New automatic maximum price limit adjustment mechanism for the European electricity spot markets

Illustrations of how it will work
(as of 11 January 2023)

Overview of HMMCP methodology – Day-Ahead

Description	Former – until 10/01/20223	New – as of 11/01/2023
Reference price limits [€/MWh]	[-500€/MWh; 4000€/MWh]	[-500€/MWh; 4000€/MWh]
Price spike definition	Clearing price above 60% in coupled bidding zones	Clearing price above 70% in coupled bidding zones, excluding fallback and virtual bidding zones
Trigger conditions	1 price spike for at least one market time unit in one bidding zone	2 market time units of price spike over at least 2 days in a rolling 30 days
Transition period	5 weeks	28 days
Treatment of the transition period	Possibility to trigger the price adjustments	No possibility to trigger the price adjustments
Increase steps [€/MWh]	1000	500
Application to minimum price	No	Yes with -100€/MWh steps
Lowering of maximum price	No	No
Implementation date	N/A	At entry into force

See ACER decision on Harmonised Maximum and Minimum Clearing Price (HMMCP) methodology for Single Day-Ahead Coupling (SDAC).

- Example 1 – the price spike in the French Balancing Zone (BZ) on 4 April 2022: two hours of the same session reaching prices of 2720€/MWh and 2990€/MWh in one bidding zone

- Example 2 – the price spike in the Baltics BZs on 17 August 2022: one hour reaching prices of 4000€/MWh in three bidding zones

- Example 3: prices at the maximum price limit occurring on Mondays every week for 5 hours over three months

- Example 4: prices at the maximum price limit in 4 hours each day for 3 days in a row in one bidding zone

- Example 5: example 4 occuring once every 5 weeks for 20 weeks (+/- 4.5 months).

Application of the automatic increase	Former – until 10/01/2023	New – as of 11/01/2023
Example 1	Yes, once	No
Example 2	Yes, once	No
Example 3	Yes, more than 8 times	Yes, thrice with +500€/MWh increments
Example 4	Yes, thrice	Yes, once with a +500 €/MWh increment
Example 5	Yes, more than 10 times	Yes, 4 times with +500 €/MWh increments

Overview of HMMCP methodology- Intraday

Description	Former – until 10/01/2023	New – as of 11/01/2023
Reference price limits Continuous [€/MWh]	[-9999;9999]	[-9999;9999]
Reference price limits Auction [€/MWh]	N/A	[-9999;9999]
Trigger conditions	None (unless day-ahead limits go above intraday limits)	2 market time units of price spike of the SIDC auction spread over at least 2 days in a rolling 30 days (and if day-ahead limits go above intraday limits)
Continuous automatic mechanism	None	None
Auction automatic mechanism	N/A	Similar to day-ahead mechanism

See ACER decision on Harmonised Maximum and Minimum Clearing Price (HMMCP) methodology for Single Intraday Coupling (SIDC)