall be only those bidding zones with cleared buy and sell volumes and those part of the fully coupled SDAC, ~~excluding virtual zones (in which no bids from market participants are received) and uncoupled bidding zones and (, excluding market time units where in which the given bidding zone(s) are uncoupled or has been decoupled). Or in which capacity related fall backs have been applied by Transmission System Operators.~~

2. ~~The harmonised minimum clearing price for SDAC in accordance with Article 3(2), shall be amended~~ adjusted according to the following rules:

a) the harmonised minimum clearing price for SDAC shall be decreased by -100 EUR/MWh in the event that the clearing price, ~~in an individual bidding zone or in multiple bidding zones~~ in at least one bidding zone, ~~subceeds~~ falls below a value of 70 percent of the harmonised minimum clearing price for SDAC in ~~a number of MTUs representing at least 5 hours~~ two 2 market time units in at least ~~two~~23 different days within 340 rolling days from the first low price;

b) ~~after the event referred to in subparagraph (a) occurred, the transition period shall be set to 28 days following the completion of the event;~~

~~the increased~~ decreased harmonised minimum clearing price, set according to subparagraph (a), shall apply in all coupled bidding zones which participate in SDAC from ~~four~~ weeks after the day in which the event referred to therein has taken place;

~~d~~During this transition period mentioned in ~~letter b)~~subparagraph (b) ~~above, the clearing price is still~~ shall be ~~eapped~~kept at the value of the harmonised ~~maximum or minimum~~ clearing price for SDAC before the amendment and all events referred to in paragraph (a) occurred during the transition period shall be ignored ~~and no further price limit increase or decrease shall be initiated.;~~

~~c)~~

~~the bidding zones referred to in subparagraphs (a) and (b) are~~ 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 and, excluding market time units in which the given bidding zone(s) has been decoupled Or in which capacity related fall backs have been applied by Transmission System Operators.~~

~~d)~~

~~After 12 months without reaching a given 70% limit a value of 70 percent of a given limit, the maximum or minimum clearing price will be set back to the lowest maximum clearing price or highest initial price minimum clearing price respectively, limit consistent with the given 70% limit for the maximum and minimum price respectively. The maximum and minimum clearing price cannot be defined in the interval between 500 EUR/MWh and 3.000 EUR/MWh.~~

3. The NEMOs shall transparently announce and publish the ~~amended~~adjusted harmonised maximum and/or minimum clearing price for SDAC at least ~~four~~ three weeks ~~21 days~~ before its implementation and application in SDAC.

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

~~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: Publication and implementation

1. The NEMOs shall publish the ~~SDAC-HMMCP~~ for SDAC ~~m~~Methodology without undue delay after its approval by the Agency.

2. The NEMOs shall implement the HMMCP for SDAC methodology in all bidding zones participating in the SDAC immediately after its approval.

Article 6: Language disclaimer

The reference language for the HMMCP for SDAC methodology shall be English. For the avoidance of doubt, where NEMOs need to translate this HMMCP for SDAC methodology 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(6)(i) of the CACM Regulation and any version in another language, the English version prevails. The relevant NEMO(s) shall be obliged to dispel any inconsistencies by providing a revised version of this HMMCP for SDAC methodology to the relevant national regulatory authorities.

ANNEX I

List of NEMOs subject to the approved requirements for the HMMCP for SDAC methodology and the approved HMMCP for SDAC Methodology:

- BSP Regionalna Energetska Borza d.o.o.
- CROPEX Ltd
- EirGrid plc
- EPEX SPOT SE
- EXAA AG
- GME Spa
- HEnEx SA
- HUPX Zrt.
- Independent Bulgarian Power Exchange (IBEX)
- Nasdaq Spot AB
- NORD POOL EUROPEAN MARKET COUPLING OPERATOR AS
- OKTE a.s.
- OMIE S.A.
- OPCOM S.A.
- OTE a.s.
- SONI Ltd
- Towarowa Gielda Energii S.A.

TITLE 3

~~Final provisions Article 5~~

Timeline for implementation

~~The NEMOs shall implement the HMMCP for SDAC in all bidding zones participating in the SDAC 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.~~