



Update on ALL NEMOs CACM implementation: Methodologies

7th Market European Stakeholder Committee

Andrew Claxton, Interim NEMO Committee Chair

6 March 2017

Status Overview

Proposal	Submitted	NRA Response	Notes
MCO Plan	14 April 2016	6 Oct 2016: amendments required	
	14 Dec 2016 resubmitted	9 Feb 2017: request for changes/ justification	<ul style="list-style-type: none"> • Remaining provisions on costs to be removed • Provisions that may restrict NEMO liabilities to be removed • No discrimination; any differentiated treatment needs justifying
	<i>Resubmit by 14 April 2017</i>	<i>Decision within 2 months</i>	Clarification meeting between All NEMOs and NRAs on 7 March
Algorithm proposal*, including <ul style="list-style-type: none"> • DA Algorithm Requirements* • ID Algorithm Requirements* 	14 Feb 2017	<i>Decision within 6 months</i>	<ul style="list-style-type: none"> • Consultation period 3 Nov–2 Dec 2016 • Workshop 14 Nov 2016 • Proposals, consultation responses and justification against responses available on: www.europex.org/external-consultations/all-nemos-consultation/ and on individual NEMOs webpages
Products proposal: DA; ID	14 Feb 2017	<i>Decision within 6 months</i>	
Backup methodology*	14 Feb 2017	<i>Decision within 6 months</i>	
Harmonised Max/Min Clearing Prices proposal: DA*; ID*	14 Feb 2017	<i>Decision within 6 months</i>	

* in coordination with TSOs

Methodologies – key points (1)

1. Algorithm/requirements

- Need to maintain balance between ability to adapt and NRA transparency/control issues
- Establish algorithm descriptions, performance monitoring procedure, change control process in subsequent documents to be publicly maintained and subject to consultation

2. Products

- Increased level of description of supported products
- New products subject to change control and amendment to Product proposal (Art 9, 12)
- Consultation on products still required (Aug 2017) – Art 53(4)

Methodologies – key points (2)

1. Backup

- Simplification of text
- Clarification regarding testing, analysis of incidents and transparency
- Fallback procedures out of scope

2. Max/min clearing prices

SIDC:

- +/- 9999 EUR/MWh, due to it being closer related to possible future defined VoLL values (and since ID is closer to real time/last trading opportunity; based on continuous trading thus results via known bid/ask prices; limited impact on overall collaterals)

SDAC:

- +3000/-500 EUR/MWh (since based on implicit blind auction; near shortage, i.e. prices close to max can have major impact on collaterals; ID provides further trading opportunity closer to real-time where in end VoLL may be found)
- Automatic adjustment (after 5 weeks) of SDAC Max Clearing Price Limit based on statistical model put in place to provide assurance that limits are not meant to limit the market
- No local/regional Derogations will be allowed: applies to both SDAC and SIDC