Status update on ongoing activities

17/09/2019

MESC MEETING

Algorithm methodology

The AM determines the price coupling algorithm, the continuous trading matching algorithm and the ID auction algorithm

- **NEMOs' proposal submitted to ACER and NRAs on 31/07/2019.**
- **http://www.nemo-committee.eu/publication-detail/nemos-proposal-of-the-algorithm-methodologies**
- **The package comprises:**
  - **Reviewed Algorithm methodology**
  - **Common set of requirements for algorithms (Annex 1 and 2)**
  - **Algorithm monitoring methodologies NEW (Annex 3 and 4)**
  - **Reviewed proposal for SIDC products**
  - **Evaluation of responses to public consultation**

Algorithm methodology

Main changes compared to AM in force:

- **New pieces:**
  - **Requested by the AM in force and also following ACER Decision on IDCZCP.**
  - **Change Control (impact assessment, decision making…) and Algorithm Monitoring Methodology (RfC roadmap, calculation of usage…). Not controversial during the public consultation.**
  - **IDAs, including related products. Many comments received during the consultation.**

Algorithm methodology

Main changes compared to AM in force:

- **Main issues and implementation timelines:**
  - SDAC: implementation of all future requirements, including 15 min MTU, by 1st August 2022. (No change).
  - SIDC: Continuous trading matching algorithm and IDAs algorithm, implementation of first set of requirements by end 2021; full set of requirements implemented by 1st August 2023.

Response to TSOs consultation on co-optimised allocation process of cross zonal capacity for balancing exchanges

- **NEMOs' response was submitted on 26/07/2019.**
- **http://www.nemo-committee.eu/assets/files/nemo-committee-response-to-czc-consultation.pdf**
- **Main comments:**
  - Cross-zonal capacity reservation for balancing exchanges should be avoided
  - The proposed co-optimisation model entails significant changes to the price coupling algorithm and the related SDAC processes
  - Potential inefficiency in bidding process

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Joint NEMOs-TSOs CACM 2018 cost report finalised

Cooperation with NRAs on implementation monitoring of terms, conditions and methodologies

Annual reports required by Algo methodology under preparation

Preparations for Intraday Auctions (IDAs) in coordination with SDAC and SIDC committees

CACM costs reporting

- **NEMOs and TSOs regularly report on costs according to CACM.**
- **Cost categorization:**
  - Common, regional and national (geographical scope)
  - Costs of establishing and amending SDAC or SIDC (e.g. developing a new version of Euphemia) vs costs of operating SDAC or SIDC (e.g. costs of DBAG operating the SIDC platform)
  - Common costs can be categorized in three groups, depending on who incurs the cost:
    - All NEMOs
    - All TSOs
    - All NEMOs & all TSOs jointly
  - Costs are shared among NEMOs and TSOs according to NRAs decisions.

Common costs 2017

- **Both SDAC and SIDC were not operational yet, therefore, no costs of operating SDAC and SIDC are reported.**
- **SDAC: Most of the cost corresponded to development of single price coupling algorithm by NEMOs.**
- **SIDC: Most of the cost corresponded to development of continuous trading matching algorithm and common systems by the service provider.**

		Actual common costs of establishing and amending in 2017
SDAC	All NEMOs	1 315 404
	All TSOs	0
	All NEMOs & TSOs	204 332
	Total	**1 519 736**

SIDC	All NEMOs	863 399
	All TSOs	685 970
	All NEMOs & TSOs	2 846 094
	Total	**4 395 463**