

MESC

Brussels, 07/09/2016

# EFET

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## EFET update on the performance of JAO



European Federation of Energy Traders

# Why is the under-performance of JAO still a concern for EFET?

- **Since January, EFET and EFET Members have warned JAO over the structural underperformance of the platform:**
  - Auction cancellations, without fallback solution
  - Technical/IT incidents
  - Administrative hiccups – registration, billing, nominations
  - User-friendliness of the platform below standards – downloading functions, publication of ATCs, auction results, auction calendar
- **Those incidents are “market disturbances”, and have been recognised as such by the MESC. Need to solve the problems and learn from them.**
- **The report presented at the last MESC meeting was not satisfactory; especially, it was missing the market perspective:**
  - Some complementary information was sent by email in the meantime
  - EFET expects a new, comprehensive report
  - TSOs and NRAs ought to take full responsibility in ensuring the proper functioning of JAO and XB capacity allocation in general
- **Incidents have reoccurred in the summer, some with very severe financial consequences for EFET Members**
  - Communication during and after incidents remains poor

- ALL ID auctions cancelled 29/06 (TSO request)
- ALL ID auctions cancelled 24/07 (“technical issue”)
- CEE DA auction cancelled 30/07 (incorrect auction results)
- IT<>GR DA auction cancelled 15 to 18/08 (IC unavailability)
- AT<>IT and FR<>IT ID auctions cancelled 21/08 (delay in DA notification process)

(These incidents do not even consider capacity curtailments)

## **SIGNIFICANT LOSSES WERE INCURRED**

**No fallback, sometimes no ID market => no possibility for MPs to readjust positions**

- **A detailed report on the incidents:**
  - “IT problem” or “technical issue” is not a satisfactory explanation: are these problems occurring frequently? Do we have the same IT problems as in January?
  - How do they impact market participants?
    - Efficiency of the notification procedure
    - MW impact
    - Existence of fallback options (within or beyond JAO)
- **An updated action plan by JAO:**
  - Real reporting on the lessons learnt
  - Precise timeline for solving platform-specific problems
- **A reaction from TSOs as shareholders:**
  - TSOs are responsible for capacity allocation, need to take responsibility for governance and oversight of JAO. Still no Chair/vice-Chair of the Supervisory Board? And no physical meeting of the customer advisory committee after 1y.
  - At which point do repeated technical problems constitute gross negligence?
  - Whether within or outside JAO, fallback options need to be provided
- **Improved oversight from NRAs, responsible for ensuring non-discriminatory access to XB capacity**

# Thanks for your attention

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