



European Union Agency for the Cooperation
of Energy Regulators

Recommendation on amendments to CACM regulation (CACM 2.0)

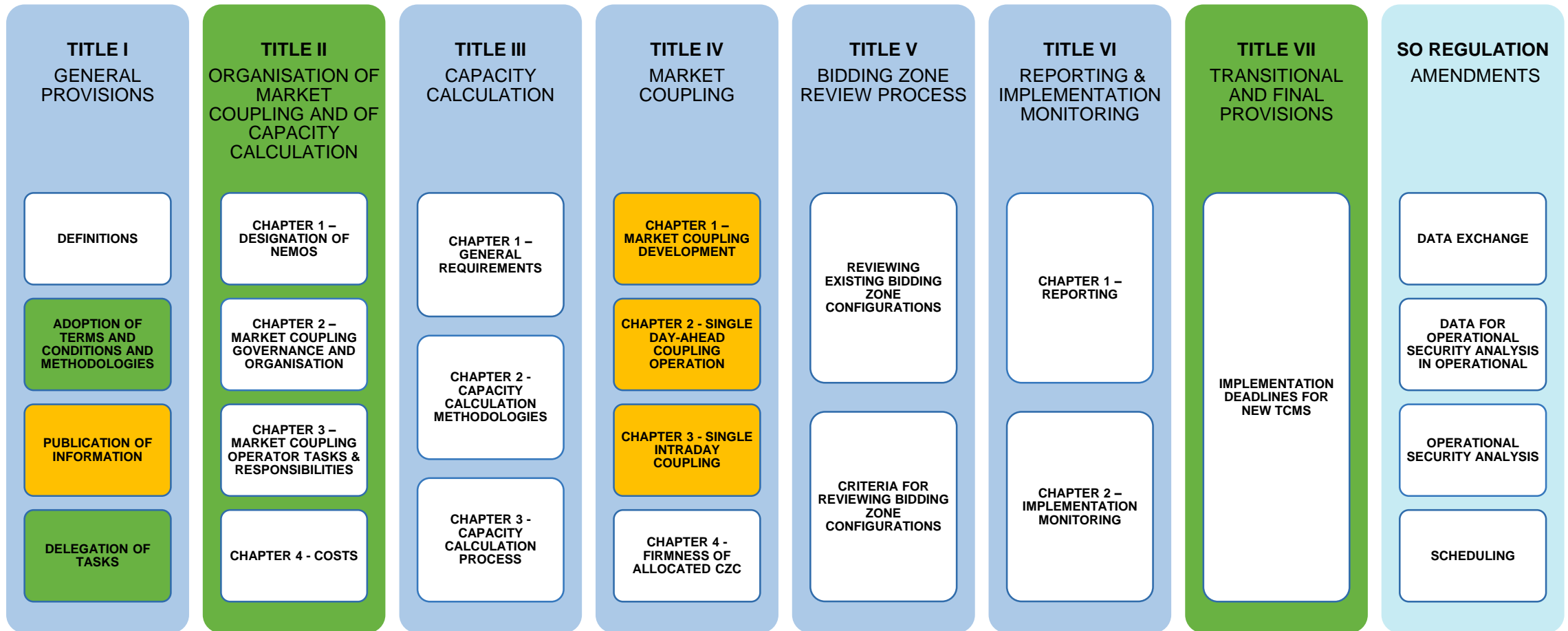
Session I: MCO governance & organisation

Webinar 18 January 2022

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AGENDA		
09:45 - 10:00	Dial-in time	Starts promptly at 10:00
10:00 - 10:05	Opening	Christian ZINGLERSEN, Director (ACER)
10:05 - 10:35	<u>ACER's recommendations on MCO governance & organisation</u> <ul style="list-style-type: none"> • Introduction of ACER's proposals (20') • Reactions by All NEMOs/All TSOs (10') 	Mathieu FRANSEN Rafael GÓMEZ-ELVIRA GONZÁLEZ (NC Chairman) Kjell Arne BARMSNES (ENTSO-E)
10:35 - 11:10	<u>ACER's recommendations on market coupling operation improvements</u> <ul style="list-style-type: none"> • Introduction of ACER's proposals (15') • Reactions by EPEX, EMCO Nord Pool, Nasdaq and market participants (5' each) 	Lisa-Marie MOHR (ACER) Hélène WEIL (EPEX SPOT) Birgit KUNZE (<u>NordPool</u> EMCO) Rose SARGANT (Nasdaq) Hélène ROBAYE (<u>Eurelectric/EFET</u>)
11:10 - 11:25	Q&A session (online <u>submission</u> via <u>Slido</u>)	Moderator: Christophe GENCE-CREUX (ACER)
11:25 - 11:30	Closing and next steps	Annamaria MARCHI (EC)

- Please keep your **mic muted** and your **camera off** throughout the workshop.
- Attendees may submit questions via **Slido (#CACM2MCO)**; all attendees will be able to view all questions (and if possible replies given in the chat). You're invited to vote up questions asked.
- After the two main agenda-items we have time for a **Q&A session** for this agenda-item (15 min) and go through the most important questions.
 - Please provide your questions for the Q&A only via Slido during the presentations
 - Please include the entity to who the question is addressed
- The webinar is being recorded and published on the ACER website (including the slide pack)
- In the presentation we've included references which are to the **new** title, chapter, and article numbers as in the Recommendation.



■ MC organisation ■ MC operations

ACER recommendation on MCO governance & organisation

Mathieu FRANSEN

Qualified majority voting (QMV)

- QMV is the EU treaty voting rule based with a double majority with weighting based per Member States and including population.
- QMV for NEMOs and for joint TSO and NEMO decisions for TCMs and joint decision making body
 - QMV needed for more efficient decision-making process
 - QMV based on treaty rules is a **standard principle** agreed on within EU framework
 - Proposal needs to ensure a balanced distribution of voting rights for all NEMOs involved
 - Giving all NEMOs exactly equal rights would be unfair as it does not represent the stakes
 - QMV represents a balance between the size/stakes and each individual party
- General rule for all MSs with more than one NEMO
 - MS vote is distributed among all NEMOs in the MS
 - 1/3 for designated and passported, 2/3 based on traded volumes in preceding year

NEMO designation

- Each Member State to ensure that there is at least one NEMO either designated or passporting
- NEMOs are treated equally irrespective of being either designated or passporting
- As this may lead to even more Member States with only passporting NEMOs, the process of the designation and passporting as well as their oversight is strengthened

Competitive vs. Monopoly NEMOs:

- 2 years after EiF: ACER report on the development of competition between NEMOs
- 3 years after EiF: EC to provide its own report investigating competition, level playing field, need for legal monopolies and co-existence of competitive and monopoly NEMOs
- On the basis of that report, EC may consider appropriate measures to further increase competition
- Member States shall review the continuation of national legal monopolies no later than four years after EiF taking into account the reports. If continued, they shall notify EC by the same deadline and EC shall provide an opinion.

Decision making

Baseline

Join decision making body & QMV

Independent board

Entities responsible for MCO tasks

Baseline

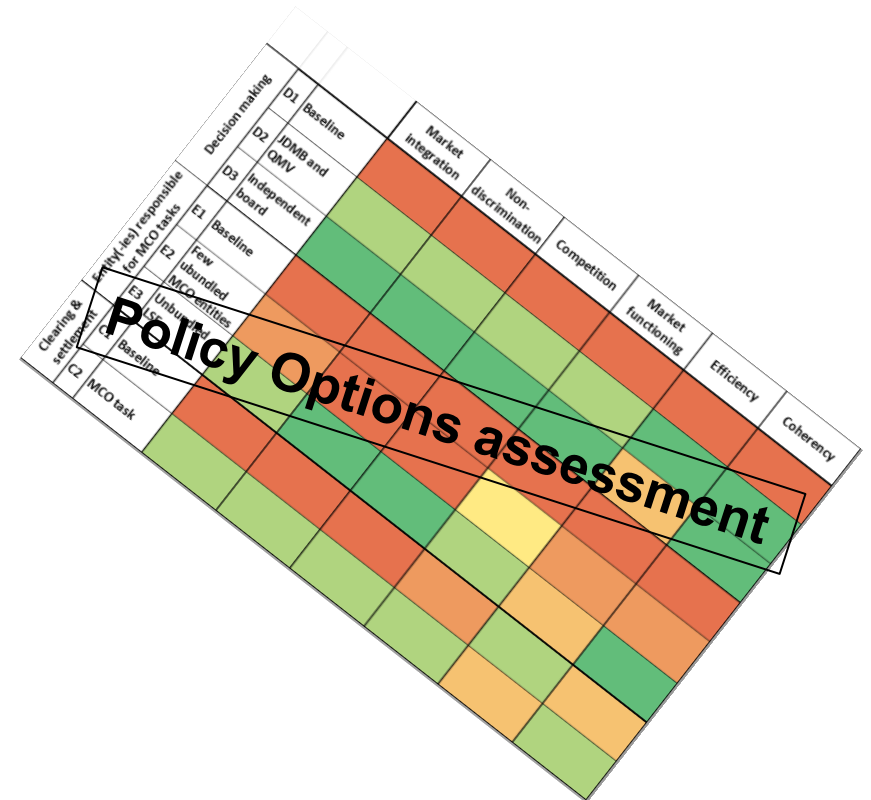
Few unbundled entities

Legal single entity

Clearing and settlement

Baseline

MCO task

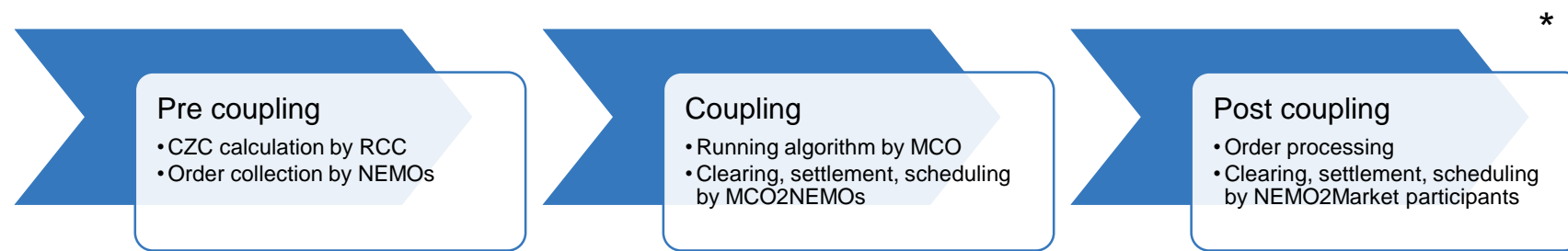


Decision making	Baseline (BAU)	Current set-up not fit for efficient decision-making
	Join decision making body & QMV	JDMB with QMV enables improvements; short lead time
	Independent board	Independent board provides for some additional advantages; significant change
Entities responsible for MCO tasks	Baseline (BAU)	MCO function not fit for future, lacks clear responsibilities, decentralisation
	Few unbundled entities	Major concerns for non-discrimination/level-playing field, legal unbundling does not ensure necessary improvements
	Legal single entity	Addressing majority of problems (incl. options for ownership, last resort NEMO), yet challenging and costly implementation
Clearing and settlement	Baseline (BAU)	Higher costs (multiplication, etc.) no central default risk
	MCO task	Reduced amount of interactions/collaterals + simple of contractual framework; central default risk

- Proposal of NEMOs and TSOs was to introduce only the change from consensus decision making to QMV
- ACER considers that their proposal falls short to address most of the current problems

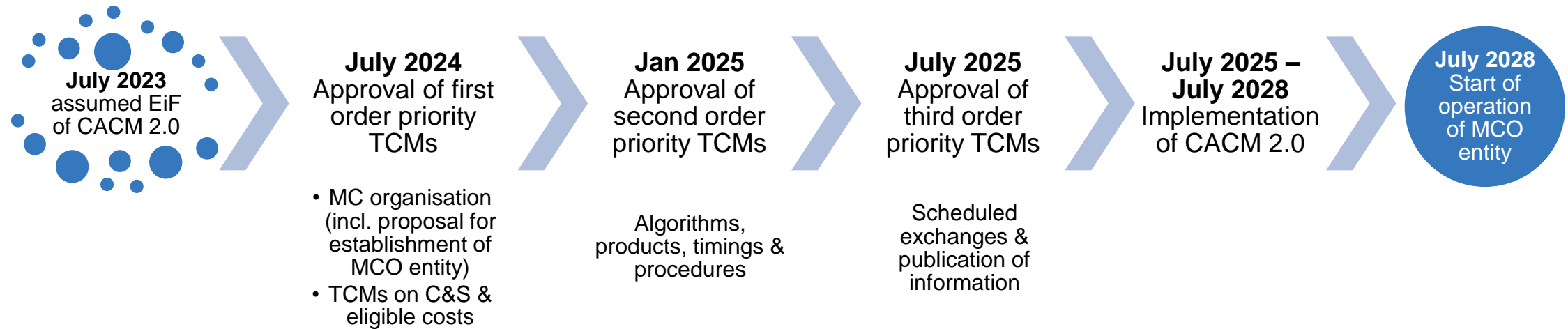
Current Problems in MCO governance & organisation	NEMO-TSO proposal	ACER recomm.
1. Development & implementation: slow, complex, costly, delays	Partly addressed	Addressed
2. Regulatory oversight and enforcement: difficult, unclear, impossible	Not addressed	Better addressed
3. Operation: complex, costly, risky, cumbersome	Not addressed	Addressed
4. NEMO competition: no level playing field, difficult new entry	Not addressed	Addressed
5. Algorithm ownership and transparency	Not addressed	Addressed
6. Continuity: the risk of no operating NEMO in a MS	Not addressed	Better addressed

- **Clear definition and separation of tasks**
 - monopolistic tasks are those where no competition is possible (i.e. natural monopoly) and pertain to all tasks on EU level
 - competitive tasks are those tasks which can be performed by more than one (competing) entities and relate to interactions with market participants (and the offering of trading services).
- **NEMOs and TSOs may delegate any of their tasks to a third party seated in a Member State:**
 - third party is able to carry out the respective function as effectively as the delegating entity
 - delegating party stays responsible for all tasks and shall be the default point of contact for the regulatory authority.
 - delegation is not possible for MCO tasks (with exceptions e.g. for clearing and settlement)



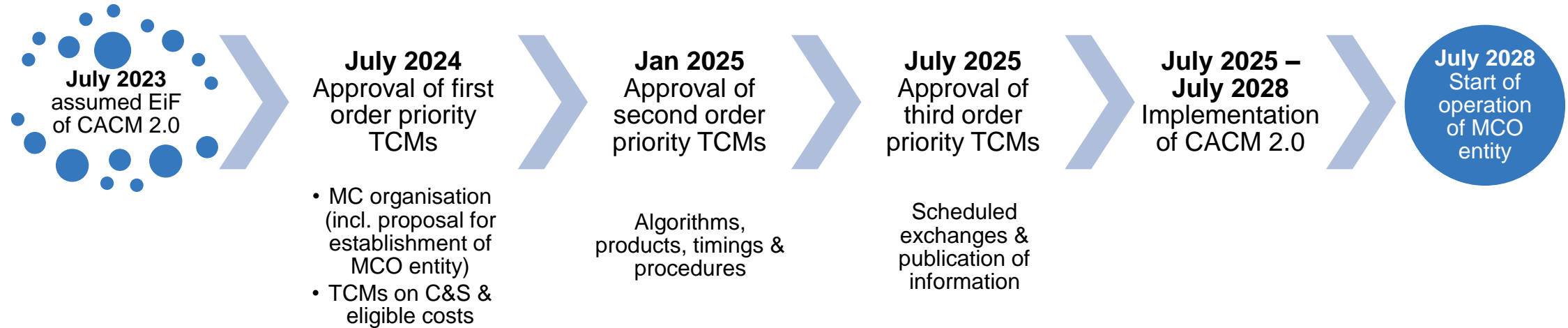
* Please refer to the IIA Annex 3, appendix 3 for the complete diagram

- **TCM on eligible costs of MCO**
 - MCO (regulated tasks) related costs shall be addressed in TCM on eligible costs and are recoverable
 - Objective: avoid current structure of recovery of MCO costs attributed to NEMOs via TSOs
 - Eligible costs (common and regional) to be shared among all TSOs based on consumption (reflecting economic principles of attributing costs to beneficiaries of market coupling) and recovered in a timely manner
 - MCO fee
 - ACER is in favour to put some costs to NEMOs (without recovery), e.g. MCO fee
 - However, such option would require extensive analysis of the legal options - further investigations recommended to EC
- **Ensuring continuity of market coupling**
 - ACER understands that this option raises a lot of concerns, but the risk of NEMO default is becoming greater than ever
 - Option is put forward to MSs
 - Operations costs in case of usage of this service of the MCO are put on the relevant MS



Short-term vs. long-term development

- Mimic implementation of CACM 1.0: CACM 2.0 provisions apply directly after EiF, but they are implemented only after specific TCMs are implemented
- **Each TCM will specify two categories of requirements**
 - Requirements which can be implemented with existing MC organisation (short deadlines) for quick improvements
 - Requirements which can only be implemented with new MCO organisation in July 2028 or after
- **TCM implementation deadlines allow for such flexibility** (could be updated before go-Live of new MC organisation)



Avoid negative impact on on-going implementation projects

- IDAs, 15 min, flow-based (should be finished by end of 2025)
- Avoid significant new projects until new MCO organisation is implemented

Allow for quick and easy improvements under existing MCO organisation

- NEMO competition, decision making, costs, clearing and settlement, algorithms, timings and procedures, but...
- ... avoid changes requiring significant effort (e.g. fallback procedures)

Provide a clear long-term target and sufficient time for the new MCO organisation

INITIAL REACTION TO ACER RECOMMENDATION ON CACM

Comments on MCO organisation

Initial reaction to ACER Recommendation on CACM

Comments on MCO organisation

Executive Summary

NEMOs and TSOs are deeply worried about the ACER proposal on MCO organisation. In particular, we strongly disagree with the idea to create a **Single Legal Entity to perform the MCO tasks** for several reasons:

- **The creation of a new entity will not solve the issues identified by ACER.**
- **Operational security is at risk** with an entity created ex nihilo whose expertise will take time to reach the required level
- Implementation delays due to **lack of resources in the current decentralised organisation are addressed in the integrated governance to be kicked off in Feb 2022 ,**
- **Improvements to the regulatory oversight are partial** in terms of costs and absent in terms of accountability;
- The **continuity of SDAC and SIDC in the absence of any NEMO in a MS cannot be cost-effectively ensured** through the introduction of a regulated pan-European last resort NEMO.

More generally, ACER's proposal could imply higher costs of several nature: **cost of transition, cost of inefficiencies in operation, cost of higher operational risks**. A single MCO entity is a theoretical concept that is completely disconnected from the reality of market coupling.

NEMOs and TSOs consider that the revision of the MCO organisation within CACM should be in line with the following principles: **subsidiarity/proportionality, freedom to conduct a business and boundaries of implementing acts**.

ACER recommendation on market coupling operation improvements

Lisa-Marie MOHR

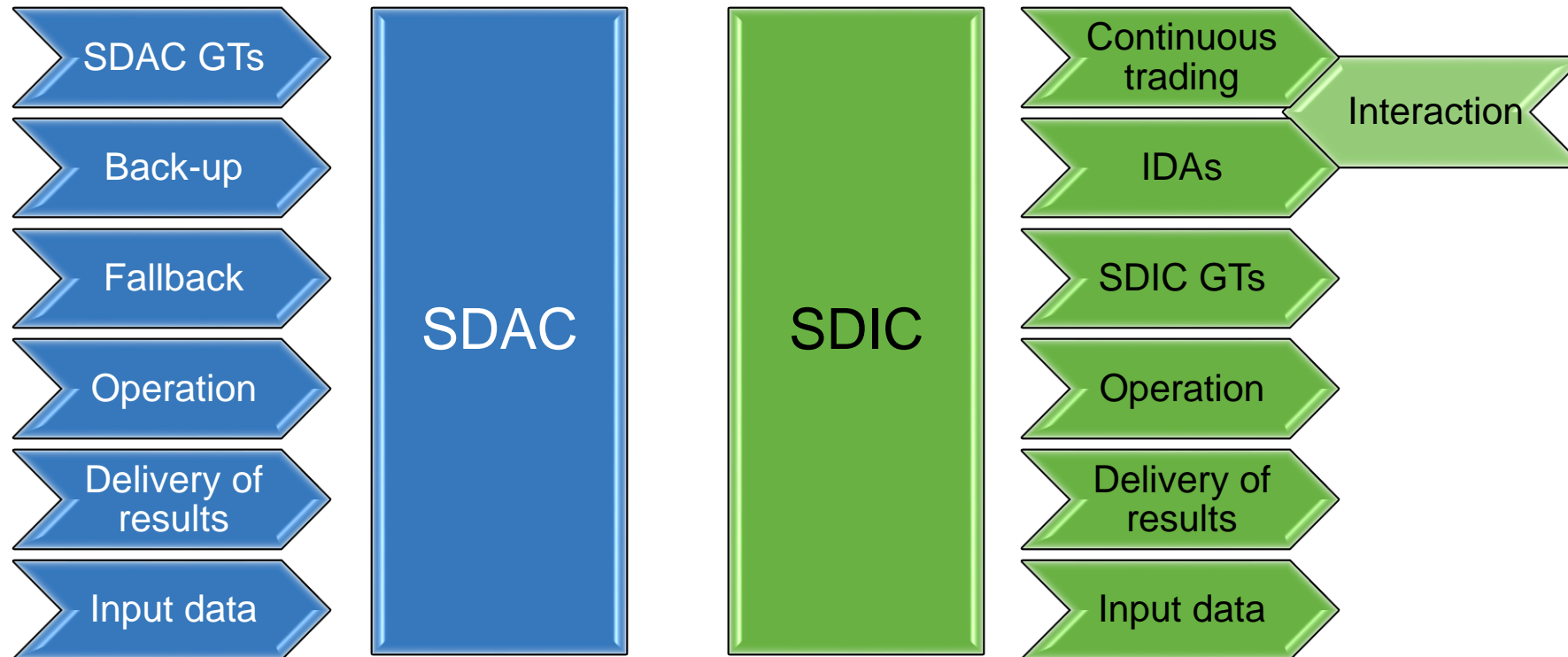
- Recommendation includes a wide range of basic policy changes (described and analysed in the Initial Impact Assessment)
- One part addresses market coupling development and operations such as:
 - Stakeholder involvement
 - Transparency provisions
 - Algorithm source codes
 - Sharing of order books in the intraday timeframe
 - XB Clearing and settlement standards

	Market integration	Non-discrimination	Competition	Market functioning
NEMO designation & passporting				
NEMO competition				
Delegation of tasks				
NEMO trading hubs				
➔ C&S standards				
Annual work programme				
Costs				
➔ Sharing of order books				
➔ Source codes as public good				
➔ Transparency				
Monitoring and reporting				
➔ Stakeholder involvement				
REMIT				
Separation of MCO/NEMO tasks				

- NEMOs and TSOs to establish a **permanent forum to involve stakeholders and market participants** in all issues related to the operation of SDAC and SIDC which have direct impact on them (in addition to consultations of TCMs).
- Introduction of **new TCM for the publication of information on SDAC and SIDC** developed by all TSOs and all NEMOs:
 - defining entities which provide ENTSO-E with relevant information for publishing
 - defining commonly agreed harmonised format(s)
 - including necessary information which shall be available to all market participants irrespective of the competition between NEMOs.

- For SIDC, the new target model established by Regulation 2019/943 is introduced, i.e. continuous trading complemented by implicit intraday auctions.
- For SDAC, the possibility to use the so-called non-uniform pricing is introduced by amending the definition of (reference) clearing price to allow also for this pricing mechanism.
- Publication of algorithm source codes considering them as public good by three years after EiF:
 - Entity(ies) performing MCO tasks would need to procure (buy-off, new tender) and afterwards publish source codes to enable transparency and comprehensibility of price formation
 - Strong interest not only from NRAs/ACER but also from the public (academia, consultancy)
 - Allowing for necessary innovation in the whole field of electricity markets
 - In case of SIDC, this is subject to a cost-benefit-analysis

- Introduction of new TCMs - DA and ID 'timings and procedures': merging several TCMs that used to be separate to create a comprehensive overview of the whole coupling process.



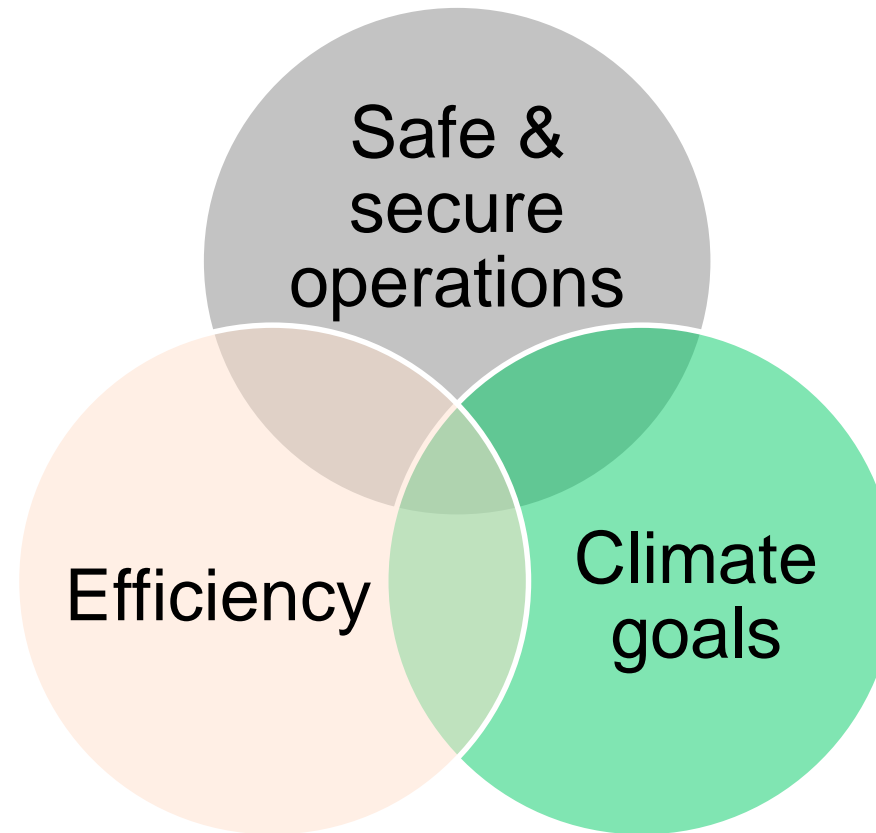
- Recommendation also addresses on-going disputes with regards to the sharing of order books between NEMOs within a bidding zone during the entire intraday timeframe.
- Better definitions and explicit provisions to distinguish between two different gate opening and closure times for the intraday timeframe:
 - one for the trading as such applicable to NEMOs and
 - one for the provision of cross-zonal capacity applicable to TSOs
- NEMOs are obliged to share their order books from gate opening until closure time for trading independently of the gate times for cross-zonal capacity.
- NEMOs shall not organise trading outside the SDAC/SIDC with respective products.

- Introduction of new TCM on **XB clearing and settlement** to be developed by all NEMOs:
 - minimum standards for clearing and settlement limiting systemic risk,
 - requirements for monitoring and reporting.
- Clarification that **no clearing fees** are allowed to be charged for clearing and settlement between NEMOs.
- **Defining XB clearing and settlement as MCO task (MCO2NEMO-model)**
 - MCO is acting as the central counter party to each NEMO for XB clearing and settlement, collecting congestion income and scheduling (Art 18)
 - NEMOs are acting as counter party to the MCO and as central counter party to their market participants (Art. 19)
 - NEMO task of clearing and settlement can be delegated to third parties (incl. TSOs) (Art. 9)
- Non-harmonised and decentralised clearing and settlement is a major source of implementation delays and high operational costs.
- Centralisation has many advantages:
 - significant reduction of clearing and settlement costs and of the amount and costs of collaterals
 - improved third party access
 - one single point of contact for each NEMO
 - simplification for implementation of new projects

CACM 2.0: EPEX SPOT views on market coupling operations

ACER Workshop – 18 January 2022

Priorities for market coupling evolutions



Reality check and key challenges to be addressed

Algorithm performance
 15-min MTU implementation
 Products impact
 Available Cross-Zonal capacities
 Flow based market coupling
 Intraday markets development
 Digitalisation and automation
 Calculation time
 Risks of decoupling
 Risks of financial default

vs

Non-Uniform Pricing
 Pan-EU IDAs
 Order book sharing
 Ban on trading outside SDAC & SIDC
 Single point of failure

Reality check and key challenges to be addressed

Market coupling realities and challenges		EPEX SPOT's view on the implications of the Recommendation
Safe & secure operations	<ul style="list-style-type: none"> Financial risks are inherent to power trading, but insufficiently addressed. 	<ul style="list-style-type: none"> We welcome the new clearing and settlement methodology. We also welcome ACER's proposal on the harmonization of Fallback solutions However, more needs to be done to manage financial risks given the stressed market situation we are facing today.
	<ul style="list-style-type: none"> The risk of local incidents cannot be completely eliminated Finding results within the current timings becomes increasingly challenging for the algorithms 	<ul style="list-style-type: none"> The MCO entity doesn't remove the risk of facing issues with local systems, and on top it creates a single point of failure The procedure envisaged in case of risks of no/delayed results is extremely burdensome and inefficient for Market Participants
Algorithm and products	<ul style="list-style-type: none"> The performance of the algorithms is one of the most pressing concerns 15-min MTU implementation is a huge challenge, heavily dependent on local specificities and local regulations which are here to stay. Some products have a disproportionate impact on the algorithm performance and will continue to do so for as long as national legislations are in place 	<ul style="list-style-type: none"> We regret that product development is considered a "second order priority" Instead of providing a clear target for the development of the algorithms, the Recommendation creates even more uncertainty The MCO entity will not remove local specificities and regulations Provisions on the algorithm methodology do not guarantee that performance issues can be addressed The main change introduced is to leave the door open to Non-Uniform Pricing, a very ill-defined and complex concept
Market development	<ul style="list-style-type: none"> The lack of capacity made available for trading is a huge obstacle to market development Considerable improvements are still needed, e.g. Nordic Flow Based Market Coupling still needs to be delivered by 2022-23 while CWE FBMC went live in 2015 Intraday markets are developing rapidly in CWE as the market design enables it, whereas other regions are seriously lagging behind (e.g. no trading in the last hour in the Nordics except in Finland) Significant investments are needed in products and system performance to cope with and foster digitalisation, e.g. use of APIs 	<ul style="list-style-type: none"> The mandatory sharing of order books across all timeframes and the ban on trading outside of SDAC and SIDC are not economically justified and will come at the expense of innovation With such Recommendation in place, 15-min products would never have seen the light. With the current recommendation, the Nordic intraday markets can remain underdeveloped for the decade to come. There are no incentives to enable trading in the last hour in the Nordics. A monopoly set-up such as the one proposed is unlikely to innovate. There is no guarantee that the MCO entity will invest in new systems. Pan-EU IDAs only make sense if there is recalculation of capacity, otherwise they simply interrupt continuous trading for no benefit to market participants and end-consumers

ACER`s recommendations on market coupling operation improvements

ACER Workshop on 18 January 2022

General Remarks

- Nord Pool appreciates that the Regulation will mandate that market liquidity needs to be shared at all times:
 - Details on following slides
- Nord Pool would have welcomed an opening of the NEMO monopoly area for competition
- **Nord Pool is very worried about the time-line for implementing ACER's recommendations on level playing field improvements:**
 - Implementation cannot wait until 2023 or later
 - **Level playing field between NEMOs requires urgent implementation asap**
 - **New Methodology for Day-Ahead Fallback should also be developed and implemented asap**

Improvements provide clear legal basis for shared access to market liquidity at all times

- Nord Pool appreciates that the Regulation will mandate that market liquidity needs to be shared at all times.
 - Article 42 (7) of the Regulation (Day-ahead timings and procedures) will clarify that the NEMOs *shall not organise trading outside the SDAC* from the SDAC gate opening time until the SIDC gate opening time with day-ahead products accommodated by the algorithm; and
 - Article 43 (11) of the Regulation (Intraday timings and procedures) will clarify that the NEMOs *shall not organise trading outside the SIDC* from the SDAC gate opening time until the continuous trading closure time with intraday products accommodated by the algorithm.
- Nord Pool expects that these two provisions will be interpreted in the future by all NRAs not to leave any room for
 - *local day-ahead and intraday auctions* currently operated by individual NEMOs in close proximity to the SDAC and SIDC time-frames; and
 - *local continuous markets* with day-ahead and intraday products.

Improvements provide clear legal basis for shared access to market liquidity at all times

- Nord Pool appreciates that Article 2 (37) & (38) of the Regulation will define
 - ‘continuous trading opening time’ as the earliest single point in time when the continuous trading starts matching orders; and
 - ‘continuous trading closure time’ *as the latest point in time when the continuous trading stops matching orders* for a given market time unit and a given bidding zone.
- Nord Pool expects that these definitions will clarify that the application of the provisions of the CACM-Regulation within a bidding zone *is not conditional upon the simultaneous allocation of cross-zonal capacities.*
- Nord Pool nonetheless urges CWE TSOs to provide cross-zonal capacities from 15:00h CET, so that the continuous intraday market can be a cross-zonal market from its opening, rather than be confined to within the limits of the separate CWE bidding zones.

Improvements provide clear legal basis for shared access to market liquidity at all times

- Nord Pool appreciates that
 - Article 43 (4) of the Regulation (Intraday timings and procedures) will stipulate that the continuous trading closure time¹ shall “*be equal to the latest point in time when the change in the commercial trade schedules is still allowed between or within scheduling areas and bidding zones*”.
- Nord Pool understands that with this provision ACER intends to clarify that, if continuous intraday trading continues in a bidding zone *after the intraday cross-zonal gate closure time (as currently in CWE)*, this bidding-zone internal trading is still subject to the SIDC rules under the CACM-Regulation, notably the obligation of each NEMO to submit its orders to the SOB, as expressed in
 - Article 43 (10) of the Regulation (Intraday timings and procedures), which stipulates that “between the continuous trading opening time and continuous trading closure time, each NEMO shall submit all orders received from the market participants for a given market time unit immediately to the shared order book for matching”.

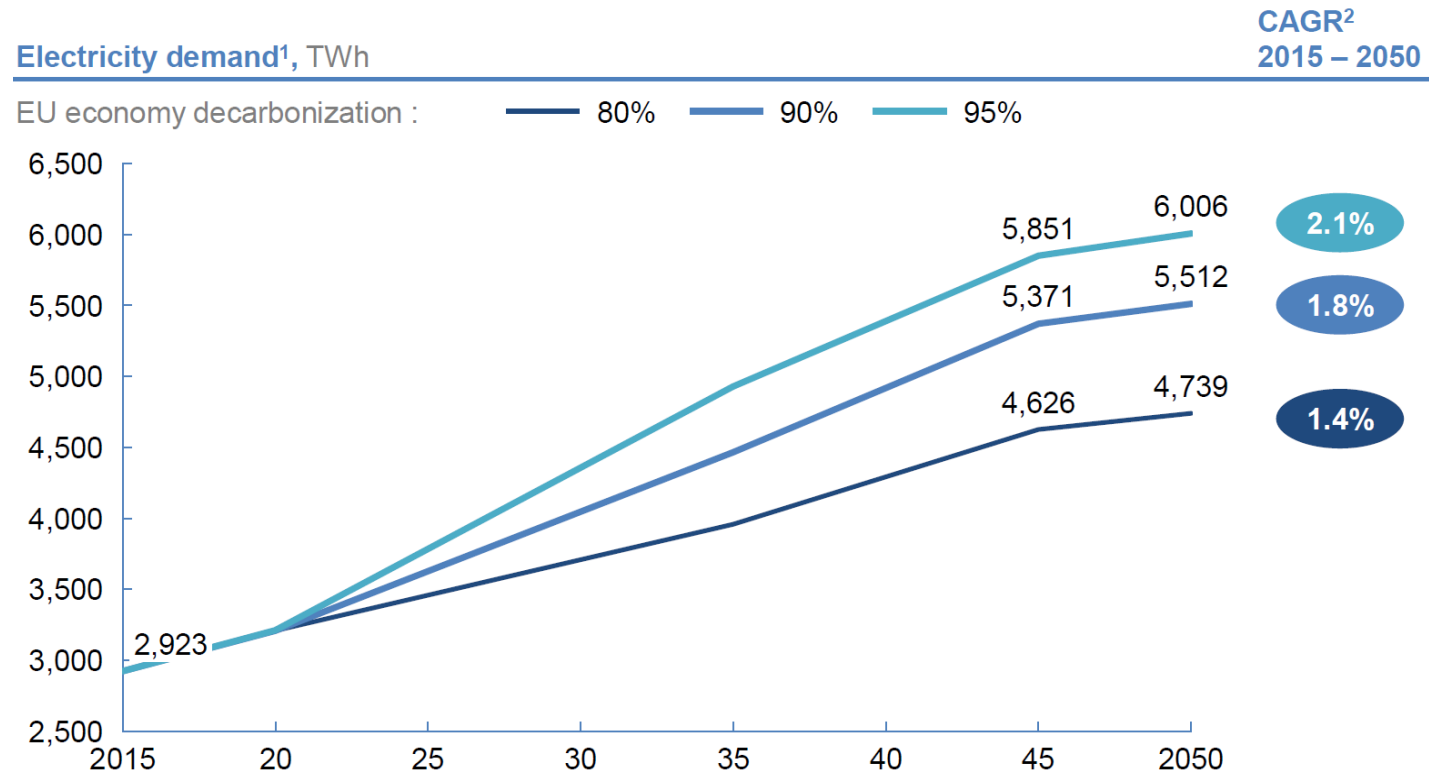
¹ In order to avoid misunderstandings, the draft Article 43 (4) should be amended to clarify that the requirement in sub-section (c) (“*be equal to the latest point in time when the change in the commercial trade schedules is still allowed between or within scheduling areas and bidding zones*”) applies to the continuous trading closure time only, and not to the intraday cross-zonal gate closure time. At the same time, the grammatical error in the second sentence of Article 43 (4) (“*They shall be set (...)*” instead of “*It shall be set (...)*”) should be corrected.



CACM 2.0: ACER's recommendations on the MCO

18 January 2022,
Rose Sargant,
European Commodity Markets

What does decarbonisation mean for the power exchange/NEMO business?



Source: Eurelectric, Decarbonisation pathways

- Electricity as “the” commodity of the future;
- More trade in electricity = more interest in setting up a NEMO business;
- Competition between NEMOs leads to lower fees, improves the quality of services, and drives more innovation in trading, clearing and settlement services.

What we have today: CACM 1.0



- Single license which can be used throughout the EU;
- Shared order books.



- No new entrant NEMOs, except for Nasdaq;
- Complex governance and lack of level playing field between NEMOs;
- All NEMOs are the MCO! New NEMO must have resources for MCO tasks which are monopolistic in nature and needs to copy staffing of incumbent NEMOs;
- NEMO as TSO service provider;
- No cost recovery transparency of competitive NEMOs by TSOs and having competitive NEMOs which are owned by TSOs.

What we need in the future: CACM 2.0

- Focus on market design which is secure, efficient and competitive.
OBJECTIVE – REMOVE BARRIERS TO ENTRY & REDUCE TRANSACTION COSTS.
- More competition between NEMOs in which the NEMO can focus on its core duty, to serve the needs of the market, i.e. its customers.
- Centralisation on TSO side (via RCCs) needs to be mirrored with centralisation on NEMO side via the MCO entity. This will lead to a more cost-efficient operation of the MCO.
- A new NEMO can be serviced by the single, independent MCO entity, based on regulated fees, giving equal access to core market infrastructure and thereby removing dependencies on competitor NEMOs to facilitate market access.

ACER's recommendations under Title IV CACM 2.0

- Full pooling of liquidity by removing local auctions which favour incumbents and contradict the single market.
- Shared order book for intraday in last hour important to achieve level playing field for NEMOs.
- Comprehensive methodologies covering market procedures.
- Single shipper: the MCO does all clearing and settlement between NEMO hubs and all congestion revenue handling for NEMOs at no cost to NEMOs!
- In sum, the MCO is given a central role in market operation. How will the MCO be supervised by ACER?

Views on ACER recommendation on CACM 2.0

Market coupling topics

Improve the efficiency of continuous intraday trading as the primary tool for SIDC

- By mandating **portfolio bidding** (Art.2, 43)
- By ensuring **expanding the time of continuous trading** with shared order books (effective GOT at 15:00, sharing of order books until local ID GCT - Art. 43)
- By capping the **number of IDAs to three maximum** (Art. 36)
- By **limiting the suspension of continuous trading** for IDAs to CZC allocation, for a maximum of 10 minutes (Art. 43)
- By **monitoring and reporting the impact of IDAs** on continuous trading annually (Art. 36)

Tailor DA & ID products to market needs and ensure algorithm resilience

- By conditioning **algorithm evolutions and/or coupling timing changes** to the efficiency of market coupling functioning in maximizing economic surplus (Art. 38)
- By ensuring that **new releases accommodate existing products** (standard or complex) used in at least three Member States (Art. 38, 39)
- By conducting **a thorough consultation process with market participants on any possible evolution towards non-uniform pricing**, including impacts on clearing and reference prices, and cost allocation to the MCO function (Art. 2, 38)

Consolidate transparency and consultation requirements

- By securing the [welcome proposal for minimum 2-month consultation periods](#)
- By guaranteeing the [publication of all algorithms' source codes](#) without conditioning this to a one-sided CBA (Art. 41)
- By ensuring that the [publication of aggregated order curves](#) includes all executed orders (blocks, both simple and complex) with executed volumes and prices, for each bidding zone and market time unit (Art. 8)

Improve market coupling operations under the scrutiny of market participants

- By recognising the **effectiveness of market participants input to NEMOs and TSOs** until now in solving issues related to market coupling functioning
- By preserving the **leverage of market participants as direct clients of NEMOs** to advance SDAC and SIDC
- By broadening the scope of the **welcomed proposal of a permanent forum** to the design, development, implementation and operation of market coupling (Art. 5)
- By ensuring **a consistent level of accountability** without unnecessary extra layers of governance that may jeopardize existing processes as it is put in place
- By preserving the need to **justify the existence of monopoly NEMOs** going forward

Q&A

11:10 – 11:25



Provide your questions on the subject in the Slido and indicate who the question is directed to
Vote on questions you support as we will go through the questions based on the votes

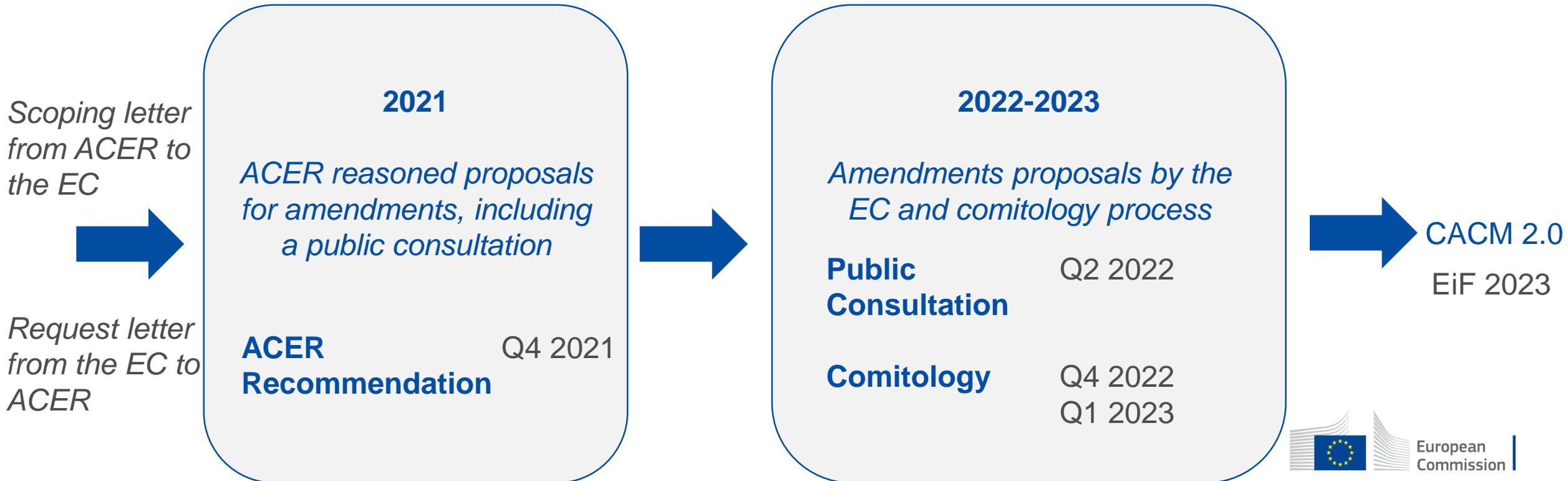
Question	Reply
Is the MCO single entity expected to have any redundancy options in case there is a failure? And would it enter in parallel with redundant decentralised MCO?	Yes, the concept of a cloud involving two or three systems at different locations should be preserved. Parallel running with decentralised MCO could be kept in transition for ensuring safe go-live of the centralised MCO.
Which algorithms would this cover? Would code documentation be required when publishing?	This would be applicable to both algorithms but for the SIDC subject to an additional cost benefit analysis. A documentation of the source code should be published to the extent that it allows to replicate the algorithm.
many proposals are to lower the entry barrier for new NEMO's it seems, do you foresee what the impact would be on the size of NEMO's? ie more smaller ones?	As experienced in the past, the current set-up requires that each new NEMO needs to set up also the MCO tasks or to contract this service from a competitor. Both options are burdensome and not necessary for new entry. A new entrant should be able to perform only NEMO tasks/services without the need for investing in MCO tasks or to contract with competitors. Only MCO entity is able to do that. This means that indeed smaller NEMOs could enter the market more easily.
Question for ACER: could you clarify on article 43(4) if this indeed implies the sharing of order books after closing of x-zonal trading ?	This paragraph is not the only provision requiring the sharing of orders books. This follows from the whole setup where both CZ and local (continuous trading) gate closures are defined pursuant to CACM and requires sharing of orders books as long as the intraday market is open (so including national markets).
What will be the relationship between the CCPs and the MCO company? How will capacity, information and moneyflow function when it is decoupled?	CCP of each NEMO will settle with the CCP of the MCO. In case of decoupling of one NEMO there is no information and money flow between the CCP of such NEMO and the CCP of MCO. The default of MCO CCP (however unlikely this may be if this task is performed by large CCP service company) can be mitigated by MCO contracting with two or three CCPs companies that each NEMO can choose – then if one defaults, everyone switches to the other.
Why are only NEMOs involved in clearing and settlement, and what are the relationship with the CCPs ? What will be the TSO risk in case of default?	NEMOs are tasked with the clearing and settlement but can delegate their task including obligations, liabilities to third parties (including TSOs) complying with the necessary obligations and standards (TCM). A TSO, in case it provides a CCP service to NEMO will have the same obligations, collateral requirements and risk as any other CCP/NEMO.
what kind of license would the source code be published of the algorithms?	Answered live
On the impact of non-uniform pricing on clearing, we cannot accept this without an assessment of what would be the impact on market prices. What is the impact ?	Answered live
We have seen strong benefit for decentralised MCO function with robust operational security, how will one MCO guarantee there is no one single point of failure?	Answered live
Is the welfare gain from the separate MCO function quantified (e.g. how much Social Economic Welfare gain is anticipated)?	Answered live
Should opening of cross-zonal intraday trading in the last hour before delivery, not be a priority?	Answered live

Closing and next steps

Annamaria Marchi - European Commission



CACM amendments: What are the next steps?



2 steps amendment process, shadowing the Art 60(3) of the Electricity Regulation for Network Codes Amendments





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