


3.1 Update on SDAC products
consultation

3.2 Update on the outcome of the
second auctions consultation

28/02/2024



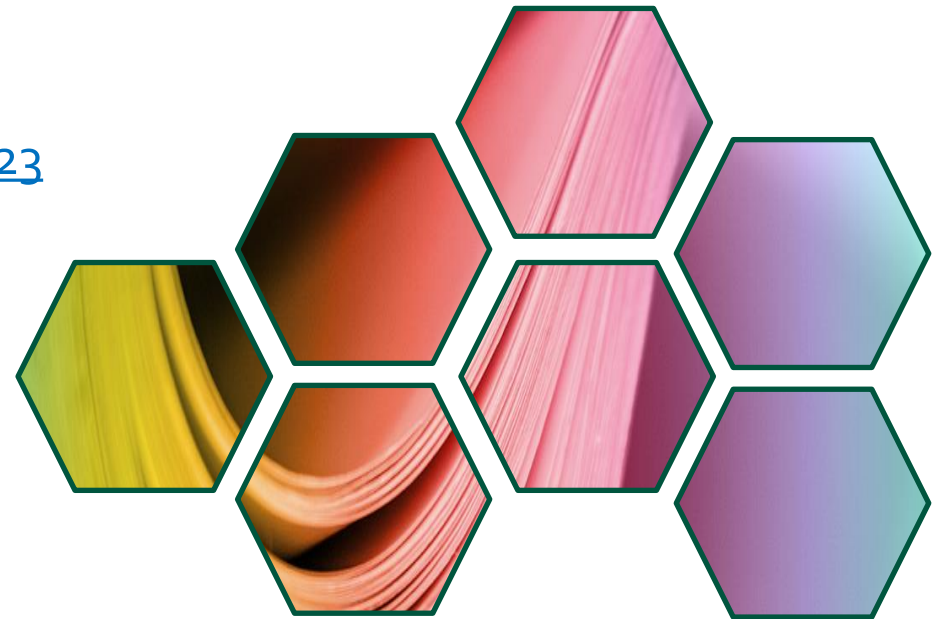
Public consultation pursuant to Art. 12 of Commission Regulation (EU) 1222/2015

Consultation period: 5/2/2024 – 4/3/2024

Legal grounds for consulting: Any amendment of CACM TCMs needs to be submitted for public consultation for at least one month (pursuant to art. 12 of CACM) to consider stakeholders' views on this reviewed proposal

Results publication: mid-April 2024

- [Public Consultation for the SDAC Products Methodology published on the NC website](#)
 - [Explanatory note for the all-NEMOs amendments proposal](#)
 - [SDAC Products Methodology - Annex I](#)
 - [Relevant Public consultation on SDAC products held in 2023](#)



Summary of proposed amendments:

- Rephrasing/clarification improvements of existing content
- Content relevant to the acceptance/rejection criteria of demand/supply curves due to the Cross Product Matching is added
- Rephrasing/clarification improvements for the supported MTUs and the imbalance settlement period
- Rephrasing/clarification improvement in the acceptance rules of Linked Block Orders. Added explicit reference on possible combinations of Linked Block and Exclusive Group Orders

Summary of proposed amendments:

- Re-writing of the **Complex Orders** (MIC/MP/Load gradient and conditions) description, their acceptance/rejection criteria, and set an ad-hoc fallback period of 6 months for their SDAC algorithm support retention
- **Scalable Complex Orders** (MIC/MP/Load gradient and conditions) description and their acceptance/rejection criteria
- **PUN Orders** support period, up to the go-live of the 15min MTU products

Summary of proposed amendments:

- reference for commercial activation of the 15min/30min MTU products provisions with the 15min MTU go-live date in SDAC. This goes on top of the existing 60min products.
- included Appendix for the list of NEMOs for which the SDAC Products methodology applies

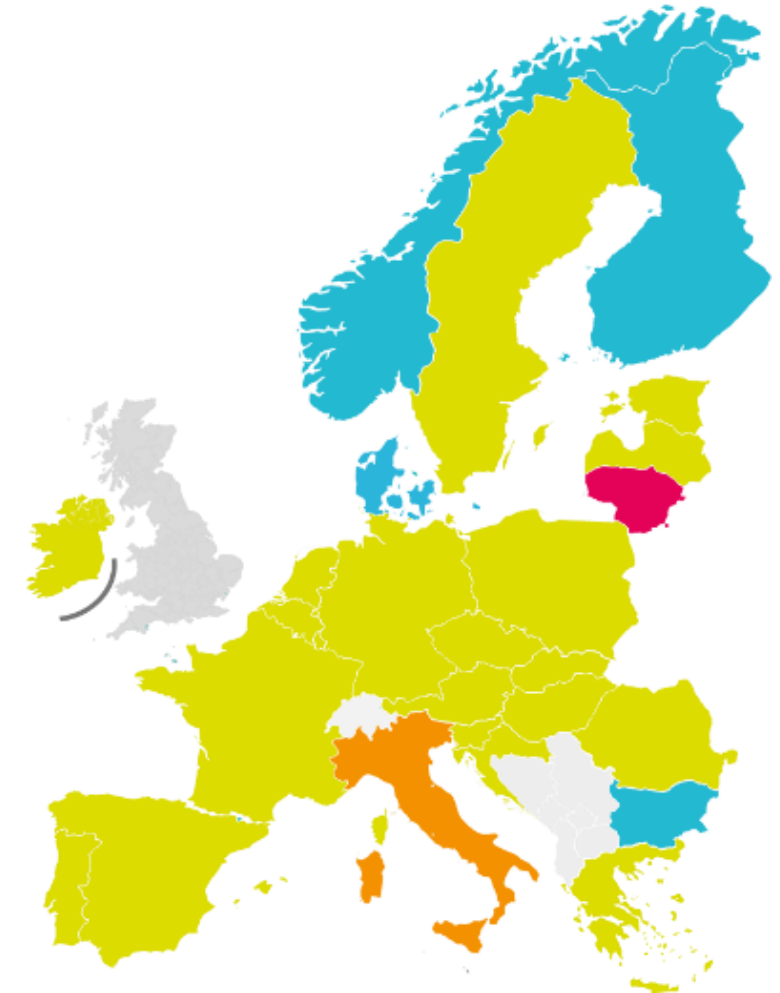
Consultation period: 24/11/2023 - 8/1/2024 (extended to 15/1/2024)

Number of responses received: 10 (EDF, EFET, Eurelectric, Global riskmanagement, IFIEC Europe, Ignitis, Nordenergi, SDAC Market Coupling TSOs, Statkraft, Vert (for Baltic NRAs))

Consultation report + individual responses received (to be) published on the NEMO Committee website

- 5 responses against removing 2nd auctions, 3 responses in favour of the removal, 2 do not express a clear preference
- For 3 of the respondents out of the 5 that are against, removal appears acceptable as long as there are mechanisms against erroneous bids/errors (**safety net/ valve or fire alarm**)

- SDAC parties with 2nd auction and curtailment
- SDAC parties with curtailment
- SDAC party with curtailment, 2nd auction and Peak Load Capacity
- SDAC party without curtailment, or 2nd auction, or Peak Load



- **Erroneous bids/other errors** are identified as the biggest reason for the preservation of Second Auctions – connected to the Finnish case from November 2023
- Some respondents request **quantification of the increase of operational risk (related to the full decoupling deadline) with the introduction of 15MTU**, if the 2nd auctions are kept
- TSOs request **an assessment on the potential increase of curtailment cases** after the removal of 2nd auctions

- There is a discrepancy between Market Participants/NRAs' understanding of the purpose of the 2nd auction and its actual intended purpose which is to address limited liquidity, to warn about extreme prices, instead it is not for correcting erroneous bids
- Impact on the full decoupling deadline should be explained in depth to better inform on the scale of the potential problem

Next steps:

- **FAQs document** will be published by NC related to the **history and to the purpose behind the 2nd auction establishment**
- NEMOs have confidence in the correctness of the **existing alternative processes** in order to avoid the publication of market results based on wrong order input data following mistakes done by market participants
- All NEMO procedures are being strengthened to prevent incidents related to wrong input data

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