

Mr Alberto Pototschnig,
Director
ACER

Cc Mr Klaus – Dieter
Borchardt, Director
Internal Energy Market,
DG ENER

2 August 2017

Dear Alberto,

I write on behalf of all Regulatory Authorities with regard to the all Nominated Electricity Market Operators (NEMOs) proposal for Harmonised Maximum and Minimum Clearing Prices for Single Intraday Coupling (HMMP ID) submitted in accordance with Article 54(2) of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a Guideline on Capacity Allocation and Congestion Management (Regulation 2015/1222).

All NEMOs submitted the HMMP ID proposal in accordance with Article 9(6)i of Regulation 2015/1222; this was received by the last Regulatory Authority on 17 February 2017.

Although all Regulatory Authorities agreed by consensus to request amendments on the all NEMOs' proposal which are presented below, we considered necessary to ensure consistency of the processes of the two highly related proposals regarding the Harmonised Maximum and Minimum Clearing Prices for Single Intraday Coupling and Single Day Ahead Coupling (HMMP ID and HMMP DA). On the latter you were informed on 25 July on the all Regulatory Authorities decision to refer this matter to ACER.

We thus agreed to request the Agency to adopt a decision on the HMMP ID pursuant to Article 9(12) of Regulation 2015/1222.

What follows is the reasoning of all Regulatory Authorities for the intended request for amendment.

All Regulatory Authorities consider that the proposal is not fully compliant with Regulation 2015/1222. In particular, NEMOs did not address the provision to take into account an estimation of the Value of Lost Load (VoLL). They don't propose an automatic mechanism as they do in the HMMP DA. Such a mechanism could be a possible implicit reflection of the VoLL in the definition of the price limits. Nevertheless, a clear and complete description of how the mechanism achieves this is required.

Therefore, all Regulatory Authorities agreed to request:

- 1) An estimation of the VoLL, which should be done in cooperation with TSOs. The necessary justification could be provided in the proposal and/or in a supporting document and referring to existing studies about the VoLL.
- 2) An introduction of a similar automatic mechanism to increase the price limits as done in the HMMP DA proposal.

- 3) It needs to be ensured that the price limits for SDAC do not exceed the limits for SIDC. In the situation that the maximum clearing price for SDAC would otherwise be higher than the maximum clearing price for SIDC, the latter should be adjusted accordingly.
- 4) A justification for the timescale for implementation or the deletion of the dependencies on the Articles 20, 27 and 57 of Regulation 2015/1222.

In adopting its decision we anticipate that the Agency will give utmost consideration to our assessment and the key elements we have identified and agreed in our position paper (annexed to this letter). We are ready to assist the Agency to develop and adopt its decision.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Mogg', written in a cursive style.

Lord Mogg