

Annex I

**Harmonised maximum and minimum clearing
prices for single day-ahead coupling in
accordance with Article 41(1) of Commission
Regulation (EU) 2015/1222 of 24 July 2015
establishing a guideline on capacity allocation
and congestion management (CACM Regulation)**

**UPDATE - DRAFT PROPOSAL BY ALL NEMOs
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Whereas

- (1) This document sets the harmonised maximum and minimum clearing prices ('HMMCP') in single day-ahead coupling ('SDAC') in accordance with Article 41 of the CACM Regulation. This document includes also a mechanism for amending both the maximum and minimum clearing price.
- (1) In accordance with Article 41(1) of the CACM Regulation, the HMMCP for SDAC shall take into account an estimation of the value of lost load ('VoLL'). The objective of this requirement is to ensure that the HMMCP for SDAC does not impose barriers on free price formation. This document provides for the amendment rule of HMMCP for SDAC, which is expected to achieve the same goal, i.e. to minimise the likelihood that HMMCP for SDAC impose barriers on free price formation. The HMMCP for SDAC therefore implicitly take into account the VoLL as the amendment rule is expected to gradually increase the HMMCP for SDAC to a level, which represents the VoLL as determined by the market participants' willingness to pay.
- (3) This document takes into account the context leading to the increase of the harmonized maximum price in SDAC performed on the 10th May 2022 and also the outcomes of the public consultation on HMMCP for SDAC and SIDC that all NEMOs organized from 24th May to 15th July 2022. Based on responses received from stakeholders in the consultation, it is introduced a more sophisticated triggering mechanism for increasing the maximum clearing price. The mechanism increased the requirement for occurrence of the spike and reflecting a more long term perspective (rolling period).
- (4) Therefore following the opinion expressed by stakeholders in the consultation while still having in mind the VoLL principle, this document describes also the conditions for decreasing back the maximum clearing price. The rationale is to allow the decrease if the market situation corresponds, in longer term perspective, to the situation preceding the increase, while having the VoLL principle still secured.
- (5) The amendment rule for the harmonised maximum and minimum clearing prices for SDAC includes a transition period over which the clearing price is still capped at the value of the harmonised maximum or minimum clearing price for SDAC before the amendment. During this transition period, no further price limit increase or decrease shall be initiated.
- (6) The HMMCP for SDAC take into account the general objectives of capacity allocation and congestion management cooperation described in Article 3 of the CACM Regulation.
- (7) This document fulfils the objective of 'promoting effective competition in the generation, trading and supply of electricity' as the HMMCP for SDAC have been set at levels that do not restrict effective competition in the generation, consumption, trading or supply in the organised wholesale market..

- (8) This document fulfils the objective of ‘ensuring operational security’ by harmonising maximum and minimum clearing prices as well as removing barriers for free price formation. This promotes flexibility and thereby contributes to the operational security, as well as security of supply.
- (9) This document fulfils the objective of ‘optimising the calculation and allocation of cross-zonal capacity’, and also the objective of ‘optimal use of the transmission infrastructure’, by removing the barriers for free price formation which effectively optimises the allocation of cross-zonal capacities and the use of transmission infrastructure.
- (10) This document fulfils, or rather is deemed to have no negative impact on, the objective of ‘ensuring fair and non-discriminatory treatment of TSOs, NEMOs, the Agency, regulatory authorities and market participants’.

- (11) This document achieves the objective of ‘ensuring and enhancing the transparency and reliability of information’ as the HMMCP for SDAC have been publicly consulted both by all NEMOs as well as by the Agency. The final document will also be published.
- (12) This document fulfils the objective of ‘contributing to the efficient long-term operation and development of the electricity transmission system and electricity sector in the Union’ as the HMMCP for SDAC have been set at levels that allow full provision of supply and demand orders in the SDAC and therefore SDAC results can contribute to the provision of efficient price signals for forward (long term) price formation that can enable efficient signals for investment in generation and demand side response.
- (13) This document fulfils the objectives of ‘respecting the need for a fair and orderly market and fair and orderly price formation’ and ‘providing non-discriminatory access to cross-zonal capacity’ by harmonising the HMMCP across the bidding zones which participate in SDAC and among all NEMOs active within the given bidding zones.
- (14) This document fulfils the objective of ‘creating a level playing field for NEMOs’ as the limits applied will always be identical for multiple NEMOs active within one individual bidding zone as well as single NEMOs active in more bidding zones.
- (15)

TITLE 1

General provisions

Article 1

Subject matter and scope

The HMMCP shall be applied in all bidding zones which participate in SDAC pursuant to Article 41 of the CACM Regulation.

Article 2

Definitions and interpretation

1. Terms used in this document shall have the meaning of the definitions included in Article 2 of the CACM Regulation and the Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council.
2. In addition, in this document the following terms shall apply:
 - a) ‘Harmonised maximum clearing price for SDAC’ means the maximum clearing price value which is applied in all bidding zones which participate in SDAC; and
 - b) ‘Harmonised minimum clearing price for SDAC’ means the minimum clearing price value which is applied in all bidding zones which participate in SDAC.
3. In this document, unless the context requires otherwise:
 - c) the singular indicates the plural and vice versa;
 - d) the table of contents, headings and examples are inserted for convenience only and do not affect

- the interpretation of this document; and
- e) any reference to legislation, regulations, directives, decisions, orders, instruments, codes or any other enactment shall include any modification, extension or re-enactment of it then in force.

TITLE 2

Maximum and minimum prices

Article 3

Harmonised maximum and minimum clearing prices for SDAC

1. The harmonised maximum clearing price for SDAC shall be +3000 EUR/MWh.
2. The harmonised minimum clearing price for SDAC shall be -500 EUR/MWh.

Article 4

Criteria and process for establishing and amending maximum and minimum price for SDAC

1. The harmonised maximum clearing price for SDAC in accordance with Article 3, (1), shall be amended according to the following rules:
 - a) the harmonised maximum clearing price for SDAC shall be increased by 1,000 EUR/MWh in the event that the clearing price, in an individual bidding zone or in multiple bidding zones, exceeds a value of 70 percent of the harmonised maximum clearing price for SDAC in a number of MTUs representing at least 5 hours in at least 3 different days within 10 rolling days from the first price spike;
 - b) the increased harmonised maximum clearing price, set according to subparagraph (a), shall apply in all coupled bidding zones which participate in SDAC from four weeks after the day in which the event referred to therein has taken place;
 - c) During this transition period mentioned in letter b) above, the clearing price is still capped at the value of the harmonised maximum or minimum clearing price for SDAC before the amendment and no further price limit increase or decrease shall be initiated.
 - d) the bidding zones referred to in subparagraphs (a) and (b) are only those bidding zones with cleared buy and sell volumes and those part of the SDAC, excluding virtual zones and uncoupled bidding zones and, excluding market time units in which the given bidding zone(s) has been decoupled Or in which capacity related fall backs have been applied by Transmission System Operators.
2. The harmonised minimum clearing price for SDAC in accordance with Article 3(2), shall be amended according to the following rules:
 - a) the harmonised minimum clearing price for SDAC shall be decreased by -100 EUR/MWh in the event that the clearing price, in an individual bidding zone or in multiple bidding zones, subceeds a value of 70 percent of the harmonised minimum clearing price for SDAC in a number of MTUs representing at least 5 hours in at least 3 different days within 10 rolling days from the first low price;
 - b) the decreased harmonised minimum clearing price, set according to subparagraph (a), shall

- apply in all coupled bidding zones which participate in SDAC from four weeks after the day in which the event referred to therein has taken place;
- c) During this transition period mentioned in letter b) above, the clearing price is still capped at the value of the harmonised maximum or minimum clearing price for SDAC before the amendment and no further price limit increase or decrease shall be initiated.
 - d) the bidding zones referred to in subparagraphs (a) and (b) are only those bidding zones with cleared buy and sell volumes and those part of the SDAC, excluding virtual zones and uncoupled bidding zones and, excluding market time units in which the given bidding zone(s) has been decoupled Or in which capacity related fall backs have been applied by Transmission System Operators.
3. After 12 months without reaching a value of 70 percent of a given limit, the maximum or minimum clearing price will be set back to the lowest maximum clearing price or highest minimum clearing price respectively, consistent with the given limit. The maximum and minimum clearing price cannot be defined in the interval between -500 EUR/MWh and 3.000 EUR/MWh.
 4. The NEMOs shall transparently announce and publish the amended harmonised maximum and/or minimum clearing price for SDAC at least three weeks before its implementation and application in SDAC.
 5. The NEMOs shall, at least every two years, reassess the HMMCP, share this assessment with all market participants and consult it in relevant stakeholder forums organised in accordance with Article 11 of the CACM Regulation. A reassessment may also follow any amendment in accordance with paragraph (1), if the NEMOs deem it appropriate.

TITLE 3

Final provisions

Article 5

Timeline for implementation

The NEMOs shall implement the HMMCP for SDAC in all bidding zones participating in the SDAC immediately after the MCO function has been implemented in accordance with Article 7(3) of the CACM Regulation.

Article 6

Language disclaimer

The reference language for the HMMCP for SDAC shall be English. For the avoidance of doubt, where NEMOs need to translate this HMMCP for SDAC into the national language(s) of the relevant regulatory authority, in the event of inconsistencies between the English version submitted in accordance with Article 9(14) of the CACM Regulation and any version in another language, the relevant NEMO(s) shall be obliged to dispel any inconsistencies by providing a revised version of this HMMCP for SDAC to the relevant national regulatory authorities.