Annex II: ACER Decision on the Methodology for pricing intraday cross-zonal capacity

Evaluation of responses to the public consultation on the proposal for pricing intraday cross-zonal capacity

1 Introduction

Pursuant to Article 9(6)(j) and 55(3) of the CACM Regulation, all TSOs submitted the '*proposal for the single methodology for pricing intraday cross-zonal capacity in accordance with Article 55 of Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management*' (the 'Proposal') to their respective regulatory authorities for approval. The date on which the last regulatory authority received the Proposal was 28 August 2018.

The regulatory authorities agreed to request the Agency to adopt a decision on the Proposal, because they were not able to agree on all the provisions of the Proposal. Therefore, in accordance with Article 9(11) of the CACM Regulation and Article 8(1) of Regulation (EC) No 713/2009[1], the Agency became responsible for adopting the decision concerning the Proposal as of 24 July 2018. In order to take an informed decision on the Proposal, the Agency launched a pubic consultation on 10 October 2018 inviting all interested parties to express their views on potential amendments of the Proposal. The closing date for comments was 30 October 2018.

More specifically, those potential amendments covered the topics connected to the possible link of the recalculation of cross-zonal capacities and the capacity pricing, the number of intraday auctions and the length of continuous trading interruption:

(i) Should the implementation of the intraday cross-zonal capacity pricing be linked/conditional to a recalculation of cross-zonal capacities?

(ii) Do you see a value/benefit in having an additional IDA at 10:00 am market time delivery-day, even without recalculation of cross-zonal capacities in some CCRs?

[1] OJ L 211, 14.8.2009, p. 1.

(iii) In general, do you see a value/benefit in having a progressive increase of the number of IDAs in the future? Please note that the timings and obligations regarding the intraday capacity calculation methodologies in different CCRs are not in the scope of the IDCZCP Decision.

(iv) Do you see a value/benefit in having an additional IDA at 15:00 market time day-ahead, based on the cross-zonal capacities remaining after the end of the SDAC? What would be the drawbacks of such an auction?

(v) Do you think the proposed interruption of cross-zonal continuous trading is justified for the organisation of IDA? If not, please argue why. What would be the maximum length of interruption acceptable from a trading perspective and why?

2 Responses

By the end of the consultation period, the Agency received responses from 28 respondents.

This evaluation paper summarises all the received comments and responses to them. The table below is organised according to the consultation questions and provides the respective views from the respondents, as well as the response from the Agency how their comments were taken into account.

Many of the respondents explained their view on the general market design, the relation with the continuous trading or any other connected topics within their answers to the different questions. The summarised comments below mainly contain the content of the responses, which referred to the provided question. All the comments raised beyond the specific questions are evaluated in the last section.

Respondents' views	ACER views
Question 1: Should the implementation of the intraday cross-zonal capacity pricing be linked/conditional to a recalculation of cross-zonal capacities?	
17 respondents agreed that there should be a link to a recalculation of cross-zonal capacities and provided the following additional comments: a) OTE: Without the recalculation process the auction is not fulfilling its purpose. If the capacity is already fully utilised (remaining capacity is zero), there is nothing to be auctioned and the only (negative) effect is the interruption of continuous trading. b) GME: An intraday cross-zonal capacity pricing is perceived to be important either with respect to available capacity (i.e. leftover capacity after day ahead) and when new recalculated capacity is available. In this regard, whenever a new round of capacity calculation is performed, the resulting available capacity should be firstly allocated via an intraday auction, in order to give a correct price to the capacity itself, and only afterwards via the continuous trading mechanism. c) ČEZ: The price is conditional on the amount of available cross-zonal capacity. Any recalculation will significantly impact the price setting. d) EDF: Incentivise TSOs to accelerate the recalculation of ID cross-zonal capacity, in order to be able to advance the timing of the auction. This will ensure that capacity in the first hours of the delivery day is allocated as efficiently as possible, and attract more liquidity in the auction. e) EPEX SPOT: Implementing such a pricing of CZC in the intraday timeframe via implicit auction(s) can only be economically justified if CZCs could be recalculated after the Day-Ahead market coupling, hence bringing additional benefits to market participants. If there is no recalculation of cross-zonal	The Agency acknowledges the different points of view and interests of the NEMOs, TSOs and market participants and the difficulty to integrate the IDAs in a fully functional and operational continuous SIDC, as well as the uncertainties concerning the availability of cross-zonal capacities both at the intraday gate opening time and at the different points of capacity re-calculation after the day-ahead timeframe. However, with regard to the objective to promote an effective competition pursuant to Article 3(a) of the CACM Regulation and to optimise the allocation of cross-zonal capacity pursuant to Article 3(d) of the CACM Regulation, the Agency deems it important to establish a longer-term vision and policy on the development of the SIDC, the interaction between intraday auctions and continuous SIDC, as well as the underlying timeframes for intraday capacity re-calculation. The Agency's proposal provides a clear policy and targets for both the intraday auctions, as well as for the intraday capacity re-calculation. While the latter is generally out of scope of this methodology, the clarity on the number of auctions and their timing provides a clear harmonisation signal for intraday capacity re-calculations within the different capacity calculation regions; the absence of such a signal could lead to a

Respondents' views	ACER views
capacities and the market conditions remain the same, most chances are that all capacity will already have been allocated at the day-ahead stage. f) Edison: We believe that they have a beneficial effect on the Intraday Market implemented on the Italian borders, in particular considering the capacity issues that affect transmission lines between internal Italian market zones. Complementary auctions are a fundamental opportunity for market participants for adjusting their positions during the auctions, having the certainty of the results at the end of the auction. g) EFET: Intraday capacity pricing does not as such improve welfare; it rather re-distributes it. Only if it is linked to intraday capacity recalculation(s) can it truly bring welfare benefits	completely non-harmonised timing of the intraday capacity re-calculations and possibly also of the intraday auctions. Nevertheless, such an ambitious long-term target necessitates that some flexibility is provided to the concerned parties in the (most likely progressive) implementation of each of those IDAs. Consequently, a dedicated implementation timeline for each of those IDAs and, if deemed necessary, the conditions for their implementation (e.g. in relation to the offered cross-zonal capacity) will have to be developed in the framework of the amended algorithm methodology.
6 respondents disagreed that there should be a link to a recalculation of cross-zonal capacities and provided the following additional comments: a) Nord Pool: Implementation of intraday implicit auctions could in general be a way to gather larger liquidity pools at specific points in time in the intraday timeframe, facilitating 15-minute resolution and/or provide support for a bigger variety of products (order types), flow-based capacity allocation and interconnector grid losses in intraday as Euphemia already does today for the day ahead timeframe. b) Enel: We do not agree with the idea of having an intraday capacity pricing auction every time there is a recalculation of capacity, otherwise continuous intraday trading will be jeopardized and liquidity will be diluted.	
3 respondents provided an opinion or an answer on a different topic and refrained from answering the question.	

Respondents' views	ACER views
2 respondents provided no response to this question.	
Question 2: Do you see a value/benefit in having an additional IDA at 10:00 am market time delivery-day, even without recalculation of cross-zonal capacities in some CCRs?	
12 respondents do not see a benefit of having an additional IDA at 10:00 in general and provided these additional comments: a) EFET does not see any value of introducing a second IDA, is concerned about detrimental effects on the continuous ID market and the interference of a 10:00 auction with balancing auctions. b) Enel mentions that pan European and regional auctions should be aligned and minimised. c) Finnish Energy and Swedenergy are concerned that the 10 am IDA could impact the preparation of day-ahead bids and could therefore constitute a possible disadvantage for small market participants. **6 respondents do not see a benefit of having an additional IDA at 10:00 without being linked to a recalculation of cross-zonal capacities** and raised the following additional comments: a) EPEX is concerned with altering the liquidity of the continuous ID market through an increasing number of auctions. b) OTE is of the opinion that even with a recalculation an introduction of an IDA should be assessed per bidding zone and should not be obligatory.	The Agency agrees with the opinion shared by some of the respondents concerning the possible change of market fundamental affecting the scarcity of cross-zonal capacity. In accordance with Article 55(1) of the CACM Regulation, the pricing of intraday capacity shall reflect market congestion and shall be based on actual orders. To fully enable pricing of existing and recalculated cross-zonal capacity, the Agency deems it necessary to include a provision for a pan European IDA at 10:00 am market time delivery-day as a long-term target and expects that recalculated intraday cross-zonal capacities will occur on every European border just before the 10:00 am market time delivery-day IDA. The Agency would like to stress that the scope of these IDAs shall be pan-European even if their implementation (to be defined in the framework of the amended algorithm methodology) is likely to be progressive. For the sake of harmonisation, the Agency deems it crucial to align the possible IDAs to a commonly fixed pan-European auction time. The

Respondents' views	ACER views
9 respondents do see a benefit of having an additional IDA at 10:00 and provided these additional comments: a) GME, National Grid and Transmission Investment argue that a change of demand and generation forecasts will affect the scarcity of cross border capacity, which brings benefit of a IDA even without recalculations b) ElecLink sees it as essential to harmonise the timings of capacity calculation at a European level. c) Nord Pool proposes to add additional auctions sequentially and potentially in a regional context while considering interactions with continuous ID markets. When cross-zonal capacity is allocated all liquidity should be gathered through shared order books.	provision of a common timing for the IDAs will also help to integrate the already existing complementary regional intraday auctions and will support the development towards a harmonised SIDC. The Agency does not share the concern that an IDA at 10:00 am would require more resources for small market participants, as the 2 hours between the order book closure of the IDA and the day-ahead auction should be sufficient for all market participants to prepare their day-ahead bids.
1 respondent did not provide an answer to this question.	
Question 3: In general, do you see a value/benefit in having a progressive increase of the number of IDAs in the future? Please note that the timings and obligations regarding the intraday capacity calculation methodologies in different CCRs are not in the scope of the IDCZCP Decision.	
18 respondents answered NO to this question and are mainly concerned of a decrease in market efficiency through the interruption of the continuous intraday cross border trading, market fragmentation and a deviation from the European target model and from the spirit of CACM Regulation. Some provided the following additional comments: a) BDEW and Eurelectric mentions that the introduction of 15-minute trading intervals and block bids or complex products are possible with continuous trading but seem to be a challenge for a pan European auction.	The Agency deems it important to establish a longer-term vision and policy on the development of the SIDC, the interaction between the intraday auctions and continuous SIDC, as well as the underlying timeframes for intraday capacity re-calculation. To provide for efficient pricing of intraday cross-zonal capacity, while keeping the established model of continuous intraday trading, the Agency decided to provide three harmonised pan-European auction times as a hybrid intraday model (as initially

Respondents' views	ACER views
b) EDF states that if additionally further separated complementary regional auctions are introduced locally in some CCRs the market design would largely deviate from the European target model and from the spirit of the CACM Regulation. No pan European ID auction were foreseen in the CACM Regulation and the regional auctions were supposed to be introduced in order to complement the continuous trading and not to hamper it. Additionally, EDF is concerned that a multiplication of IDAs in the future may reduce the liquidity and therefore the significance of the Day-Ahead auction, which could raise some practical issues for the current market design (e.g. reference price for LTRs). c) Enel suggests that instead of adding additional auctions, pan-European auctions and regional ones should be aligned and minimised, in order not to jeopardise the continuous intraday trading. d) ENTSO-E sees limited benefits of IDAs if there is no recalculation of capacities and the introduction of additional auctions should be based on the experience gained from the proposed new auction and market participants needs. ENTSO-E sees market participants and NRAs better placed to evaluate IDAs potentials but mentions that potential benefits could come from reliable price signals, more positive market driven reactions to scarcity events, better integration of renewables and easier access for smaller market participants that potentially do not have 24/7 resources. e) Swedenergy sees value in a closing auction, which could be executed without interruption of the continuous trading session. Such an auction could pool liquidity closer to real time, benefit smaller market participants, intermittent power production, demand response and aggregators, besides allowing TSOs to	proposed by all TSOs). These three timings should serve as a long-term target to incorporate the pricing of cross-zonal capacities in the SIDC, while keeping the interference with the continuous SIDC to a minimum.

Respondents' views	ACER views
price remaining capacity and provide them with the opportunity for counter-trading and redispatch.	
5 respondent answered YES to this question and provided the following additional comments: a) Nord Pool sees this as a viable direction of development in the case that this does not seriously harm the efficiency of the continuous single intraday coupling market by for example creation of several smaller liquidity pools. The frequency of increasing the number of intraday auctions, and if to make them pan-European or at times merely regional, should be subject to further study and implementation should be stepwise if found feasible and believed to provide more overall liquidity and efficiency to the intraday market. b) OMIE is in favour of this approach in order to streamline existing IDAs in several MSs towards a common set of EU-wide IDAs. Between 4 and 8 auctions would be probably the right number of auctions in the future.	
4 respondents provided a different answer: a) GME states that the shorter the time gap in between IDAs, the lower the 'added value' of having an updated pricing of the capacity. IDAs also implies costs both in terms of timings and procedures. As a consequence, GME considers the optimum number of IDAs per delivery day should not exceed 4 IDAs as maximum. b) OTE is not against a stepwise approach of introducing additional IDAs after evaluating the overall impact on the market. The overall market design of intraday trading shall consider IDAs and intraday continuous trading together, not evaluating one without another.	

Respondents' views	ACER views
c) EI and NVE see potential benefits but difficulties concerning the assessment of its benefits at the current stage.	
1 respondent provided no response to this question.	
Question 4: Do you see a value/benefit in having an additional IDA at 15:00 market time day-ahead, based on the cross-zonal capacities remaining after the end of the SDAC? What would be the drawbacks of such an auction?	
14 respondents do not see a value of having an IDA at 15:00 and raised the following comments: a) Axpo does not see the value of the auction as capacity has already been priced in the day-ahead auction and is of the opinion that coupling of national intraday auctions should be done in the context of Article 63 of CACM as complementary regional auctions, and not as European-wide intraday auctions. b) EPEX strongly supports the view that any implicit cross-border auction shall serve the purpose of allocating additional CZC to the market and pricing the capacity. Article 1 of all TSOs' proposal reminds that "Intraday trading within a bidding zone is outside the scope of the Proposal". Thus, pricing CZCs should remain the focus when assessing additional IDA. In the Nordic/German case, there would not be any recalculation process providing new CZCs to the market by 15:00 but it is proposed to use leftovers of the Day-Ahead market. There are two possible situations: in case of price convergence, the DA capacity leftovers are already priced at 0. In case of price divergence, there is simply no capacity left. Hence, there is no sense in organising IDA based on the cross-zonal capacities remaining so close in time after the SDAC process. A sound cost/benefit analysis should be performed considering the negligible benefits accompanied with the high costs of implementation.	The Agency agrees with the respondents mentioning that an opening auction would be the best approach to price leftover capacities from day-ahead, taking into account a possible change of market fundamentals. Furthermore, a common IDA at 3pm could increase liquidity and enhance competition on a European level through the integration of existing complementary regional or local intraday auctions. As previously mentioned the timeline and conditions for the most suited implementation of this and other auctions shall be within the scope of the necessary amendment of the algorithm methodology.

Respondents' views	ACER views
c) EFET opposes an intraday capacity pricing auction at 15:00 without recalculation of intraday capacity as neither TSOs nor NRAs have demonstrated the reason why intraday capacity pricing auctions without capacity recalculation would be beneficial and is considered necessary. Certain market fundamentals can change between 12:00 and 15:00 in D-1 but such changes are not systematic, rarely significant and may also evolve at any time during the day. Regarding NRAs consideration of the introduction of 15-minute products EFET does not see a link to cross zonal capacity pricing. d) National Grid estimates that such an IDA would not add value, with the overall liquidity for such an auction graded typically low. Instead, auctions should be held closer to real time to ensure a commensurate growth in liquidity.	
10 respondents answered with YES to this question and raised the following comments: a) Edison mentions that such an auction is useful for market participants to adjust their position from the day-ahead market and it would allow the coupling of already existing auction throughout Europe in one implicit auction. b) ENTSO-E sees the value of gathering liquidity at the gate opening time within specific CCRs where non-zero intraday capacity is released at the gate opening time and thus trading can be executed within these regions. Regional and cross-regional auctions should be allowed as CACM currently does not enable this as the deadline for proposing Complementary Regional Intraday Auctions (CRIDAs) under Article 63 has expired.	

Respondents' views	ACER views
c) GME argues that allocating leftover capacities to SIDC without pricing could result in loss of efficiency due to the fact that capacity value can significantly change after the day-ahead results are known. d) OMIE considers that an opening IDA at IDCZGOT would be the most efficient approach to improve the functioning of the European electricity market and increase liquidity and competition and combine existing regional opening auctions. e) Transmission Investment sees the benefit due to possible change in market fundamentals and a potential drawback to running this auction if there were issues with the SDAC causing delays which may impact the ability of the market to utilise this additional auction.	
3 respondents see only limited value of this auction without new available cross zonal capacities but mentioned the following benefits: a) Finnish Energy and Swedenergy mention that on a 15 minutes scale it could be useful for profile management for markets with 15 imbalance settlement period. 15:00 pm is preferred for a first auction to 22:00 pm. b) Nord Pool states that this IDA would provide a mechanism to re-balance the net positions within and between bidding zones for the next day within normal business hours for the market participants.	
1 respondent provided no response to this question.	
Question 5: Do you think the proposed interruption of cross-zonal continuous trading is justified for the organisation of IDA? If not, please argue why. What would be the maximum length of interruption acceptable from a trading perspective and why?	

Respondents' views	ACER views
17 respondents answered NO to this question of which 10 respondents referred to the 10 minutes as maximum time period for the interruption of continuous trading due to complementary regional auction in accordance with Article 63 of the CACM Regulation. The following additional comments were raised: a) Edison believes that the minimum of 30 minutes of continuous trading for a given delivery hour is not enough and could affect market participants in the optimisation of their position in these MTU. b) Axpo, BDEW, CEZ, Eurelectric, Finnish Energy, Swedenergy, HSE and RWE do not agree with any interruption of continuous intraday trading. c) Fortum sees the maximum acceptable trade interruption at 15 minutes and mentions that any cross-zonal trade interruption will in practice stop trading also within the zones, as market participants will have unknown open positions in the ongoing auction. d) UPM states that the interruption could be max 30 minutes for cross border trades only. e) EFET deems the suspension of XBID for 45 minutes (15 minutes prior, and 30 minutes after the auction(s)) as not acceptable and fears that 30 minutes between the publication of IDA results and the gate closure time might not be enough for market participants to reassess their positions.	The Agency agrees to the statement brought up by most of the respondents that an interruption of cross-zonal continuous trading should be kept to a minimum. The exact maximum interruption period is not determined in this decision but shall be defined once more precise procedures are developed and proposed in the amendment of the algorithm methodology. The necessary interruption addressed in this decision is solely mentioning a suspension of cross-zonal capacity allocation within the continuous SIDC, which shall be available again at least 30 minutes before the intraday cross-border gate closure time.
8 respondents answered YES to this question and raised the following comments: a) ENTSO-E states that the interruption time should be kept as short as technically feasible, while also considering the time needed for all required process execution.	

Respondents' views	ACER views
b) GME mentions that the exact length of interruption of the cross-zonal continuous trading must be defined only after precise procedures are designed and not before. c) OMIE states that the duration of continuous trading interruption in order to carry out an IDA needs to be assessed carefully. Taking into consideration the overall European approach of the IDA and the need to coordinate several entities, more than 10 minutes (needed for the Iberian example) will be probably needed, but 45 minutes look too much. d) OTE points out that the IDA process is similar to SDAC, which takes 45 minutes.	
3 respondents provided no response to this question.	
Additional comments related to the IDCZCP decision which were provided to the Agency within and outside the framework of this public consultation:	
General CACM compliance of IDAs with the SIDC target model 11 respondents, as well as other stakeholders outside the framework of this public consultation, addressed concerns related to the negative effect of IDAs on the SIDC target model, defined in the CACM Regulation as continuous intraday market, and therefore the compliance of the IDAs with the CACM Regulation. The CACM Regulation defines the SIDC as *'the continuous process where collected orders are matched and cross-zonal capacity is allocated simultaneously for different bidding zones in the intraday market'* and Article 51 of the CACM Regulation states that continuous trading is the target solution for the intraday timeframe. These respondents reject the idea of withdrawing liquidity from continuous intraday trading and some of them argue that any interruption of continuous trading leads to	The Agency wants to highlight that IDAs are established to meet the requirements according to Article 55 of the CACM Regulation on the pricing of intraday capacity. All TSOs and all NRAs agreed that that the best feasible approach to establish IDCZCP is a hybrid model where the IDAs for the pricing of intraday cross-zonal capacities should complement the continuous SIDC, as the initial target model of the CACM Regulation cannot incorporate the requirements of intraday cross-zonal capacity pricing. While these IDAs are pricing cross-zonal capacities once made available to the intraday market timeframe, the leftover capacities from IDAs will still

Respondents' views	ACER views
significant decrease in market efficiency, and thus in social welfare while the pricing of cross-zonal capacities through the IDAs (without new capacities) is only redistributing welfare. EDF is additionally concerned that reducing liquidity of the continuous intraday market through the IDAs would hamper market participants to balance their position as soon as possible and would introduce new uncertainties regarding "pricing" of capacity between the auctions in the different timeframes since some capacity can be auctioned three times. Furthermore, the introduction of the IDAs, in parallel to continuous trading, also entails the risk to pollute the economic signals sent to the market, while continuous trading provides continuous signals to the market, enabling market participants to adjust their positions at any moment of the day for all the remaining hours and allowing asset owners to dispatch efficiently their production. In the context of these arguments, some respondents criticised the process in choosing the current IDCZCP design and stated the following: Fortum and RWE suggest to amend CACM and to abandon the plan for introducing mechanisms for cross-zonal intra-day capacity pricing as its benefits are overridden by the unnecessary complexity and costs of such mechanisms. EDF considers that alternative models of intraday cross-zonal capacity pricing embedded in the continuous capacity allocation platform could have been more carefully assessed. IFIEC states that the different options for the hybrid model have not been assessed in sufficient depth. As mentioned in their answer to question 3, Swedenergy is proposing to have closing auctions.	be allocated without pricing to allow an efficient operation of the continuous SIDC. The Agency would like to stress that even though an IDA will gather the liquidity from the continuous intraday market during the time of the auction, cross-zonal continuous trading will remain available to market participants to adapt their positions to continuously changing market fundamentals. Regardless of the existence of the IDAs, the continuous intraday environment provides market participants with the choice to adapt their positions immediately or later on when there is more liquidity. This is already happening today in the intraday environment without IDAs, as statistics show that the liquidity peaks in continuous trading at the final hour before gate closure time. These liquidity peaks will still be used by market participants to make their final adjustments before going into the balancing timeframe. Except for the two hours, which directly follow a foreseen IDA (i.e. 00:00 and 12:00), these liquidity peaks will therefore not be affected by the introduction of IDAs. The Agency is of the opinion that auctions are allocating capacities more efficiently and that the welfare impact can only be positive.

Respondents' views	ACER views
Nord Pool sees the benefit of the IDAs but leaves open the question on how the increasing need of continuous readjustments can be combined with an efficient allocation and pricing of cross-zonal interconnector capacities. BDEW and Eurelectric argue that recalculation of cross-zonal capacities should be done continuously and not only once in the intraday timeframe which would also make the need for auctions obsolete. Swedenergy states that cross-zonal capacities should be recalculated continuously. Axpo states that cross-zonal capacity should be recalculated and released continuously during the intraday timeframe.	
Criticism of the consensus to the 22:00 pm IDA EDF and EFET are concerned with the stated consensus to hold an IDA at 22:00 in D-1. TSOs have no experience with capacity recalculation in intraday and do not know how often they will recalculate. The reasons why some TSOs are not able to provide recalculated cross-zonal capacities before 22:00 are not properly explained. No allocation of cross-border capacities before 22:00 is likely to hamper the efficiency of the intraday markets in the period between 15.00 and 22.00 D-1. The timing of the IDA, which prices the cross-zonal capacity after the first intraday recalculation should therefore not be fixed to 22:00. EDF suggests to incentivise TSOs to accelerate the recalculation of intraday cross-zonal capacity, in order to be able to advance the timing of the auction. In case of setting a time for the IDA, EFET suggests to advance the auction timing to between 18:00 and 20:00 to avoid penalising certain categories of market participants and to ensure that capacity in the first hours of the delivery day are allocated as efficiently as possible and attract more liquidity in the auction.	The Agency agrees with the final objective to advance the timing for the recalculation of intraday cross-zonal capacity and accordingly the timing for the IDAs but does not consider it as a feasible target in the short run. The Agency considers that the discussion about the timings will have to be re-opened at a later stage, once the significant expected improvements concerning the recalculation of the intraday cross-zonal capacity are implemented.

Respondents' views	ACER views
Axpo mentions that a potential opening auction should be no later than 17:00 to give market participants the possibility to make use of trading opportunities and to avoid pushing out smaller market participants due to an auction outside business hours. Finnish Energy states that while rejecting IDAs in general, a first auction at 15:00 seems more logical than at 22:00. Swedenergy noted that 10:00 pm is only suitable for larger market participants with 24 hour desks.	
Concerns over a request for amendment BNetzA expressed concerns (outside the framework of this public consultation) that the inclusion of a request for amendment in a decision by the Agency is not compliant with the CACM Regulation. According to BNetzA, Article 9(13) of the CACM Regulation allows only NRAs to request the amendment of already approved terms and conditions or methodologies, but not the Agency.	Article 9(13) of the CACM Regulation does indeed not explicitly refer to the Agency as being entitled to request an amendment. However, this is not relevant in the present case. As a matter of fact, the IDCZCP methodology can only be implemented if the existing methodology for the algorithm for single intraday coupling is amended, which requires TSOs to amend the common set of requirements for efficient capacity allocation to enable the development of the algorithm for the IDAs. As such, the IDCZCP methodology is conditional upon the amendments related to the algorithm methodology. Consequently, the approval of the IDCZCP methodology has to take this conditionality into account, and can only be granted subject to the requirement of the necessary amendments concerning the algorithm methodology.
Provision of cross zonal capacity to the continuous intraday trading Enel states that whenever some additional capacity becomes available, it should not be withheld from the continuous trading platform.	The Agency agrees that cross-border capacity should be made available to the SIDC as soon as possible. However, to comply with the CACM Regulation, the Agency deems it necessary to price cross-border capacity when it is provided to the SIDC for

Respondents' views	ACER views
IFIEC does not accept that cross-border capacity would be withheld from the forward and/or day-ahead markets to reserve this for the intraday market. All cross-border capacity should as much as possible be made available in the earliest timeframes, with only the remaining non-allocated capacity of earlier timeframes allocated to shorter timeframes	the first time. Once priced through an IDA (which is the only feasible way so far) the available capacity can be freely traded on the continuous intraday market. Cross-zonal capacities will continue to be allocated at the earliest possible timeframe. While all the leftovers from day ahead should be provided to the SIDC through the 15:00 D-1 IDA (if possible), newly recalculated capacities will be provided to the SIDC through the following IDA.
Concerns relating to the performance of the DA Algorithm EDF demands that TSOs should demonstrate that the technical solution chosen to handle the IDAs will enable dealing with the large variety and complexity of products that stakeholders need (such as "block orders" exchanged in the DA auction and traded in continuous trading). EDF considers that TSOs should take an engagement on products types in their proposal and not leave the definition of products, algorithm and other features of IDAs to a later stage. EDF has namely strong reservations on the capacity of the algorithm Euphemia to handle all complex products exchanged in DA with a time granularity corresponding to the ISP (Imbalance Settlement Period), and the same constraints could occur in ID auctions. If the TSOs need to simplify the products used to implement a pan European IDA, it will broadly reduce the advantages to organise an IDA and the expected welfare benefits, while introducing all the detrimental effects on the continuous trading above mentioned.	The Agency considers the products definition as outside the scope of this Decision. However, as the primary goal of IDAs is the pricing of cross-border capacities, the Agency is not convinced about the need to offer the same amount of complex products as in day-ahead to address the individual hedging needs of all market participants. Taking into account the importance to limit as much as possible the interruption of continuous cross-zonal intraday trading, the provision of too many complex products in IDAs might not be a priority.
Comments addressing the additional complexity through IDAs EDF states that IDAs unnecessarily complicate the market, instead of keeping the participation rules as simple as possible to attract market participants and foster	The Agency does not fully agree with this statement. IDAs will be an additional tool for market participants to cover their positions in their preferred way. The continuous harmonisation

Respondents' views	ACER views
liquidity. For all market players, it will also impose to develop new and potentially complex trading strategy, which should be auditable to be able to respond to Organized Market Places (OMPs) monitoring and national regulators' market surveillance.	of European intraday markets should provide a better access to neighbouring markets for all European market participants.
Problems with parallel processes of ancillary services As mentioned in their response summary to question 2, EFET is concerned that a 10:00 am IDA interferes with the existing balancing auction. Enel states that should an IDA take place earlier than 22:00 a complete and informed opinion on the proposed design will only be possible once the parallel re-design of ancillary services market will be finalised. In the Italian and Spanish markets, late results from ancillary services market auction lead to uncertain positions of market participants at the beginning of the intraday timeframe.	The Agency acknowledges the concern of market participants when it comes to overlapping of possibilities to offer their assets to the intraday or the balancing timeframe but stresses that this is not necessarily linked to the introduction of IDAs as this concern already exists today.

3 List of respondents

Organisation	Type
Axpo Solutions AG	Energy company
Bundesverband der Energie- und Wasserwirtschaft - BDEW	Association
ČEZ, a.s.	TSO
EDF	Energy company
Edison Spa	Energy company
ElecLink	TSO
Enel SpA	Energy company
ENTSO-E	European Network of Transmission System Operators
EPEX SPOT SE	NEMO
Eurelectric	Association
European Federation of Energy Traders - EFET	Association
Finnish Energy	Association
Fortum Power and Heat Oy	Energy company
Gestore dei Mercati Energetici - GME Spa	NEMO
HSE Group	Energy company
IFIEC Europe	Association
National Grid	TSO
Nord Pool AS	NEMO

Organisation	Type
Norwegian Water Resources and Energy Directorate (NVE)	NRA
OMIE	NEMO
Ørsted A/S	Energy company
OTE, a.s.	NEMO
RWE Supply & Trading GmbH	Energy company
Sev.en Commodities AG	Energy company
Swedenergy	Association
Swedish Energy Markets Inspectorate (EI)	NRA
Transmission Investment	TSO
UPM Energy Oy	Energy company