

**ALL TSOs answer to Agency's proposal for a decision on Maximum and minimum prices for Single Day-Ahead coupling (SDAC) and for Single Intraday Coupling (SIDC), amending the 'All Nominated Electricity Market Operators' (NEMO's) proposal developed in accordance with Article 41(1) and Article 54(1) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (CACM Regulation).**

All TSOs thank the Agency for the opportunity to participate in the consultation for the Agency's draft decision for harmonised maximum and minimum prices to be applied in all bidding zones participating in SDAC and SIDC.

All TSOs will in the following give their views on the topics addressed in the Agency's consultation document.

**Regarding the definition of harmonised min-max clearing prices, which better takes into account the Value of Lost Load (VoLL)** the TSOs have previously raised this concern in the All TSO letter and consultation reply to all NEMOs and copied the letter also to ACER and all NRAs: all TSOs believe that a clear link between the maximum and minimum prices and the Value of Lost Load (VoLL) has to be established as the CACM Regulation requests. However, the proposal from the NEMOs has not sufficiently provided the definition of VoLL and described how the proposed min-max prices correspond to these values.

All TSOs believe that maximum bid prices in day-ahead and intraday timeframe should be increased and set at level sufficiently high to allow reflecting scarcity in the system.

All TSOs are concerned with the missing reference to VoLL, and would argue that an automatic increase in maximum prices as proposed from the Agency is not sufficient to align maximum prices toward the VoLL. When estimating the VoLL, this should be done with analysis and evaluation on the impacts on the additional timeframes such as intraday and balancing markets. For this reason, all TSOs will not advice an automatic adjustment rule for harmonised maximum day-ahead and intraday prices, as suggested by the Agency. Rather, in order to avoid strategic bidding between different market time horizons and consider decreasing flexibility of generation units due to technical restrictions, the clearing price limits should increase closer to real time. As a result, the clearing price limit for the intraday market should always be higher than day-ahead.

Every increase should also be communicated well in advance and consulted with market participants to provide stable market conditions.

Therefore, all TSOs are not against increasing the clearing prices limits, provided that the previous concerns are taken into account on the basis of thorough analysis and impact assessment on markets in different timeframes.

Finally the TSOs will invite the NEMOs to a discussion on how to set the min-max prices on measures on VoLL.

**Regarding the preference for the three proposed options for day-ahead price maximum,** All TSOs cannot, based on the above mentioned comment, suggest a new level for the day-ahead price maximum than the current +3000 EUR/MWh currently applied at the borders.

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All TSOs are not against a maximum price increase, however, any change to the current setup should be based on:

- economic analysis that shall take into account, in particular, the impact on collaterals and market liquidity
- and estimations based on VoLL, taking into account the points raised above

**Regarding the timeline for implementation date** All TSOs agree with the Agency's proposal and suggest 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.