

SEMOpX Exchange Committee

Supporting Presentation

14th May 2024



Agenda

- **New Modifications**
 - SPX_01_24: 30 Minute MTU Implementation in the Day-Ahead Market
 - SPX_02_24: Removal of the Second Auction Process

- **Update on Implementation of Approved Modifications**
 - SPX_05_23: Greenlink Interconnector Implementation

- **Major Projects Update**
 - Greenlink
 - 30 min MTU
 - SEM EU Integration (Celtic)

- **Technical Changes**
 - Transfer of Units

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30 Min MTU Implementation in the Day-Ahead Market

Background

- Current project is underway in the implementation of the 15 Minute MTU within SDAC with a “Big Bang” Go-live planned for Q1 2025; Under Article 8(4) of Regulation (EU) 2019/943, majority of EU bidding zones will be implementing 15 Minute MTU
- SEM has been granted an exemption by the RAs and is aiming to implement 30 Minute MTU in the Day-ahead Market for the Big Bang Go-live to align with the current 30Min ISP

Proposed Change

- Replace current 60 Minute Trading Periods in the Day-Ahead Market with 30 Minute Trading Periods

Proposed Rationale for Change

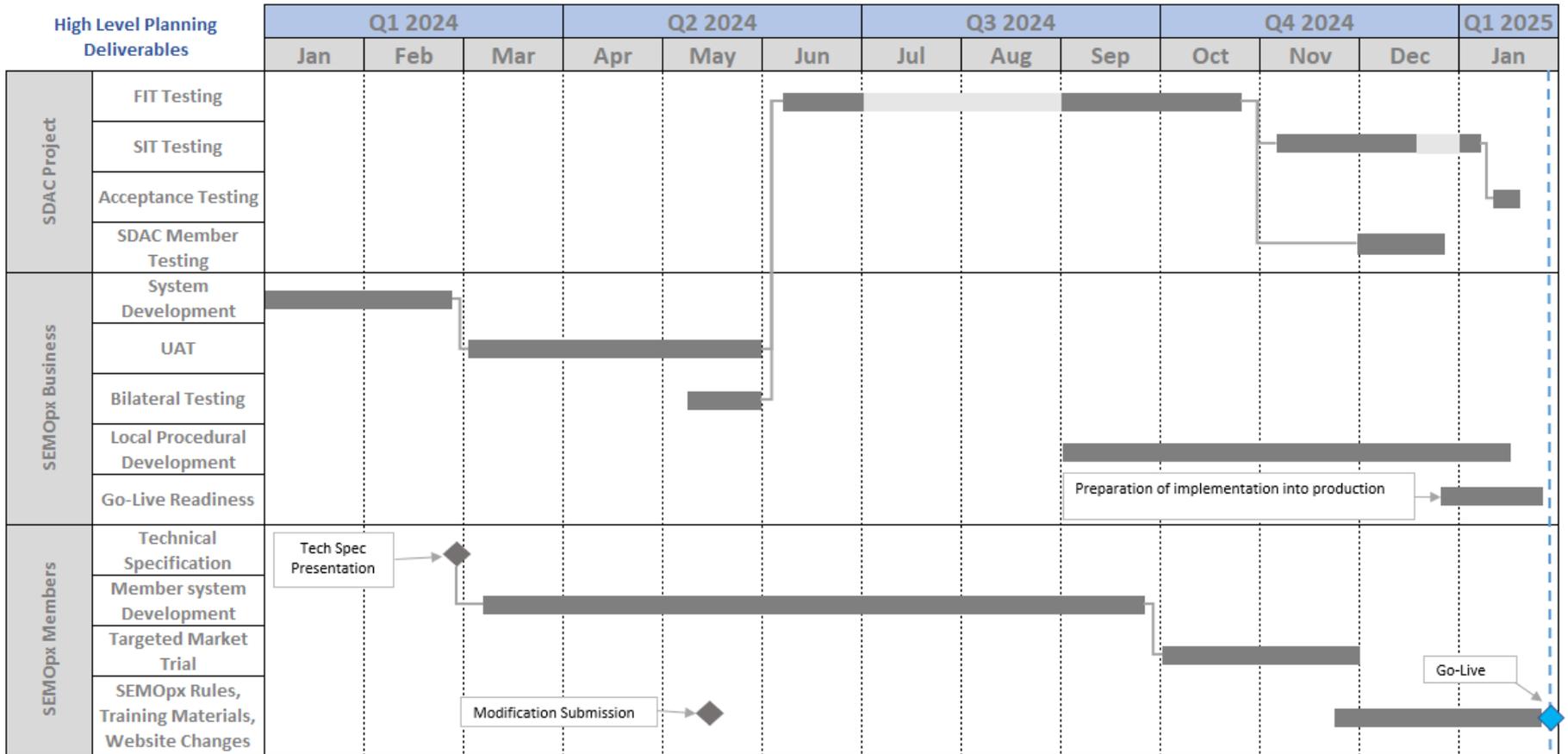
- Compliance with Article 8(2) of Regulation (EU) 2019/943 in which “NEMOs shall provide Market Participants with the opportunity to trade energy in time intervals as short as the Imbalance Settlement Price (ISP) in the Day-Ahead and Intraday Markets”.

Impacts on Participants

In relation to the Day-Ahead Market only:

- Member System and API updates
- Member testing
- Procedures update
- Changes to published files/reports
- Trading System updates
- SEMOpx Website updates
- SEMOpx training materials and Data Publication Guide updates

30 Minute MTU – Project Timeline



Removal of the Second Auction Process

Background

- In March 2023, an investigation into time savings, in SDAC, had been initiated to gain time to support a possible calculation time of 45 minutes (from the current 17 minutes) as requested with the Go Live of 15 Minute MTU for 2025.
- Proposals such as initiating PMB calculation time 5 minutes earlier, and parallel approval of NEMOs and TSO results, as well as management of the Partial Decoupling and Second Auction processes i.e. stop calculation process when optimal solution is found.
- The Second Auction process is an opportunity for members to resubmit orders to remove high prices
- Price events began occurring in April (18/4*, 26/5, 27/5, 28/5 and 1/7) which initiated the Second Auction process.
- When initiating the Second Auction process, this can add between 90 – 120 minutes

Date	Hour	First Auction	Second Auction
18/4/23	14	-200	-194.2
	15	-200	-195.41
	16	-150	-150
26/5/23	16	-200	-200
27/5/23	14	-200	-235.96
	15	-400	-400
	16	-160	-162.55
28/5/23	14	-161.52	-161.7
	15	-186.09	-185.86
1/7/23	14 Netherlands	-500	-500
	15 Netherlands	-500	-500
	16 Netherlands	-499	-500
	15 Germany	-440.99	-500
	15 Austria	-151.38	-500
	15 Croatia	-75.78	-500
	15 Slovenia	-95.95	-500
	15 Hungary	-47.25	-500

Removal of the Second Auction Process

Proposed Change at SDAC

- Based on the lack of impact, as well as the increased risk of delay and potential decoupling that the Second Auction process provides, a proposal was made by the SDAC Timing Subgroup to remove the Second Auction Process
- Proposal raised to NEMO DA SC for discussion. Following support from the SC, a projected timeline was agreed.
- Second Auction will not be implemented in the European IntraDay Auctions

Proposed SDAC Mitigation Measures

- Inclusion of “Erroneous Bid Submission” in the SDAC Preliminary Confirmation and Final Confirmation Back-up procedures (following the Nordic Price Event – traded date 24/11/23). Allowance of cancellation of results based on this trigger.
- Additional proposal (Proposal for members to develop their own monitoring tools, NEMO Trading system detection and Second Calculation Proposal)
 - Trigger: Identify erroneous bid
 - OBK re-opened: Only relating to impacted participant
 - Operational Risk: Limited to one participant, as opposed to all of SDAC
 - Efficiency: Bid is updated/removed

Proposed SEMOpx Mitigation Measures

- Possible implementation of Reasonable Control Parameters
- Possible implementation of system generated alerts based on Price and/or Volume values submitted that exceed set tolerance levels

Proposed Timelines - Update

- Sept – Oct: Consultation Period: Nov ‘23
- NRA/ACER Approval: Nov ‘23 – Feb ‘24
- MCSC Consideration / Decision period: Mar ‘24 – May ‘24
- MCCG Review: June ‘24
- Go Live: November ‘24

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Update on Implementation of Approved Modifications

- Project still on track for early Sept 2024 Commercial Go-Live
- Upcoming milestones:
 - Energisation end of July 2024
 - Powerflow Testing August 2024
 - Commercial go-live early Sept 2024

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Major Projects Updates

- **Greenlink (Target: Sept 2024)**
 - Covered in “Update on Implementation of Approved Modifications” section

- **30 min MTU (Target: Q1 2025)**
 - Similar system design to IDA auctions with 30 min intervals
 - Technical Specification and sample files published: Feb 2024
 - Regional testing: Mar – May 2024
 - SDAC Integration Testing (FIT, SIT, Acceptance & Member Test): Jun 2024 – Jan 2025
 - Targeted Market Trial: Q4 2024

- **Celtic (Target: End of 2026)**
 - Strategic Markets Programme (SMP) includes new auctions/continuous for SEM integration into Europe
 - Communicate on project provided at [MOUG Special Topic](#) on 14th March 2024
 - Local Implementation Projects setup with SDAC and SIDC relevant parties to progress design of Day-Ahead, Intraday (Auctions and Continuous) EU integrated markets.
 - Further communications by the programme in the next few months.

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Technical Change: Transfer of Units

Background

- Currently the ex-ante and balancing market systems require a new unit id to be defined and implemented each time a unit changes ownership from one participant to another.
- This is due to technical restrictions in the systems which do not allow the same unit to be assigned to different participants (even for different timeframes).
- At present a transfer of unit can more than 60 working days and requires considerable effort to implement as each new unit id added must complete testing before being released into production.
- The market operator is seeing more and more requests for the transfer of units between parties leading to large overheads in processing unit changes and longer delays in processing requests to transfer units.

Proposed Change

- No change to SEMOpX Rules or Operating Procedure. Change is purely technical.
- Enhance the balancing market and ex-ante trading systems to allow units to be transferred between participants while maintaining the same time sliced unit id information.

Benefits

- Faster transfer of units between market participants.
- Significant reduction in effort to complete each transfer
- Minimisation of risk of errors and delays in transfers.

Proposed Implementation Timelines - Update

- Target was October 2023, Technical Go-Live (between ECC & EPEX) as of 14th May 2024, Commercial Go-Live now rescheduled to June 2024 (due to internal testing requirements)