



# **SEM Intraday Harmonised Minimum and Maximum Clearing Price**

Methodology

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## Document History

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## 1. Introduction

This document outlines the methodology used to determine whether actions need to be taken by the SEM-GB Power Exchanges to amend new maximum or minimum prices for the SEM Intra-day Auctions. The methodology outlined in section 2 applies to the SEM-GB coupled auctions (IDA1 and IDA2). IDA3 is treated separately and this is outlined in section 3.

## 2. Methodology

The methodology applied to determine whether actions need to be taken by the SEM-GB Power Exchanges to amend the maximum or minimum prices for the SEM-GB coupled auctions is outlined below, first with reference to maximum clearing prices and secondly with reference to minimum clearing prices.

Where a trigger for an adjustment in the harmonised maximum or minimum clearing price (HMMCP) has been established, it shall be announced and published by the SEM-GB Power Exchanges at least 21 days before its implementation and application in SEM-GB coupled auctions.

The SEM-GB Power Exchanges shall, at least every two years, reassess the HMMCP. The assessment may be shared with market participants and SEM-GB Power Exchanges may consult it in relevant stakeholder forums.

After either of the below-mentioned situations are detected, the market operator will take actions in order to amend the maximum or minimum price for the SEM-GB coupled auctions.

At the time of writing this document, the current maximum clearing price in SEM-GB is €3,000 and the current minimum clearing price in SEM-GB is -€150.

### 2.1. Amending Maximum Clearing Prices

The harmonised maximum clearing price for SEM-GB coupled auctions shall be amended according to the following rules:

- a) the harmonised maximum clearing price for SEM-GB coupled auctions shall be increased by 500 EUR/MWh in the event that the clearing price, in at least one bidding zone, exceeds a value of 70 percent of the harmonised maximum clearing price for SEM-GB coupled auctions in at least two trading periods spread over at least two different days within 30 rolling days from the first price spike.
- b) after the event referred to in subparagraph (a) has occurred, the transition period shall be set to 28 days following the completion of the event.
- c) during the transition periods mentioned in subparagraph (b) the clearing price shall be kept at the value of the harmonised clearing price for SEM-GB coupled auctions before the adjustment and all events referred to in paragraph (a) occurred during the transition

period shall be ignored.

- d) the bidding zones referred to in subparagraph (a) are only those bidding zones with cleared buy and sell volumes and those that are part of the SEM-GB coupled auctions.

## **2.2. Adjusting Minimum Clearing Prices**

The harmonised minimum clearing price for SEM-GB coupled auctions, shall be adjusted according to the following rules:

- a) the harmonised minimum clearing price for SEM-GB coupled auctions shall be decreased by 100 EUR/MWh in the event that the clearing price, in at least one bidding zone, falls below a value of 70 percent of the harmonised minimum clearing price for SEM-GB coupled auctions in least two market time units spread over at least 2 different days within 30 rolling days from the first low price.
- b) after the event referred to in subparagraph (a) has occurred, the transition period shall be set to 28 days following the completion of the event.
- c) during the transition period mentioned in subparagraph (b) above, the clearing price shall be kept at the value of the harmonised minimum clearing price for SEM-GB coupled auctions before the amendment and all events referred to in paragraph (a) occurred during the transition period shall be ignored.
- d) the bidding zones referred to in subparagraph (a) are only those bidding zones with cleared buy and sell volumes and those part of the SEM-GB coupled auctions.

## **3. Treatment of IDA3**

IDA3 is a local auction and is treated separately from the SEM-GB coupled IDA1 and IDA2 in terms of the SEM IDA HMMCP.

Price triggers and changes in SEM-GB coupled auctions will not have any impact on IDA3 max or min prices. The opposite is also true in that any price trigger occurring in IDA3 will have no impact on either IDA1 and IDA2.

The methodology for determining a price trigger for IDA3 will be determined based on the same criteria as outlined in section 2 with the exception that only IDA3 will be considered and the price changes will only apply to IDA3.