

Exchange Council joins EPEX SPOT in strong challenge of CACM revision plans

Paris, 16 September 2021. At the quarterly meeting of the EPEX SPOT Exchange Council, the members discussed ACER's revision plans of the Guideline on Capacity Allocation and Congestion Management (CACM) and possible implications of the proposals currently on the table. An overhaul of the Market Coupling governance, as suggested by the Agency, would perpetually bind resources on the side of Power Exchanges/NEMOs and Transmission System Operators (TSOs) without any clear added value for market participants. These resources would be missing for the timely delivery of key projects such as pan-European Intraday auctions, 15-minute products or the completion of the CORE and Nordic Flow-based Market Coupling. Ralph Danielski, Chief Executive Officer of EPEX SPOT states: "By blocking resources for years, for the sake of a purely administrative and legal exercise whose added value for market participants and end-consumers remains unproven, ACER risks a major setback in the advancement of innovations to decarbonise the electricity sector. We strongly challenge this approach and call on ACER to consider alternative proposals." The members of the Exchange Council explicitly joined EPEX SPOT in its position.

Exchange Council advocates for quick return to single Day-Ahead price in GB

The members also discussed the North Sea Link project and its potential to allow for a quick return to a single Day-Ahead price in Great Britain (GB). With the end of the Brexit transition period, the GB electricity market is no longer part of the EU Internal Energy Market. Power Exchanges in GB have been publishing individual Day-Ahead prices since then. The new North Sea Link Interconnector, due to start operations in October 2021, connects the British and the Norwegian electricity markets with an implicit Market Coupling solution. With a coordinated, non-discriminatory and market-based solution for the access to the cross-border capacity on this interconnector, it would enable a return to a single Day-Ahead price in Great Britain. Unfortunately, these are not the arrangements currently being

implemented on North Sea Link. Bernhard Walter, Chairman of the EPEX SPOT Exchange Council comments: “Market participants have lamented the loss of the single GB Day-Ahead price and we see that the North Sea Link project could provide a quick fix for this. We call on British and Norwegian regulators to ensure non-discriminatory access to cross-border capacity on this interconnector to all Power Exchanges – ultimately paving the way to return to a single price signal for GB.”

The members of the Exchange Council welcomed that the solution to make aggregated curves of all NEMOs available is due to be delivered in Q4 2021. Furthermore, they were pleased to learn about the key figures of the Polish Day-Ahead trading since its launch in February 2021: 896,343.8 MWh have been traded so far, with trades taking place every day.

The third regular Exchange Council meeting of 2021 was held on 15 September 2021 and chaired by Bernhard Walter, Head of Market Design and Regulatory Affairs at EnBW AG.

- ENDS

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. 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 300 members trade electricity 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.

CONTACT

EPEX SPOT SE • 5 boulevard Montmartre • 75002 Paris (France)

Email press@epexspot.com • Tel +33 (0) 1 73 03 61 33