

## ACER consultation on maximum and minimum clearing prices

The Danish Energy Association is the industry organization for electricity producers, suppliers and distributors operating in Denmark. We welcome the opportunity to provide ACER with our comments to the consultation on maximum and minimum clearing prices for single day-ahead and intraday coupling.

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

The Danish Energy Association agrees to ACER's point that a price cap in the day-ahead market should always be greater (or equal to) to a price cap in the intraday market. Further, we believe that this should also apply to price floors.

We believe that ACER's suggestion for an automatic adjustment rule could well be a workable solution. It is, of course, one among many, but it seems to be able to accommodate that technical price limits don't restrict market clearing. We believe that the adjustment mechanism is a good add-on to price caps - after price caps have been increased to +9.999 EUR/MWh (see question 2).

Further we understand from the consultation document that price caps (and floors) are adjusted for all bidding areas if the adjustment rule is triggered in just one area. This is also a sensible suggestion, as price caps and floors must be harmonized across the European electricity market, so electricity flows according to scarcity and not administratively set technical price limits.

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

The Danish Energy Association recommends ACER to adopt option 3, namely to align the price cap in the day ahead market with the price cap in the intraday market at +9.999

EUR/MWh. We believe that this is a good starting place for a technical price cap that, does not limit bidding behavior in the current market. This price cap should then be adjusted upwards when triggered by the automatic adjustment rule discussed in question 1.

At the same time, we would recommend that the price floor is set symmetrically.

Further, we understand that the question of price limits is also part of the EU Commission's Clean Energy Package. It appears that the EU Commission suggests that price caps are set above VOLL. If and when this regulation enters into force, these price caps will need to be adjusted accordingly.

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

Nothing to add.

Med venlig hilsen  
Dansk Energi

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