<u>ACER consultation on the maximum and minimum prices in the day-ahead intraday coupling</u>
<u>IFIEC reaction</u>

IFIEC Europe represents industrial energy consumers in Europe and welcomes the opportunity offered by ACER to respond to this consultation.

<u>To Question 1</u>

IFIEC has no specific reaction to this proposal, but suggest symmetric maximum and minimum prices and equal incremental increases/decreases for positive and negative prices.

<u>To Question 2</u>

IFIEC would like to express a double concern on this issue:

- On the one hand, IFIEC remains a strong believer in the Energy Only Market (EOM), which requires, on top of a correct price signal in the day-ahead market, a clear investment signal whenever security of supply is jeopardised. In principle, price caps for the day-ahead and intraday markets are not required provided Balancing Responsible Parties (BRPs) are adequately stimulated to keep their portfolios balanced and appropriately penalised if they fail to do this.
- On the other hand, and to the extent that higher price caps in the day-ahead and/or intraday markets would cause hedging costs in the forward market to increase, energy consumers have no interest in higher caps.

Given:

- that the current upper price cap (generally 3.000€/MWh in the day-ahead market) has not or only very rarely been reached in the current price zones;
- that there is no indication in any market indicator that current spot markets and price caps would give insufficient investment signals;
- that it would be preferable that all existing market distortions (a.o. those mentioned by the Clean Energy Package) are eliminated at the same time,

IFIEC Europe would go for option 1 (status-quo) at this stage, allowing regular evaluation of the effectiveness of current price caps in the future.

IFIEC does, however, suggest to apply identical absolute values for maximum and minimum prices for positive and negative prices.

<u>To Question 3</u>

No specific comments.