



# **Presentation on main changes in CASC HAR v2, as regards IFE, following the public consultation**

**Madrid, 6<sup>th</sup> October 2014**

**8<sup>th</sup> SG meeting**

# Integration of IFE in HAR

- **Long Term auctions and Secondary Market have been included in the Harmonized Auction Rules.**
  - Main rules provisions are very close to currently in force IFE Rules 3.1
- **Shadow auctions as fallback to market coupling for IFE have been also included in the HAR**
- **IFE Rules 4.0 will only cover intraday explicit auctions**
- **Entry into force date: For products with delivery date as for 1<sup>st</sup> of January 2015**
- **Provisions for Shadow Auctions will be in force after a joint communication to market parties**

# Main changes in HAR, as regard IFE, after public consultation

→ Compared to IFE Rules 3.1, the following provisions have been included:

- Firmness → Assimilation to CWE schema for reductions in non-nominated capacity: all the non-nominated capacity will be valued at full spread (i.e., no monthly cap), except in Force Majeure case
- Firmness → Withdrawal of price caps. Withdrawal of monthly caps would require yearly payment of UIOSI
- Market parties will enter into a contractual relationship with CASC.EU only for LT auctions → Signature of IFE Rules 4.0 not required for LT participation
- Inclusion of Shadow Auctions in IFE

# Analysis of public consultation comments, as regards IFE, on HAR and IFE Rules (I)

## → Capacity usage rules

- The sending of Programming Authorization for Spanish Nomination Agents continues being performed by REE for operational issues

## → Implementation of Shadow Auctions (S.A.)

- The go-live of Shadow Auctions will be decoupled from the go-live for 2015 yearly auctions as additional developments for implementing S.A. in IFE are required

## → UIOSI valuation before implementing the Shadow Auctions

- HAR text has been improved to explain that this case corresponds to a reduction of non-nominated LT capacity

# Analysis of public consultation comments, as regards IFE, on HAR and IFE Rules (II)

## → Resale conditions depending on monthly product profile

- The current conditions have been kept as this evolution is being studied in depth within the group of European Auction Rules

## → Signature of HAR 2.0 DoA for IFE participants

- Signatories of HAR 1.1 wont need to sign again the DoA of HAR 2.0
- A participant in IFE border (already signatory of IFE Rules 3.1) will need to sign the DoA of HAR 2.0 to continue participating in LT IFE auctions

## → Monthly cap for each direction

- Monthly caps continue being two, one per direction. This provision is shared with CWE borders

# IFE Rules 4.0 – Main modifications

- **The general structure is adapted to the intraday horizon only.** Parts disappear and Sections are readapted to intraday auctions only. Appendixes are also adapted.
- The link with the long-term auctions rules disappear. The entitlement in intraday auctions is independent with the entitlement under Harmonized Auction Rules.
- The minimum amount of the Bank Guarantee has been adapted to the Intraday Auctions scope (60 k€).
- Inclusion of the valuation of reduction of intraday PTR and Exchange Programs in case of Force Majeure.