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IBERDROLA RESPONSE TO ACER CONSULTATION ON MAXIMUM AND MINIMUM CLEARING PRICES FOR SINGLE DAY-AHEAD AND INTRADAY COUPLING

15 SEPTEMBER 2017

Iberdrola welcomes the opportunity to provide comments to ACER on this matter. Please find below our response to the consultation questions.

Q1: Do you have any concern with respect to the new proposed automatic adjustment rule for PmaxDA and for PmaxID? If so, please explain thoroughly why.

No. The proposal will allow prices to reflect scarcity.

Q2: Which of the three proposed options for the PmaxDA would have your preference? Please explain thoroughly why

Option 3. As stated in our response to the NEMO consultation, price limits should be the same as they should allow prices to reflect scarcity both in SDAC and in SIDC.

Regarding floors below zero level, we think that they only can be implemented if the only driver in bidding at negative prices is the reflection of variable costs of reducing scheduling and the design of both cross-border and national markets are well fitted for this. They cannot be implemented if other distortions exist, such as certain renewables support mechanisms that may impact the bidding (i.e. Feed-in tariffs) . In this respect we would agree with a provision in the NEMO proposal aimed to avoid the distortion of bids affected by supporting schemes which are not aligned with the drivers contributing to a correct price formation.

Furthermore, we welcome the opportunity to raise to ACER our concerns on the bid price limits in force in MIBEL and in particular the direct effect in the go-live of the XBID, planned before the end of Q1 2018. Moreover, we would like to highlight that certain decisions of design¹ that might come from the Iberian NRAs (i.e. model A proposed and unit-based bidding instead of portfolio bidding) would not allow a level playing field for the Iberian market players in the XBID.

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

No. We welcome the improvements proposed by ACER.

¹ Please see consultation document on the following link:

https://www.cnmec.es/sites/default/files/editor_contenidos/Energia/Consulta%20Publica/ENG_Communication_.pdf