14 June 2024

Intraday Auctions (IDAs) were implemented across Europe on 13 June 2024.

- **Milestone: All Nominated Electricity Market Operators (NEMOs) and Transmission System Operators (TSOs) have introduced a pricing mechanism for intraday cross-zonal capacities.**
- **This helps promote effective competition in the generation, trading and supply of electricity, optimizing the allocation of cross-zonal capacity and ensuring fair and non-discriminatory treatment of market participants.**
- **European-wide IDAs are a key component for completing the European Internal Electricity Market.**

As of yesterday, after initial technical challenges, pricing the intraday transmission capacity - via Intraday Auctions (IDAs) - is part of the Single Intraday Coupling (SIDC). It completes the SIDC market which has been based on continuous trading method over the past years. IDAs are implicit auctions where collected orders are matched, and cross-zonal capacity is allocated simultaneously for different bidding zones, determining clearing prices for each bidding zone.

IDAs are a novelty in the intraday timeframe, since capacity in the continuous intraday trading is allocated on a first come first served basis. Pricing intraday cross-border capacities will help reflect capacities' scarcity and thereby send an adequate price signal to the market. Regional intraday auctions have existed in some European countries, but as of yesterday, IDAs take place as three European-wide auctions: at 15:00 (D-1), 22:00 (D-1), and 10:00 (D).

In line with the agreed go-live process, within the upcoming days of IDA operations, project parties will continue to closely evaluate stability and robustness of IDA operations and will inform market participants.

About SIDC:

The Single Intraday Coupling (SIDC) is a market mechanism in the intraday timeframe defined in the CACM Regulation based on continuous trading and complemented by three intraday implicit auctions (so called “IDAs”).

The SIDC continuous trading solution is based on a common IT system with one Shared Order Book, a Capacity Management Module and a Shipping Module. It allows for orders entered by market participants for continuous matching in one bidding zone to be matched by orders similarly submitted by market participants in any other bidding zone within the project’s reach as long as transmission capacity is available. The intraday solution supports both explicit allocation (where approved by the respective National Regulatory Authorities) and implicit continuous trading. It is in line with the EU Target model for an integrated intraday market.

On the other hand, SIDC IDAs allow for the pricing of cross-border capacity in the intraday timeframe. IDAs are implicit auctions where collected orders shall be matched, and cross-zonal capacity shall be allocated simultaneously for different bidding zones, determining clearing prices for each bidding zone.

European-wide intraday coupling is a key component for completing the European Internal Energy Market. With the rising share of intermittent generation in the European generation mix, connecting intraday markets through cross-border trading is an increasingly important tool for market parties to keep positions balanced. The purpose of the SIDC is to increase the overall efficiency of intraday trading.

For additional information on SIDC go to:
http://www.nemo-committee.eu/sidc
https://www.entsoe.eu/network_codes/cacm/implementation/sidc/