

# SDAC second auctions - introduction

## Context

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- Following the introduction of changes to the design of second auctions, a survey has been initiated among NEMOs and TSOs which had split views on the way forward.
- A second survey has been initiated among MPs which showed that they consider that second auctions present more benefits than inconvenients s.

## Status update

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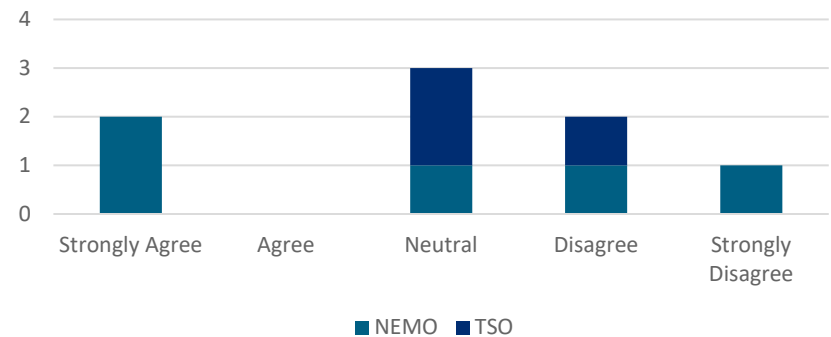
- In April- May, 4 second auctions were organized following low prices in the Netherlands on 18 April and 26, 27, 28 May, with prices as low as -400€/MWh.
- The second auctions of 18 April and 27 May led to a risk of full decoupling and a publication of the results 7' after the full decoupling deadline.
- The second auctions sometimes led to more extreme prices than the « first » auctions.
- On 16 June, NEMOs have changed the treshold to trigger second auctions from -150€/MWh to -500€/MWh (the minimum price).
- A third survey is currently organised among NRAs to determine the general position of NRAs with regards to the auctions + the preferred way forward

# SDAC second auctions – outcome surveys

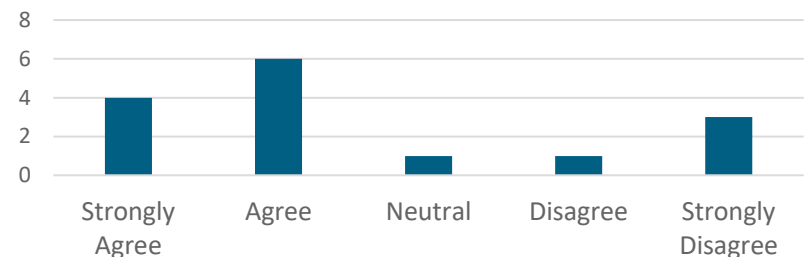
## Outcome surveys

- In a survey conducted in December-January, it comes out that TSOs and NEMOs have split views on the second auctions
- The main open point lies in whether the second auctions should apply in case of partial decoupling, which could allow to loosen the operational timings
- In a survey conducted in March, it comes out that Market Participants consider second auctions to have more benefits than inconvenient.
- The second auctions primarily serve as a safety net in case of mistake
- The main remarks shared on their design lie in the harmonisation of the auctions (e.g. by linking the procedure to the HMMCP thresholds)

**TSO-NEMO: Do you consider that overall the benefits of the second auctions outweigh their inconvenients?**



**MP: Do you consider that overall the benefits of the second auctions outweigh their inconvenients?**



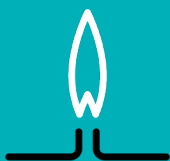
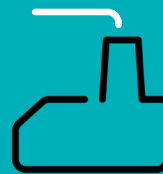
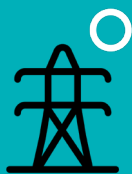
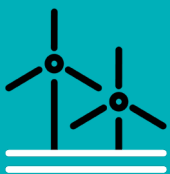
# SDAC second auctions – next steps

## Next steps

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- ACER and NRAs are currently defining their views on the future of the second auctions themselves but also on the way forward to pursue in case the conclusion is that the design of those auctions should be changed.
- ACER and NRAs also understood from the presentation from NEMOs and TSOs that the future of the second auctions with the new SDAC operational timings is more than uncertain.
- On the long-term, second auctions could be defined in the “timings and procedures” methodology described in ACER’s recommendation on CACM 2.0

# CREG



Commissie voor de Regulering van de Elektriciteit en het Gas