

Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (Text with EEA relevance)

TITLE II

**REQUIREMENTS FOR TERMS, CONDITIONS AND METHODOLOGIES
CONCERNING CAPACITY ALLOCATION AND CONGESTION MANAGEMENT**

CHAPTER 5

Single day-ahead coupling

Section 1

The price coupling algorithm

Article 38

Objectives of the price coupling algorithm

- 1 The price coupling algorithm shall produce the results set out in Article 39(2), in a manner which:
 - a aims at maximising economic surplus for single day-ahead coupling for the price-coupled region for the next trading day;
 - b uses the marginal pricing principle according to which all accepted bids will have the same price per bidding zone per market time unit;
 - c facilitates efficient price formation;
 - d respects cross-zonal capacity and allocation constraints;
 - e is repeatable and scalable.
- 2 The price coupling algorithm shall be developed in such a way that it would be possible to apply it to a larger or smaller number of bidding zones.

Article 39

Inputs and results of the price coupling algorithm

- 1 In order to produce results, the price coupling algorithm shall use:
 - a allocation constraints established in accordance with Article 23(3);
 - b cross-zonal capacity results validated in accordance with Article 30;
 - c orders submitted in accordance with Article 40.
- 2 The price coupling algorithm shall produce at least the following results simultaneously for each market time unit:
 - a a single clearing price for each bidding zone and market time unit in EUR/MWh;
 - b a single net position for each bidding zone and each market time unit;

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c the information which enables the execution status of orders to be determined.

3 All NEMOs shall ensure the accuracy and efficiency of results produced by the single price coupling algorithm.

4 All TSOs shall verify that the results of the price coupling algorithm are consistent with cross-zonal capacity and allocation constraints.

Article 40

Products accommodated

1 No later than 18 months after the entry into force of this Regulation NEMOs shall submit a joint proposal concerning products that can be taken into account in the single day-ahead coupling. NEMOs shall ensure that orders resulting from these products submitted to the price coupling algorithm are expressed in euros and make reference to the market time.

2 All NEMOs shall ensure that the price coupling algorithm is able to accommodate orders resulting from these products covering one market time unit and multiple market time units.

3 By two years after the entry into force of this Regulation and in every second subsequent year, all NEMOs shall consult, in accordance with Article 12:

- a market participants, to ensure that available products reflect their needs;
- b all TSOs, to ensure products take due account of operational security;
- c all regulatory authorities, to ensure that the available products comply with the objectives of this Regulation.

4 All NEMOs shall amend the products if needed pursuant to the results of the consultation referred to in paragraph 3.

Article 41

Maximum and minimum prices

1 By 18 months after the entry into force of this Regulation, all NEMOs shall, in cooperation with the relevant TSOs, develop a proposal on harmonised maximum and minimum clearing prices to be applied in all bidding zones which participate in single day-ahead coupling. The proposal shall take into account an estimation of the value of lost load.

The proposal shall be subject to consultation in accordance with Article 12.

2 All NEMOs shall submit the proposal to the regulatory authorities for approval.

Where a Member State has provided that an authority other than the national regulatory authority has the power to approve maximum and minimum clearing prices at the national level, the regulatory authority shall consult the proposal with the relevant authority as regards its impact on national markets.

After receiving a decision for approval from all regulatory authorities, all NEMOs shall inform the concerned TSOs of that decision without undue delay.

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Article 42

Pricing of day-ahead cross-zonal capacity

1 The day-ahead cross-zonal capacity charge shall reflect market congestion and shall amount to the difference between the corresponding day-ahead clearing prices of the relevant bidding zones.

2 No charges, such as imbalance fees or additional fees, shall be applied to day-ahead cross-zonal capacity except for the pricing in accordance with paragraph 1.

Article 43

Methodology for calculating scheduled exchanges resulting from single day-ahead coupling

1 By 16 months after the entry into force of this Regulation, TSOs which intend to calculate scheduled exchanges resulting from single day-ahead coupling shall develop a proposal for a common methodology for this calculation. The proposal shall be subject to consultation in accordance with Article 12.

2 The methodology shall describe the calculation and shall list the information which shall be provided by the relevant NEMOs to the scheduled exchange calculator established in accordance with Article 8(2)(g) and the time limits for delivering this information. The time limit for delivering information shall be no later than 15.30 market time day-ahead.

3 The calculation shall be based on net positions for each market time unit.

4 No later than two years after the approval by the regulatory authorities of the concerned region of the proposal referred to in paragraph 1, TSOs applying scheduled exchanges shall review the methodology. Thereafter, if requested by the competent regulatory authorities, the methodology shall be reviewed every two years.

Article 44

Establishment of fallback procedures

By 16 months after the entry into force of this Regulation, each TSO, in coordination with all the other TSOs in the capacity calculation region, shall develop a proposal for robust and timely fallback procedures to ensure efficient, transparent and non-discriminatory capacity allocation in the event that the single day-ahead coupling process is unable to produce results.

The proposal for the establishment of fallback procedures shall be subject to consultation in accordance with Article 12.

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Article 45

Arrangements concerning more than one NEMO in one bidding zone and for interconnectors which are not operated by certified TSOs

1 TSOs in bidding zones where more than one NEMO is designated and/or offers trading services, or where interconnectors which are not operated by TSOs certified according to Article 3 of Regulation (EC) No 714/2009 exist, shall develop a proposal for cross-zonal capacity allocation and other necessary arrangements for such bidding zones in cooperation with concerned TSOs, NEMOs and operators of interconnectors who are not certified as TSOs to ensure that the relevant NEMOs and interconnectors provide the necessary data and financial coverage for such arrangements. These arrangements must allow additional TSOs and NEMOs to join these arrangements.

2 The proposal shall be submitted to the relevant national regulatory authorities for approval within 4 months after more than one NEMO has been designated and/or allowed to offer trading services in a bidding zone or if a new interconnector is not operated by a certified TSO. For existing interconnectors which are not operated by certified TSOs the proposal shall be submitted within four months after entry into force of this Regulation.

Section 2

The single day-ahead coupling process

Article 46

Provision of input data

1 Each coordinated capacity calculator shall ensure that cross-zonal capacity and allocation constraints shall be provided to relevant NEMOs in time to ensure the publication of cross-zonal capacity and of allocation constraints to the market no later than 11.00 market time day-ahead.

2 If a coordinated capacity calculator is unable to provide for cross-zonal capacity and allocation constraints one hour prior to the day-ahead market gate closure time, that coordinated capacity calculator shall notify the relevant NEMOs. These NEMOs shall immediately publish a notice for market participants.

In such cases, cross-zonal capacity and allocation constraints shall be provided by the coordinated capacity calculator no later than 30 minutes before the day-ahead market gate closure time.

Article 47

Operation of single day-ahead coupling

1 The day-ahead market gate opening time shall be at the latest 11:00 market time day-ahead.

2 The day-ahead market gate closure time in each bidding zone shall be noon market time day-ahead. TSOs or NEMOs in the region based on the CEE region or its neighbouring

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countries may set a different gate closure time until this region has joined single day-ahead coupling.

3 Market participants shall submit all orders to the relevant NEMOs before day-ahead market gate closure time, in accordance with Articles 39 and 40.

4 Each NEMO shall submit the orders received in accordance with paragraph 3 to perform the MCO functions in accordance with Article 7(2) by no later than a time specified by all NEMOs in the proposal for a single price coupling algorithm set out in Article 37(5).

5 Orders matched in single day-ahead coupling shall be considered firm.

6 MCO functions shall ensure anonymity of submitted orders.

Article 48

Delivery of results

1 No later than by the time specified by all TSOs in the requirements set out in Article 37(1)(a), all NEMOs performing MCO functions shall deliver the single day-ahead coupling results:

- a to all TSOs, all coordinated capacity calculators and all NEMOs, for the results specified in Article 39(2)(a) and (b);
- b to all NEMOs, for the results specified in Article 39(2)(c).

2 Each TSO shall verify that the single day-ahead coupling results of the price coupling algorithm referred to in Article 39(2)(b) have been calculated in accordance with the allocation constraints and validated cross-zonal capacity.

3 Each NEMO shall verify that the single day-ahead coupling results of the price coupling algorithm referred to in Article 39(2)(c) have been calculated in accordance with the orders.

4 Each NEMO shall inform market participants on the execution status of their orders without unjustifiable delay.

Article 49

Calculation of scheduled exchanges resulting from single day-ahead coupling

1 Each scheduled exchange calculator shall calculate scheduled exchanges between bidding zones for each market time unit in accordance with the methodology established in Article 43.

2 Each scheduled exchange calculator shall notify relevant NEMOs, central counter parties, shipping agents and TSOs of the agreed scheduled exchanges.

Article 50

Initiation of fallback procedures

1 In the event that all NEMOs performing MCO functions are unable to deliver part or all of the results of the price coupling algorithm by the time specified in Article 37(1)(a), the fallback procedures established in accordance with Article 44 shall apply.

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2 In cases where there is a risk that all NEMOs performing MCO functions are unable to deliver part or all of the results within the deadline, all NEMOs shall notify all TSOs as soon as the risk is identified. All NEMOs performing MCO functions shall immediately publish a notice to market participants that fallback procedures may be applied.

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