

DAC_SPE_01: Impact of Second Auctions

Remarks

It is estimated that the whole Second Auction routine will take around 30 minutes (NEMO decision, reopening of the order books and second calculation included), which represent the real impact on the market coupling normal timings.

In case the Market Coupling Results are not confirmed as final at 14:20, the Incident Committee will declare the Full Decoupling.

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1. Introduction

This procedure describes the special routine that should be applied during the Market Coupling process in case the prices of one or both Areas reach or exceed the predefined thresholds (lower and/or upper) listed in the Table 1 and Table 2.

Within DAC, the Bidding Areas for which price thresholds have been predefined are:

Table 1 – Predefined Price thresholds applicable on the DAC bidding areas

Prices expressed in EUR	Type of Price Threshold		MIN Threshold	MAX Threshold
	Albania	DAM	0	900
Kosovo	DAM	0	900	

The technical steps of this routine are not part of the DAC process and are further addressed in the NEMO-MC Service Provider procedure.

1.1. Summary

The Second Auction is triggered in case at least one of the prices reaches or exceeds the predefined price thresholds, as mentioned in Table 1.

The routine consists in reopening the NEMOs order books for 10 minutes to give the Exchange Members the opportunity to modify their bids in order to improve the market situation.

A second calculation will be run by the MC Service Provider with the new versions of Order Data.

In case the concerned prices still reach the predefined thresholds after the Second Auction calculation, there will be no more triggering of a further Second Auction.

1.2. Governed / Regulated by

- Day-Ahead Coupling Operations Agreement (DACOA)
- NEMOs' Market Rules and Procedures

1.3. Tools

- MC Service provider IT System
- NEMO Local Trading System

1.4. Associated procedures

Following procedures:

- DAC_NOR_02: Final MC Results

Other associated procedures and rules:

- DAC_FAL_01: Incident Management
- DAC_OTH_02: Internal and External Communications
- Regional procedures
- Daily working checklists

2. Procedure

2.1. Preconditions to start

As soon as the NEMO receives the Market Coupling Results, the NEMO performs its own checks for identifying if any of the predefined price thresholds are reached/ exceeded or if a curtailment situation occurs.

2.2. General overview

The following table lists all the steps involved in the running of the Second Auction routine. The DAC related procedures are marked in grey, while the local/regional procedures are marked in green.

Table 2 – Second Auction process

#	Process	Start - End	From	To	Tool
1	NEMO and MC Service Provider detect that price thresholds are reached / exceeded in one or both DAC Areas.	ASAP after the Market Coupling Results are received			
2	NEMO sends a negative Preliminary NEMO Confirmation and informs immediately the MC Service Provider	ASAP – before the deemed acceptance	NEMO Local Trading System	MC Service Provider	
3	NEMO receives a negative Preliminary Global Confirmation	ASAP	MC Service Provider	NEMO Local Trading System	
4	NEMO opens an Incident Committee call.	ASAP	NEMO	MC Service Provider	
5	NEMO receives the communication ALPEX_ExC_01: Thresholds reached – Reopening of the order books.	ASAP after NEMO decision	MC Service Provider	NEMO	
6	NEMO sends the communication ALPEX_ExC_01: Thresholds reached – Reopening of the order books. to its Exchange Members and TSOs	ASAP	NEMO	Exchange Members TSOs	
7	NEMO close their order books	10 minutes after the agreed reopening time			

2.3. Process Clarification

Detecting thresholds and sending of negative Preliminary NEMO Confirmation

As the Second Auction routine steps are detailed in the relevant ALPEX procedures, only some general guidelines are presented below.

As soon as the NEMO receives the Market Coupling Results, it is its responsibility to perform checks in order to identify if any of the concerned thresholds was reached/exceeded.

As soon as the NEMO has detected reaching/exceeding the thresholds, the NEMO sends immediately a negative Preliminary Global Confirmation and informs the MC Service Provider.

The negative Preliminary Confirmation file should contain the corresponding reason of rejection: “*Second Auctions price thresholds reached or max price/curtailment*”.

The MC Service Provider’s IT System generates a negative Global Preliminary NEMO Confirmation.

Communication to Exchange Members

NEMO will distribute the external communication ALPEX_Exc_01: *Thresholds reached – Reopening of order books* to its Exchange Members, according to procedure DAC_OTH_02 and to the local market rules.

This communication has to be sent in due time, so Exchange Members are informed before the reopening of the order books.

Reopening of order books

NEMO may reopen its order books to the Exchange Members according to the agreed and communicated timings. There should always be 10 minutes between the reopening and the reclosing of the order book.

The NEMO sends the modified Order Data to the MC Service Provider’s IT System. The new version of Order Data will have an incremented value compared to the previous one.

The NEMO is not allowed to send new versions of Network Data during a Second Auction.

The Market Coupling Session continues as normal but with delayed timings.

As soon as the new versions of Order Data are received in the MC Service Provider’s IT System, the Market Coupling Session will continue as normal but with delayed timings.

2.4. Final state

As soon as the new Order Data are sent to the MC Service Provider, the second calculation will start, and the normal procedures will be followed as usual.