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The Finnish Energy is a trade organization for producers, suppliers, transmission, distributors and sales of electricity, for district heating and district cooling, and for design, implementation, operation, maintenance and construction of networks and power plants.

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## **PC\_2017\_E\_02 – Consultation on maximum and minimum clearing prices for single day-ahead and intraday coupling**

We thank for the opportunity to comment ACER's proposal on maximum and minimum clearing prices for single day-ahead and intraday coupling.

### **Consultation questions**

*Q1: Do you have any concern with respect to the new proposed automatic adjustment rule for  $P_{maxDA}$  and for  $P_{maxID}$ ? If so, please explain thoroughly why.*

We support ACER's proposal. Finnish Energy agrees that ACER's proposal for amending  $P_{maxDA}$  is more streamlined and robust, and better ensures that technical price limits don't restrict market's clearing. We agree that  $P_{maxID}$  must always be higher or equal to  $P_{maxDA}$ .

*Q2: Which of the three proposed options for the  $P_{maxDA}$  would have your preference? Please explain thoroughly why.*

The technical price limits shall reflect the value of lost load and be high enough not to restrict markets to clear. Further due to that price limits may affect the pricing of derivatives and that investment decisions require stability in the markets, the price limits should be set so that they can be expected to be robust and hence not risk for continuous amending.

We consider that the current price limits (-500 – +3000) are sufficient for the time being.

We emphasize that second auctions used in DA on some market areas distort the price formation and can act as de facto price limits. Since second auctions also increase the risk for a decoupling, we propose ACER to evaluate the purpose of second auctions, ideally leading to their disappearance. In addition, the second auctions slow down the calculation process and cause further stress for the algorithm.

*Q3: Do you have any concern with respect to the new proposed implementation date? If so, please explain thoroughly why.*

We agree that the NEMOs shall implement the HMMP for SDAC in Bidding Zones participating in the operation of the SDAC immediately after the MCO function has been implemented in accordance with Article 7(3) of the CACM Regulation. However, this could be further clarified as "and latest 5 weeks after publication of this decision".

### **Finnish Energy**

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