**SDAC_OTH_06: Modification of Maximum and Minimum Clearing Prices**

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1. Introduction

Maximum and minimum clearing prices are harmonized for SDAC with figures included in the Annex I from this same document.

The goal of this procedure is to give to the operator and SDAC OPSCOM members the list of tasks that have to be performed in case of modification of the Price Caps and their chronological order.

These special actions should be applied after the DA MCS in the event that a clearing price exceeds a value of 70 percent of the predefined harmonized maximum or minimum clearing price in at least two market time units (hours) in at least two different days within 30 rolling days from the first price spike in an individual bidding zone or in multiple bidding zones from the SDAC areas.

2. Purpose

The purpose of this procedure is to describe the specific actions that should be performed by NEMOs in case the above situation is detected, as well as the implications and consequences.

1.1. Governed / Regulated by

- DAOA.
- ACER Decision on NEMOs HMMCP for single day-ahead coupling.
- ACER Decision on NEMOs HMMCP for single intraday coupling.

1.2. Associated Procedures

- SDAC_OTH_02: Internal and External Communications

3. Procedure

2.1. Definitions

- ‘Clearing Prices’: means the price determined by matching the highest accepted selling order and the lowest accepted buying order in the electricity market.
- ‘Day-Ahead MCO Function’: It refers to the NEMOs that are considered as Market Coupling Operators. The market coupling operator uses a specific algorithm to match bids and offers in an optimal manner. The results of the calculation should be made available to all Operational NEMOs.
- ‘HMMCP’: means Harmonization of Maximum and Minimum Clearing Prices.
- ‘NEMO’: means Power exchanges or Nominated Electricity Market Operators who collect bids and offers within different time-frames in different market areas (bidding zones) which serve as an input for capacity calculation in the single day-ahead process.

- ‘Single day-ahead Coupling’ (SDAC): means the auctioning process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different market zones/bidding areas in the day-ahead market.

- ‘Single Intraday Coupling’ (SIDC): means an implicit cross-zonal capacity allocation mechanism which collects orders for each bidding zone from wholesale market participants and matches them continuously into contracts to deliver electricity while respecting cross-zonal capacity and allocation constraints, and is available in the intraday market timeframe once the day-ahead market allocation process has taken place. NEMO solution is based on the cross-border ID (XBID) commercial solution.

### 2.2. General overview

The table below provides a chronological overview of all the required steps and associated deadlines necessary to prepare and modify the Maximum and Minimum Clearing Price Caps.

<table>
<thead>
<tr>
<th>Steps</th>
<th>Process</th>
<th>Target time *</th>
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<tbody>
<tr>
<td>1</td>
<td>Once the situation is detected by PMB, NEMOs will validate it in an ad-Hoc NEMO OPSCOM call, with relevant communication message(s) between NEMOs.</td>
<td>Same working day</td>
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<td>2</td>
<td>In the next 28 days, impact will be analyzed (common and local) and relevant preparations will be done. Relevant request for change will be sent to SDAC OPSCOM with detailed information of the change for official validation.</td>
<td>ASAP within next 4 weeks after detection</td>
</tr>
<tr>
<td>3</td>
<td>NEMO communication of the amended harmonized maximum or minimum clearing price for SDAC.</td>
<td>21 days before the implementation</td>
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* Timings can be adapted in case necessary with mutual agreement of the OPSCOM.

### 2.3. Process Clarification

#### 2.3.1 Detection and communication

In the event that a clearing price exceeds a value of 70 percent of the predefined harmonized maximum / minimum clearing price in at least two market time units (hours) in at least two different days (2 hours in total) within 30 rolling days from the first price spike in an individual market area or in multiple market areas, the harmonized maximum / minimum clearing price for the SDAC auction shall be increased / decreased by +500 / -100 EUR/MWh, respectively.
For example: The Maximum Clearing Price is set to 4,000 EUR/MWh, the Clearing Price detection of 70% is set to 2,800 EUR/MWh, and the NEMO who detects a clearing price that reaches or trespasses it for one of its areas of responsibility matching the rules mentioned in the previous paragraph. The new Maximum Clearing Price will be set to 4,500 EUR/MWh and the new 70% detection value shall also be updated to 3,150 EUR/MWh.

The situation will be discussed in an Ad-Hoc NEMO OPSCOM call and if considered valid, the process for the increase of the maximum / minimum clearing price will be started immediately. Following considerations will be checked during the call:

- The transition (freeze) period shall be set to 28 days.
- During the transition period, the clearing price(s) shall be capped at the value before the adjustment, meaning no further change shall be initiated.

The market areas referred for detection are only those bidding zones with cleared buy and sell volumes and those part of the SDAC, excluding virtual zones and uncoupled bidding zones and excluding market time units in which the given bidding zone(s) has been decoupled.

2.3.2 Preparation actions and impact

1) Common modifications:

The PMB Shared Configuration file will have to be changed.

Preparations will happen in the following weeks after the detection, and the activation of the new configurations shall apply in all bidding zones which participate in the SDAC from four weeks after the day in which the event referred to in paragraph 2.3.1 has taken place.

2) Local impacts and actions:

- Trading system:

  NEMO Market Operations will modify the maximum / minimum clearing price limit in trading system configuration. This modification will automatically, or in the process to create the order book, modify/delete the hourly and blocks orders already sent by the market participants following the local procedures according to the new clearing price.

- NEMO trading on behalf tool (if applicable):

  In case a trading on behalf tool exists at the given NEMO and there is severe issue on the primary trading system, NEMO will (if applicable) activate the trading on behalf tool that automatically generate individual templates sent to each market participant. The maximum / minimum clearing Price need to be adjusted in the template sent to the market participants.

- NEMO local post coupling system:
Local post coupling system will have to be updated with the new maximum / minimum clearing Price. This system is using the output file generated by the trading system that will integrate the new price limits.

- **NEMO Website:**

  Information on new maximum / minimum clearing Price will be updated on the individual NEMOs website (products, bidding forms in case of trading on behalf).

### 2.3.3 Public / official communication

Official public communication towards market participants and external parties will be done by NEMOs via the trading system and NEMO official website.

Message content will be discussed at project level under the different relevant working groups, considering that all bids submitted for the following days (after the configuration change) will be modified/deleted (hourly, block and physical orders) following the local procedures according to the new Maximum / Minimum Clearing Price Cap.

According to regulation, public communication shall be published by NEMOs at least 21 days prior the implementation and application in SDAC, so 1 week after the detection.

### 2.4. Final state

Implementation of amended maximum / minimum clearing price is successfully completed.
Annex I – HMMCP for SDAC and SIDC

Harmonized maximum and minimum clearing prices for SDAC

1. The harmonized maximum clearing price for SDAC shall be +4000 EUR/MWh.
2. The harmonized minimum clearing price for SDAC shall be -500 EUR/MWh.

Harmonized maximum and minimum clearing prices for SIDC

1. The harmonized maximum clearing price for SIDC shall be +9999 EUR/MWh.
2. The harmonized minimum clearing price for SIDC shall be -9999 EUR/MWh.