

TO:  
Christophe GENCE-CREUX  
ACER  
Head of Electricity Department  
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Brussels, 6 September 2016

**Subject: Request to PCR project to publish Paradoxically Rejected Blocks per bidding zone**

Dear Mr. Gence-Creux,

Transparency on both the optimization process and the results of the algorithm performing the market coupling in day-ahead (so-called EUPHEMIA) is recognized as of utmost importance in order to build trust among market participants.

By addressing some of market participants' transparency requests, the PCR forum of 11 January 2016 and the dedicated PCR Technical Expert meeting of 30 June 2016 brought valuable information and improved market parties' trust in the algorithm. Progress made so far on the EUPHEMIA performance, like the time to first solution and the PUN search, is welcome.

Building on this positive trend, EURELECTRIC is convinced that regular feedbacks on EUPHEMIA performance to market parties are needed on a continuous basis, in order to consolidate the trust of market participants. In particular, these need to be able to understand the price formation, which is not made possible by the current lack of indicators on Paradoxically Rejected Blocks (PRBs), affecting the overall welfare of the market.

During the last PCR Technical Expert meeting (30 June 2016), the feedback given to EURELECTRIC implied that the publication of information on block orders (including PRB statistics) will be global and that **the publication of PRBs per bidding zone is a decision borne by individual PCR members**, like NEMO or local regulators depending on the jurisdictions.

**However, it is critical to have information on PRBs per bidding zone, for several reasons.**

The publication of only aggregated PRBs information will not be sufficient for market parties to assess correctly the price formation and take decision accordingly (e.g. for dispatch). Furthermore, leaving the decision at local level will represent an obstacle for further harmonization of the degree of shared information on the market and will not re-inforce the understanding of the market results by market participants.

Moreover, at the moment, only those market participant(s) affected by PRBs have this information, the rest of the market being completely blind on PRB's occurrence. By publishing the information on **PRBs per location**, one would ensure that all market players active **within a bidding zone** receive the same level of information on PRBs and not only part of the market (i.e. owner(s) of the affected blocks). While doing so, EURELECTRIC believes that the potential market power derived from the exclusivity of the information on PRBs could be diminished.

In addition, each small bidding zone influences also the other zones: the lack of information on PRBs prevents market participants to have the whole picture of the market, keeping them blind. We would therefore welcome the publication of PRBs statistics per bidding zone in all bidding zones so that every player receive the same level of information regardless of the zone they are active in. The name of the companies affected by the PRBs should of course remain confidential, but everyone should be aware of the occurrence of PRBs in its own bidding zone.

Finally, EURELECTRIC considers that in order to avoid different levels of transparency **among different bidding zones** it should not be up to each NEMO (i.e. Power exchanges) or NRAs to decide what information to publish for its own bidding zone.

**For these reasons, EURELECTRIC calls for full transparency on PRBs per bidding zone and re-iterates the importance of having all bidding zones providing a uniform level of transparency. Therefore EURELECTRIC requests the support of ACER to push the PCR project to achieve a uniform solution all over Europe for the transparency indicators, and not leave it up to local NEMOs to decide. The rule should be the same for all the regions if we want to implement a pan-European market.**

Should you have any questions or request further information, please do not hesitate to contact Charlotte Renaud ([crenaud@eurelectric.org](mailto:crenaud@eurelectric.org); +32 2 515 10 55).

Yours sincerely,



**Ruud OTTER**

Chair of EURELECTRIC's WG Market Integration  
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