

DAC_FAL_02: Full Decoupling of DAC

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1. Introduction

A Full Decoupling is a situation where it is not possible, for a specific day, to allocate the CZCs via the implicit allocation process (i.e. the relevant “Latest Time to Start an Incident Committee”), where a time limit has been reached and the Market Coupling Results cannot be published before the Full Decoupling Deadline.

1.1. Purpose

As a general remark, the fallback procedures aim at offering a common framework to which all the local fallback procedures must be aligned accordingly.

The purpose of this procedure is to provide the operators with an overview of the operational timings and the preparatory work which needs to be performed in case Full Decoupling is declared by the Incident Committee (IC).

Generally, when the relevant Latest Time to Start an IC is passed, the fallback procedures are activated and, in parallel, preparations for a Full Decoupling are started.

The local procedures are mentioned only for reference purposes, while the common DAC fallback procedures are explained in more detail.

1.2. Governed / Regulated by

- Day-Ahead Coupling Operations Agreement (DACOA)
- NEMO-MC Service Provider Procedures

1.3. Tools and Communication Protocols

- NEMO Local Trading system
- TSO IT System

1.4. Associated procedures

Backup procedures

- DAC_BUP_01: Cross-Zonal Capacities and Allocation Constraints Submission
- DAC_BUP_02: Final MC Results

Other associated procedures:

- DAC_FAL_01: Incident Management
- DAC_OTH_02: Internal and External Communication

2. Procedure

Depending on the reason for declaring the Full Decoupling, there are three cases, each of them with its specific deadline:

- Case FD1 - Day-Ahead Auction results cannot be determined timely, or Preliminary Market coupling Results are not confirmed by NEMO and/or TSOs
- Case FD2 - Late submission of Cross-Zonal Capacities Session
- Case FD3 - Full Decoupling known in Advance

Regarding Case FD1, the critical issue leading to the Full Decoupling occurs when Day-Ahead Auction results cannot be determined timely, or Preliminary Market Coupling Results are not confirmed by NEMO and/or TS. In this case, the Full Decoupling will be

declared at [REDACTED] or earlier if the Incident Committee can unanimously agree to do so. All necessary communication steps have to be executed before declaring the Full Decoupling as described in DAC_OTH_02

Regarding Case FD 2, the critical issue leading to the Full Decoupling occurs during pre-coupling in the Cross-Zonal Capacities phase, as described in DAC_BUP_01. In this case, the Full Decoupling will be declared at [REDACTED] or earlier if the Incident Committee can unanimously agree to do so. All necessary communication steps have to be executed before declaring the Full Decoupling as described in DAC_OTH_02.

Regarding Case FD 3, the critical issue leading to the Full Decoupling is already known in advance because the issue caused the Full Decoupling for the previous Market Coupling Session. In this case, the Full Decoupling could be declared either in the afternoon of the day before, or during the Daily Market Coupling Session until 10:00 if the Incident Committee considers the issue to be too severe to be solved until the deadline of Case FD 2.

In any case, the general principle is that all parties are deploying all their best efforts in order to avoid the decoupling.

Since each case involves a different Full Decoupling Deadline, there are different procedures/measures to solve issues related to Case FD1 or Case FD2 or FD 3. This is further elaborated in Sections 2.1 and 2.2.

Depending on the Full Decoupling case, the following actions need to be carried out:

1. Inform the market once there is a delay in the publication of the results
(only for Case FD1)

At the regular publication time ([REDACTED]), if the Market Coupling Results have not been published yet, the external communication message *ALPEX_Exc_02: Delay in Market Results Publication* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform them that the process is delayed.

2. Inform the market once there is a risk of Full Decoupling (Case FD1, FD2 and FD3)

Case FD1: Thirty minutes before the respective Full Decoupling Deadline, the external communication message *ALPEX_Exc_03b: Risk of Full Decoupling* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, informing them about the risk of Full Decoupling.

TSOs send a message to Market Participants, informing them about fallback processes and the shift of the notification deadline (Shadow Auction handled by CAO).

Case FD2: Fifteen minutes before the respective Full Decoupling Deadline, the external communication message *ALPEX_Exc_03b: Risk of Full Decoupling* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, informing them about the risk of Full Decoupling.

TSOs send a message to Market Participants, informing them about fallback processes and the shift of the notification deadline (Shadow Auction handled by CAO).

Case FD3: Twenty minutes before the respective Full Decoupling Deadline, the external communication message *ALPEX_Exc_03b: Risk of Full Decoupling* is forwarded from

the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, informing them about the risk of Full Decoupling.

TSOs send a message to Market Participants, informing them about fallback processes and the shift of the notification deadline (Shadow Auction handled by CAO).

3. Inform the market once the Full Decoupling is declared (Case FD1, FD2 and FD3)

At the respective Full Decoupling Deadline, in case the issue has still not been solved and the Market Coupling Results have not been confirmed by a Global Preliminary Confirmation yet or during the Daily Market Coupling Session, the Incident Committee declares the Full Decoupling. An external communication message (*ALPEX_Exc_04b: Full Decoupling* or *ALPEX_Exc_05b: Full Decoupling known in advance*) is forwarded from the NEMO to the TSOs, CAO and the Exchange Members according to procedure DAC_OTH_02, informing them that the Full Decoupling is declared.

In Case FD 1, if applicable, TSOs send a message to Market Participants, informing them that the notification deadline has been extended. In addition, the local fallback results are sent to TSOs (if applicable) and Exchange Members and are then published on the CAO. The target is to publish immediately after [REDACTED] and aiming for Shadow Action with an absolute deadline at [REDACTED].

According to the procedure, NEMO reopen their orderbooks, run local price calculations and publish results independently.

Depending on the Interconnector/border, the following Fallback solutions may be used:

- Shadow auction via CAO.

3.1. CASE FD1: Day-Ahead Auction results cannot be determined timely, or Preliminary Market Coupling Results are not confirmed by NEMO and/or TSOs.

3.1.1. General overview

A Full Decoupling Known during the Daily Market Coupling Session will be declared in case the Market Coupling Results cannot be confirmed by the Global Preliminary Confirmation by the NEMO or have been rejected in the Final MC Results process due to issues detected only during the current Market Coupling Session.

The table below lists all the required steps and associated deadlines necessary to prepare and execute a Full Decoupling for Case FD1.

#	Process	Deadline	From	To	Tool
*	NEMO starts an Incident Committee.	[REDACTED]	NEMO	MC Service Provider	[REDACTED]
1	External communication <i>ALPEX_Exc_02</i> -Delay in Market Coupling Results Publication to inform them that the process is delayed.	[REDACTED]	NEMO	TSOs and Exchange Members	[REDACTED]

2	TSOs are invited to join the IC, if not already in the IC call.		NEMO	TSOs	██████████
3	External communication message ALPEX_Exc_03b - Risk of Full Decoupling to inform about the risk of Full Decoupling.	██████████	NEMO	TSOs and Exchange Members and CAO	
*	(If applicable) TSOs inform the Market Participants of Fallback allocation processes and shift of the notification deadline.		TSOs	MPs	
*	(If applicable) running of a local capacity allocation fallback mechanism. CAO will start SA computation and inform about it in the IC.				
4	Full Decoupling is declared by the IC if the Market Coupling Results are still not published.	██████████	Incident Committee	NEMO TSOs	██████████
5	External communication message ALPEX_Exc_04b - Full Decoupling to inform that the Full Decoupling is declared.		NEMO	TSOs Market Participants	██████████
*	Local NEMO auctions are run according to local procedures.				
*	(If applicable) TSOs inform the MPs that the Full Decoupling is declared, and that the notification deadline has been extended.		TSOs	MPs	

NB: The local steps are marked in grey and stated here only for clarity and to have the total overview. They will not be detailed in the Process Clarification section.

3.1.2. Process clarification

- 1) External communication *ALPEX_Exc_02 - Delay in Market Coupling Results Publication* to inform that the process is delayed.

At the regular publication time (██████████), if the Market Coupling Results have not been published yet, an external communication message *ALPEX_Exc_02 - Delay in Market Results Publication* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform that the process is delayed.

- 2) TSOs are invited to join the IC, if not already in the IC call

At ██████████ at the latest, if the TSOs are not already in the IC call, NEMO send the internal communication message *ALPEX_InC_01* according to procedure DAC_OTH_02 in order to inform the TSOs about the incident that might lead to a Full Decoupling and to invite them to join the IC as soon as possible.

- 3) External communication message *ALPEX_Exc_03b - Risk of Full Decoupling to inform about the risk of Full Decoupling.*

At [REDACTED], if the Market Coupling Results are not yet confirmed, an external communication message *ALPEX_Exc_03b - Risk of Full Decoupling* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform about the risk of Full Decoupling. The process of solving the issue continues until the Full Decoupling Deadline ([REDACTED]).

4) Full Decoupling is declared by the IC if the Market Coupling Results still not published.

At [REDACTED], if the Market Coupling Results are still not published, the Incident Committee declares the Full Decoupling.

5) External communication message *ALPEX_Exc_04b - Full Decoupling to inform that the Full Decoupling is declared*.

At [REDACTED], right after declaring the Full Decoupling in the IC, NEMO send an external communication message *ALPEX_Exc_04b - Full Decoupling* to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform about the Full Decoupling.

6) NEMO auctions are run according to local procedures.

After the sending of the market communication regarding the triggering of the Full Decoupling, NEMO should refer to their local NEMO procedures for running the local NEMO auctions.

3.2. CASE FD2: Late submission of Cross-Zonal Capacities Session

3.2.1. General overview

The table below lists all the required steps and associated deadlines necessary to prepare and execute a Full Decoupling for Case FD2

#	Process	Deadline	From	To	Tool
1	NEMO starts an Incident Committee.	[REDACTED]	NEMO	MC Service Provider and TSOs	[REDACTED]
2	External communication message <i>ALPEX_Exc_03b - Risk of Full Decoupling</i> to inform about the risk of Full Decoupling.	[REDACTED]	NEMO	TSOs and Exchange Members and CAO	
*	(If applicable) TSOs inform the Market Participants of Fallback allocation processes and shift of the notification deadline.		TSOs	MPs	
*	(If applicable) running of a local capacity allocation fallback mechanism. CAO will start SA computation and inform about it in the IC.				
3	Full Decoupling is declared by the IC if no Cross-Zonal Capacities.	[REDACTED]	Incident Committee	NEMO TSOs	

4	External communication message ALPEX_Exc_04b - Full Decoupling to inform that the Full Decoupling is declared.		NEMO	TSOs, Exchange Members	
*	Local NEMO auctions are run according to local procedures.				
*	(If applicable) TSOs inform the MPs that the Full Decoupling is declared, and that the notification deadline has been extended.		TSOs	MPs	

3.2.2. Process clarification

1) TSOs are invited to join the IC, if not already in the IC call

At [REDACTED] at the latest, NEMO send the internal communication message *ALPEX_InC_01* according to procedure DAC_OTH_02 in order to inform the TSOs and MC Service provider about the incident that might lead to a Full Decoupling and to invite them to join the IC as soon as possible.

2) External communication message ALPEX_Exc_03b - Risk of Full Decoupling to inform about the risk of Full Decoupling.

At [REDACTED], if the Cross-Zonal Capacities are not yet submitted, an external communication message *ALPEX_Exc_03b - Risk of Full Decoupling* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform about the risk of Full Decoupling.

The process of solving the issue continues until the Full Decoupling Deadline ([REDACTED]).

3) Full Decoupling is declared by the IC if the Market Coupling Results still not published.

At [REDACTED], if the Cross-Zonal Capacities are still not submitted, the Incident Committee declares the Full Decoupling.

4) External communication message ALPEX_Exc_04b - Full Decoupling to inform that the Full Decoupling is declared.

At [REDACTED], right after declaring the Full Decoupling in the IC, NEMO sends an external communication message *ALPEX_Exc_04b - Full Decoupling* to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform about the Full Decoupling.

5) NEMO auctions are run according to local procedures.

After the sending of the market communication regarding the triggering of the Full Decoupling, NEMO should run the local auction in isolated market.

3.3. CASE FD3: Full Decoupling Known in Advance

3.3.1. General overview

The table below lists all the required steps and associated deadlines necessary to prepare and execute a Full Decoupling for Case FD3.

#	Process	Deadline	From	To	Tool
1	Full Decoupling was declared for the previous Market Coupling Session				
2	Incident Committee is initiated in order to assess the risk of Full Decoupling known in advance.	■	NEMO	TSOs	■
3	External communication message ALPEX_Exc_03b - Further delay of the Market Coupling Session to inform about the risk of Full Decoupling known in advance.	■	NEMO	TSOs and Exchange Members	■
4	Full Decoupling Known in Advance is declared by the IC if the critical issue could not be solved.	■	Incident Committee	NEMO TSOs	■
5	External communication message ALPEX_Exc_05b – Full Decoupling Known in Advance to inform that the Full Coupling is declared.	■	NEMO	TSOs and Exchange Members	■
*	Local NEMO auctions are run according to local procedures.				
*	(If applicable) TSOs inform the Market Participants that the Full Decoupling is declared.	■	TSOs	MPs	■
*	(If applicable) Local Decoupling Organization Committees are initiated in order to monitor the local auctions.	■	NEMO	CAO	■
*	(Locally) Closing of NEMO order books and running of local auctions.	■	NEMO		■

NB: The local steps are marked in grey and stated here only for clarity and to have the total overview. They will not be detailed in the Process Clarification chapter.

3.3.2. Process clarification

- 1) Full Decoupling was declared for the previous Market Coupling

A Full Decoupling Known in Advance can be declared only in case the previous Market Coupling Session has resulted in a Full Decoupling and the corresponding critical issue could not be solved until [REDACTED] at the latest.

2) **Incident Committee is initiated in order to assess the risk of Full Decoupling Known in Advance.**

At [REDACTED] at the latest, an Incident Committee is initiated by the NEMO in order to assess the risk of Full Decoupling Known in Advance.

Remark: is only the deadline for starting an IC. If considered useful, the IC can also be initiated on the afternoon of the day before.

NEMO forward the internal communication message *ALPEX_InC_01* according to procedure DAC_OTH_02 in order to inform the TSOs about the incident that might lead to a Full Decoupling Known in Advance and to invite them to join the IC as soon as possible.

3) **External communication message ALPEX_Exc_03b - Risk of Full Decoupling to inform about the risk of Full Decoupling Known in Advance.**

At [REDACTED], if the critical issue is still not solved, an external communication message *ALPEX_Exc_03b - Risk of Full Decoupling* is forwarded from the NEMOs to the TSOs and the Market Participants according to procedure DAC_OTH_02, in order to inform about the risk of Full Decoupling Known in Advance.

The process of solving the issue continues until the deadline for the Full Decoupling Known in Advance ([REDACTED]).

The Incident Committee gathers information in order to assess if the critical issue is too severe to be solved or if the Full decoupling Known in Advance can be avoided.

4) **Full Decoupling Known in Advance is declared by the IC if the critical issue could not be solved.**

At [REDACTED], if the critical issue could still not be solved, the Incident Committee declares the Full Decoupling Known in Advance.

5) **External communication message ALPEX_Exc_05b - Full Decoupling Known in Advance to inform that the Full Decoupling is declared.**

At [REDACTED], right after declaring the Full Decoupling Known in Advance in the IC, an external communication message *ALPEX_Exc_04b - Full Decoupling Known in Advance* is forwarded from the NEMO to the TSOs and the Exchange Members according to procedure DAC_OTH_02, in order to inform about the Full Decoupling Known in Advance.

4. Final state

The final state of the Full Decoupling procedure is reached when the Full Decoupling is officially declared by informing the Exchange Members or in case the issue has been solved before the Full Decoupling Deadline.

5. Incident investigation and reporting

In case an Incident Committee was organized, the NEMO is responsible for filling in the Incident Committee Report and distribute it to all the Incident Committee parties, as described in procedure DAC_FAL_01.