

Press Release

Exchange Council evaluates improvement proposals of Day-Ahead decoupling management

Liquidity boost on coupled Intraday auctions

Amsterdam / Paris, 4 October 2024. At their quarterly meeting, the members of the EPEX SPOT Exchange Council evaluated the proposals to be brought forward to stakeholders that are part of the Single Day-Ahead Coupling (SDAC) in order to improve the current fallback processes in case of partial and full decoupling.

Following the partial decoupling experienced on the EPEX SPOT markets on 25 June 2024 (trading date), while all procedures were followed by the Exchange as foreseen for such cases, stakeholders expressed the wish to improve the rules in place. During the summer period, Exchange Council members discussed in-depth the available options to improve these procedures. The Council elaborated on the technical and regulatory feasibility, the potential physical and financial constraints, as well as on the risk-reward assessment of the following key improvement fields: a) need for an enhanced operational resiliency of the market processes of order collection and submission; b) optimising the Market Coupling operational constraints such as timings; and c) capitalising on the possibility to balance positions throughout the complete markets cascade including all timeframes – Day-Ahead auctions, Intraday auctions, and Intraday continuous.

Improvement proposals currently focus on: a) measures for markets to remain coupled for as long as possible; b) fallback solutions in case of SDAC decoupling; and c) improving the market messages in case of decoupling. “For market participants, there are three aspects that should be fulfilled by new fallback measures,” explains Bernhard Walter, Chairman of the EPEX SPOT Exchange Council. “We need a sound price reference under all circumstances in order to fulfil contractual obligations. Moreover, we advocate, to the extent possible, for a unified price reference in all market areas in case

of partial decoupling, even when more than one Power Exchange are active in the concerned bidding zones. Last but not least, market results mustn't lead to imbalances and need to be consistent with the actual balancing needs of participants and of TSOs" he adds. Concretely, EPEX SPOT has been given the mandate by Exchange Council members to further investigate the feasibility of implementing a "back-up order-book". This would be used in case of technical issues at EPEX level, in order to remain coupled to SDAC. In addition to this, EPEX SPOT informed Exchange Council members about measures taken and ongoing developments to further increase the robustness of its Day-Ahead trading system.

For the weeks and months to come, the joint objective of EPEX SPOT and its Exchange Council is to describe and potentially implement a more fit-for-purpose fallback solution for decoupling scenarios in SDAC. Based on the discussion and with the clear support of the Council, EPEX SPOT will engage with European stakeholders involved in Market Coupling in order to optimise shared fallback mechanisms. Any such proposals have to be adopted jointly by all parties involved in Market Coupling and are subject to regulatory approval. In the meantime, the current solutions remain applicable and in force.

Furthermore, the Exchange Council members welcomed the healthy development of liquidity on the pan-European Intraday Auctions of the Single Intraday Coupling (SIDC IDAs) [since their launch in June 2024](#). Jonas Törnquist, Chief Operational Officer of EPEX SPOT, comments: "We are pleased that these auctions have been adopted by a large part of the EPEX SPOT trading community. The additional trading opportunities brought by Market Coupling have increased the liquidity of Intraday auctions, mainly driven by the Central Western European Markets, while the volume on the continuous Intraday market remains solid. Intraday auctions allow market participants to manage flexible generation more efficiently, providing an important lever to achieve the energy transition."

Following the election of the EPEX SPOT Exchange Council earlier this year, rules foresee that the members elect the Head of Market Surveillance. The Exchange Council confirmed Vincent Derbali for a new term in this role. Vincent Derbali joined EPEX SPOT in January 2020 and has been heading the Market Surveillance Team since then.

The third Exchange Council meeting of 2024 was held on 18 September 2024 in Amsterdam and was chaired by Bernhard Walter, Head of Market Design & Regulatory Affairs at EnBW.

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The Exchange Council of EPEX SPOT is an official body of the Exchange. 27 members and 4 permanent guests represent adequately the diversity of economic and corporate profiles that exists among the Exchange Members from various sectors: producers, power trading companies, transmission system operators, regional suppliers, and financial service providers, as well as commercial consumers and academics. Its missions include in particular the adoption of the Exchange Rules and the Code of Conduct of EPEX SPOT and their amendments. The Exchange Council approves new trading systems as well as new contracts or market areas and approves the appointment of the Head of the Market Surveillance Office. It meets up quarterly.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in 13 countries: in Central Western Europe, the United Kingdom, Switzerland, the Nordics and in Poland. Furthermore, EPEX SPOT newly offers local flexibility markets solution and Guarantees of Origin auctions, to foster the integration of renewable energy sources and to enhance the engagement of consumers and producers in the power market.

As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. Over 400 trading members are registered on EPEX SPOT. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit www.epexspot.com.

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