

UNIDEN Response
To public consultation 2017 E 02 launched by ACER on Maximum and Minimum Clearing Prices for Single Day-Ahead and Intraday Coupling
15 September 2017

UNIDEN is the French Association representing the interests of electro-intensive companies.

UNIDEN welcomes any initiatives which improve the efficiency of the day-ahead and intraday electricity markets in order to reduce the costs for consumers.

UNIDEN remains strongly against the upward adjustment of the maximum clearing prices in Day-Ahead markets especially in countries where there is already a capacity mechanism which already supports peak production investments and demand side response development and which cost is born by the consumers.
Consumers cannot pay the bill twice.

Q 1: 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?

UNIDEN does not believe that the occurrence on only 1 bidding zone of an hourly clearing price of 60% of the maximum clearing price can reasonably be considered as such a risk for the market participants and the security of supply justifying that the maximum price should be adjustment by 1000€/MWh.

The risk may be considered as material only if it happens more than once that the price exceeds 100% of the maximum price and only the bidding zone where it happened should be concerned.

Moreover, any proposal of increasing price limits shall always be thoroughly evaluated in terms of potential impacts and benefits beforehand. It cannot be automatic.

Q 2: Which of the three proposed options for the PmaxDA would have your preference? Please explain thoroughly why?

UNIDEN prefers the OPTION 1: “to keep the PmaxDA as proposed by all NEMOs, i.e. +3000 EUR/MWh”.

Such a limit protects the consumers of any market disruptions.

In addition, increasing the price cap will automatically increase the risk premium in market futures which will increase the bill for all the consumers.

And, **in countries where there is a capacity mechanism, such a cap should be lowered down to 1000 EUR/MWh** to take into account that the value of scarcity is already captured by producers or demand side response.

Q 3: Do you have any concern with respect to the new proposed implementation date? If so, please explain thoroughly why?

First, there is no particular urgency in addressing the question of maximum and minimum clearing prices for single day-ahead and intraday coupling.

And, in any cases, in accordance with the previous answers, for countries where there is a capacity mechanism, any upward adjustments of the maximum clearing price should be **implemented not before the termination of the capacity mechanism.**