

## ACER Decision on Algorithm proposal: Annex VI

### **Evaluation of responses to the public consultation on the compliance of the all NEMOs' proposal for Methodology for the price-coupling algorithm and the continuous trading matching algorithm**

#### **1 Introduction**

Pursuant to Article 37 of the CACM Regulation, all Nominated Electricity Market Operators ('NEMOs') must develop a proposal for the price-coupling algorithm and for the continuous trading matching algorithm.

ACER Decision 01/2019 on the methodology for pricing intraday cross-zonal capacity (issued in accordance with Article 55 of the CACM Regulation) requests that all transmission system operators ('TSOs') update and complement the common set of requirements for efficient capacity allocation. This enables the development of the algorithm for the intraday auctions, in accordance with Article 37(1)(a) of the CACM Regulation.

Pursuant to Recital 25, Article 5(6) and Article 6(11) of Regulation (EU) 2019/942, ACER shall consult at least the ENTSO for Electricity and regulatory authorities to ensure that the Decision is in line with the purpose of the CACM Regulation and contributes to market integration, non-discrimination, effective competition and the proper functioning of the market.

In order to take an informed decision, ACER launched a public consultation on 21 October 2019 inviting all interested parties to express their views on potential amendments of the proposal for amendment. The closing date for comments was 17 November 2019.

More specifically, the public consultation invited stakeholders to comment on the following aspects of the proposal for amendment:

- (i) Prioritisation of products in case of algorithm performance problems – The proposal for amendment suggests for intraday auctions the products used in day-ahead coupling except for PUN orders. Market participants were invited to comment on the use of complex products during the intraday auctions, and a possible prioritisation rule that would have NEMOs abandon complex products when the performance of the algorithm does not allow implementing essential functionalities of intraday auctions. The same question was also raised for the SDAC algorithm.

- (ii) The suspension of continuous trading - The implementation of the proposal for amendment requires the introduction of intraday auctions, which will inevitably cause temporary suspensions of the continuous SIDC. Market participants were invited to comment on the length of the continuous SIDC's suspension.
- (iii) The list and use of indicators for monitoring the algorithm and reporting.

## **2 Responses**

By the end of the consultation period, ACER received responses from 21 respondents.

This evaluation paper summarises all received comments and responses to them. The table below is organised according to the consultation questions and provides the respective views from the respondents, as well as a response from ACER clarifying the extent to which their comments were taken into account.

Respondents' views	ACER views
<p><b>Consultation Topic 1: Prioritisation of products and requirements in case of algorithm performance problems</b></p>	
<p><b>Question 1: Do you agree that the implementation of the 15/30 minute products and other essential functionalities of the <u>intraday</u> algorithm should have a higher priority than the complex products in case of any algorithm performance issues? Please, provide detailed argumentation for either case.</b></p>	
<p>16 respondents provided an answer to this question. 11 Respondents rather agree, 3 are rather neutral and 2 disagree.</p>	
<p>11 respondents share ACER's observation that the implementation of the 15/30 minute products and other essential functionalities of the intraday algorithm should have a higher priority than the complex products in case of any algorithm performance issues.</p> <p>Some respondents observe that there are no legal obligations for complex products while there are for 15min products (BNETZA, OTE a.s.).</p> <p>One respondent replied that the liquidity of the 15-minute products has greater importance (Illwerke vkw AG), as well as the functionality and efficiency of trading, than complex products (UPM-Kymmene Oyj).</p> <p>For one respondent the harmonisation of offers of products across bidding zones is essential (OTE a.s.).</p> <p>Respondents observe that the implementation of 15 min imbalance settlement period made crucial the availability of 15 min products in the intraday market so that market participants can balance their portfolios in 15 minutes (AIGET, Edison, Fortum Power and Heat Oy).</p> <p>Further, two respondents requests that algorithm performance issues should be reported publicly and consulted and prioritising 15/30 minute products should be a temporary solution until the cause of the performance issue is addressed (BDEW, TIWAG).</p>	<p>ACER agrees with the observation that there are legal obligations for implementing 15/30 minute products, while there is no explicit legal requirement for 'complex' products, except for the provisions of the CACM Regulation to consult market participants and ensure that the products meet their needs.</p> <p>The introduction of 15/30 minute products (i.e. quarter-hourly and half-hourly products) is stemming from and is compliant with the requirements of Regulation EU 2019/942. ACER must transfer its provisions into the Decision.</p> <p>ACER agrees that the algorithms should be managed in a transparent way and introduced various reports and other deliverables, which need to be produced by the NEMOs and published.</p> <p>ACER does not want to limit the use of any products, if the NEMOs can secure sufficient performance. Therefore, the choice of what products should be offered is left to NEMOs, while they need to ensure the full operability and performance of the algorithm, which is compliant with the CACM Regulation.</p> <p>ACER agrees that an assessment of all the requirements and functionalities, including the products, is necessary. Therefore, NEMOs should assess the impact on the algorithms' performance of the functionalities and products,</p>

Respondents' views	ACER views
<p>One respondent would support the elimination of “complex orders” in the intraday auctions (both regional and future European) if at least a minimum set of “block orders” types are available and changes in order book/nomination/scheduling national rules are implemented (Iberdrola).</p> <p>Finally, one respondent would welcome a technical assessment of the level of complexity induced by the different types of orders (e.g. block orders, MTU aggregated orders, and complex orders), to further decide on the prioritisation of complex orders. Should the complex products not be implemented as of the first day, the following conditions should be ensured: (i) to allow portfolio bidding in SIDC auctions and SIDC continuous markets in all bidding zones and (ii) to allow market participants to hold open positions in the intraday time frame in all bidding zones (Eurelectric).</p>	<p>which are not strictly legally required by any European law and publish the results.</p>
<p>3 respondents are more nuanced and express concerns over the default approach suggested by ACER (NGIH, EFET, ENEL).</p> <p>One respondent observes that these products are an important instrument for conventional generation. In particular, complex products should remain, as they are necessary where portfolio bidding is not allowed (ENEL).</p> <p>One respondent observes that block orders and “complex products” are needed to allow market participants to reflect appropriately the technical constraints of their portfolio when offering their capacity in the market (EFET).</p>	<p>ACER understands the merits of offering ‘complex’ products, together with 15/30 minute products to reflect the needs of the market in the broadest possible way. Unfortunately, the performance and the scalability of the algorithm may not be able to accommodate all requirements. The NEMOs are free to choose any products that will be offered for the IDAs, but also need to set themselves priorities and choose those solutions and products, which will be suitable for the algorithm’s performance and will prevent its degradation.</p> <p>To relieve the pressure on the NEMOs, after a consultation with them and TSOs, ACER decided to postpone the implementation of IDAs by one year to January 2023, because it will give the NEMOs enough time to focus first on the SDAC.</p>

Respondents' views	ACER views
<p>On the other hand, two respondents observe a risk of lowering the level of liquidity by reaching a smaller granularity (EFET, NGIH). Therefore, these two respondents favour an assessment of the trade-off between making available a more diverse product offering and a risk of reduction in performance of the platform, longer processing time for calculation as well as implementation delays.</p>	
<p>2 respondents disagree (Drax Group plc, All NEMO Committee).</p> <p>One respondent observes that on the one hand, complex products were introduced in the day-ahead auction to support market participants to manage risks and meet their needs more effectively, and, on the other hand, performance issues resulting from these complex orders are not material enough to justify a narrower selection of products available to the market (Drax Group plc).</p> <p>One respondent observes that complex products are not the only cause of difficult coexistence between 15 minutes products and other CACM requirements (e.g. intuitive flow-based requirements). In a case of performance degradation, the solution suggested by ACER should be assessed against other potential corrective measures and undergo the same process, as defined in Article 12 of the Algorithm Methodology (All NEMOs Committee).</p>	<p>ACER will ensure in the methodology that the activation of corrective measures should only take place in cases, when the limitation of products or other requirements could restore the algorithm's performance.</p> <p>ACER agrees that the products may not be the only cause of the algorithms' performance degradation. Therefore, ACER allows the application of corrective measures on any already implemented functionality, which is not strictly legally required. Moreover, in the final Decision, ACER removed the requirement for intuitive flow-based, as it could not find a possible legal basis for it (see the Decision for more details).</p>
<p><b>Question 2: Do you agree that the implementation of the 15/30 minute products and other essential functionalities of the <u>day-ahead</u> algorithm should have a higher priority than the complex products in case of any algorithm performance issues? Please, provide detailed argumentation, especially if your view is different from the one in intraday.</b></p>	
<p>16 respondents provided an answer to this question. 6 respondents rather agree, 2 are rather neutral and 8 disagree.</p>	<p>See the answers provided to previous question, where appropriate.</p>

Respondents' views	ACER views
<p>6 respondents share ACER's observation that the implementation of the 15/30 minute products and other essential functionalities of the day-ahead algorithm should have a higher priority than the complex products in case of any algorithm performance issues.</p> <p>These respondents observe that there is no legal obligations for complex products while there is one for 15min products (BNETZA, OTE a.s.).</p> <p>Some respondents show preference for the liquidity of the 15-minute products, which has greater importance (illwerke vkw AG), as well as the functionality and efficiency of trading, than complex products (UPM-Kymmene Oyj).</p> <p>Some respondents consider that the harmonisation of rules and offers of products across bidding zones is essential (Iberdrola, OTE a.s.).</p> <p>One respondent requests that algorithm performance issues should be reported publicly and consulted and prioritising 15/30 minute products should be a temporary solution until the cause of the performance issue is addressed (TIWAG).</p> <p>One respondent would require a more accurate explanation on the current concerns of NEMOs, TSOs and ACER as regards algorithm performance in order to make a position (Iberdrola).</p>	<p>Legal requirements, which the Decision is bound to meet, are identical in the SDAC and SIDC. NEMOs must comply with the CACM Regulation as well as with Regulation 2019/943. At the same time, NEMOs face technical limitations, limiting the offer of products.</p> <p>Therefore, while ACER understands the merits of offering 'complex' products in the DA timeframe, ACER needs to ensure timely implementation of all legally required functionalities/requirements/products and ensure the acceptance of respective requests for change (i.e. prevent their postponement or rejection). For that reason, ACER also allows the application of corrective measures on any existing or future functionalities/requirements/products, which are not legally required. Moreover, ACER allows for the possibility to apply corrective measures on the legal requirements under the condition that the NEMOs are not able to restore an adequate algorithm's performance with applying corrective measures on any other functionalities/requirements/products.</p>
<p>2 respondents are more nuanced over the default approach suggested by ACER (NGIH, RWE).</p> <p>As for the previous question, one respondent observes a risk of lowering the level of liquidity by reaching a smaller granularity. Therefore, this respondent favours an assessment of the trade-off between making available a more diverse product offering and a risk of reduction in performance of the platform, longer processing time for calculation as well as implementation delays (NGIH).</p>	<p>See the explanation above.</p>

Respondents' views	ACER views
<p>One respondent agrees with the observation that the implementation of essential products has priority over the implementation of complex products; however deems block orders to be essential products in the context of the day-ahead algorithm and would expect to see these implemented along 15/30 minutes products with priority over the remaining products (RWE).</p>	
<p>8 respondents oppose the default approach as suggested by ACER.</p> <p>One respondent observes that uncertainty is higher in the day-ahead stage, therefore there is less benefit in reaching smaller granularity, and complex products are more important (Fortum Power).</p> <p>One respondent observes that the DA market is more liquid, and complex products do not cause issues (Enel).</p> <p>One respondent concurs on the two previous points: in DA, the challenge is less daunting than in intraday; maintaining the current level of liquidity is the focus, and Euphemia accommodates complex products (EFET).</p> <p>Two respondents observe that removing the possibility to offer complex products in SDAC is likely to reduce the competitiveness and to generate inefficient dispatch decisions in the context of valuation of some flexibilities, such as demand response with complex/industrial processes or based on time of use/critical peak pricing retail tariffs, or power plants with start-up/shut-down costs (BDEW, Eurelectric).</p> <p>Complex products should be prioritized (Aiget, BDEW, Edison, Eurelectric). Block products (EFET, CEZ) and Iceberg products (EFET) should not be suppressed.</p>	<p>ACER agrees that in the DA timeframe there is less need for 15/30 minute products and understands the merits of offering 'complex' products in the DA timeframe. Nevertheless, the scope and the legal mandate of the Decision allows only for accepting the provisions of Regulation 2019/943, according to which the offer of 15 (30 until expiry of all derogations) minute products is obligatory. However in case algorithm performance deteriorate, and NEMOs are forced to apply corrective measures, or unable to accommodate some requests for change, ACER specified priorities for such fallback scenario. In such fall-back scenario, the legal requirements which have direct reference in EU legislation should have a higher priority such that their application and acceptance is endangered only if other requirement or products cannot help restoring algorithm performance. ACER hopes that the likelihood of applying these unpopular measures will be rather low and that the NEMOs will be able to maintain the performance in the acceptable level. SDAC is probably the most important market and its functioning should be secured in all times – for that reason ACER allows for the use of corrective measures even on the legal requirements under the condition that the NEMOs are not able to introduce them and restore an adequate algorithm's performance by applying corrective measures efficiently on any other functionalities/ requirements/products.</p>
<p><b>Consultation Topic 2: Suspension of continuous trading</b></p>	

Respondents' views	ACER views
<p><b>Question 3: Would you support any of the options above (i.e. Options 1, 2 and 3) to reduce the suspension time of the continuous SIDC? Please, provide detailed argumentation for your choice.</b></p>	
<p>17 respondents contributed to question 3. 10 respondents explicitly support a reduction of the suspension time of continuous trading as a principle (AIGET, BDEW, CEZ, Drax, Edison, Enel, Eurelectric, Iberdrola, RWE, TIWAG,) 1 respondent supports such reduction when technically feasible and economically beneficial (BnetzA). 1 respondent is explicitly opposed to such reduction, and therefore to all options suggested (NGIH).</p>	
<p><b>Option 1: The 15 minutes between 21:30 and 21:45 (or 9:30 and 9:45) used by the TSOs to merge cross-zonal capacities from the recalculation and from the continuous SIDC could be potentially reduced by TSOs. This would require optimisation of procedures between the NEMOs and the TSOs. It would allow for reduction of the suspension by e.g. 5-10 minutes.</b></p> <p>7 respondents support option 1 (AIGET, BNetzA, Drax, Edison, Enel, ENI, Fortrum). BNetzA clarifies that it should not be mandatory, as the implementation of ID auctions should remain the priority. 3 respondents clarify that Option 1 is preferable as it is the result of optimisation and is not detrimental to transparency nor reducing time given to stakeholders for bid submissions in the ID auctions, positively affecting liquidity (AIGET, Edison, ENI).</p>	<p>The consultation, in general, highlighted two conflicting approaches. On the one hand, some market participants opposed the introduction of IDAs and requested the decrease of the total time of suspension to a maximum of 10 minutes in analogy to the complimentary regional intraday auctions. On the other hand, other market participants demand that once the auctions take place, the IDAs should provide sound and robust results, even if the interruption takes the full hour as proposed by the NEMOs.</p> <p>ACER agrees with both positions to some degree: the IDAs should always produce reliable results and allow enough time to all market participants to submit their bids to an IDA.</p> <p>Therefore, ACER introduced a compromise solution, which will allow the IDA algorithm to produce reliable and robust results, but will suspend the continuous trade for only (maximum) 40 minutes (5 minutes for the TSOs for merging the recalculated cross-zonal capacity with the capacity left in</p>



Respondents' views	ACER views
<p>2 respondents support any measure that would allow shortening the duration (Eurelectric, Iberdrola). Similarly, 4 respondents support option 1 as part of a combination of all options as well as any other measure that would allow shortening the duration of the reduction down to 10 minutes (BDEW, Enel, RWE, TIWAG). 2 respondents further underline that such goal is particularly important for the 10:00 D auction as the suspension time will fall directly into the most liquid trading period for the Hour 13 (H13) (BDEW, RWE).</p> <p>2 respondents are opposed to all options as long as they do not allow reaching the goal of reducing the duration of the XBID suspension below 10 minutes or less (CEZ, EFET).</p> <p>NGIH is opposed to all options, as they shorten of the auction timings pre-bidding submission deadline.</p>	<p>the continuous trading, 15 minutes for placing the bids, 20 minutes for calculating and delivering the auction results).</p> <p>Nevertheless, if the testing phase before the launch of IDAs shows that the proposed 40 minutes are not feasible for the TSOs or NEMOs, ACER allows for a transitory period of one year, in which the total suspension can last for maximum one hour. The transitory period should help the NEMOs to perform all the necessary testing and gain experience with the new market</p>
<p><b>Option 2: The 15 minutes between 21:45 and 22:00 (or 9:45 and 10:00) used for transparency reasons and for placing bids can be reduced to e.g. 5 or 10 minutes.</b></p> <p>OTE supports a combination of Option 2 and Option 3 as reducing the suspension the most.</p> <p>4 respondents are opposed to option 2 (Bnetza, ENI, Fortrum, NGIH). 2 respondents observe that Option 2 reduces transparency (Bnetza, Fortrum). 2 respondents (ENI, CEZ) disagree with Option 2 as ENI supports a minimum span of 15 minutes (respectively 10 minutes for CEZ) between the publication of the cross-zonal capacities and the</p>	

Respondents' views	ACER views
<p>deadline to submit bids. Similarly, Fortrum observes that the time to place bids should not decrease.</p> <p>NGIH is opposed to all options, and particularly to option 2, which raises concerns related to timing.</p> <p>Similarly to Option 1, 2 respondents support any measure that would allow shortening the duration (Eurelectric, Iberdrola). Similarly, 4 respondents support option 2 as part of a combination of all options as well as any other measure that would allow shortening the duration of the reduction down to 10 minutes (BDEW, Enel, RWE, TIWAG). 2 respondents are opposed to all options as long as they do not allow reaching the goal of reducing the duration of the XBID suspension below 10 minutes or less (CEZ, EFET).</p>	
<p><b>Option 3: The process for merging cross-zonal capacities from the re-calculation of cross-zonal capacities after DA timeframe and from the continuous SIDC could be shifted to the time between 21:45 and 22:00 (or 9:45 and 10:00), which would imply that at 21:45 (or 9:45) only cross-zonal capacities from the re-calculation would be published and the continuous SIDC would be suspended. At the same time, the merging of cross-zonal capacities from the re-calculation and from the continuous SIDC would start and the merged capacities would be published at e.g. 21:50. This would reduce the total suspension time before the deadline for bid submission to 15 minutes.</b></p>	

Respondents' views	ACER views
<p>BNetzA expresses the concern that as a faster merging may not be possible, Option 3 might not be feasible. In addition, BNetzA underlines the importance that participants have enough time to bid properly.</p> <p>OTE supports a combination of Option 2 and Option 3 as reducing the suspension the most. CEZ, to the contrary, considers Option 3 to be a viable stand-alone option, which should in no case be combined with Option 2.</p> <p>Similarly to Option 1, 2 respondents support any measure that would allow shortening the duration (Eurelectric, Iberdrola). Similarly, 4 respondents support option 2 as part of a combination of all options as well as any other measure that would allow shortening the duration of the reduction down to 10 minutes (BDEW, Enel, RWE, TIWAG). 2 respondents are opposed to all options as long as they do not allow reaching the goal of reducing the duration of the XBID suspension below 10 minutes or less (CEZ, EFET).</p> <p>Eni is opposed to Option 3, as it would result in the actual cross-zonal capacities being published only 10 minutes before the deadline for bid submission.</p>	
<p><b>Question 4: Would you support the elimination of complex products in order to decrease the suspension of the continuous SIDC after the deadline for bid submissions (Option 4)?</b></p>	
<p>5 respondents express support for Option 4 (BNetzA, CEZ, Fortum, RWE, UMP). UMP supports Option 4 as essential functionalities must be preferred over complex products to ensure functionality and efficiency of</p>	<p>See the outcome in question 1.</p>

Respondents' views	ACER views
<p>trading. BNetzA supports Option 4 if economically feasible, on the principle that there are no legal obligations for complex products but one for 15 minutes products in the near future. CEZ supports Option 4 on the understanding that simple products are sufficient for IDAs, but asks how much time would be saved by using this option. Fortum observes that Option 4 imposes itself if complex products cause poor algorithm performance.</p> <p>3 respondents set conditions to their support for Option 4 (Iberdrola, Illwerke, CEZ). Illwerke is not opposed to Option 4, should multiple intraday auctions be implemented, but believes that one should first seek to suspend the continuous trading at a non-critical time. Iberdrola would condition their support to Option 4 to an analysis identifying which set of complex products is presenting more problems in terms of algorithm performance. CEZ would condition their support to Option 4 to a significant shortening of the suspension time.</p> <p>5 respondents are opposed to Option 4 (Drax, EFET, ENEL, NEMOs and OTE). Drax opposes Option 4, as they are opposed to the elimination of complex products, and do not think that the measure is a proportionate mean to decrease the time that the continuous trading is suspended. ENEL underlines the importance of complex products as a mean to achieve feasible schedules for conventional generation. EFET asks for a precise definition of complex products; assuming that “block bids” are included in the definition, EFET further observes that the gain in reducing suspension time resulting from suppressing complex products would be minimal.</p>	

Respondents' views	ACER views
<p>NEMOs and OTE observe that Option 4 conflicts with the requirement to implement 15 minutes products; in addition, in the current 30 minutes needed for IDA process, only 12 minutes will be dedicated for the optimisation algorithm. Similarly, AIGET and Edison believe that Option 4 is only acceptable if other efforts to reduce the calculation time of the algorithm accommodating both complex and 15/30 minutes products are unsuccessful.</p> <p>NGIH is neutral. Tiwag considers that the problem at stake could be solved by investing additional and adapted computational resources. In Eurelectric's view, if the capacity cannot be efficiently (i.e. including complex bids) allocated within the time delays allowed by the CACM guideline then the capacity should be allocated within the continuous SIDC.</p>	
<b>Additional comments</b>	
<ul style="list-style-type: none"> <li>• Illwerke states that for the sake of calculating cross-zonal intraday capacity pricing, alternative methodologies should be developed.</li> <li>• In case that multiple intraday auctions were to be implemented, the total suspension time should be minimized, also considering the depletion of complex products as suggested in question 3.</li> <li>• The All Nemo's Committee recalls two points:</li> </ul> <p>(1) As requested by ACER, the proposal was delivered jointly with all TSOs, thus some of the restrictions/requirements stem from stipulations made by TSOs, such as the very extensive "downtime" for SIDC (XBID) before IDAs gate closure time, which was never</p>	<p>Following the argumentation of previous consultation processes (e.g. in the context of the implementation of complimentary auctions in Italy, Portugal and Spain) ACER discarded the idea to reduce the number of hours traded in each auction, because it would unnecessarily fracture the market.</p> <p>The elimination of the complimentary auctions is not in the scope of this Decision. Nevertheless, ACER understands that Member States, which implemented them, are ready to remove them after the IDAs are implemented, if the IDAs prove to be an adequate replacement.</p> <p>ACER is aware of no back-up or fallback procedures in IDAs, but understands that NEMOs covered the eventuality of decoupling with the switchover and switchback solutions. That means that when the algorithm</p>

Respondents' views	ACER views
<p>envisioned or asked for by NEMOs, but a request by CORE TSOs to comply with their rules.</p> <p>(2) As a background information it should be noted that, differently from what is stated in the consultation paper of ACER (“all NEMOs commit to deliver the intraday auctions with 15/30 minute products and complex products by the end of 2021”), NEMOs committed to launch in operation the 15 minutes products on 2022 both in the original version of the Algorithm methodology approved by ACER in July 2018 and in the amended versions consulted and sent to ACER for approval on July 2019. The reason being that the implementation of 15 minutes is challenging for the algorithm performance in at least two ways. On the one side, it increases the dimensionality of the market, directly due to the quadruplication of time units considered (from 24 to 96). On the other side, the non-harmonized implementation of 15 minutes products on a local basis, due to chance for local derogation allowed by the Electricity Regulation, opens the door to the need of supporting so called “cross matching” both for products (with 15 minutes products in some BZs and 30-60 minutes products in other) and for “capacity allocation” (with the coexistence of 15 minutes ATC and 60 minutes ATCs), which increase the numerical difficulties to be faced by the algorithm. In this perspective the deadline of 2022, proposed by NEMOs and originally approved by ACER in the first version of the Algorithm Methodology, is necessary to finalize the R&amp;D process already established and to provide a solution reliable in operation.</p> <ul style="list-style-type: none"> <li>• Iberdrola recalls their opinion about regional ID actions (according to article 63 of CACM): these should be eliminated in</li> </ul>	<p>is not able to provide results, continuous trading takes over the process. On the other hand, ACER does not object any use of back-up or fallback procedures if such are developed.</p>

Respondents' views	ACER views
<p>order to avoid distortions with continuous trading and future European intraday auctions.</p> <ul style="list-style-type: none"> <li>• Fortum suggests that another option to decrease the calculation time of the algorithm and thus reduce the suspension time of the continuous SIDC would be to reduce the number of hours traded in each auction. This would mean, that in each auction only the hours until the next auction would be traded (e.g. in the first auction at 15:00 only hours until the next auction at 22:00 and in the second auction at 22:00 only hours until 10:00 next morning). This would also simplify the ID auction setup, when each hour would be traded only in one auction.</li> <li>• CEZ acknowledges and recognizes the relevance of using the same algorithm for European intraday auctions, as for the single day-ahead coupling. However, considering the possibility of failure of pan-European auctions, as for June 7th 2019 for example, the algorithm documentation should include details on the conditions for considering that the auction is failing and switching to the alternate efficient solution for capacity allocation, i.e. the coupled continuous intraday markets. CEZ highlights that due to even more restrictive time constraints in the ID time frame, a strict time limit should be set for considering that an ID auction does not deliver and switching to a capacity allocation within XBID instead of maintaining continuous market suspended. In addition if XBID fails, explicit auctions allowing to connect respective national markets should be organised as soon as possible, to allow to use all the possibilities to balance BRPs open positions.</li> </ul>	

Respondents' views	ACER views
<p><b>Consultation Topic 3: Indicators</b></p>	
<p><b>QUESTION 5 - Do you agree with the list of indicators proposed by all NEMOs for either of the algorithms? Please, indicate any new indicators or an amendment to the proposed ones, which would, in your view, help to monitor how the NEMOs in cooperation with TSOs fulfil their legal obligations of developing and operating the day-ahead and intraday algorithms. Please, provide detailed argumentation for your choice.</b></p>	
<p>BNetzA, Drax Group, Fortum, illwerke, NGIH supports the list.</p> <p>BNetzA and NGIH underline the possibility and the need for periodic re-evaluation of the indicators.</p> <p>Iberdrola suggests an indicator showing the coexistence of different types of orders at bidding zone level, for day-ahead, intraday and regional auctions. Iberdrola further encourages NEMOs to present market participants a comparative study of types of orders allowed depending on bidding zone or NEMO or timeframe, their level of usage and concerned corrective measures if they anticipate performance issues (linked or not to a particular bidding zone).</p> <p>TiwaG suggests an indicator that measures the computational power of the IT system that performs the price coupling problems, since this is a very basic performance measurement. TiwaG believes that the time needed to solve a problem per se is not a good measurement since the time to solve generically depends on the computational resources.</p>	<p>ACER believes that the yearly reporting, together with the continuous reporting (in some instances) is sufficient. The evaluation of the indicators is in the competence of all NEMOs and they should update their algorithm monitoring procedures whenever they see fit.</p> <p>The types of orders per bidding zone can be seen in the products' descriptions published by each NEMO. The comparative study on products/functionalities was introduced by ACER in the scope of the scalability report and it should evaluate their impact on the algorithm's performance.</p> <p>ACER would deem the measuring the performance of the hardware the NEMOs use as over-regulation and trusts that NEMOs have good incentives to maximise the performance.</p>



### 3 List of respondents

Organisation	Type
AIGET	Energy company
All NEMO Committee	Association
BDEW	Energy company
Bundesnetzagentur	NRA
CEZ, a.s.	Energy company
Drax Group plc	Energy company
Edison S.p.A	Energy company
EFET - European Federation of Energy Traders	Association
Enel	Energy company
ENI S.p.A.	Energy company
Eurelectric	Association
Fortum Power and Heat Oy	Energy company
Iberdrola S.A.	Energy company
Illwerke vkw AG	Energy company
National Grid Interconnector Holdings Limited (NGIH)	TSO
OTE	Energy company
RWE Supply and Trading GmbH	Energy company
TIWAG-Tiroler Wasserkraft AG	Energy company

Organisation	Type
UPM- Kymmene Oyj	Energy company