

Market ESC
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European Federation of Energy Traders

Launch of the Joint Allocation
Office (JAO) and platform
under-performance



JAO launch project management

- EFET welcomed the proposal for JAO but always insisted on it not being the highest priority. The setup of JAO and the JAO platform within one year was a serious challenge.
- The common platform was officially launched in Nov 2015. This resulted in:
 - Delays in the organisation of the Dutch auctions
 - Delays and difficulties with registration affecting all market participants
 - Very late communication of the specifications of the auction tool
 - Testing for daily auctions delayed until the last week of December (during the Holidays)
- **While part of these difficulties are linked to NRA approvals, it would have been more sensible to postpone the launch of the platform**
- We are still expecting a meeting of the JAO User Group, announced for December 2015

Serious under-performance observed on the JAO platform



- Market participants are very disappointed with the platform performance, which is not up to acceptable standards:
 - **auctions cancelled** at multiple occurrences (e.g. in CEE) after or very shortly before spot exchange closure
 - **mismatching contract IDs** happening on a daily basis, requiring manual scrutiny to ensure nominations are not rejected; the proposed solution of a day-after ID confirmation makes the process even more complex
 - **rejection of bids initially marked as accepted** by the platform
 - **technical performance of the auction tool** is disappointing: slow and prone to crashes
 - **documentation transparency** on the platform is below CASC/CAO standards
- All these elements translate into **costs for market participants** and **sub-optimality of the allocation process** (negative effect on social welfare)

Thanks for your attention



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