

SEMOPx Exchange Committee
Secretariat Function
The Oval
160 Shelbourne Road
Dublin 4
D04 FW28

1 June 2022

SEMOPx Decision in relation to SEMOPx SPX_04_22 Increase in Max Day-Ahead Auction Price

Dear Exchange Members,

On 20th April 2022, SEMOPx submitted its Modification Proposal Form with regard to the SEMOPx Operating Procedures in accordance with Paragraph J.2.1.1 of the SEMOPx Rules.

The Modification Proposal was discussed at the Exchange Committee Meeting 9 on 12th May 2022. The aim of the Modification was to update the SEMOPx Operating Procedures to increase the Maximum Day-Ahead Price from +3,000 Euro/MWh to +4,000 Euro/MWh. This is the price cap used in the algorithm of the Day-Ahead auctions. There is no change to the Minimum Day-Ahead Price of -500 Euro/MWh.

The modified Maximum Day-Ahead Price will be applied to the Day-Ahead Market Auction only.

As well as the Day-Ahead Auction EUPHEMIA algorithm, the change will impact on the technical bidding limit for Euro orders (ROI members) in the ETS trading system changing this from +3,000 Euro/MWh to +4,000 Euro/MWh.

There is no requirement for a change to the technical bidding limit for GBP (NI members) orders in the ETS trading system (to allow sufficient margin to ensure the max offers for GBP orders are >4,000 Euro/MWh after FX rate conversions to Euro).

The updates are limited to the operating procedures. No updates to the SEMOPx Operating Procedures Glossary, SEMOPx Rules document or SEMOPx Rules Glossary are seen as necessary.

A brief summary of the SEMOPx Operating Procedure change is provided below:

SEMOPx Operating Procedures:

Appendix A: Schedule A.1 – updated – amount relating to “Maximum Day-Ahead Price” for Day-Ahead Market Segment Product Specifications to read “+4,000 Euro/MWh”.

The Proposer justified the modification on the basis that under the Harmonisation of Minimum and Maximum Clearing Prices (HMMCP) modification mechanism of the SDAC Operating Procedures pursuant to Article 41 of the CACM Regulation, a review and uplift of price caps are triggered in the event the clearing price/published market price exceeds a value of 60 percent of the predefined harmonized maximum clearing price (+3000 Euro/MWh) for the SDAC auction in at least one trading period. On the 3rd April 2022 (for Trade Date 4th April, 2022), in the French region of SDAC, high prices were reached and exceeded this threshold of 60% of the maximum clearing price threshold in 2 trading periods.

In order to accommodate the changing trading environment and under the SDAC Operating Procedures, it was agreed at the SDAC OPSCOM level to increase the Maximum Day-Ahead Price by +1,000 and the increase to be implemented in 5 weeks. The implementation of this modification will allow the change in the SEMOPx Operating Procedures from +3,000 Euro/MWh to +4,000 Euro/MWh to align with updated SDAC Operating Procedures.

Considering Modification Proposal SEMOPx SPX_04_22 and in accordance with Paragraph J.4.2.1 of the SEMOPx Rules, SEMOPx approves Modification Proposal SEMOPx SPX_04_22. This change was communicated to market and went live for first trade date 11th May 2022. Update to SEMOPx Operating Procedure to apply from two days following issue of this letter.

Yours sincerely,

A handwritten signature in black ink that reads 'Michael Kelly'.

Michael Kelly